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TRADE PRACTICES ACT 1974

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

BY

**CGS TRADING AUSTRALIA PTY LTD
A.C.N. 113 782 773 ("CGS")**

PERSON GIVING UNDERTAKING

This undertaking is given to the Australian Competition and Consumer Commission ("the Commission") by CGS of 7 Ruby Street, Burwood East in the State of Victoria, under section 87B of the Trade Practices Act 1974 ("the Act").

BACKGROUND

1. CGS is a company incorporated in Victoria.
2. CGS's core activity is the importation and distribution of socks. CGS supplies in Australia, in trade or commerce, a range of socks, including the "Aussiesox" brand of socks.
3. Section 52 of the Act prohibits a corporation, in trade or commerce, from engaging in conduct that is misleading or deceptive or is likely to mislead or deceive. Section 53(a) of the Act prohibits a corporation, in trade or commerce, from falsely representing that goods or services are of a particular composition. Section 55 of the Act prohibits a person from engaging in conduct which is liable to mislead the public as to the nature, the characteristics or the suitability for their purpose or quantity of any goods.
4. The Commission received a number of complaints during 2005 regarding the labelling of a range of "Aussiesox" branded socks ("the socks") available in the market place and labelled as "Pure Cotton" and "Cotton Rich". The Commission investigated the matter and had some of the socks tested for their fibre content. Test results indicated that the tested socks were composed of 84.4% cotton and elastane and 15.6% nylon. CGS had represented that the socks were composed entirely of cotton and/or variously composed of 98% or 95% cotton.
5. The Commission assessed that, as the fibre content of the socks was not as represented by CGS, in its view, CGS had contravened sections 52, 53(a) and 55 of the Act. In particular, the Commission was of the view that the pure cotton representations were false and/or misleading or deceptive in that they falsely represented that the "Pure Cotton" socks were entirely composed of cotton when they were not. The Commission was also of the view that the "Cotton Rich"

representations were false and/or misleading or deceptive in that they falsely represented the socks as being composed of 98% cotton.

6. CGS admits to incorrectly labelling the socks in apparent contravention of sections 52, 53(a) and 55 of the Act.

COMMENCEMENT OF UNDERTAKING

7. This Undertaking comes into effect when:
 - (a) The Undertaking is executed by CGS; and
 - (b) CGS receives written notification from the Commission that the Commission accepts the Undertaking so executed.

UNDERTAKINGS

8. CGS undertakes, for a period of 2 years from the commencement of the Undertaking, to the Commission for the purposes of section 87B of the Act that it will by itself, its employees, agents or otherwise howsoever, refrain from supplying or offering to supply socks in the future that carry false or misleading fibre content labelling and/or any other representation contrary to Part V of the Act, particularly sections 52, 53(a) and 55.

Trade Practices Compliance Program

9. Within three months of the date of this Undertaking coming into effect, CGS will establish a trade practices compliance program (the "compliance program") for employees and other persons involved in its business, in accordance with the requirements set out below:
 - (a) Within 3 months of the Undertaking coming into effect, relevant staff of CGS will attend practical trade practices training focusing on sections 52, 53(a) and 55 in Part V of the Act.
 - (b) CGS will ensure that the training referred to paragraph (a) above is administered by a suitably qualified, compliance professional or legal practitioner with expertise in trade practices law.
 - (c) CGS will procure a written statement or certificate from the trade practices professional who conducts the training referred to in paragraph (a) above certifying that such training has occurred and provide such statement or certificate to the Commission within 14 days of completion of the training.
 - (d) CGS will develop procedures for recording, storing and responding to trade practices complaints within two months of the Undertaking coming into effect (the "Complaints Handling System").
 - (e) CGS will provide the Commission with an outline of the Complaint Handling System within two months of the Undertaking coming into effect.

10. If requested by the Commission, CGS will provide, at its own expense, copies of any other documents or information in respect of matters which are the subject of its Compliance Program procedures and/or the design of its Complaints Handling System; and
11. CGS will implement and administer the Compliance Program for a period of 2 years from the date it is established.

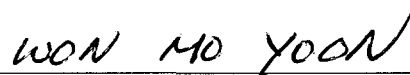
ACKNOWLEDGEMENTS

12. CGS acknowledges that the Commission will make this Undertaking available for public inspection.
13. CGS acknowledges that the Commission will, from time to time, publicly refer to this Undertaking.
14. CGS acknowledges and accepts that this Undertaking in no way derogates from the rights and remedies available to any person arising from the conduct described in this Undertaking.

EXECUTED BY CGS Trading Australia)
Proprietary Limited ACN 113 782 773)
in accordance with Section 127(1) of the)
Corporations Act 2001 by Authority of)
its directors:)



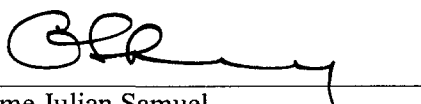
Signature of director



Name of director (Block Letters)

This 15 day of May 2006

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



Graeme Julian Samuel
Chairman

This 16 day of May 2006