



TENDER BEST PRACTICE FORUM

CODE OF CONDUCT

The Code of Business Conduct of the Dubai Diamond Exchange (the **DDE**) Tender Best Practice Forum (the **Forum**) (the **Code**) sets out the key principles for rough and polished diamond tenders and auctions (**Tenders**) run in Dubai by companies that have voluntarily signed up to the Forum (**Tender Companies**). A Tender Company will be allowed to use the Forum logo for the duration of their membership in the Forum.

Tender Companies are all members of the DDE and the Forum and have committed to abide by this Code to provide a trusted framework and industry best practice to maintain the integrity and governance for Tenders operating in Dubai.

The objectives of the Code are to:

- Maintain the reputation, standing and good name of Tenders operating in Dubai;
- Promote good business practices by setting out the minimum standards which Tender Companies should follow;
- Create confidence for all parties in the integrity of the Tenders;
- Promote professional behaviour and conduct for Tender Companies and clients participating in Tenders in Dubai (**Clients**);
- Provide guidelines for dealing with mistakes; and
- Outline the consequences and potential disciplinary action Tender Companies can take.

The key principles set out in this Code are supplementary to and do not replace any relevant legislation, codes, guidelines or rules applicable to Tender Companies.

The Key Principles for Tender Companies:

- All Tender Companies shall be bound by the terms of this Code and shall abide by any directives of the Forum and the DDE issued from time to time.
- All Tender Companies to have their own standard Terms & Conditions (**T&Cs**) which will be the same for all Clients participating in their Tenders. The relevant Tender Company will make their T&Cs available to Clients and will ensure that the Clients agree to them prior to submitting any bids. Tender Companies must include the key principles for Clients in their T&Cs.
- All Tender Companies will notify successful Clients within 48 hours of the close of bids.
- The T&Cs must ensure that all Tenders are by invitation only at the sole discretion of the Tender Company.
- All Tender Companies are committed to the integrity and confidentiality of the Tender bidding process. For Example, there will be no communication with Clients regarding the performance or bids of competing companies.
- All Tender Companies will not “self-bid” in a multi-round auction or create “false” demand.



The Key Principles for Clients participating in Tenders:

Switching Goods / Theft

In the case that goods have been switched and there is evidence of theft, the relevant Tender Company shall issue a permanent ban on that Client from attending any future Tenders operated by any Tender Companies.

Defaulting Companies

For the purposes of this Code, the parameters of a “mistake” are defined **against the 2nd highest bid** within which a ‘default’ claim would not be accepted. These parameters are:

- All goods presented as parcels in both +10cts and -10cts sizes: 20%
- Single stones White goods less than USD 500,000: 27%
- Exceptional White Stones more than USD500,000: 35%
- Fancy Colour Stones: 50%
- Industrial, browns and boart : 35%

In the case where, during a Tender, a Client submits a bid which post Tender they claim is a “mistake”, the Tender Companies are permitted to impose a penalty of 10% payable by the Client on a defaulted bid and future participation in Tenders could be affected as set out below.

Where a Client refuses to accept the responsibility of their bid as set out in the T&Cs of the Tender Company the relevant Tender Company must name the Client to the Forum and ban it from participation in all Tenders operated by other Tender Companies for:

- First Offence - a period of three (3) months;
- Second Offence – a period of six (6) months; or
- Third Offence – a period of twelve (12) months.

The DDE has the right, at its sole discretion, to remove a Tender Company from the Forum at any time for any reason without justification, and/or to remove the Forum logo from any Tender Company.

Financiers

In the case where a “financer” is bidding on behalf of a Client and a “mistake” is made, the financer will be required to provide written evidence that the bids were placed on behalf of the Client, and upon receipt of such evidence, the Client would be held responsible and have the consequences of the default.

By signing this Code, we hereby acknowledge and accept the terms of the Code and agree to be bound by them.

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Member name:

Signed by:

Date:

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Ahmed Bin Sulayem

DDE Chairman

DMCC Executive Chairman and CEO

Date: