

CENTRIX GROUP LIMITED

**ASSURANCE REPORT TO
THE PRIVACY COMMISSIONER**

**FOR THE PERIOD
1 JULY 2013 TO 30 JUNE 2014**

**In accordance with Clause 9 and Schedule 6 of the
Credit Reporting Privacy Code 2004**

1 Purpose of Assurance Report

Centrix Group Limited ("Centrix") is a credit reporter for the purposes of the Credit Reporting Privacy Code 2004 ("Code"). This report is provided to the Privacy Commissioner as required by Clause 9 of the Code. This Assurance Report has been prepared by a review committee established by Centrix for the purpose of preparing this report for the period 1 July 2013 to 30 June 2014 ("Review Committee"). This Assurance Report contains information that Centrix considers should not be made public and this is indicated by brackets [] and this information is provided in Schedule 3. We respectfully request that the information in Schedule 3 not be made public. We ask that the Office of the Privacy Commissioner withhold disclosure of the information contained in Schedule 3 where any Official Information Act 1982 request is made (under sections 6(c), 9(b) and/or 9(k) of that Act).

2 Review Committee

2.1 Members of the Review Committee

Keith McLaughlin (Chairman), Managing Director, Centrix Group Ltd
Mark Rowley, Executive Director, Operations Manager, Centrix Group Ltd
Katherine Gibson, Legal Counsel, Centrix Group Ltd
Janine Jackson, independent person

2.2 Independent Person

Information about Mrs Janine Jackson's relevant experience and expertise is set out in Schedule 1, including her expertise in relation to matters of compliance with the Code.

Mrs Jackson is not (and never has been) an employee, director, or owner of Centrix.

Mrs Jackson does not only meet the "independent person" definition in the Code, she is also independent of the matters that are required to be reviewed in this process. Mrs Jackson has never been involved in the establishment, implementation or monitoring of Centrix' Code compliance programme, nor has she ever advised or provided services to Centrix on any matter relating to Code compliance (except as an independent person on the Review Committee).

Other than being the independent person on the Review Committee for Centrix' Assurance Reports for 2012 and 2013 and for this Assurance Report, Mrs Jackson does not provide (and never has provided) any services to Centrix.

3 Summary of review process and method followed by Committee

3.1 Role of the Credit Reporting Privacy Code Compliance Committee

In order to provide a summary of the review process and method followed by the Committee, the role of Centrix Credit Reporting Code Compliance Committee ("Compliance Committee") needs to be explained.

The Compliance Committee is a permanent Committee established by Centrix to oversee Centrix' compliance with the Code. In carrying out this role, the Committee undertakes a number of Code compliance tasks. Some of these tasks include:

- a) Sets all policies, procedures and forms that are required by the Code.
- b) Sets the scheduled Code monitoring activities to be undertaken (for example, type of monitoring, frequency and number of subscribers/enquiries).
- c) Reviews the policies and procedures formally at least annually and also where an event occurs that requires a review (for example a change to the Code or an operational issue has arisen).
- d) Every quarter reviews all the results of the scheduled Code compliance monitoring undertaken and any action taken as a result of the monitoring and decides whether the action taken is appropriate in terms of Code compliance.
- e) Every quarter reviews the Code Compliance Report (see below for more details on the Code Compliance Report).
- f) Every quarter reviews any Code complaints received or any issues raised by a consumer during the quarter.
- g) Every quarter reviews all requests for correction of information by consumers and the procedure followed and the outcome of the request.
- h) If appropriate as a result of the reviews undertaken in d) to g) above, sets any additional action to be taken in relation to that matter and/or an amendment to the relevant policy or procedure and follows up to ensure completed.
- i) Sets the staff training programme and monitors this.
- j) Sets the general Code compliance schedule (for example, general compliance communications to subscribers).
- k) Every quarter reviews the staff access privileges to the consumer Bureau.

This Committee meets at the end of every quarter to review Code compliance matters for the quarter. [1]

3.2 Code Compliance Report

A Code Compliance Report was prepared at the end of every quarter for the period under review. Each report included the following in relation to the relevant quarter:

- a) The scheduled monitoring undertaken and the outcome of the monitoring;
- b) Details of any Code complaints received;
- c) Details of any requests by consumers for correction of credit information;
- d) Details of any breaches of the Code polices;
- e) Details of any actions taken in relation to Code matters.

3.3 Compliance Committee meetings

For the period under review the Compliance Committee met 5 times. [2]

The Compliance Committee received a Compliance Report for every quarter (along with all supporting documentation evidencing the monitoring) and any other relevant papers that

had been prepared. The report was considered and discussed at a meeting of the Committee. Minutes of every Compliance Committee meeting were taken.

All Compliance Committee agendas, meeting minutes, Compliance Reports and all papers presented to the Committee for the relevant period were reviewed as part of the process for the Assurance Report.

3.4 Process and framework for the Assurance Report

A process and framework was prepared that noted each assurance sought and in relation to each assurance detailed:

- a) The reviews to be undertaken;
- b) The personnel involved in the reviews;
- c) The reviews that would be undertaken by Mrs Jackson independently from the other Committee members;
- d) All the documentation to be reviewed.

This was a fluid document. As the reviews proceeded, additional information was sought and at times this led to other matters needing to be reviewed. The Review Committee considered it was important that during the process the scope of the reviews and the information to be considered could be widened so that all relevant matters were reviewed in the preparation of this report.

A summary of what was reviewed is set out Schedule 2. Mrs Jackson independently reviewed all this information.

Mrs Jackson had access to any staff member and all information she considered was necessary to complete her reviews.

Mrs Jackson interviewed the following people independently during the process: Keith McLaughlin, Mark Rowley, Katherine Gibson, the Chief Technology Officer, a Business Analyst and the person responsible for Help Desk.

4. Reasonable Assurances

Having completed the review, Centrix provides the following reasonable assurances for the period 1 June 2013 to 30 June 2014 ("Period").

Reasonable Assurance Centrix had policies in place that give effect to the requirements of the Code

CI 2(a)

Centrix has a number of policies designed specifically to give effect to the requirements of the Code, as well as some general employment policies that are also relevant to Code compliance. These policies are reviewed on a regular basis – for example, when there are amendments to the Code or an amendment is required due to operational matters or a strategic decision. The policies are formally reviewed annually. These policies were in place during the Period.

Based on a review of the Code and the policies in place, the Review Committee gives this assurance.

Reasonable Assurance Centrix had internal procedures and controls in place to give effect to the policies and requirements of the Code.

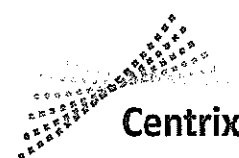
CI 2(b)

Centrix had a number of internal procedures and controls in place during the Period to give effect to the policies and requirements of the Code. Some examples are:

- a) The subscriber sign up process. Only certain roles in the organisation have the authority to give a subscriber access and a number of steps must be completed before a subscriber is given access to the bureau.
- b) Providing consumers access to their credit information. Only certain roles in the organisation have the authority to provide access. There is a clear stepped process that is followed before access is given.
- c) Staff access rights and changes rights to credit information are based on the duties undertaken by the staff, and are reviewed and monitored on a regular basis.
- d) The formal compliance monitoring procedures.

All staff are required to comply with the policies, procedures and controls (as part of their employment agreement/contractor agreement) and annual training and refresher courses are completed.

Based on a review of the policies, internal procedures and controls, the Review Committee gives this assurance.



Reasonable Assurance Centrix provided information and training to its staff to ensure compliance with the policies, procedures and controls.
CI 2(c)

All relevant Centrix' staff are experienced in the policies, procedures and controls required for Code compliance.

Refresher training on the policies, procedures and controls was undertaken during the Period.

All staff are made aware that Centrix handles sensitive personal information and of the potential repercussions (both to the individuals whose personal information Centrix holds and the staff member) if the policies, procedures and controls are not met.

Based on this and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance Centrix ensured that subscriber agreements that complied with Schedule 3 were in place before disclosing credit information.
CI 2(d)

Centrix' standard subscriber agreements contained Schedule 3 obligations. The subscriber agreement is entered into by the subscriber by either signing the agreement or if using the on-line process, by confirming they agree to the terms and conditions.

All the signed subscriber agreements randomly selected as part of the review contained Schedule 3 obligations. The internal processes require a signed subscriber agreement before a subscriber is given access to the bureau.

The on-line sign up process requires the subscriber to scroll through the subscriber agreement and tick a box confirming they agree to the terms and conditions. An applicant cannot move to the next step in the on-line sign up process if the box is not ticked.

Based on the monitoring undertaken by Centrix during the Period for compliance with this requirement and the review undertaken for this Assurance Report, the Review Committee gives this assurance.



Reasonable Assurance Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix followed its own policies, procedures and controls.
CI 3(a)

Regular scheduled monitoring for Code compliance and Centrix policies, procedures and controls was undertaken during the Period. This was documented and reviewed by the Code Compliance Committee every quarter.

See also Reasonable Assurances CI 2(d), 3(b), 3(c), 3(d), 3(e), 3(f), 3(h), 3(i), 3(j), 3(k).

Based on the monitoring undertaken by Centrix during the Period for compliance with this requirement, and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that the information held by Centrix was protected by reasonable security safeguards.
CI 3(b)

Centrix has security policies and procedures in place to ensure the credit information it holds is protected by reasonable security safeguards. Access to credit information is restricted and monitored. Compliance with the policies and procedures are monitored and reviewed by the Compliance Committee. The policies and procedures are regularly reviewed.

Based on the monitoring undertaken by Centrix during the Period and the review undertaken for this Assurance Report, the Review Committee gives this assurance.



Reasonable Assurance Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix processed information privacy requests in accordance with rules 6 and 7.
CI 3(c)

Each quarter monitoring for compliance with Rule 6 (access to credit information) takes place and the outcome of the monitoring is reviewed by the Compliance Committee.

All requests for correction of information are recorded on a Register. Each quarter monitoring for compliance with Rule 7 (correction requests) takes place and the outcome of the monitoring is reviewed by the Compliance Committee.

[3] The majority of requests for correction of credit information related to information that had been supplied by a debt collection company and in almost all cases, after Centrix had completed its investigation, the information was corrected in accordance with the consumer's request.

Based on the monitoring undertaken by Centrix during the Period for compliance with Rules 6 and 7 and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix took such measures as were reasonably practicable to avoid the incorrect matching of information held by Centrix.
CI 3(d)

Centrix has detailed processes and business rules for matching credit information. These are all automated. The Compliance Committee on a quarterly basis reviews any known instances of incorrect matching occurring in the preceding quarter.

Centrix considers consumers are the best "auditors" of their own information and during the Period Centrix was receiving each business day around 30-40 access requests. This has increased to around 50-60 requests each business day.

At the end of year, the Compliance Committee reviewed the Registers recording correction requests, any complaints (none were received during the Period) and any other issues raised by consumers for the purpose of identifying any matter that arose from incorrect matching. None were identified to be as a result of Centrix' matching rules or procedures.

Based on no known instances of incorrect matching, the monitoring undertaken by Centrix during the Period for compliance with this requirement, and the review undertaken for this Assurance Report, the Review Committee gives this assurance.



Reasonable Assurance Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that the information held by Centrix was subject to reasonable checks to ensure that it was accurate, up to date, complete, relevant and not misleading.
CI 3(e)

Scheduled quarterly subscriber monitoring checks the accuracy of credit information provided by subscribers that are monitored. The Compliance Committee on a quarterly basis reviews the instances where corrections to credit information have occurred in the previous quarter.

The consumers requesting access to their credit information are the best "auditors" of the credit information held by Centrix. At the end of year, the Compliance Committee reviewed all requests for corrections to credit information and the outcome of those requests.

Based on the low level of corrections made to information during the Period, the monitoring undertaken by Centrix during the Period for compliance with this requirement, and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix' reporting and retention of credit information was in accordance with rule 9 and Schedule 1
CI 3(f)

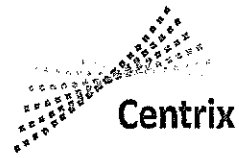
Centrix has automated processes in place that results in:

1. Credit information no longer being reported once the maximum reporting period has been reached;
2. Credit information being deleted before it reaches the maximum retention period.

Based on the automated processes Centrix has in place, the monitoring undertaken by Centrix during the Period for compliance with the maximum reporting and retention periods and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix processed direct marketing lists in accordance with rule 10(1C).
CI 3(g)

Not applicable.



Reasonable Assurance Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix processed suppression, release or cancellation requests in accordance with Schedule 7.
CI 3(h)

Each quarter monitoring for compliance with Schedule 7 (suppression process) takes place and the outcome of the monitoring is reviewed by the Compliance Committee.

Based on the monitoring undertaken by Centrix during the Period for compliance with Schedule 7 and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix processed complaints in accordance with Clause 8.
CI 3(i)

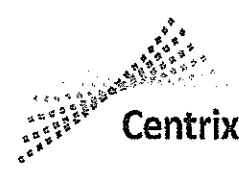
Clause 8 deals with complaints alleging breach of the Code. Centrix did not receive a complaint alleging breach of the Code during the Period therefore the Review Committee gives this assurance.

However, Centrix notes any matter raised by a consumer (that is more than just a request for an explanation about a credit file) in a Register. If the issue is a request for correction of information it is dealt with in accordance with that process, and all other issues raised are essentially dealt with in accordance with Centrix complaints process. The Compliance Committee monitors that any issues raised are handled in accordance with the complaints process.

Reasonable Assurance Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix' website displayed accurate information that gave effect to rules 6(4)(b), 7(4)(b) and clause 8(3A) and clause 8.1 of Schedule 7.
CI 3(j)

The website displayed all the required information (www.centrix.co.nz).

Based on the review undertaken for this assurance, the Review Committee gives this assurance.



Reasonable Assurance Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that subscribers complied with agreements and controls.
CI 3(k)

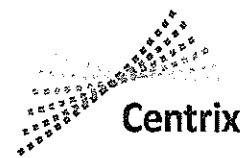
Every quarter scheduled monitoring took place of randomly selected subscribers to check subscribers' compliance with the Schedule 3 Code obligations and controls. The outcome of the monitoring and any actions taken were reviewed by the Compliance Committee. Centrix also checks subscriber compliance as part of usual business operations (for example, a business may make an enquiry about Centrix' credit reports and the issue of whether the business has the appropriate consents in place is considered).

Based on the monitoring undertaken by Centrix during the Period for subscribers' compliance and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance Centrix undertook monitoring activities to ensure that where clause 4.1 applies, Centrix complied with clause 4.2 (Credit account information).
Sch8 CI 6:1

During the Period, Centrix collected comprehensive credit information for the purpose of credit reporting from externally regulated credit providers. [4]

Based on a review of the process undertaken by Centrix before the uploading of the information and the relevant documentation, the Review Committee gives this assurance.



Reasonable Assurance **CI 4(a)** **Where during Centrix systematic reviews, monitoring activities or as a result of a complaint, Centrix identified a breach of an agreement, policy, procedure, control or requirement of the Code, Centrix investigated that breach, and where appropriate, took prompt remedial action.**

Every quarter, the Compliance Committee considers any identified breaches of agreements, policy, procedure, control or requirement of the Code, and the investigation undertaken and any actions taken.

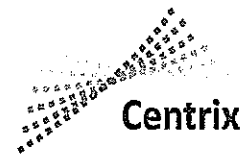
Authorisation not meeting requirements of Clause 1, Schedule 3 of Code

The most common subscriber compliance issue that arose during the Period was the authorisation obtained from the individual did not meet the requirements of clause 1, Schedule 3 of the Code (being the requirement to inform the individual of the purposes for which the credit reporter is collecting the information and the purposes for which the information will be used and disclosed). Centrix' monitoring has identified that this is not only a compliance issue with new businesses just commencing credit reporting, but also with well established businesses (including large organisations) who have been credit reporting for many years and in some instances, are also using one of the other credit reporters. Centrix takes reasonable steps to require the subscriber to comply with this requirement, however, Centrix' monitoring shows that this is an industry wide issue, and not just an issue with Centrix' subscribers.

Voluntary Collection of Driver Licence Information

Centrix' monitoring for compliance with the obligation to advise the individual that collection of the driver licence information is voluntary identified some subscribers were not doing this, and when the matter was raised with them, many advised that they were unable to. Some subscribers require the individual to provide their driver licence information so that the subscriber can comply with their AML/CFT identification verification obligations. In addition, many other subscribers are also using the driver licence for verification purposes and they take the view that it is a mandatory requirement. For these subscribers there are significant practical difficulties in explaining the "voluntary" component for the purpose of providing the driver licence information to a credit reporter (particularly when the application is made on-line). Centrix takes reasonable steps to require the subscriber to comply with this requirement, however, Centrix' monitoring shows that this is an industry wide issue, and not just an issue with Centrix' subscribers.

When faced with these compliance issues, Centrix takes appropriate action, however, with many subscribers using more than one bureau, these are clearly issues for all credit reporters, and not just Centrix. Centrix has during the Period succeeded in getting businesses to amend their authorisations and the information they give to individuals about driver licence collection so that the subscriber is compliant. However, it is not reasonable in circumstances where the subscriber fails to take the appropriate action to become compliant to expect Centrix to suspend a subscriber's access to the bureau where that subscriber is also using another credit reporter or where suspension will simply result in the subscriber moving to another credit reporter.



Centrix requests that these two compliance issues are matters for discussion in the 2015 Code review.

Centrix has on occasions during the Period had cause to suspend a subscriber's access to the bureau for failing to co-operate in making changes to their processes so that they comply with the Code obligations in the subscriber agreement.

Based on the Compliance Committee's role and the investigations and actions undertaken during the Period and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance Where a deficiency was identified in the previous year's report, Centrix, where appropriate, took prompt remedial action.

CI 4(b)

Not applicable.



5 Additional Information Sought From the Privacy Commissioner

5.1 s45(b) Privacy Act compliance

The Office of the Privacy Commissioner has requested Centrix provide details on Centrix' compliance with s45(b) Privacy Act 1993, being the appropriate procedures undertaken by Centrix to ensure that when a person's credit file is sent to them (after Centrix having received a request), the credit file is received by that person, with particular focus on when the credit file is sent via email.

Before Centrix provides any information after receiving a request from someone seeking access to their credit file, Centrix satisfies itself of the identity of the person making the request (as required by s45(a) of the Act). Centrix takes steps to satisfy itself that the person who has asked for the information is the person about whom the information is sought (that is, a person can only ask for their own credit file, and not someone else's credit file). This is detailed below.

A person requesting access to their credit file is required to complete an application form. This can be done by either completing the on-line form on Centrix' website (over a secure page), or completing a paper form and sending it back to Centrix via post, fax or email. The person is also required to provide verification identification (such as driver licence or passport.). If the person is applying on-line, they can input their driver licence details.

[5]

Centrix considers that it has appropriate procedures in place to ensure that the individual's credit file is received by the individual concerned. Monitoring for compliance with Centrix' procedures takes place as part of the scheduled quarterly monitoring.

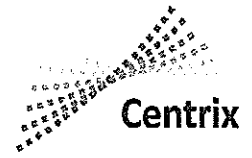
The number of applications received by consumers for their credit file has been steadily growing in the last 12 months. Centrix currently receives around 50-60 applications per business day, although there have been a number of recent spikes in applications received due to media reports on the issue of checking your credit file.

5.2 Comprehensive Credit Reporting

The Office of the Privacy Commissioner has requested Centrix provide information on the status of positive reporting and whether Centrix has identified any additional risks as a result of the introduction of positive reporting.

Positive reporting is still in the early stages of adoption with only a relatively small number of externally regulated credit providers taking steps to participate in this additional type of reporting.

[6]



Dated 26 September 2014

A handwritten signature in black ink, appearing to read "Keith McLaughlin", is written over a horizontal dotted line.

Keith McLaughlin
Managing Director and
Chairman Review Committee

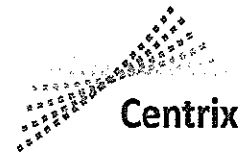
Schedule 1

Mrs Jackson was employed by Baycorp (now known as Veda) for a period of over 16 years, with most of that time being involved in some way in the operations of the New Zealand credit bureau. Mrs Jackson held a number of roles at Baycorp, including Privacy Officer and Operations Manager of the credit bureau. Whilst this experience was prior to the introduction of the Credit Reporting Privacy Code 2004 ("Code"), the credit bureau was required to comply with the Privacy Act 1993, which required Mrs Jackson to understand and ensure the bureau complied with the Information Privacy Principles. During this period, Mrs Jackson established the first Privacy Department in the Baycorp credit bureau operations, which increased consumer awareness and minimised complaints through implementing policies and processes. Mrs Jackson was also responsible for managing and resolving consumer complaints regarding privacy issues and liaising with the Office of the Privacy Commissioner regarding complaints.

During 2004 – 2005, Mrs Jackson was responsible for project managing all business related activities of the project undertaken by Baycorp to ensure it was ready for compliance with the introduction of the Code. Mrs Jackson was Baycorp's 'trusted advisor' who was instrumental in liaising and advising directly with the credit bureau subscribers to ensure the bureau and the subscribers had implemented the necessary processes and procedures to meet the requirements of the Code. This included (but was not limited to) a review and implementation of a consumer complaints procedure, carrying out a national 'roadshow' advising all subscribers of the Code requirements and a review of personal information data matching rules.

In addition to Mrs Jackson's previous experience in the operations of a New Zealand credit bureau and complying with the Privacy Act, including the Code, Mrs Jackson has significant experience in IT audit, risk and compliance in other financial industries. Mrs Jackson is currently employed by Vero New Zealand Ltd as an Executive Manager – Support Services, NZ Shared Services. Part of her responsibilities include being accountable for New Zealand IT audit, risk and compliance, including IT security and IT policies for all New Zealand Suncorp Group entities. This includes participation in all internal audits, along with the annual external audit review completed by KPMG and the Australian Prudential Regulation Authority, to provide evidence and assurances that the Group IT security and policies are in place, effective and being followed.

Mrs Jackson not only has experience in Code compliance, but also has significant experience in undertaking audits in the insurance industry according to the applicable New Zealand and Australian regulations.



**Schedule 2
Summary of Information Reviewed**

Information	Assurances
The Code policies Centrix has in place as required by the Code, This included Mrs Jackson working through each Code policy and considering the internal procedures and controls required to give effect to the Code policy and requirements.	CI 2(a)
The internal procedures and controls Centrix has in place to give effect to the Code (for example bureau access and change rights, password controls and access log procedures).	CI 2(b)
The Code information, policies and the training undertaken by staff during the period under review and the staff acknowledgement forms.	CI 2(c)
The standard subscriber agreements in place during the period under review, as well as selecting a random sample of signed subscriber agreements to ensure compliance with the Code.	CI 2(d)
The subscriber on-line sign up processes.	CI 2(a), (b)
Application for Get My Credit Report (request for access to credit information) and request for correction of information and reviewed the process that was followed.	CI 2(a), (b)
Application for suppression request and reviewed the process that was followed.	CI 2(a), (b)
Information security policies, procedures and reports.	CI 2(a), (b)
Matching rules and processes.	CI 2(a), (b)
Register of issues, correction requests and "complaints".	CI 2(a), (b)
Credit account information procedures prior to upload	CI 2(a), (b), Sch 8 CI 6.1
Centrix' website.	CI 3(j)
Compliance monitoring procedures.	CI 2(a), 2(b) CI 3(a), 3(b), 3(c), 3(d), 3(e), 3(f), 3(h), 3(i), 3(j), 3(k) Sch 8 CI 6.1, CI 4(a)
Scheduled monitoring undertaken during the period.	CI 2(a), 2(b) CI 3(a), 3(b), 3(c), 3(d), 3(e), 3(f), 3(h), 3(i), 3(j), 3(k), Sch 8 CI 6.1, CI 4(a)
All Compliance Committee papers, meeting minutes, Compliance Reports, and Register of issues, correction requests and "complaints" for the period under review.	CI 2(a), 2(b) CI 3(a), 3(b), 3(c), 3(d), 3(e), 3(f), 3(h), 3(i), 3(j), 3(k), Sch 8 CI 6.1, CI 4(a)