



TRADE PRACTICES ACT 1974

UNDERTAKING TO THE AUSTRALIAN COMPETITION AND CONSUMER COMMISSION GIVEN FOR THE PURPOSES OF SECTION 87B

BY

**AUTEX PTY LIMITED
ACN 054 713 441**

Background

1. Autex Pty Limited, ACN 054 713 441 ("Autex") is a manufacturing and distribution company based in Melbourne and operating Australia wide. Autex manufactures and distributes polyester insulation batts under the GreenStuf brand name ("batts"), which are primarily used in domestic dwellings.
2. Prior to May 2004, Autex represented by means of its packaging and promotional material that it supplied batts having a thermal resistance ("R-Value") of R3.0, being 3.0M².K/W. Testing conducted to the specifications of AS/NZS 4859.1 disclosed a mean thermal resistance of 1.61M².K/W.
3. Following an investigation based upon the abovementioned testing, the Australian Competition and Consumer Commission ("ACCC") has reached the view that the conduct referred to in paragraph 2 contravenes sections 52, 53(a), 53(c) and 55 of the Trade Practices Act 1974 ("the Act"). Section 52 prohibits a corporation from engaging in conduct which is misleading or deceptive, or is likely to mislead or deceive. Sections 53(a), 53(c) and 55 prohibit false or misleading representations in relation to goods and services.
4. Autex acknowledges the ACCC's concerns. It has co-operated with the ACCC and has taken measures to address those concerns.

Undertakings


5. Autex undertakes for the purposes of section 87B of the Act that:-
 - (a) for a period of 3 years all representations it makes in trade or commerce concerning the R-Value of its domestic polyester insulation batts will be derived from and be consistent with procedures and testing compliant with AS/NZS 4859.1, or such Standard as may relevantly amend or supersede it from time to time;

- (b) by 1 July 2005 (or such other date as may be agreed with the ACCC) it will, at its own expense, cause testing to be conducted by BRANZ Limited, or any other agency accredited to test to the subject standard, of samples of its domestic polyester insulation batts to AS/NZS 4859.1 and to forward the reports of that testing to the ACCC;
- (c) for a period of 3 years it will provide samples of its domestic polyester batts to the ACCC and/or its properly authorized servants or agents for independent testing within 24 hours of request; and
- (d) within 3 months of the signing of this undertaking, it will, at its own expense, create and maintain for a period of not less than 2 years and 9 months, a Trade Practices Compliance Program that:-
 - (i) while appropriate to the size and nature of Autex's business, is consistent with the Australian Standard for compliance programs, AS-3806;
 - (ii) is designed to create a culture of compliance and to prevent, so far as is reasonably possible, contraventions of the Act;
 - (iii) will involve its general managers and sales executives reading the information contained on the ACCC's website regarding business rights and obligations in relation to unfair business practices and advertising; and
 - (iv) shall be reviewed annually within the period referred to in paragraph 5(c) by a suitably qualified compliance professional with expertise in trade practices law who shall report to the ACCC within 30 days of each annual review to confirm that the review has been conducted.

Acknowledgements

- 6. Autex acknowledges that the ACCC will make this undertaking available for public inspection.
- 7. Autex further acknowledges that the ACCC will from time to time publicly refer to this undertaking.
- 8. Autex further acknowledges 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 and its agreement the common seal of Autex Pty Limited (ACN 054 713 441) was hereunto affixed by authority of the board of directors in the presence of :


.....

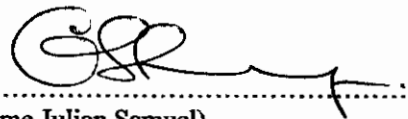
Secretary/Director


.....

Director

This 23rd day of MARCH 2005.

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


.....

(Graeme Julian Samuel)
Chairperson

This 13th day of May 2005.