

## CODE OF BUSINESS CONDUCT

### Table of contents

1. Scope of application
2. Relations with receivers of appraisal services
3. Relations with other appraisal companies
4. Relations between management and personnel
5. Employee relations
6. Relations with persons providing outside assistance during appraisal
7. Relations with mass media and rating agencies
8. Final provisions

## 1. Scope of Application

- 1.1. The Code of business conduct/ethics (hereinafter referred to as the Code) of Russian Appraisal and Grant Thornton Valuation Advisory Services (hereinafter referred to as the Company) is designed to introduce ethical business practices that the Company directors (hereinafter referred to as the Management), its full-time and non-staff employees (hereinafter referred to as the Employees) should follow in accordance with Russian and international appraisal standards, Federal Law on Valuation Activities in the Russian Federation and Risk Management Manual adopted by Grant Thornton International.

## 2. Relations with receivers of appraisal services

- 2.1. Communicating with receivers of appraisal services the Employees should
  - 2.1.1. set out their ideas on the appraisal terms of reference and expected use of appraisal results in the Appraisal report clearly and accurately;
  - 2.1.2. retract from the engagement to carry out appraisal if the circumstances prevent them from doing the work first-rate and in a timely fashion;
  - 2.1.3. immediately inform the receiver of appraisal services in case of any circumstances obstructing the fulfillment of obligations and implementation of agreements;
  - 2.1.4. use (present) reliable data on the information sources cited in the appraisal reports;
  - 2.1.5. use plain-language appraisal reports that can be clearly understood by the receiver of appraisal services;
  - 2.1.6. employ appraisal methods and approaches in accordance with the Federal Law "On Appraisal Activities in the Russian Federation", Russian and international appraisal standards;
  - 2.1.7. include calculations of all significant indicators in appraisal reports;
  - 2.1.8. justify assumptions and limitations employed in appraisal reports;
  - 2.1.9. include information in appraisal reports sufficient for describing the work done, substantiating the conclusions drawn and presenting the conditions under which the latter were made;
  - 2.1.10. meet requirements to avoid dubious meaning of appraisal results;
  - 2.1.11. inform the appraisal service receiver on the range of prevailing rates of payment for appraisal of relevant properties;
  - 2.1.12. act in good faith to the best interest of the service receiver when using confidential information and making public appraisal results;
  - 2.1.13. remove all confidential elements of information when doing text editing or aggregating information if it is necessary to use the information modified in such a way without permission from the service receiver;
  - 2.1.14. carry out appraisal based on the principles of individual autonomy, neutrality, fairness and without considering personal interest;
  - 2.1.15. make immediate response to the client inquiry.
- 2.2. Communicating with receivers of appraisal services the employees should not
  - 2.2.1. misinform the service receiver on the appraisal results, experience and skill levels of the Company and its personnel, and the ways of using the appraisal results;
  - 2.2.2. promise service receivers anything that they cannot fulfill;
  - 2.2.3. use consciously false, misleading or exaggerated assertions striving to enable the Company to win new appraisal assignments;
  - 2.2.4. do the appraisal if it is known that other qualified appraisal companies have refused to do it due to ethical reasons;

- 2.2.5. carry out a task without approval from the Management when it is impossible to get sufficient information to do the job;
- 2.2.6. use the information provided by the client or any third party without its adequate verification or confirmation from an independent source; if the information fails to be verified this fact should be included in the report;
- 2.2.7. file the appraisal assignment, which includes predetermined opinions and findings;
- 2.2.8. file the task to make an appraisal report under approved hypothetical conditions that are hardly to be realized within a reasonable period of time unless it is expressly specified in the appraisal assignment (in this case, the appraisal results should clearly and unambiguously refer to the hypothetical nature of the conditions the appraisal is based upon);
- 2.2.9. use conclusions for the appraisal that are based on the preconceived opinion of any nature or set forward an opinion that such prejudice is needed to achieve the desired result;
- 2.2.10. suppress or ignore reliable facts rejecting or running counter to the concept of the report;
- 2.2.11. engage in making an appraisal report containing false, inaccurate or preconceived opinions and analysis, and bring it to the attention of the service receiver;
- 2.2.12. be preconceived or driven by sordid motives to have the desired appraisal results;
- 2.2.13. make dependence on the payment for the Company services and appraisal results, advice and recommendations set forth in the appraisal report;
- 2.2.14. perform acts in the interests of a service receiver that may call into question the independence and neutrality of the Companies, Employees and Management;
- 2.2.15. do the appraisal for two or more clients under one assignment unless it is required in writing by the interested parties;
- 2.2.16. disclose important factual information, provided by the service receiver, or appraisal results, prepared for the service receiver, to any third parties other than those specially authorized by the service receiver, except as required by the applicable legislation;
- 2.2.17. do the appraisal when it is impossible to avoid pressure and influence on the appraisal process and its results on the part of the client;

### **3. Relations with other appraisal companies**

- 3.1. The Company, Employees and Management should
  - 3.1.1. follow the principles of fair, bona fide competition based on the quality and professionalism of appraisal;
  - 3.1.2. follow the principles of professional consciousness, honesty, loyalty, competence, prudence and respect to other appraisal companies;
  - 3.1.3. have respect for the interests of other appraisal companies;
  - 3.1.4. make impartial judgements when editing reports of other appraisal companies, present and substantiate evidence in favor of or against the conclusions contained in the report under review.
- 3.2. The Company and its Employees should not
  - 3.2.1. use dumping as an instrument of competitive struggle;
  - 3.2.2. present false data on professional skills of the appraiser;
  - 3.2.3. infringe the copyright of third parties, including intellectual property rights;

- 3.2.4. make groundless claims against vocational practice of other appraisal companies;
- 3.2.5. spread insinuations and slanderous fabrications about business rivals;

#### **4. Relations between management and personnel**

##### **4.1. The Company management should**

- 4.1.1. act in accordance with the adopted mission of the Companies;
- 4.1.2. involve employees in the objective setting process of the Companies;
- 4.1.3. abide by generally accepted principles of good corporate conduct and benevolence when interacting;
- 4.1.4. build relations with Employees on the basis of mutual trust, understanding, loyalty and honesty;
- 4.1.5. strive for effective combination of the Companies' business interests and professional interests of their Employees;
- 4.1.6. promote the growth of mutual responsibility of the Companies and Employees for the performance of obligations by employers and professional commitments by Employees;
- 4.1.7. promptly notify the Employees of the circumstances hindering the performance of agreements or obligations;
- 4.1.8. discuss issues with Employees in the following order of priority:
  - urgent – important,
  - urgent – unimportant,
  - non-urgent – important,
  - non-urgent – unimportant;
- 4.1.9. resolve conflicts, especially ethical, as quickly as possible;
- 4.1.10. ensure that the Employees, involved in the drawing up of an appraisal report, know and adhere strictly to all laws and rules concerning confidentiality and secrecy of the appraisal;
- 4.1.11. promote systematic personnel development;
- 4.1.12. monitor compliance of all Employees with the Code.

##### **4.2. The Employees should**

- 4.2.1. act in accordance with the adopted mission of the Companies;
- 4.2.2. act in a responsible manner when attaining the Company's objectives;
- 4.2.3. build relations with the Companies on the basis of mutual trust, understanding, loyalty, honesty, civility and benevolence;
- 4.2.4. promptly notify the Management of the circumstances hindering the performance of agreements or obligations;
- 4.2.5. hand over to the Management their proposals concerning the improvement of the Companies operation;
- 4.2.6. maintain their workplaces and public spaces clean and tidy, and observe generally accepted hygienic norms;
- 4.2.7. follow the corporate business dress code;
  - 4.2.7.1. among other things, a suit (except for very hot days) and a tie (except for very cold days) are mandatory for men;
  - 4.2.7.2. the corporate business dress code for trainees is advisable;
  - 4.2.7.3. on Fridays, when there are no scheduled meetings with the clients, an everyday dress casual style is allowable;

##### **4.3. The Management should not**

- 4.3.1. promise the Employees anything that they cannot fulfill;

- 4.3.2. violate principles of ethics when communicating with the Employees, inter alia, under no circumstances use obscene language on the Employee and raise voice;
- 4.4. The Employees should not
- 4.4.1. promise the Management anything that they cannot fulfill;
- 4.4.2. disclose the contents of appraisal reports prepared by the Company without prior consent of the Management;
- 4.4.3. use, without prior written consent of the Management, Company's reports, including depersonalized ones, for any purposes other than the Company's business;
- 4.4.4. use intellectual property and office machines and equipment for personal advantage without prior written consent of the Management;
- 4.4.5. engage in private practice without prior written consent of the Management;
- 4.4.6. engage in other private paid practices on the Company's premises without prior written consent of the Management;
- 4.4.7. disseminate false information about the Company;
- 4.4.8. carry out activities aimed at discrediting the Company;
- 4.4.9. use, in case of termination of employment, any documentary or other information on the Company, including information on appraisal reports, which were prepared by this Employee, without prior written consent of the Management;

## **5. Employee relations**

- 5.1. The Employees should
- 5.1.1. build their relations based on the principle of mutual aid;
- 5.1.2. maintain principles of friendly rivalry based on the quality and professionalism of appraisal services.
- 5.2. The Employees should not
- 5.2.1. create situations leading to the conflict of interest in the Company or to the threat of its occurrence;
- 5.2.2. turn from duty other Employees of the Company;
- 5.2.3. discuss the current distribution of requests for appraisal and the amount of salary paid to the Employees;
- 5.2.4. take actions aimed at discrediting other Employees.

## **6. Relations with persons providing outside assistance during appraisal**

- 6.1. The Company and Employees should
- 6.1.1. include any limitations in the appraisal report and indicate whether they were imposed from outside or were inherent to the Appraiser;
- 6.1.2. engage for outside assistance, necessary as an addition to the skills of staff Employees, only persons having the required skills and following ethical business practices;
- 6.1.3. include in the appraisal report the names of the persons providing outside assistance, their involvement level and the essence of their assistance;
- 6.1.4. ensure observance of this Code by any person providing assistance in drawing up an appraisal report.
- 6.2. The Company and Employees should not
- 6.2.1. engage persons for providing outside assistance without consent of the service receiver;

- 6.2.2. disclose to the persons, engaged for providing outside assistance during appraisal, information on the receiver of appraisal services and the subject property unless it is necessary for providing outside assistance.

## **7. Relations with mass media and rating agencies**

### **7.1. The Company and Employees should**

- 7.1.1. publish in its/their own name(s) only materials based on its/their own findings, or materials prepared with the assistance of the Company employees;
- 7.1.2. give only true facts to be published;
- 7.1.3. demand an official contradiction of false information about the Company and its Employees published in mass media;

### **7.2. The Company and Employees should not**

- 7.2.1. use ungrounded self-praise in mass media or make unachievable promises through advertising;
- 7.2.2. present appraisal reports of the Company, including depersonalized ones, for publication, competitions and ranking without prior written consent of the Management;
- 7.2.3. take part in mass media campaigns smirching the fair names of business rivals.

## **8. Final provisions**

- 8.1. This Code shall enter into force on January 01, 2007;
- 8.2. All Employees should abide by this Code;
- 8.3. Since this Code is of great importance for the operation of the Companies, each Employee should confirm in writing that he/she has familiarized himself/herself with the Code, understands it fairly well and commits himself/herself to abiding it (office manager has an appropriate log book);
- 8.4. Administrative penalties for non-compliance with the Code shall be applied by the decision of the Management, dismissal from work shall be done by the decision of the Board of Directors;
- 8.5. The Code is open for amendments from the staff;
- 8.6. The Code shall be amended only by the decision of the Board of Directors.