

Australian Securities and Investments Commission

ENFORCEABLE UNDERTAKING

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ACT

SECTION 93AA

The commitments in this Undertaking are offered to the Australian Securities and Investments Commission ("ASIC") by:

N/A/T/O International (Australasia) Pty Ltd (ACN 069 759 217)
Level 8 Seabank Building
12-14 Marine Parade
SOUTHPORT QLD 4215



1. BACKGROUND:-

1.1 N/A/T/O International (Australasia) Pty Limited ("N/A/T/O") was registered as an Australian Proprietary Company on 15 June 1995. N/A/T/O is a company which is affiliated with the global company known as N/A/T/O International (469463 B.C. Ltd.) which is based in Vancouver, Canada. The company markets oil products for engines by selling its product to distributors ("Distributors") in Australia and New Zealand who act as retail agents to sell the product. In Australia and New Zealand there are approximately 30,000 distributors.

1.2 N/A/T/O provides Distributors with promotional material which includes details of product liability insurance cover which it offers with the sale of its products.. In its promotional documents N/A/T/O publishes the following statement:

"Bi-Tron products are backed world-wide by a \$5,000,000 per incident liability insurance policy".

1.3 ASIC received a complaint which raised concerns as to the extent of the product liability insurance cover provided by the company with its products. ASIC commenced an investigation under the Australian Securities and Investments Commission Act ("ASIC Act") into whether N/A/T/O contravened section 12DA of the ASIC Act.

1.4 As a result of its investigation, ASIC is concerned that between 1 January 1999 and 9 December 1999, N/A/T/O published and distributed promotional material which stated that its products are backed by a \$5,000,000 per

incident liability insurance policy, when the product liability insurance policy which was held by N/A/T/O provides for a \$5,000,000 cover aggregated for all claims occurring during the policy term and that such promotional material was misleading and deceptive and/or was likely to mislead or deceive in contravention of section 12DA of the ASIC Act

- 1.5 N/A/T/O acknowledges ASIC's concerns that the conduct set out in paragraph 1.4 above has breached section 12DA of the ASIC Act and accordingly offers the undertakings set out in paragraph 2 below.
- 1.6 Pursuant to the provisions of the ASIC Act, ASIC has the power to apply to the Court for an injunction, at any time, restraining N/A/T/O from engaging in conduct in relation to financial services that is misleading or deceptive or is likely to mislead or deceive.

2. UNDERTAKINGS:-

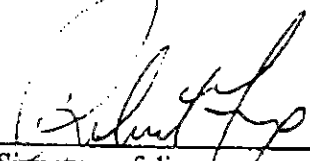
- 2.1 Pursuant to section 93AA of the ASIC Act, N/A/T/O undertakes to:
 - 2.1.1 immediately cease making any representations or statements to the effect of that set out in paragraph 1.2 above including withdrawing or amending any promotional material containing such representations from the date of this undertaking;
 - 2.1.2 advise all its distributors by the publication of a statement approved by ASIC, in the next issues of both its newsletter and weekly information letter, clarifying that the cover for product liability insurance is limited to \$5,000,000 aggregated for all claims during the policy term and not \$5,000,000 per incident;

3. ACKNOWLEDGMENTS:-

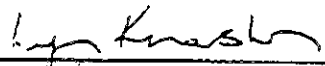
- 3.1 N/A/T/O acknowledges that it has obtained legal advice in relation to the content and effect of this undertaking.
- 3.2 N/A/T/O acknowledges that ASIC:
 - 3.2.1 may issue a media release on the execution of this Undertaking referring to such terms that ASIC determines and which led to the execution of the Undertaking;
 - 3.2.2 may from time to time publicly refer to this Undertaking; and
 - 3.2.3 will make this Undertaking available for public inspection.

- 3.3 N/A/T/O acknowledges that entering into this Undertaking in no way derogates from the rights and remedies available to ASIC or to any person or entity arising from any conduct described in this Undertaking.
- 3.4 N/A/T/O acknowledges that this Undertaking has no operative force until accepted by ASIC.

THE COMMON SEAL of
 N/A/T/O International (Australasia) Pty Limited (ACN 069 759 217)
 was affixed to this undertaking in presence of:



 Signature of director



 Signature of director

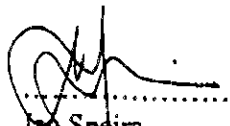
ROBERT FOX

 Name of director

Lyn Krasler

 Name of director

ACCEPTED BY THE AUSTRALIAN SECURITIES AND INVESTMENTS
 COMMISSION PURSUANT TO SECTION 93AA OF THE AUSTRALIAN
 SECURITIES AND INVESTMENTS COMMISSION ACT BY ITS DULY
 AUTHORISED DELEGATE:



 Jan Speirs
 Director of Regulation & Consumer

This 18th day of April 2000