



OPERATIONAL GUIDELINES

UPDATED : NOVEMBER 2009

FIRM NAME:

1. The terms "GMN" and "GMN International" ("GMNI") and associated symbol(s) are used only to describe a voluntary grouping of legally independent accounting firms, including any entity by which the associate conducts its business (the "firms"), throughout the world who wish to use each others firms to provide and offer services to their clients and prospective clients, within the permitted confines of the laws and accounting ethics and practices of their respective countries.
2. The relationship of the firms is to work in a co-operative manner for the provision of services permitted by the laws of a particular jurisdiction to practise public accountancy and related services in that jurisdiction. The relationship of the various firms is not a partnership nor is there any intention for such relationship to operate as a partnership.
3. The firms acknowledge that it is necessary to formulate some operational guidelines, from time to time, to assist in maintaining a reasonable level of co-operation amongst the firms. By their signature hereto, the firms agree to comply with any such operational guidelines.
4. This document supersedes all previous documents, letters, representations and discussions between the firms.
5. "GMN" and "GMN International" ("GMN") and the symbol appearing in the First Schedule ("the symbol") as well as the domain www.gmni.com are the property of all the firms which are for the time being entitled to describe themselves as part of the GMN International association and that neither GMN nor the symbol either individually or in conjunction with each other shall be used by any firm in any manner or form without the express consent of the International Executive Committee. Consent is given for the following uses of GMN and the Symbol by all such firms, who have by their signature accepted these operational guidelines:
 - a. The use of the symbol or "GMN", or any combination or derivation thereof, as provided as follows, must be accompanied by an approved description that discloses that GMN International is an association of legally independent accounting firms. The description approved pursuant to these operational guidelines is "GMN International, an association of legally independent accounting firms" or any such alternative to be approved by the IEC.
 - b. Each firm may and is encouraged to print GMN and the Symbol on all letters, business cards, stationery, marketing literature, e-mails or any form of electronic communication, website and correspondence and may describe itself as an associated firm of GMN International but no firm shall be entitled to sign the name GMN International or any other name incorporating GMN. The following wording shall accompany the GMN logo on all firm's stationery: "GMN International is an association of legally independent accounting firms".
Where the GMN branding is used on firms' websites, the following disclaimer will accompany the GMN logo: "GMN International is an association of independent accounting and business advisory firms. Each firm is a separate and independent legal entity and as such has no liability for the acts or omissions of any other associate firm. GMN International is an association and does not fall within the definition of "network" under the International Federation of Accountants (IFAC) Code of Ethics, Section 290 and the European Union Statutory Audit (revised 8th Company Law) Directive. As such, GMN International provides no services to clients and has no liability for the acts or omissions of any associate firm."
 - c. GMN and the Symbol may be used in all professional directories.

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- d. GMN and the Symbol may be used in any publicity material or in connection with any promotional matters or in articles in the professional press, having regard to Clause 5(a).
 - e. Each firm is encouraged to adopt the current branding and to adapt said branding into their corporate identities within 6 months of signing these operational guidelines.
 - f. A website will be maintained for the international association. Each firm is encouraged to link their firm's website to the GMN International website, www.gmni.com. Each firm will provide such information as necessary to keep the website up to date.
6. Each firm will render to the other firms mutual assistance and advice in the jurisdiction in which each practices. Each firm will consult with the other firms with a view to establishing common contacts in appropriate jurisdictions and in other disciplines in which the firms do not practice.
 7. Each firm will endeavour to introduce to the other firms those of its clients who require appropriate services in jurisdictions in which the others practice with a view to such clients retaining the services of the others. The firms will, so far as may be appropriate, co-operate, consult together and render each other all necessary assistance in matters arising as the result of such introductions. These operational guidelines acknowledge the clients' rights to make their own choice in respect of the selection of accountants and professional advisors and nothing herein contained should be interpreted as attempting to override or diminish such rights.
 8. In order for annual fees to be calculated on a fair and clear basis, and for benchmarking purposes, each firm will furnish the Regional Co-ordinator or the International Co-ordinator with firm and revenue details. These details will be collected by the completion of a questionnaire which will include:
 - Revenues by activity
 - Number of staff
 - Number of partners
 - Location of offices
 - Annual Turnover
 9. GMN International will be made publicly known through International accountancy lists or directories. The form of such publication, and references to GMN International on letterheads, stationery and business cards shall be approved in advance by each region, but will not be presented in such a manner which contravenes the intention of Clause 2 of this document. Consistent with the laws of each country and current accountancy ethics in the respective jurisdictions and subject to the above, each firm may refer in its stationery, nameplates, business cards and other materials, to GMN International in accordance with these operational guidelines.
 10. Each firm is the exclusive owner of its own name. No firm shall except with the express written consent of such other firm, sign the name of any other firm in any report, opinion, letter or document under any circumstances and no firm shall at any time write to the client of another on anything but its own letterhead. No firm shall sign the name of GMN International or any other name incorporating "GMN" or issue any document or communication in the name of, or signed as, GMN International or GMN, except that inter-firm memos and correspondence from the International Co-ordinator and/or International Chairman may (for the purpose of identification only) bear the GMN heading. No firm shall infer or do anything which might reasonably lead a third party to believe that a partnership exists between independent GMN associated firms.
 11. Each firm will remain independently professionally liable with respect to any lack of skill, negligence or misconduct on its part, and each firm will maintain appropriate indemnity and insurance policies in respect of its own partners and staff. Firms will be obliged to report on the request of the IEC, details of any professional claims against it and whether professional indemnity cover is in place. Firms are encouraged to take appropriate steps, including appropriate insurance, to mitigate their professional risk.

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12. The partners, directors or members of each firm will consult together as often as may be necessary with a view to formulating such policies and practices as may be desirable in the interests of efficiency and good service to mutual clients in those jurisdictions in which each firm practices. Should any firm be dissatisfied with the services provided by the other or if other differences arise, the partners of the respective firms will consult with a view to resolving any such problem. In the event of failure to resolve the dispute by joint consultation then the matter shall be determined by reference to the Regional President (or Presidents if more than one region is involved). In the event of no resolution, the matter shall then be referred to the IEC for resolution.
13. The coordination of matters pursuant to these operational guidelines shall be the ultimate responsibility of the International Executive Committee ("IEC").
14. The firms shall be allocated to one of four regions:
 - North American Region
 - European Region
 - South American Region
 - Asia Pacific Region

From time to time the number of regions may be expanded (or made smaller), as decided and agreed by the IEC. Regional boundaries and definitions shall be determined by the IEC from time to time.

15. The IEC shall consist, unless otherwise agreed, of the current International Chairman and immediate past Chairman, the four Regional Presidents, and the remainder of representatives will be decided in approximate proportion to distribution of costs. The remainder of representatives will therefore currently consist of one from Asia Pacific Region, two from North America Region and three from the European Region. The IEC will therefore consist of 12 individuals at the time of updating these operational guidelines. The International Chairman will have a casting vote at all IEC meetings in the event of a vote deadlock.
16. Without the consent of an incumbent representative in good standing in a geographical area, no new firm will be invited to represent GMN International in such area where competition is in the opinion of the IEC reasonably likely.
17. All referrals should be made to GMN firms unless there is a professional, legal or ethical reason for using another firm. The client always retains the right to use the firm of its choice. A proposed new firm shall not, unless otherwise specifically agreed by the IEC, belong to any other International Accountancy professional or technical network(s) or association(s) which involve referral of services. Existing firms shall not join any such organisation(s) which involve referral of services, without IEC approval. Any existing firm which currently belongs to another association which involves referral of services (or similar type organisations) shall disclose (in writing) details of such Network Participant/relationship for approval by the IEC within six months of signature of these guidelines.
18. Amendments to the operational guidelines will be signed by members of the IEC and will be notified in writing to all associate firms of the association as an acknowledgment to comply with these operational guidelines.
19. The IEC will be responsible for ratifying regional nominations for admission to the association, responding to firm complaints concerning other firms, warning a firm should the possibility of exclusion from the association arise, and, ratifying firms' votes to exclude.
20. The International Co-ordinator will be responsible for preparing a newsletter/e-mail to all firms, from time to time, informing firms of news or updates that may be pertinent to firms.
21. The IEC shall, as far as possible, and taking into account differing time zones, attend regular teleconferences from time to time.

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22. The International Chairman and immediate past Chairman shall, at the cost of the association, attend the annual International Conference.
23. All firms shall be encouraged to attend conferences. If two years pass without a firm attending or being represented at a regional, international or teleconference, then the regional committee will have the option to consider another firm in that area. The relevant firm will be notified of this decision in writing.
24. The IEC, which will meet annually preceding an Annual International Meeting, will encourage, support and monitor regional activities and commitments made at Annual Meetings.
25. The IEC will decide at the annual meeting on the required attendance of the International Co-ordinator at conferences for the following year.
26. The IEC will be responsible for preparing Annual International Budgets for approval by the firms at the International Meeting. Any levied firm contributions required to fund International Budgets will be on the basis agreed at such meeting by each region's representative on the IEC. International Budgets will be prepared in accordance with the commitments and expectations of the firms as notified to the IEC from time to time.
27. The IEC will prepare and discuss half-yearly and annual financial statements in order to remain apprised of current income and expenditure against budget.
28. The IEC will be responsible for preparing the Agenda of the Annual Meeting and recommending matters for consideration by each of the regions, as necessary, for coordination of GMN activities.
29. The IEC will be responsible for coordinating any GMN marketing activities and any cross-regional programmes.
30. Where a firm has an arrangement or relationship with another firm or other business enterprise where it could be reasonably expected that such arrangement or relationship has the potential for a conflict of interest, a conflict with the ethos of GMN International, to arise such firm shall:
 - a. Provide full details in writing, to the IEC, of the nature and terms of such relationship.
 - b. Undertake all appropriate actions to ensure that persons and parties dealing with the firm (and its "associate") fully understand that GMN International is an association of legally independent accounting firms and not an international partnership or part of any other partnership or network.
31. The IEC will be responsible for protecting the intellectual property of GMN, its name, style and logo.
32. The IEC will elect an International Chairman from its number on a bi-annual basis. No person shall serve more than two consecutive terms as Chairman.
33. Cessation of involvement with GMN International requires six months notice, in writing to the International Chairman. Firms will pay all fees, dues and other costs calculated up until the date of ceasing involvement. Where a firm ceases to be involved with GMN International without the required notice or links with another International Organisation, the firm will pay all fees due and costs that would have been payable had they complied with the six months notice. Where a firm ceases to be involved with GMN International, this results in immediate denial to the firm of the use of the name "GMN", "GMN International" or symbols and any other benefits. By signature hereof each firm agrees that all such use of the name or symbols will be removed from all materials forthwith upon cessation.
34. A firm may be excluded from GMN International at a properly constituted meeting of the IEC if such firm has not paid its fees due, or it has not attended meetings for two years, or it has not furnished the IEC with annual firm and revenue details, or it has brought the name of GMN International into disrepute or for any other material breach of these guidelines.

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35. Where a firm and/or a region registers the name GMN, GMNI, GMN International or associated symbols or terms as trade marks, patents, business names, domains or similar registration (jointly known as registration) those firms and/or regions agree to transfer and/or relinquish such registrations, immediately upon their leaving or being excluded from the GMN association, to such person, persons or entity as nominated by the IEC. Where a person, firm, region or other entity proposes to effect any such registrations such proposal must be notified to the IEC in writing for approval.
36. Where a person, firm, region or other entity is required to (or feels obliged to) make any notification to the IEC, such notice must be forwarded in writing to the current Chairman of GMN International.

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