

STANDARD OF ORGANIZATION

QUALITY MANAGEMENT SYSTEM

COMPLIANCE CODE

STO 2610-19-13

The present document cannot be fully or partially reproduced, copied or distributed without agreement of ANO "SOYUZEXPERTIZA" CCI RF

ANO "SOYUZEXPERTIZA" CCI RF
Moscow

**Annotation to the Compliance Programme fourth edition
of Autonomous Non-commercial Organization “Soyuzexpertiza”
of the Russian Federation Chamber of Commerce and Industry,
as developed in line with the requirements of the International Federation of
Inspection Agencies (IFIA)**

This fourth edition of the Compliance Programme and Guidelines for its Implementation, compiled in the present Standard of Organization, substitutes the previous third edition issued in 2008.

In difference to the previous edition it incorporates updated requirements stipulated in IFIA Guidelines (edition of July 2012), takes into account provisions of current national anti-corruption legislation and of Russian business anti-corruption charter mutually adopted and signed on 21 September 2012 by Russian Federation Chamber of Commerce and Industry, Russian Union of Industrialists and Entrepreneurs, All-Russian Non-governmental Organization “Business Russia” and All-Russian Non-governmental Organization of Small and Medium size Enterprises “Opora Russia”.

Content

A. COMPLIANCE CODE	
1. Introduction	4
2. Compliance principles	5
3. Compliance Code implementation requirements	6
B. GUIDELINES FOR IMPLEMENTATION	
I. Application of Compliance Principles	7
II. Compliance Programme	10
III. Verification	14
SUPPLEMENTS	
Annex A Management declaration template	18
Annex B Assurance Report of external audit firm	19

A. COMPLIANCE CODE

1. Introduction

International Federation of Inspection Agencies (IFIA) which member Autonomous Non-commercial Organization “SOYUZEXPERTIZA” of the Russian Federation Chamber of Commerce and Industry (SOEX) has been since 1996, is an association of companies aiming at providing their clients or third parties with confirmations of goods, services and management systems compliance.

The main value of IFIA members in relations with their clients is considered to be trust. For that reason IFIA adopted and carried through Compliance Code, and SOEX – the present standard reflecting the essence of integrity adherence to which IFIA membership implies.

Compliance Principles apply to technical and business aspects of professional conduct and ethics in the following areas:

- Integrity,
- Conflicts of interest,
- Confidentiality,
- Anti-bribery,
- Fair marketing.

Membership in IFIA implies acknowledgement and implementation by SOEX of IFIA Compliance Code. That implies:

- approval by the Federation of actions by SOEX to implement the Code (for SOEX – of the present standard),
- adoption of Compliance Programme throughout SOEX organization,
- implementation of policy and procedures in line with the Code,
- personnel training in all activity regions and regular control over compliance with the Code requirements.

To confirm effectiveness of implementing the Code requirements SOEX should annually subject their Compliance Programs to independent expert examination results of which must be reported to IFIA.

As a result of those actions a reliable and multilateral basis for trust is to be built.

2. IFIA Compliance Principles

2.1 Integrity

SOEX must act professionally, independently and impartially in all its activity spheres.

SOEX must operate in a fair pattern without any deviations from its own adopted methods and procedures. In case the adopted verification methods allow for some tolerances of the resulting parameters SOEX should avoid any abuse of such tolerances aiming at modifying actual outcomes of the check concerned.

SOEX should present reports, verification data and other essential information conscientiously and with no attempt of adjusting those unreasonably, and should only present those reports and evidences which correctly reflect actual findings, professional attitudes or outcomes obtained.

2.2 Conflicts of interest

SOEX should avoid conflicts of interest with any legal entity with which it has financial or commercial interest and which is an object for rendering the services.

SOEX should avoid development of conflicts of interest between companies and/or its own divisions which are involved in different activities but which can render their services to one and the same client or to each other.

SOEX should ensure that its personnel avoid conflicts of interest in the course of conducting their company operations.

2.3 Confidentiality

SOEX should treat information received while rendering its services as confidential to a degree that such data is not yet published, is not easily accessible to third parties or is not, in any other sense, available publically.

2.4 Anti-bribery

SOEX should avoid solicitation or bribe payment in any form including bonus payments out of any partial payment under a contract.

SOEX should avoid using any ways or channels for providing illegal advantages to its customers, agents, contractors, suppliers or employees of any such party, or to public employees or for the purpose of acquiring illegal advantages from them.

2.5. Fair marketing

SOEX should present itself and carry out its marketing policy, including promotion comparisons with competitors and their services or mentioning those using only fair methods avoiding fraudulent ways and means that can prove misleading.

3. Code implementation requirements

SOEX should:

1. Undertake at the level of its Board of Directors an obligation to follow the Compliance Principles throughout its organization by means of implementation of its Compliance Programme approved by IFIA;
2. Form its Compliance Committee and Compliance Programme Manager in order to control the Programme's implementation;
3. Provide training for the employees and to ensure continuous understanding by the personnel of the Compliance Programme and consultation availability on further development of the Programme;
4. Provide for help lines for the employees, encourage their reporting in a confidential fashion on violations and not subject the employees to disciplinary actions unless s/he acted maliciously or in bad faith;
5. Make its Compliance Principles public and simplify the procedures for requests and claims to come and replies to be sent;
6. Investigate and register all cases of violations, take measures for those to be corrected and employ relevant disciplinary actions;
7. Ensure protection for the confidential business information;
8. Properly maintain book-keeping and issue reporting documentation that should adequately and impartially reflect all financial transactions;
9. Ensure application of its Compliance Programme by the business partners to an extent that may be found reasonable;
10. Control effectiveness of the Compliance Programme implementation using annual managerial declarations and internal audit;
11. Provide for at least one annual audit of the Compliance Programme implementation by a relevant independent external audit firm;
12. Ensure presentation to IFIA, upon financial year expiration, of annual compliance assurance report by an independent audit firm that should include all noticed violations.

The above requirements are added by the below given Guidelines that provide SOEX with the approved means for implementation of the Compliance Programme requirements.

B. GUIDELINES ON IMPLEMENTATION

I. Compliance Principles implementation

1. Integrity

1.1 SOEX should provide guidance to its employees for dealing with clients who expect the Member to abuse tolerances in order to obtain acceptable results.

1.2 In respect of those business sectors in which SOEX is active, SOEX should comply with any sector specific Integrity Rules published by an applicable IFIA Committee.

2. Conflicts of interest

2.1 In order to avoid conflicts of interest, or the appearance of conflicts of interest, in SOEX business transactions and services, SOEX should maintain a policy regarding conflicts of interest.

2.2 Such SOEX policy should provide guidelines to employees in order to avoid conflicts of interests between:

- a) SOEX and related entities in which SOEX has a financial or a commercial interest and to which it is required to provide services, and
- b) SOEX group companies and/or divisions engaged in different activities but which may be providing services to either one and the same client or to each other.

2.3 SOEX policy should provide, as a minimum, that SOEX employees do not:

- a) directly or through relatives, friends or intermediaries, acquire an interest in a supplier, a client or a SOEX competitor, except for the acquisition of shares of a client, supplier or competitor on a public stock exchange having adequate permit on the part of SOEX administration, and even then only to an extent which does not grant significant influence over the affairs of the client, supplier or competitor and which does not make the employee unduly dependent on its financial fortunes;
- b) hold any position with a competitor or client;
- c) conduct any SOEX business with any member of their family or with an individual or organisation with which they or their family are associated;
- d) employ a member of their family without approval of the SOEX management.

3. Confidentiality

3.1 SOEX should require each employee to sign a Non-Disclosure Agreement which prohibits disclosure to other parties of any confidential business information, obtained in the course of his/her employment,.

3.2 SOEX should ensure that all intermediaries, joint venture partners, agents, subcontractors, franchisees, contractors and suppliers are made aware of the confidential nature of business information that they may handle through their

dealings with SOEX, and that they should not disclose confidential information to other parties.

4. Anti-bribery

4.1. Compliance with laws

In all jurisdictions in which it operates SOEX should ensure that the Principles and Rules of its Programme meet the requirements of this Code and local laws relevant to countering bribery.

In the event that the local laws specify additional or different national requirements, which are not covered by the Compliance Programme, SOEX should modify its Programme for the country(s) concerned. Records should be kept of countries where SOEX Compliance Programme has been modified.

Basic anti-corruption principles as provided by Russian Federation Law of 25 December 2008 No273-Φ3 (para 3) "On countering corruption" include:

- 1) acknowledgement, ensuring and protection of basic human rights and freedoms;
- 2) legitimacy;
- 3) publicity and openness of public and local administration bodies;
- 4) inevitability of punishment for corruption offenses;
- 5) multipurpose utilization of political, organizational, advocacy, socio-economic, legal, special and other measures;
- 6) priority application of measures to prevent corruption;
- 7) cooperation of the government with civil society institutions, international organizations and individuals.

4.2. Analysis of risks

SOEX Compliance Committee and/or the senior executive, or his delegate, in each country of operation should organize periodic reviews to assess bribery risks and determine appropriate control measures. Such reviews should be systematically conducted:

- a) Prior to the commencement of a new service or the start up of operations in a new country and
- (b) Whenever a significant breach of the SOEX Programme which warrants a review of the existing control measures occurs.

4.3. Business Principles for Countering Bribery

SOEX should employ good business practices and risk management strategies in accordance with the Business Principles for Countering Bribery as published by Transparency International and Social Accountability International (see www.transparency.org), United Nations Convention against Corruption ratified by Russian Federation in 2006, and Russian Federation national legislation on countering corruption. These should address at least the following areas:

4.3.1. Political contributions

Neither SOEX, nor its employees or agents should make direct or indirect contributions to political parties, organisations or individuals engaged in politics, as a way of obtaining advantage in business transactions.

SOEX should account for all its political contributions in a separate ledger and consolidate all such payments made by any of the operations that form part of its organisation.

4.3.2. Charitable contributions and sponsorships

SOEX should ensure that charitable contributions and sponsorships are not being used as a subterfuge for bribery.

SOEX should account for all its charitable contributions or sponsorships in a separate ledger and consolidate all such payments made by any of the operations that form part of its organisation.

4.3.3. Facilitation payments

SOEX should identify and eliminate facilitation payments as a form of bribery.

Facilitation payments are defined as small payments made to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment has legal or other entitlement.

4.3.4. Gifts, hospitality and payments

SOEX should prohibit the offer or receipt of gifts, hospitality or expenses whenever such arrangements could affect the outcome of business transactions and are not reasonable and bona fide expenditures.

5. Fair marketing

5.1 SOEX should provide guidelines to employees, agents and intermediaries to ensure that they understand and adhere to the Principle governing fair marketing.

5.2 SOEX presentations and publications should accurately and unambiguously reflect the SOEX network and affiliations, resources / capabilities, experience and services provided.

II. Compliance Programme Implementation

SOEX is required to implement a Compliance Programme, based on this Standard, throughout its organisation. SOEX may do this by integration of the Code's requirements into its quality management system.

SOEX Compliance Programme

SOEX Group Board, or equivalent body (Compliance Committee), should confirm its commitment to implementing this Code by publishing and adopting SOEX own Principles and the key elements of implementation (SOEX Compliance Programme) which should, at least:

- address all the IFIA Compliance Principles and Requirements for Implementation,
- follow these Guidelines as specified in paragraph 2 of the Introduction to these Guidelines,
- apply throughout the whole of its organisation.

SOEX is required to send, within one month of publication, a copy of its Compliance Programme, and any subsequent updates, to IFIA Director General for verification of compliance with the IFIA Code.

IFIA Director General will respond within two months of receipt.

SOEX Compliance Officer

SOEX Group Board, or equivalent body (Compliance Committee), should nominate a Compliance Officer, who, irrespective of his or her other responsibilities should have responsibility and authority under the Board for the co-ordination of the implementation of the Compliance Programme throughout SOEX organisation. The Compliance Officer may nominate delegates to perform some or all of his/her functions within specified parts of the organisation. Additionally, senior managers throughout the organisation should have responsibility for implementation of the Programme in their areas of responsibility.

Compliance Committee

SOEX Group Board, or equivalent body, should establish a Compliance Committee to carry out periodic reviews of the progress of the Compliance Programme and provide policy guidance. The Compliance Committee should, at least, include the Chief Executive Officer, the Compliance Officer and representation from the Group Board or equivalent body.

Recruitment

Prior to job offer, prospective employees should be informed of the Compliance Programme.

Employee commitment

SOEX should ensure that:-

- (a) each employee is provided with a copy of the Compliance Programme and requested to sign a declaration that it has been received, read and understood; a record should be kept in the employee's personal file;
- (b) each Senior Manager is required to sign an annual declaration (see Annex A) that the Programme has been implemented in his/her area of responsibility.

The Member's Programme should include provision that it be made clear that employees will not suffer demotion, penalty or any other adverse consequences arising from strict implementation of the Programme even if it may result in a loss of business.

Training

All SOEX employees, including Managers, of the Member should be required to undergo a Compliance Training Course. For the purpose of guidance in the preparation of the course materials, SOEX should refer to the **IFIA Compliance Training Guide**. A Record of course completion should be kept in each employee's file.

Consultation on Code development

SOEX employees should have the opportunity to provide input on the development of the Programme.

Employee performance evaluation

SOEX should ensure that each employee has an on-going understanding of the Compliance Programme during employee performance evaluations.

Employee "Help lines"

SOEX administration should make provision for "help lines" where its employees may obtain guidance on any question or matter of concern relating to the implementation or interpretation of the Programme. At the employee's request, any such question should be dealt with confidentially and the anonymity of the employee should be protected to the extent reasonably practicable. Such help lines may utilise SOEX internal resources and/or an external third party organisation.

Security Measures

SOEX administration should implement adequate security measures in its organisation's premises containing confidential business information to ensure that access is restricted to authorised personnel only and that documents/data are stored in designated secure areas and disposed of in a secure manner.

External Communications

SOEX should make public its Compliance Principles and provide facilities to receive enquiries, complaints or feedback from interested parties through SOEX website.

Reporting of Violations

SOEX employees should be encouraged to report details of violations or suspected violations either direct to the Compliance Officer, or to the employee's superior, a member of senior management or an internal auditor. The reporting employee should be fully protected against any form of reprisal unless s/he acted maliciously or in bad faith. If requested, the employee's anonymity should be protected to the extent reasonably practicable.

SOEX employees should be required to report any solicitation for, or offer of, an improper payment or advantage coming to their knowledge.

Investigations and Sanctions

SOEX Compliance Officer should initiate, where appropriate, an investigation into any violation of the Programme reported to him/her or coming to his/her knowledge.

SOEX should maintain a documented procedure for the handling of investigations and sanctions which should include requirements for:

- (a) the maintenance of records of all reported violations and subsequent actions taken;
- (b) the alleged perpetrator of such violation to have the right to be heard;
- (c) SOEX management or Compliance Committee to decide on the appropriate corrective and disciplinary measures to be implemented if a violation has been established. These measures may include a reprimand, demotion, suspension or dismissal;
- (d) SOEX Compliance Officer to receive progress reports from his/her nominated delegates and/or the management in the locations concerned and prepare periodic summary reports for the Compliance Committee on investigations, violations established and the implementation of corrective actions and disciplinary measures.

Business Relationships

To ensure that SOEX Compliance Programme is applied to the extent appropriate in its business relations with parties external to SOEX organisation and that improper

payments are not channelled through them, SOEX should ensure that such parties abide by SOEX Compliance Programme to the extent that is appropriate. Such parties (who are also referred to as “business partners” for the purposes of paragraph 2.9 of Annex C below) include:

- intermediaries, (entities or individuals external to SOEX who are required to promote the services of SOEX as part of their responsibilities, including consultants and advisers)
- joint venture partners
- agents (entities or individuals external to SOEX who are required to provide operational services, within the Profession as defined in IFIA’s Articles of Association, on SOEX behalf)
- subcontractors (entities or individuals performing outsourced activities within the Profession under a contract with SOEX)
- franchisees (entities or individuals external to SOEX who carry on business within the Profession using SOEX trading name and/or brand, the rights to which are purchased from SOEX under a franchise contract)

SOEX should do this by at least:

- conducting due diligence before entering into or renewing any contract with the party
- making known its Compliance Principles to the party and seeking assurance that the party will comply with the Principles in so far as these apply to activities performed on behalf of SOEX, except in the case of subcontractors, obtaining the party’s contractual commitment to comply with the Compliance Principles and to allow SOEX to verify this periodically
- monitoring the party’s continual compliance with the Principles (and in the event of discovering a breach taking remedial action)
- not dealing with any parties known to be involved in bribery.

Due diligence includes

- A risk analysis
- An interview with the party
- An investigation of the party's background which, for intermediaries, should be reviewed and approved by SOEX Compliance Committee
- Verification through a remuneration analysis, which should be reviewed and approved by SOEX Compliance Committee, that the remuneration paid to each intermediary is appropriate and justifiable for legitimate services rendered, and does not facilitate improper payments by the intermediary.

In addition, for intermediaries and other parties as may be appropriate, SOEX should provide training and support.

- SOEX should account for all intermediaries' remuneration in a separate general ledger account in its accounting records and consolidate all such payments made by any of its operations and prepare annually a consolidated management statement of all intermediaries' remuneration.

Complaints and Disciplinary Procedures

SOEX complaints concerning alleged non-compliance with this Code by other Members should be lodged with IFIA in accordance with the IFIA Complaints and Disciplinary Procedures. SOEX should refrain from submitting such complaints to other parties unless it is necessary to do so to protect SOEX reputation.

(Breaches of this Code may lead to sanctions imposed by the IFIA Council subject to the rules, including rights of appeal, set out in the IFIA Complaints and Disciplinary Procedures).

Accounting and book keeping

SOEX should maintain accurate books and records which properly and fairly document all financial transactions. Off-the-books accounts should be prohibited.

3. Verification

Management declarations

SOEX administration should require its Senior Managers throughout its organisation to prepare and sign, on an annual basis, a Compliance Declaration which, as a minimum, should be based on the template contained in Annex A. These Compliance Declarations should be sent to the Compliance Officer who should submit an annual summary report to the Compliance Committee.

Internal audits

SOEX administration should require its nominated internal auditors, as part of their internal audit plan, to verify that the Compliance Programme has been implemented within its organisation and in particular that the Management Declarations have been completed in conformance with Annex A and reflect compliance with the Programme and, in respect of those locations selected for site audits, correctly reflect the actual situation. Such site audits should review the processes in place and include testing, on a sampling basis, to ensure the effective application and implementation of the Programme. The **IFIA Guidance Check List for Members' Internal Compliance Audits** may be used for reference.

The compliance findings resulting from such audits should be reported to the Compliance Officer who should submit a summary report to SOEX Compliance Committee. The Compliance Officer and/or Compliance Committee should take follow-up actions where appropriate.

External examinations

1. Frequency

The effectiveness of the implementation of the Programme is required to be examined at least annually by SOEX appointed independent external audit firm.

2 Independent external audit firm

SOEX independent external audit firm appointed to carry-out this examination should normally be the firm engaged for the audit of SOEX consolidated financial statements. If it is not a member of a recognised national professional accountancy organisation it needs to be approved by the Director General of IFIA.

For Members with international operations, it should be an international audit firm having offices in most countries or regions where the Member operates and employing a uniform international audit approach and methods.

NOTE 1 In case SOEX operation includes countries where the international audit firm does not have offices and it is necessary to use different external audit firms, SOEX and its international external audit firm should report to IFIA Director General on the arrangements made to ensure that a consistent examination of the Programme implementation is achieved in respect of all locations. In such cases, SOEX international external audit firm should act as the coordinator of the other external audit firms and prepare one consolidated Assurance Report.

NOTE 2 SOEX appointed external audit firm may, by agreement with the Member, utilise the services and reports of independent management system certification or accreditation bodies which have performed audits of SOEX management systems. However, neither such certification and accreditation bodies nor their reports should be used for the verification of the financial aspects relating to Business Relationships and the Business Principles for Countering Bribery, without the prior approval of IFIA Director General.

3. Notification to IFIA of SOEX appointed external audit firm

Prior to the appointment of the external audit firm(s), or any subsequent proposed changes thereof, the Member should submit details to the Director General for confirmation of compliance with IFIA requirements.

4. Scope of examination

For the purposes of demonstrating that SOEX is in conformance with the IFIA Compliance Code, SOEX should require the external audit firm to proceed as set out in paragraph 4.1 below:

4.1 (a) Perform an assurance review based on the International Standard on Auditing (ISA) as adapted for the IFIA Compliance Code, to include as a minimum the following steps:

- (i) Verify that SOEX has established its Compliance Programme incorporating the requirements of the IFIA Compliance Code.
- (ii) Verify that SOEX current Compliance Programme (including the Principles) remains identical to that submitted to, and approved by, IFIA as SOEX implementation of the current version of the IFIA Compliance Code.
- (iii) Observe the existence of internal management systems, processes and controls in respect of (a) alleged violations (b) SOEX Compliance Committee records and (c) compliance training.
- (iv) Review the following consolidated management statements:-
 - Political Contributions
 - Charitable Contributions and Sponsorships
 - Intermediaries' remuneration
 - Extraordinary expenditures relating to gifts, hospitality and expenses

and verify whether these statements:-

- reconcile with the accounting records and supporting documentation
 - have been approved by SOEX Compliance Committee where applicable.
- (v) Verify that Management Declarations have been received from all Senior Managers as identified by SOEX including, at least one in respect of each Group Member within SOEX Group membership as listed or referenced in the IFIA Members Directory and test the follow-up systems employed for ensuring that all matters of concern or reports have been addressed or acted upon by SOEX Compliance Officer.
 - (vi) Review any other areas and audit procedures as considered appropriate by the external audit firm and agreed with SOEX.

- (b) Confirm that information relating to the operation of SOEX Compliance Programme is available from each Group Member within SOEX Group membership as listed or referenced in the IFIA Members Directory.
- (c) Perform the assurance review, as above, by audit sampling in respect of SOEX locations including, any Group Members within SOEX Group membership and the systems and documentation applicable to those locations/entities. The audit sampling should be agreed between the auditor and SOEX, based upon a compliance risk assessment and taking into account SOEX organisation and peculiarities.
- (d) Maximise the use of SOEX internal audits to avoid duplication of efforts and minimise additional costs.
- (e) Report in accordance with Annex B and as provided in paragraph 5 below.

Note: Reportable Conditions

Significant deficiencies in the design or implementation of SOEX Programme that adversely affect SOEX ability to ensure conformity with the IFIA Compliance Code should be deemed reportable conditions. Where such conditions are detected by the external audit firm during performance of the assurance review, they should be reported regardless of whether or not SOEX has already taken corrective action.

The external audit firm should not be required to include in its Report any minor non-conformities detected. These should be communicated separately to SOEX administration for corrective action within the time frame stipulated by the auditor.

5. External audit firm's Report

SOEX should require the external audit firm to issue a Report based on the Proforma Report, contained in Annex B, which is provided for guidance and may be adjusted as considered appropriate by the external audit firm and/or as may be required by professional standards.

SOEX is required to send a copy of its external audit firm's Report to the Director General of IFIA within 6 months of the end of SOEX financial year.

The Director General will submit to the IFIA Council summary report of the Reports received. In the event that a Report contains Reportable Conditions, the Director General will follow these up, where applicable, in conformance with the IFIA Complaints and Disciplinary Procedures.

Annex A

Management Declaration Template

Конфиденциально

SOEX Compliance Programme

Management declaration for the year ending20....

To:.....(*name of SOEX Compliance Officer or nominated delegate*)

Name of Manager:.....Job Title:..... Locations and/or activities covered by this Declaration:.....

I(*name of Manager*) do hereby declare that in implementation of SOEX Compliance Programme (Standard STO 2610-19-13) for the year ending20... in each of the locations and/or activities, as listed above, falling under my area of responsibility:

1. To the best of my knowledge I, and the members of staff reporting to me, have complied in all respects with the Compliance Programme;
2. I have verified that the Compliance Programme has been distributed to each Employee who had not previously received it;
3. I have fully and completely reported to the Compliance Officer any violation or suspected violation of the Programme, including any solicitation or offer of any improper payment or advantage, which has come to my knowledge;
4. I have fully and completely implemented all corrective and disciplinary actions required by SOEX Compliance Committee in respect of any violation of the Programme.

Place..... Date.....

Signature.....

ANNEX B**Proforma Assurance Report of external audit firm
"Assurance Report on SOEX Compliance Programme"****1. Purpose of assurance review**

We have performed review procedures on the management and reporting processes of SOEX Compliance Programme over the year(or the period from to) to determine whether these incorporate the requirements of the IFIA Compliance Code of July 2012 and whether this has been adequately implemented within SOEX organization.

SOEX is responsible for the development and maintenance of the management and internal reporting processes of the Compliance Programme. Our responsibility is to report on the management and reporting processes of the Compliance Programme based upon our review procedures.

2. Scope of assurance review

The scope of our review procedures is as set out in the IFIA Guidelines on Verification of Code Implementation under "Scope of examination".

We based our review primarily on management and other information provided to us by SOEX management and staff. We also interviewed personnel responsible for the Compliance Programme, including the Compliance Officer, Managers and other appropriate employees, both at Group level and selected locations. We also performed tests, on a sample basis, of relevant documentation including Group policies, management and reporting structures, documentation and systems in place at (specify location visited).

There are no generally accepted international standards for these other Assurance Engagements. In the absence of such standards, we based our approach on best practices as well as on the underlying principles of the standards of the International Federation of Accountants but adapted as necessary. We, therefore, planned and performed our procedures to obtain a reasonable basis for our conclusions. However, as we have not performed an audit, we do not express an audit opinion.

3. Results of our assurance review

During our review the following aspects were noted for follow-up action:

.....
.....

Based on our review procedures, with the exception of the above mentioned findings (*where applicable*) nothing has come to our attention to cause us to believe that:

- (i) SOEX Compliance Programme does not meet the requirements of the IFIA Compliance Code
- (ii) the Compliance Programme has not been adequately enforced and implemented
- (iii) the systems for collection, analysis and aggregation of Compliance Programme violations are not functioning as designed and that
- (iv) the consolidated management statements for intermediary remuneration, political contributions, charitable contributions and sponsorships, and extraordinary expenditures relating to gifts, hospitality and expenses do not properly reflect the figures as reported by the affiliates or reporting units.

4. Recommendations

From our work, we have provided the following recommendations to SOEX administration which have been agreed:

.....
.....

Name of External Audit Firm
Date