



## Code of Conduct

### 1. Introduction

STRATCH considers it advisable that their professionals determine and publish on their own behalf and on behalf of third parties the standards which they will observe in the conduct of the profession of organization advisor. These standards have been laid down in general Principles and concrete Rules of Conduct, which shall be called hereinafter Code of Conduct. These principles are based on international standards as agreed upon by the ICMCI in Europe (the International Council of Management Consulting Institutes) and the OOA/ROA in the Netherlands. Where is written 'he' also is meant 'she'.

The aim of the Code of Conduct is:

- to provide information and insight into the professional position and attitude of the members of both professional organizations in society and the standards which they wish to observe in relation to clients and other parties involved in their work as organization advisor.
- to give instructions for the relationship between the practitioners of the profession.
- to provide a simple, accessible complaints procedure.

### 2. Definition of the position of organization advisor

The profession of organization advisor varies considerably with respect to working methods, fields of activity and opinions. A Code of Conduct for organization advisors aims to indicate minimum standards for quality and professionalism. Most descriptions of the position of organization advisor contain the following characteristics:

- The organization advisor produces on the basis of an agreement on behalf of a client an expert and independent contribution to determining, analyzing and solving policy and organizational problems which arise in and/or with respect to an organization and/or between organizations.
- He does so by determining the nature and possible causes of these problems, by suggesting alternative solutions and making clear the consequences which may be reasonably expected by providing or developing methods and procedures, by supervising changes or making other knowledge or experience available to the client.

### 3. Principles

#### 3.1 Expertise

The organization consultant of STRATCH evidently possesses the knowledge and skills which are considered necessary in the circle of those qualified to judge for a competent conduct of the profession. The consultant must keep up-to-date with developments in his profession. Said professional knowledge has not been unambiguously codified and defined. That is why the consultant must be able to explain how he has reached a specific advice in an assignment. He must by means of his arguments enable client and any colleagues to form their own opinion on the question as to whether his approach and advice are suitable for the given problem. If the knowledge available within the profession is inadequate with respect to a specific consultancy assignment and knowledge has to be developed in the course of the assignment, then the consultant must notify his client in

good time hereof. In addition to knowledge, the consultant must have skills in order to convert opinions and experiences into practical advice. In the event of doubt the consultant must be able to show that he has acted in a competent manner.

#### 3.2 Independence

The advisor of STRATCH is loyal to his client, without sacrificing his professional independence. In the consultancy relationship independence means that the advisor is objective with respect to both his assignment and his client so that he is free to use his expertise. The advisor must make his best endeavor to complete the consultancy assignment in a manner which is to the satisfaction of the client. However, independence will be harmed if in the performance of his assignment the consultant fails, on behalf of the client or with a view to his own benefit, to recognize facts or insights which a reasonably competent consultant ought not to have disregarded. In the event of an unsolvable difference of opinion between him and his client about his working method, the consultant shall terminate his assignment with all due care in relation to the client.

#### 3.3 Integrity

Integrity in the conduct of the profession contains four principal elements, namely proper behavior, care, financial correctness and attention for relationships with colleagues. The organization advisor of STRATCH shall act in accordance with the requirements of proper behavior, so that the trust in his professional group and in STRATCH in particular is not harmed. He shall adhere to the rules of law and social decency. He shall perform his assignment in good faith. The organization advisor shall ensure that interests do not become intermingled and may not promote conflicting interests. He shall take all due care. This means that he takes into account that parties involved in a consultancy project can have rights and interests, that he takes into account in his advice all relevant aspects which a reasonably qualified consultant must consider, that every conclusion has been shown in a well-founded manner and that he is aware of the (side) effects of his activities in an organization. The organization advisor shall handle with care the information and knowledge provided to him within the framework of the consultancy relationship. He shall be discreet with respect to his client and his organization. Care in relation to the client requires that he does not cause any damage to the client or his organization in or through the collection of relevant information from third parties. This may therefore restrict the circle of informants. If as a result of this it is no longer possible to provide a professionally well-considered advice and no alternatives are available, he must withdraw from the assignment. In addition to this, the organization advisor must prevent any misunderstanding arising between parties with respect to the content of the assignment. The client and the consultant must know what they may and may not expect from one another. Financial correctness means the careful and honest handling of financial matters. There must be mutual clarity between client and consultant on (the determination of) the fee. Finally, he aims to achieve a constructive understanding with colleagues in the interest of the quality of the provision of services. In the event of a conflict of interests, the client's interest shall prevail over the understanding with colleagues.

#### 4. Code of conduct and definitions

This Code of Conduct consists of the aforementioned general Principles and the Rules of Conduct given hereinafter. The Rules of Conduct are an elaboration of the Principles. A client is a natural person, legal person, partnership firm or partnership who/which concludes an assignment agreement with a consultant, or who/which gives as an employer an assignment to a consultant in his/its employ. "Parties concerned" are those who, as client or as employer of the client or otherwise, are directly involved in an organization advice assignment. They may reasonably assume that their interests shall be considered in the performance of the assignment. The assignment agreement is the agreement in which the consultant undertakes to the client to perform activities as external organization advisor, whilst not being employed by the client, in accordance with the provisions of the Netherlands Civil Code.

### THE RULES OF CONDUCT

#### 1. General rules

- 1.1 In the performance of his task a consultant must take due care and act in a manner which will not harm the reputation of his profession or his company.
- 1.2 In the conduct of his profession and in the conduct of his business a consultant must adhere to the law, the articles of association, regulations and other rules of the Ooa and the ICMCI and to the Rules of Conduct and the Principles which jointly form the Code of Conduct.

#### 2. Independence

- 2.1 The consultant shall apply his knowledge, experience and skills on behalf of the interests of the client and his organization, without relinquishing his professional independence. Therefore, the consultant shall not accept an assignment if he is not able to form his own independent opinion and to communicate this to his client. If during the assignment the consultant is unable to form an independent opinion, then the consultant must end the assignment.
- 2.2 The consultant shall ensure that interests other than those of performing the assignment and acquiring the fee agreed shall not play a part. If the consultant has side interests of a personal and/or commercial nature, which could affect the course of the consultancy process and of which, as the consultant knows or should know, the client is unaware, he shall be obliged to refuse the assignment in question or inform the client of the existence of said interests of a personal and/or commercial nature prior to accepting the assignment. If during the performance of the assignment the consultant acquires side interests of a personal and/or commercial nature as referred to in the preceding sentence, whereas the consultant knows or should know that the client is unaware of these interests, then the consultant shall be obliged to inform the client of the existence of said interests of a personal and/or commercial nature and to withdraw from the assignment, save if the client wishes the assignment to be continued.

#### 3. Acceptance of an assignment

- 3.1 Before accepting an assignment, the consultant shall see to it that there exists a clear consensus between the client and the consultant on the content and terms of the assignment.
- 3.2 Before accepting an assignment a consultant shall acquaint himself with the expectations, context, backgrounds, motives, assumptions and the mandate of the client.
- 3.3 The consultant shall not accept an assignment if its scope is in advance so limited that the client cannot expect effective help there from.
- 3.4 If the consultant performs his task on the basis of specific social opinions or objectives, he shall inform the client hereof prior to accepting the assignment.
- 3.5 The consultant shall not accept an assignment if as a result of this he would directly and demonstrably harm the interest of a previous client or if this previous client objects to the acceptance of the assignment. The consultant shall as the occasion arises inform the latter (with the consent of the new prospective client) in good time in this respect. This shall apply to a similar assignment in a period of two years after the end of the last assignment with the previous client.
- 3.6 The consultant shall not accept an assignment and shall terminate an assignment in progress if the client aims to achieve illegal objectives. The consultant shall not cooperate with the use of illegal methods.
- 3.7 The consultant shall only accept those assignments for which he is qualified, to be proven by means of knowledge and experience.

#### 4. The assignment

- 4.1 The consensus on the assignment and the performance thereof must be reflected in written agreements on:
  - the assignment and the delineation thereof
  - the determination of the client
  - the working method of the experts to be used
  - the time schedule of the assignment and the costs estimated or the assumptions for remuneration on the basis of costing
  - the manner in which information shall be provided during and after the assignment
  - the desired or necessary after-service
  - (if applicable) the property rights and copyrights
- 4.2 If during the performance of the assignment facts or circumstances arise which (could) harm the original consensus reached, then client and consultant shall consult on this matter in order to adapt the agreements where possible to the changed situation.
- 4.3 The consultant shall be obliged to withdraw from the assignment, if due to circumstances beyond his control, a satisfactory performance of the assignment is hindered (force majeure) or an unsolvable difference of opinion arises with the client about the way in which the assignment must be performed. If the consultant (possibly prematurely) terminates his assignment, he must do so with due care in relation to the client and his organization.

#### 5. The performance of the assignment

- 5.1 The consultant shall arrange the consultancy process to such an extent that he is able to account for the effects of his actions to the client. The consultant shall inform the client clearly and in

good time on the structuring, approach and progress of his assignment.

- 5.2 The consultant shall make his best endeavour to achieve the result which is the objective of the assignment. However, the consultant does not guarantee that this result as such shall be achieved, save if the consultant and the client have agreed prior to the commencement of the assignment on the result to be achieved and this has been unambiguously established between parties.
- 5.3 If the consultant reports to the client, he shall indicate the information, insights and experiences on which his findings and conclusions are based.
- 5.4 The consultant shall keep in the manner in which he see fit for a minimum of five years records on the performance of the assignment, partly with a view to any justification required afterwards.
- 5.5 The consultant shall be responsible for the continuity of the performance of the assignment in the event the executive consultant is no longer available.
- 5.6 The consultant shall always complete an assignment with a request to the client to give a written or oral evaluation of the way in which the assignment(s) has(have) been performed.

## 6. Discretion and confidentiality

- 6.1 The consultant shall observe the due care which may be reasonably expected of him with the respect to the use of the information which has been provided to him or which he has learned of within the framework of the consultancy relationship.
- 6.2 When passing on information, he shall see to it that this cannot be retraced to the source, save if the source has consented hereto.
- 6.3 If in the performance of the assignment the consultant is required to give an opinion on persons, this must relate to the position which the person concerned holds. The carefulness requires among other things that the consultant informs the person concerned of his provisional opinion before informing the client of his findings. The consultant may deviate from the aforementioned provision if the client has presented beforehand serious grounds for doing so. In that case the consultant shall inform the person(s) concerned beforehand that his advice can result in an opinion on the person(s) concerned. In a report it shall be stated in this respect that the opinion has not been sounded out beforehand by the person(s) concerned.
- 6.4 Recognizable details of the assignment (client) may be published only with the consent of the client. This also applies with respect to publications on assignments in which the client can be recognized. In the event that persons can also be recognized in the material to be distributed, these persons must also consent hereto.

## 7. Responsibility for staff

- 7.1 The consultant shall be responsible for ensuring that his staff or the persons employed under his supervision in the field of management science act in accordance with this Code of Conduct.

## 8. Personnel of clients

- 8.1 The consultant shall not offer a job to an employee of a client.
- 8.2 Recruitment and selection activities, on the instructions of third parties, including executive search activities, are permitted on

the following conditions:

- in no event shall the consultant accept a fee from a person for helping him/her to find employment.
- the consultant shall refrain from directly approaching staff member(s) of a client for a position elsewhere, save if the desire to change jobs can be shown to have emanated from the person involved.
- this condition shall apply for a period as from the commencement of the assignment up to and including a period of two years after termination of the last assignment for the client.

## 9. Finances

- 9.1 The consultant shall charge a fee which is in accordance with the nature of the assignment, the cancellation risk for the consultant, the services performed and any special circumstances.
- 9.2 The fee may only be based on direct or indirect effects of the advice given, if before the start of an assignment the effect which one aimed to achieve with the assignment can be unambiguously described in terms of nature, scale, time span and location and this can be measured afterwards upon completion of the assignment. At the same time the consultant must be able to influence the result to an important extent.

## 10. Relationships with other colleagues

- 10.1 If the consultant may reasonably assume that an assignment from a client for whom another consultant is already working, shall affect the other consultancy process, he shall inform both the client and the other consultant of this expectation. With respect to the acceptance or not of the assignment, the consultant shall give priority to the wish and interest of the client.
- 10.2 The consultant shall not assess the work of another consultant for the same client if the other consultant is unaware of this, save if the assignment in question has ended more than five years ago. The consultant shall not be required to inform the other consultant if the client objects to this on the serious grounds that his interest would be seriously harmed due to the withdrawal of confidentiality in this respect. In the case of an assessment assignment the consultant shall inform the other consultant about (provisional) findings and conclusions and sound these out by the person concerned, save if the client objects to this on serious grounds.
- 10.3 The consultant may assess on behalf of and at request of his client quotations from other consultants. The consultant may inform the colleague in question hereof, save if the client objects to this.

## 11. Disciplinary jurisdiction

In the event of non-observance of the Code of Behaviour the consultant may be called to account by the Supervisory Committee in accordance with the applicable Regulation of Jurisdiction of the Ooa/ROA.

## APPENDIX

This STRATCH Code of Conduct is based upon the texts of the Code of Conduct of the Ooa and the ROA.