

TRADE PRACTICES ACT 1974

Undertaking to the Australian Competition and Consumer Commission given for
the purposes of section 87B

by

LG Electronics Australia Pty Limited
ACN 064 531 264

Persons giving this Undertaking

- (1) This Undertaking is given to the Australian Competition and Consumer Commission (the **ACCC**) by LG Electronics Australia Pty Ltd ACN 064 531 264 (**LG Australia**) of 2 Wonderland Drive, Eastern Creek, NSW, 2214 for the purposes of section 87B of the Trade Practices Act 1974 (**the Act**).
- (2) LG Australia is a corporation incorporated in Australia. LG Australia is a subsidiary of the Korean manufacturing company LG Electronics Inc and carries on business in Australia as an importer and wholesaler of household electrical appliances, including refrigerators.

Background*Applicable Laws*

- (3) All refrigerators sold in Australia are required by law to display an energy efficiency label (**Energy Label**). This label must show the comparative energy consumption (**CEC**) of the model, measured in accordance with Australian Standard AS/NZS4474 (the **Standard**).
- (4) In August 2007, changes were introduced to the Standard that required the CEC used in any new refrigerator Energy Label registration to be based on testing conducted in accordance with updated energy testing rules (the **New Testing Rules**). The New Testing Rules required certain energy saving features to be disabled or adjusted for during testing in some circumstances.
- (5) Section 52 of the Act prohibits a corporation from engaging in misleading or deceptive conduct. Section 53(c) of the Act prohibits a corporation from claiming that goods have performance characteristics that they do not have. Section 55 of the Act prohibits a corporation from misleading the public as to the nature, manufacturing process, characteristics, suitability for purpose or the quantity of any goods.

The Affected Models

- (6) In October 2007, LG Australia applied for Energy Label registration for two refrigerator models, the GC-P197WFS and the GC-L197NIS (the **October 2007 Energy Label Registrations**). In August 2009, LG Australia applied for Energy Label registration for refrigerator model GC-L197NFS and a new Energy Label

registration for refrigerator model GC-P197WFS (together, the **August 2009 Energy Label Registrations**).

- (7) The GC-P197WFS, GC-L197NIS and GC-L197NFS (together, the **Affected Models**) are all mechanically identical. All include an energy saving feature which switches the refrigerator to a more energy efficient mode of operation (**Storage Mode**) when it is left for a sustained period without opening the fridge door.
- (8) LG Australia did not remove or disable Storage Mode during testing prior to applying for the October 2007 and August 2009 Energy Label Registrations. The tests conducted with Storage Mode engaged indicated a CEC for the Affected Models of 738 kWh/year. LG Australia subsequently marketed the Affected Models with reference to a CEC of 738 kWh/year.
- (9) LG Australia has conducted tests which show that when Storage Mode is disabled and testing is otherwise conducted in accordance with the Standard, the calculated CEC of the Affected Models is 820 kWh/year.

The Concerns

- (10) The ACCC has conducted an investigation as to whether LG Australia's marketing of the Affected Models with a CEC of 738kWh/year in the circumstances referred to above may give rise to concerns under the Act. In particular, the ACCC is concerned that LG Australia may have:
 - (a) represented that the CEC of the Affected Models was 738kWh/year when it was not, in contravention of section 52 of the Act;
 - (b) represented that the CEC of the Affected Models was significantly lower than it was, in contravention of section 53(c) of the Act; and
 - (c) misled the public as to the energy efficient characteristics of the Affected Models, in contravention of section 55 of the Act.
- (11) The ACCC is also concerned that LG Australia's compliance systems failed to detect that Storage Mode had not been removed or disabled from the Affected Models when LG Australia had intended this to occur prior to the application for Energy Label registration.
- (12) LG Australia wishes to responsibly address these concerns by offering this Undertaking in accordance with section 87B of the Act.

Previous Undertakings

- (13) LG Australia has previously given enforceable undertakings to the ACCC as follows:
 - (a) an undertaking dated 6 April 2005 in relation to representations by LG Australia that certain models of washing machines were certified and licensed as having a '4A' water efficiency rating under the Water Services Association of Australia (**WSAA**) Water Conservation Rating and

Licensing Scheme at a time when LG Australia had not, in fact, completed the relevant registration process with WSAA; and

- (b) an undertaking dated 20 September 2006 in relation to incorrect energy labelling of a number of models of air conditioners (the **2006 LG Undertakings**).
- (14) Each of the undertakings referred to in paragraph (13) contained obligations to introduce and maintain a trade practices compliance program.

LG Australia's Compensation Offer

- (15) In March 2010, LG Australia announced that it would offer all customers that provided LG Australia with evidence reasonably establishing their ownership of a refrigerator sold pursuant to the August 2009 Energy Label Registrations the option of:
- (a) a cash rebate of \$331.20;
 - (b) the option to return their refrigerator to LG Australia and receive repayment of the purchase price they paid for their refrigerator; or
 - (c) the option to return their refrigerator to LG Australia and receive a replacement refrigerator which does not feature Storage Mode functionality but is otherwise of equivalent specification to the specifications originally advertised for the Affected Models.
- (16) On 22 May 2010, LG Australia announced that it would offer all customers that provided LG Australia with evidence reasonably establishing their ownership of a refrigerator sold pursuant to the October 2007 Energy Label Registrations the option of:
- (a) a cash rebate of \$295.00;
 - (b) the option to return their refrigerator to LG Australia and receive repayment of the purchase price they paid for their refrigerator; or
 - (c) the option to return their refrigerator to LG Australia and receive a replacement refrigerator which does not feature Storage Mode functionality but is otherwise of equivalent specification to the specifications originally advertised for the Affected Models.
- (17) Where customers take up options (b) or (c) in paragraphs (15) or (16) above, LG Australia will arrange collection of the customer's original refrigerator and, in the case of option (c), delivery of the replacement fridge at LG Australia's expense.
- (18) Refrigerators sold pursuant to the August 2009 Energy Label Registrations are Affected Models with serial numbers in the following range:
- (a) model GC-L197NFS with Serial Number Range starting with 908 – 912; and

- (b) model GC-P197WFS with Serial Number Range starting with 908 – 912.
- (19) Refrigerators sold pursuant to the October 2007 Energy Label Registrations are Affected Models with serial numbers in the following range:
- (a) model GC-P197WFS with Serial Number Range starting with 710 – 907;
and
 - (b) model GC-L197NIS with Serial Number Range starting with 710 – 805.

Publicising the Compensation Offers

- (20) On 20 May 2010 LG Australia wrote to all retailers of the Affected Models asking them to provide LG Australia with details of customers who may have purchased an Affected Model. LG Australia is using these details to contact customers by telephone to inform them of the compensation offers described in paragraphs (15) to (16) above (**Compensation Offers**). Where a customer cannot be contacted by telephone, or where the customer does not choose an available option and provide necessary details by telephone, LG is sending a letter substantially in the form of Attachment C to each such customer to inform them of the Compensation Offers.
- (21) LG Australia has published an advertisement in the form set out in Attachment A (**Press Advertisement**) in the newspapers and on the dates listed in Attachment B.
- (22) LG Australia has also placed a prominent link to the Press Advertisement on the home page of the LG Australia Website at www.lge.com.au. The link is visible immediately upon navigation to the home page of the LG Australia Website without need for the viewer to scroll down or to the side.

Commencement of Undertaking

- (23) This Undertaking comes into effect when:
- (a) the undertaking is executed by LG Australia; and
 - (b) the ACCC accepts the undertaking so executed.
 - (c) Upon the commencement of this Undertaking, LG Australia undertakes to assume the obligations set out in paragraphs (24), (25) and (27) to (31) below.

Undertakings

Compensation Offers

- (24) LG Australia undertakes for the purposes of section 87B of the Act that it will:
- (a) keep the Compensation Offers open until at least 30 November 2010;

- (b) maintain the communication measures described in paragraph (22) until at least 30 November 2010;
 - (c) to the extent it has not already done so, use the customer details it receives pursuant to paragraph (20) above to attempt to contact affected customers by telephone. Where a customer cannot be contacted by telephone, or where the customer does not choose an available option and provide necessary details by telephone, LG will send a letter substantially in the form of Attachment C to each such customer to inform them of the Compensation Offers; and
 - (d) in the event particular retailers do not agree to furnish LG Australia with customer details as specified in paragraph (20), use reasonable endeavours to procure that the retailer contacts the customers to inform them of the Compensation Offers.
- (25) LG Australia undertakes for the purposes of section 87B of the Act that it will provide a report to the ACCC no later than 31 December 2010 setting out:
- (a) the total number of valid claims made in relation to the Compensation Offers to 30 November 2010;
 - (b) the number of customers electing to receive a rebate in accordance with paragraph (15)(a) and (16)(a), and the total value of rebates paid;
 - (c) the number of customers electing to return their refrigerator to LG Australia to receive repayment of the purchase price they paid in accordance with paragraph (15)(b) and (16)(b), and the total value of such repayments made; and
 - (d) the number of customers electing to return their refrigerator to LG Australia to receive a replacement refrigerator in accordance with paragraph (15)(c) and (16)(c).

Compliance Measures – Refrigerator Energy Labels

- (26) For the purposes of this Undertaking:
- (a) Model Family means a series of models that are mechanically identical, differing only in cosmetic details or in the presence or absence of features or equipment that will have no effect on the CEC measured in accordance with the Standard;
 - (b) Agreed Testing Facility means:
 - (i) a testing facility in Australia accredited by the National Association of Testing Authorities; or
 - (ii) KTL or such other international testing facility as may be agreed with the ACCC from time to time.

- (c) KTL means Korea Testing Laboratory of 222-13 Guro3-dong Guro-gu Seoul (152-718) Korea;
- (27) LG Australia undertakes for the purposes of section 87B of the Act that for a period of three years it will ensure that Storage Mode and any similar energy saving features are removed or disabled for the purposes of conducting any energy consumption test used to calculate the CEC for any Energy Label registration.
- (28) LG Australia undertakes for the purposes of section 87B of the Act that it will:
 - (a) as soon as practicable following the commencement of this Undertaking, cause at least one unit from each refrigerator Model Family currently supplied in Australia by LG Australia to be tested according to the Standard by an Agreed Testing Facility to verify the accuracy of the CEC shown on its Energy Label; and
 - (b) for a period of three years, cause at least one unit from each new refrigerator Model Family to be tested according to the Standard by an Agreed Testing Facility prior to the supply of that model in Australia by LG Australia to verify or determine the CEC shown on its Energy Label.

Measures to be implemented in respect of other appliances

- (29) LG Australia undertakes for the purposes of section 87B of the Act that for a period of three years it will continue to test air conditioners offered for sale in Australia in accordance with the provisions set out in paragraphs 17 to 20 of the 2006 LG Undertakings.
- (30) All products supplied in Australia by LG Australia that are required to show an Energy Label are tested prior to release into the Australian market to determine the CEC of that product. LG Australia undertakes for the purposes of section 87B of the Act that for a period of three years it will cause an Agreed Testing Facility to conduct testing in accordance with the relevant Australian Standard to verify the CEC shown on the Energy Label of:
 - (a) at least one unit from each new Model Family of clothes washers, clothes dryers and dishwashers within 12 months of that Model Family's release into the Australian market; and
 - (b) at least one unit of at least 10 television models each year, including the highest selling screen size for each of the three highest selling series of televisions in each relevant year,

provided that where the CEC shown on the Energy Label is based upon a test conducted in an Agreed Testing Facility, this further testing will not be required.

Compliance Program

- (31) LG Australia undertakes for the purposes of section 87B of the Act that for a period of three years it will:

- (a) establish and implement an upgraded Trade Practices Compliance Program in accordance with the requirements set out in Annexure D, being a program designed to minimise LG Australia's risk of breaches of sections 52, 53(c) and 55 of the Act and to ensure its awareness of the responsibilities and obligations in relation to the requirements of those sections within 3 months of the date of this Undertaking coming into effect; and
- (b) provide, at its own expense, a copy of any documents required by the ACCC in accordance with Annexure D.

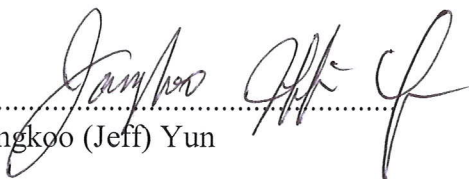
Acknowledgements

(32) LG Australia acknowledges that:

- (a) the ACCC will make this Undertaking publicly available including by publishing it on the public register of s. 87B undertakings on the ACCC's website;
- (b) the ACCC will, from time to time, make public reference to this Undertaking including in news media statements and in ACCC publications; and
- (c) this Undertaking in no way derogates from the rights and remedies available to any other person arising from the alleged conduct.

Executed by

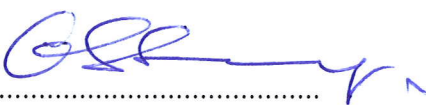
LG Electronics Australia Pty Ltd ACN 064 531 264 by its authorised officer.



 Jongkoo (Jeff) Yun

This day of August 2010

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



Graeme Julian Samuel
 Chairman

This.....^{15th} day of ~~August~~^{September} 2010

Attachment A

Press Advertisement

LG SIDE BY SIDE REFRIGERATORS CUSTOMER REBATE OFFER

Some LG refrigerators can operate in a more energy efficient mode when the fridge is left for a sustained period without opening the door (eg. when you go away for the weekend). Concerns have recently been raised that this mode should be disabled when determining energy consumption for energy labels registered after August 2007. This was not done for four of LG's energy label registrations. LG is concerned that consumers who bought a refrigerator with an affected energy label may have been misled about the likely running costs of their fridge. As a result, LG is offering affected consumers the following options:

2009 Energy Labels: Customers who purchased a fridge listed below with a 2009 energy label (without a green bar at the bottom) have the following options: (a) a cash rebate of \$331.20; or (b) return their fridge to receive a refund or replacement refrigerator of equivalent specification without the energy saving mode.

Model	Serial Number starting	Available from
GC-L197HFS	908-912	Sept 2009
GC-P197WFS	908-912	Sept 2009

2007 Energy Labels: Customers who purchased one of the fridges listed below with a 2007 energy label (with a green bar at the bottom) have the following options: (a) a cash rebate of \$295.00; (b) return the fridge to receive a refund or replacement refrigerator of equivalent specification without the energy saving mode.

Model	Serial Number starting	Available from
GC-P197WFS	710-807	Nov 2007
GC-L197HIS	710-805	Nov 2007

WHAT TO DO

Affected customers are requested to contact the LG helpline on 1800 506 154 (Monday to Friday 9am to 5pm AEST) to speak directly to an LG representative. For further information please visit www.lgresponds.com.au. LG Electronics apologises for any inconvenience caused to customers.



09/09/09

Attachment B

Press Advertisement Schedule

Newspaper	Date of Advertisement
NATIONAL	
The Weekend Australian	22 May 2010
NEW SOUTH WALES/ACT	
The Sydney Morning Herald	22 May 2010
The Daily Telegraph	22 May 2010
Illawara Mercury	22 May 2010
Newcastle Herald	22 May 2010
Canberra Times	22 May 2010
Bathurst Western Advocate	22 May 2010
Dubbo Daily Liberal	22 May 2010
Goulburn Post	24 May 2010
Forster Great Lake Advocate	26 May 2010
Hawkesbury Gazette	26 May 2010
Lithgow Mercury	22 May 2010
Maitland Mercury	24 May 2010
Manning River Times	25 May 2010
Tamworth Northern Daily Leader	22 May 2010
Nowra South Coast Register	24 May 2010
Orange Central Western Daily	22 May 2010
Port Macquarie News	22 May 2010
Bowral Sothern Highland News	24 May 2010
Griffith Area News	24 May 2010
Wagga Wagga Daily Advertiser	22 May 2010
VICTORIA	
Melbourne Herald Sun	22 May 2010
Melbourne Age	22 May 2010
Geelong Advertiser	22 May 2010
Bendigo Advertiser	22 May 2010
Warrnambool Standard	22 May 2010
(Albury) The Border Mail	22 May 2010
Ballarat Courier	22 May 2010
Mildura Sunraysia Daily	22 May 2010
Bairnsdale Advertiser	24 May 2010
Colac Herald	24 May 2010
Echuca Riverine Herald	24 May 2010
Hamilton Spectator	22 May 2010
Horsham Wimmera Mail Times	24 May 2010
Leongatha Great Southern Star	25 May 2010
Maryborough Advertiser	25 May 2010
Portland Observer	24 May 2010
Swan Hill Guardian	24 May 2010
Wangaratta Chronicle	24 May 2010

Newspaper	Date of Advertisement
Warragul Gazette	25 May 2010
Wonthaggi South Gippsland Sentinel Times	25 May 2010
Yarrawonga Chronicle	26 May 2010
QUEENSLAND	
Brisbane Courier Mail	22 May 2010
Gold Coast Bulletin	22 May 2010
Cairns Post	22 May 2010
Townsville Bulletin	22 May 2010
The Sunshine Coast Daily	22 May 2010
Rockhampton morning Bulletin	22 May 2010
Mackay Mercury	22 May 2010
Gympie Times	22 May 2010
The Toowoomba Chronicle	22 May 2010
The Queensland Times	22 May 2010
The North West Star	24 May 2010
(Bundaberg) News Mail	22 May 2010
The Gladstone Observer	22 May 2010
SOUTH AUSTRALIA	
Adelaide Advertiser	22 May 2010
Murray Valley Standard	25 May 2010
Northern Argus	26 May 2010
Port Lincoln Times	25 May 2010
Port Pirie Recorder	25 May 2010
Port Augusta Transcontinental	26 May 2010
Victor Harbour Times	27 May 2010
Whyalla News	25 May 2010
Yorke Peninsula Country Times	25 May 2010
WESTERN AUSTRALIA	
The West Australian	2 June 2010
Augusta Margaret River Mail	26 May 2010
Esperance Express	26 May 2010
NORTHERN TERRITORY	
Northern Territory News	22 May 2010
TASMANIA	
Hobart Mercury	22 May 2010
Launceston Examiner	22 May 2010
Burnie Advocate	22 May 2010

Attachment C

Corrective Notice to Purchasers

LG Side by Side Refrigerators - Customer Rebate Offer

We are writing to you because we understand that you have purchased a LG Side by Side Refrigerator with an energy efficiency rating that may be incorrect.

Some LG refrigerators can operate in a more energy efficient mode when the fridge is left for a sustained period without opening the door (e.g. when a customer goes away for the weekend). LG believes this energy efficient mode is a valuable feature that, over time, delivers real energy savings. However, concerns have recently been raised that under changes to energy labelling rules introduced since 2007, the energy saving effects of this mode should not be counted when calculating the comparative energy consumption that is displayed on the energy label.

There are certain batches of three models where the energy label shows a comparative energy consumption that includes the energy saving effects of this mode. LG is concerned that the refrigerator you purchased may have had an affected energy label and that you may have been misled about the comparative energy efficiency of your fridge and its likely running costs. When the effects of the energy efficient mode are discounted, the comparative energy consumption of the affected fridges is 820kWh/year. The comparative energy consumption shown on the affected energy labels is 738kWh/year.

To address these concerns, if your LG fridge falls within the serial number range listed below, LG is offering you a number of options, detailed below.

2009 Energy Labels

Customers who purchased a fridge listed below with a 2009 energy label (without a green bar at the bottom) have the following options: (a) a one-off cash rebate of \$331.20; or (b) return their fridge to LG (at LG's expense) to receive a refund or replacement refrigerator of equivalent specification without the energy saving mode.

Model	Serial Number starting	Available from
GC-L197NFS	908-912	Sept 2009
GC-P197WFS	908-912	Sept 2009

2007 Energy Labels

Customers who purchased one of the fridges listed below with a 2007 energy label (with a green bar at the bottom) have the following options: (a) a one-off cash rebate of \$295.00; or (b) return their fridge to LG (at LG's expense) to receive a refund or replacement refrigerator of equivalent specification without the energy saving mode.

Model	Serial Number starting	Available from
GC-P197WFS	710-907	November 2007
GC-L197NIS	710-805	November 2007

The rebate is to compensate you for any increased running costs of the refrigerator. LG believes this amount will more than reimburse customers for any increase in running costs over a period of 12 years. The calculation also takes into account recent predictions of rising electricity costs.

If you would like to accept one of the offers listed above, please contact our toll free number on 1800 506 154. When contacting LG Electronics please be ready with the model and serial number of your refrigerator. The serial number can be located on the product label inside the fridge compartment of the refrigerator. An LG Electronics customer care representative will confirm that you have purchased an affected unit and will instruct you on how to make a claim.

Annexure D

Trade Practices Compliance Program

LG Australia will establish a Trade Practices Compliance Program (the **Compliance Program**) that complies with each of the following requirements:

Appointments

1. Within one month of the date of this Undertaking coming into effect LG Australia will appoint a Director or a Senior Manager with suitable qualifications or experience in corporate compliance as Compliance Officer with responsibility for ensuring the Compliance Program is effectively designed, implemented and maintained.
2. Within one month of the date of this Undertaking coming into effect LG Australia shall appoint a qualified, internal or external, compliance professional with expertise in trade practices issues (the **Compliance Advisor**). LG Australia shall instruct the Compliance Advisor to conduct a Trade Practices Act risk assessment (**Risk Assessment**) in accordance with paragraphs 2.1 to 2.4 below:
 - 2.1. identify the areas where LG Australia is at risk of breaching sections 52, 53(c) and 55 of the Act ;
 - 2.2. assess the likelihood of these risks occurring and the consequences of the risks to the business operations of LG Australia should they occur;
 - 2.3. identify where there may be gaps in LG Australia's existing procedures for managing these risks; and
 - 2.4. provide recommendations for action having regard to the assessment.

Compliance Policy

3. LG Australia will, within 14 days of the Undertaking coming into effect, issue a policy statement confirming LG Australia's commitment to trade practices compliance (the Compliance Policy). LG Australia will ensure that the Compliance Policy:
 - 3.1. is written in plain language;
 - 3.2. contains a statement of commitment to compliance with the Trade Practices Act 1974;
 - 3.3. contains a strategic outline of how commitment to trade practices compliance will be realised within LG Australia;
 - 3.4. contains a requirement for all staff to report any compliance related issues and trade practices compliance concerns to the Compliance Officer; and
 - 3.5. contains a clear statement that LG Australia will take action internally against any persons who are knowingly or recklessly concerned in a contravention of the Trade Practices Act and will not indemnify them.

Complaints Handling System

4. LG Australia will ensure that the Compliance Program includes a trade practices complaints handling system. LG Australia shall use its best endeavours to ensure this system is consistent with AS/ISO 10002:2006 Customer satisfaction - Guidelines for complaints handling in organizations, though tailored to LG Australia's circumstances. LG Australia will ensure that staff and customers are made aware of the complaints handling system.

Reports to Board/Senior Management

5. LG Australia will ensure that the Compliance Officer reports to the Board and/or senior management meetings at least every 6 months on the continuing effectiveness of the Compliance Program.

Training

6. LG Australia will ensure that the Compliance Program provides for regular (at least once a year) and practical trade practices training for all directors, officers and employees, of LG Australia whose duties could result in them being concerned with conduct that may contravene sections 52, 53(c) or 55 of the Act. LG Australia must ensure that the training is conducted by either a suitably qualified compliance professional or legal practitioner with expertise in trade practices law.
7. LG Australia will ensure that the Compliance Program includes a requirement that awareness of trade practices compliance issues forms part of the induction of all new directors, officers, employees, representatives and agents, whose duties could result in them being concerned with conduct that may contravene sections 52, 53(c) or 55 of the Act.

Supply of Compliance Program Documents to the Commission

8. LG Australia shall, at its own expense, within 3 months of the date of this Undertaking coming into effect, cause to be produced and provided to the Commission copies of each of the documents constituting the Compliance Program.

Review

9. LG Australia shall, at its own expense, cause annual Reviews of the Compliance Program (the Reviews) to be carried out in accordance with each of the following requirements:
 - 9.1. Scope of the Reviews – the Reviews should be broad and rigorous enough to provide LG Australia and the ACCC with a supportable verification that LG Australia has in place a program that complies with each of the requirements detailed in:
 - (a) paragraphs 1 – 7 above; and
 - (b) paragraphs (28) to (30) of the Undertaking

and to provide the Review reports and opinions detailed at paragraph 10 below.

- 9.2. Independence of Reviewer – LG Australia shall ensure that the Reviews are carried out by a suitably qualified, independent compliance professional with expertise in trade practices law (the Reviewer). The Reviewer will qualify as independent on the basis that he or she:
- (a) did not design or implement the Compliance Program;
 - (b) is not a present or past staff member or director of LG Australia;
 - (c) has not acted and does not act for LG Australia in any trade practices related matters;
 - (d) has not and does not act for or consult to LG Australia or provide other services on trade practices related matters other than Compliance Program reviewing; and
 - (e) has no significant shareholding or other interests in LG Australia.
- 9.3. Evidence – LG Australia shall use its best endeavours to ensure that the Reviews are conducted on the basis that the Reviewer has access to all relevant sources of information in LG Australia’s possession or control, including without limitation:
- (a) enquiries of any officers, employees, representatives, agents and stakeholders of LG Australia;
 - (b) LG Australia’s records, including LG Australia’s complaints register/reports and any documents relevant to LG Australia’s training or induction program; and
 - (c) documents created by LG Australia’s consultants and legal practitioners for use in LG Australia’s Compliance Program.
- 9.4. LG Australia shall ensure that the first Review is completed within one year and one month of this Undertaking coming into effect and that each subsequent Review is completed within one year thereafter.

Reporting

10. LG Australia shall use its best endeavours to ensure the Reviewer sets out the findings of the Review in two separate reports as set out below:

Company Compliance Program Review Report (to be provided to LG Australia)

- 10.1. LG Australia’s Company Compliance Program Review Report will provide particular and specific information regarding the performance of the Trade Practices Compliance Program to the corporation including:

- (a) if, and to what extent, the Compliance Program of LG Australia includes all the elements detailed in paragraphs 1 to 7 above and paragraphs (28) to (30) of the Undertaking;
- (b) if, and to what extent, the Trade Practices Compliance Program adequately covers the parties and areas identified in the initial Risk Assessment;
- (c) if, and to what extent, the trade practices training is effective;
- (d) if, and to what extent, LG Australia's complaints handling system is effective; and
- (e) recommendations for rectifying deficiencies in 10.1(a) to 10.1(d) above that the Reviewer thinks are reasonable necessary to ensure that LG Australia maintains and continues to implement the Compliance Program in accordance with the requirements of the Undertaking.

Commission Compliance Program Review Report (to be provided to the ACCC)

10.2. The Commission Compliance Program Review Report will provide particular and specific information regarding the scope of the Review and the effectiveness of the Trade Practices Compliance Program including:

- (a) details of the evidence gathered and examined during the Review;
- (b) the name and relevant experience of the person appointed as the company Compliance Officer;
- (c) the Reviewer's opinion on whether LG Australia has in place a Trade Practices Compliance Program that complies with the requirements detailed in paragraphs 1 to 7 above and paragraphs (28) to (32) of the Undertaking;
- (d) actions recommended by the Reviewer to ensure the continuing effectiveness of LG Australia's Compliance Program;
- (e) confirmation that any actual and potential inadequacies in LG Australia's Compliance Program have been brought to the attention of the Compliance Officer and senior management;
- (f) confirmation that the Reviewer has revisited any actual and potential inadequacies in LG Australia's Compliance Program identified in any previous Company Compliance Program Review Report, and assessed how they have been addressed by LG Australia;
- (g) any reservations that the Reviewer might have about the reliability and completeness of the information to which the Reviewer had access in the conduct and reporting of the Review; and
- (h) any comments or qualifications concerning the Review process that the Reviewer, in his or her professional opinion, considers necessary.

- 10.3. LG Australia will ensure that the Review Reports are completed and provided to LG Australia within two months of each Review.
- 10.4. LG Australia will retain the Company Compliance Program Review Report and cause the Commission Compliance Program Review Report to be provided to the ACCC within 14 days of its receipt from the Reviewer.

Recommendations

11. LG Australia shall implement promptly and with due diligence any recommendations made by the Reviewer that are reasonably necessary to ensure that LG Australia maintains and continues to implement the Compliance Program in accordance with the requirements of this Undertaking.
12. If requested by the ACCC, LG Australia shall, at its own expense, provide copies of documents and information recording the Compliance Program and systems or processes implemented as part of the Compliance Program.
13. In the event the ACCC has sufficient reason to suspect that the Compliance Program is not being implemented effectively, LG Australia shall, at its own expense and if requested by the ACCC, cause an interim or additional Review to be conducted and cause the resulting ACCC Review Report to be provided to the ACCC.