



**ACME**  
VALUATIONS

**ACME Valuation**

58 Acme Street, Ulaanbaatar, Mongolia - Ulaanbaatar - Mongolia

# Terms of Engagement

**Client ID:** EMCA Bank

**Assignment ID:** Acme Valuation - 2021 (test)

**TOE ID:** Emca Valuation

**Lead Valuer:** John Doe

**Date of instruction:** 09 Jan 2022

**Project Manager**  
John Doe

**Agency registration number**  
123456

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## I. SUMMARY

### 1. PARTIES TO THIS AGREEMENT

#### A. THE CLIENT

**EMCA Bank** (hereafter known as “*The Client*”) a company incorporated in **Mongolia**, duly represented by **Peter Emca**, acting as its **Director**, with registered address at:

**EMCA Bank, Peace Avenue, Ulaanbaatar, Mongolia**  
**Ulaanbaatar, Mongolia**  
Email: [emile.fremont@gmail.com](mailto:emile.fremont@gmail.com) – Phone Number: **0976563658**

#### B. THE SERVICE PROVIDER

**ACME Valuation (ACME Valuation Ltd)** (hereafter known as “*The Service Provider*”) a company incorporated in **Mongolia**, duly represented by **John Doe**, acting as an external **lead valuer for this assignment** with registered address at:

**58 Acme Street, Ulaanbaatar, Mongolia**  
**N/A, Ulaanbaatar, Mongolia**  
Email: [acmevaluation@akme.com](mailto:acmevaluation@akme.com) – Phone Number: **05986354866**  
RICS agency registration number: **123456**

### 2. PURPOSE OF THIS AGREEMENT

This proposal letter will become, upon acceptance, our letter of engagement to provide the valuation and advisory services outlined:

#### 1. For the purpose of:

Valuation of interests for secured lending

#### 2. Adopting the basis of value:

**Market value** (Source: IVS 2020):

The estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and were the parties had acted knowledgeably, prudently and without compulsion.

#### 3. For the following property

#	Property ID	Address
1	Chingeltei Apartment	Chingeltei District, 2nd Khoroo, Building 45, Unit 34 14250, Ulaanbaatar, Mongolia

## II. AGENCY & VALUER(S) INFORMATION

### 1. IDENTIFICATION AND STATUS OF THE VALUER

This assignment will be carried out for "The Service Provider" by the valuer:

**John Doe**, MRICS

And will be assisted by the following supporting staff:

**Johnny Doey**

**Carol Doey**

**Mark Doe**

### 2. VALUER CERTIFICATION AND QUALITY ASSURANCE

#### A. EXPERIENCE OF THE VALUER

The valuer (John Doe, MRICS) has been active in the Mongolian Real Estate market for the past 20 years. He has considerable experience in the Mongolian Real Estate Market, having carried out a sufficient number of transactions and being familiar with the particularities, taxation systems and legal restrictions of the market. He has participated in large scale Asset Quality Review performed on all commercial banking institutions in Mongolia and on institutional public companies. He further holds qualification dispensed by the RICS in commercial property valuation and property finance and investment. The valuer has been trained in international valuation methods and is aware of their use and limitations. The valuer further assumes that the client is aware of the general principles of valuations and market conditions and as such they are not explored in great detail within this report. Please refer to the 'Appendices & Useful Info' tab of this report for further explanation on the methodologies used as well as some of the assumptions made.

#### B. EXPERTISE OF THE AGENCY

Acme has been active in the Mongolian Real Estate and Business Valuation market for the past 30 years. During that time the firm has developed key expertise in the overall real estate sector as well as a number of key business sectors and industries. Should the valuer, supported by any member of the firm not feel sufficient at ease in valuing this particular assignment, he will either refuse the assignment or contract external contractors and make it known within the report. The Valuer is a registered Business & Property Valuer with the Royal Institute of Chartered Surveyors and holds a certificate in both of those by the same institute.

### 3. PROFESSIONAL INDEMNITY INSURANCE

The valuer maintains an appropriate Professional Indemnity Insurance Policy (PII) with Mandal Insurance as required by the RICS Valuer Registration scheme and the Mongolian Valuation law. The limit of indemnity, defined by Mandal Insurance as the limit of the liability under the policy, is set at 500,000 £ for each and every claim and in the aggregate sub-limit. Indemnity covers the valuer against civil liability for compensation to any third party arising from any claim as a result of a breach of professional duty in the conduct of our professional services. The policy equally covers M.A.D. Urban against civil liability for compensation arising from any claim made against the valuer arising from unintentional defamation and any unintentional infringement of copyright, trademark, registered design or patent or any plagiarism or breach of confidentiality. Please contact Acme Valuation management team to enquire about additional information regarding the limits and exclusion included in our liability.

### 4. LIMITATIONS ON LIABILITY

Due to the nature of the instructions and subject to the provisions in these terms and conditions and agreement, M.A.D. Urban's total aggregate liability in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services shall be limited to an aggregate sum not exceeding the fee paid, except to the extent that any such liability is found by a court of competent jurisdiction to have resulted primarily from M.A.D Urban's gross negligence, bad faith or wilful misconduct.

### 5. STATEMENT OF INDEPENDENCE

By the following statement verified by the signature on these terms of engagement, the valuer named on this document makes an affirmative statement to express an independent opinion which is free from bias and objective.

### III. STANDARDS, SOURCES & USES

#### 1. VALUATION STANDARDS

This valuation report will be prepared in full conformity with IVS. The report adheres to RICS Valuation Practice Statement 3 on Valuation Reports and the RICS Valuation PS2 on Ethics, Competency, Objectivity and Disclosures. Any potential departures from the IVS and / or RICS are reported and its reasoning explaining in the report. The report is valid only for the valuation date expressed in the report.

Please note that we carry out our Property Valuations according to the methodology set out by the International Valuation Standards Council and follow: **RICS Valuation Global Standards 2020, IVS 2020, Mongolian Valuation Standards**

No other form or method of valuation will be considered. Verbal valuations of any kind will not be provided to "The Client".

If certain departures need to be made to adapt the valuation methodology for the local environment, such departures will be clearly marked within the valuation report. No departures will be made from PS1 or PS2 of the Professional Standards of RICS.

All data, methodology, assumptions and general market information used in this valuation report remain the copyright of "The Service Provider" at all times. The models used to calculate and arrive at an adopted value have been duly adapted for the local Real Estate market by "The Service Provider" and as such all models remain the exclusive property of "The Service Provider".

#### 2. RICS MONITORING

Please note that our valuation files may be subject to monitoring under the institution's conduct and disciplinary regulations from time to time to ascertain compliance with RICS standards. If an audit is carried out, all files will be subject to the same strict standards of data protection and confidentiality as within "The Service Provider" firm.

#### 3. NATURE AND SOURCE(S) OF INFORMATION

##### A. AGENCY POLICY

The data used in the compilation of proposed report will be obtained from a variety of sources, such sources will be indicated within the report where relevant. Comparable data will be sourced from the National Archives of Mongolia, using the Notary transaction books over the past five years in addition to Acme's own proprietary transaction database and third party brokers. Market Data will be sourced by Acme using primary research tools supported by data from the National Statistical Office of Mongolia. Supplementary data and general market information will be compiled from a number of public domain sources and reports in addition to Acme.'s own survey's and data mining efforts. Since the valuation will be based on a number of assumptions that have been compiled by Acme on a best effort basis according to current knowledge of market dynamics and available information, actual market conditions may differ from stated assumptions. All valuations are backwards looking and thus based on past evidence and not future predictions. As such the valuation will be most accurate at the date of valuation and loses considerable accuracy over time. It is estimated that stated valuations are accurate for a period of no more than 6 months from the date of valuation. We believe that the information provided by "The Client" that will be used in this report is credible.

##### B. MONGOLIA SPECIFICS

There is no public domain information accessible in the Mongolian Real Estate Market.

#### 4. RESTRICTIONS ON USE, DISTRIBUTION AND PUBLICATION OF THE REPORT

##### A. PERSONAL INDEMNITY INSURANCE

In the event "The Client" provides a copy of the Report to, or permits reliance thereon by, any person or entity not authorized by "The Service Provider" in writing, to use or rely thereon, "The Client" hereby agrees to indemnify and hold harmless "The Service Provider", its affiliates and their respective shareholders, directors, officers and employees, from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person or entity.

##### B. CONFIDENTIALITY

In the course of completing this property valuation assignment, "The Service Provider" and its affiliates may be subject to receiving confidential information (financial or otherwise) related to the entity being valued or its competitors. Any such information will be kept confidential at all time within "The Service Provider" firm and will not be alluded to, described or otherwise talked about with

any third parties without the express authorisations of the client. It is important to note that this report will contain some or all confidential information and this report may form part of an audit by the RICS or a State Auditing company, "The Service Provider" will not be responsible for any breaches that result from such actions.

#### **C. INTENDED USE AND USERS OF VALUATION REPORT AND LIMITATIONS ON DISTRIBUTION OF REPORT**

The report is being prepared for the stated purpose only and will remain confidential to the client and Loan applicant and for the purpose for which it refers. The valuer hereby confirms that the valuation report is to be relied upon by the "Client" and the identified third parties only.

Distribution or publication of the whole of the report or any part of it in any public document, prospectus, statement, circular or any communication is limited to the "Client" and third parties as defined in this document.

"The Service Provider" responsibility shall be limited to "The Client", and any use of the product (including, without limitation, the Report and contents therein) by third parties shall be solely at the risk of "The Client" and any such third parties.



## IV. PROPERTIES DETAILS & VALUATIONS

### 1. VPGA 10 – NATIONAL MATTERS THAT MAY GIVE RISE TO MATERIAL VALUATION UNCERTAINTY

According to the RICS Valuation Practice Guidance - Application 10 (VPGA-10) - Matters that may give rise to material valuation uncertainty - below are the national level considerations found during the valuation process that may impact the degree of certainty, or uncertainty, of the valuation:

#### A. MONGOLIA

- A USD 5.5 billion dollar IMF funded bailout package has been granted in 2017 for a 3 years, and was further extended in 2020, this may lead to changes in all aspects of the economy.
- More austerity measures may be introduced leading to reduced liquidity and appetite in the real estate market.
- The exchange rate as on the date of valuation has been used, sourced from the official Mongol Bank rate.
- In respect of the real estate sector, as at the valuation date we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of the property is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

### 2. CHINGELTEI APARTMENT

#### A. CHARACTERISTICS

Property ID	Chingeltei Apartment
Surface (Square Metre)	80
Property Type / Property Sub-Type	Residential / Apartment / Flat
Address	Floor: 2 Chingeltei District, 2nd Khoroo, Building 45, Unit 34 14250, Ulaanbaatar, Mongolia

#### B. INVESTIGATION

Type of investigation	Internal inspection
Date of inspection (expected)	01 Feb 2022

#### C. MEASUREMENT

The valuer has been instructed to measure the property on the 09 Jan 2022

Measurement standard	Mongolian Measurement Standard
System of measurement	Metric
Measurement methodology	Tape measuring
Purpose of measurement	Update of Property Legal Title

#### D. NATURE AND EXTENT OF THE VALUER'S WORK INCLUDING INVESTIGATION AND ANY LIMITATIONS THEREON

1. Does this valuation include all the fixed equipment, fixtures, fittings and equipment owned by the Landlord and essential in the running or management of the property?  
Yes

2. Are any items, furnishings, equipment, improvements, plants or fixtures owned by the occupier or Tenant to be included from this valuation?

No

3. Does this valuation take into consideration any natural hazards such as ground instability, mining or mineral extraction, radon gas, risk of flooding from all mechanisms including pluvial and fluvial sources or non-natural hazards such as contamination where substances are in, on or under the ground resulting from current or historic uses?

No

4. Does this valuation take into consideration other hazardous materials present in or kept on the property, such as (but not limited to) regulated hazards, including chemicals, radioactive substances, explosive materials, waste management activities, asbestos, ozone depleting substances, oils and deleterious materials, such as building materials that degrade with age, causing structural problems, for example, high alumina cement, calcium chloride or wood-wool shuttering?

No

5. Does this valuation include Due Diligence checks?

Yes. The valuer will review the legal titles of the property through an official request to the Immovable Property registration office of Sukhbaatar district.

#### E. NATURE AND SOURCE(S) OF INFORMATION UPON WHICH THE VALUER WILL RELY

The following documents are necessary in order to carry the valuation:

- **Legal Status of Landlord** (Client will provide that document)
- **Immoveable Property Certificate** (Client will provide that document)
- **Property Floor Plans** (Client will provide that document)

Should the required information to properly carry out the valuation be not available, special assumptions have to be made as to the supposed nature of those informations.

#### F. ASSUMPTIONS

- The property is entirely free of encumbrances, restrictions, easements and restrictive covenants
- No hazardous materials are used in the construction of the property
- There are no current plans by City Authorities that would impact the value of the property
- There are no plans to change laws and regulations surrounding property ownership and use
- Data (financial or otherwise) provided by the Client will be assumed true without Due Diligence
- The property is not subject of any environment related risks
- The buildings are structurally sound, and there is no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or construction techniques, whether in parts of the building we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above).
- The buildings have been constructed and are used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control. Likewise, that any future construction or use will be lawful (other than those points referred to above).
- The property is connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.

#### G. SPECIAL ASSUMPTIONS

There are no special assumptions.



## H. DEPARTURES

### 1. IVS 2020

- Due to restricted liquidity in the market, transactions have reduced drastically and where it is not possible to find an actual transaction in a comparable property, advertised prices have been used and appropriately discounted to reflect real market price. This is a departure from IVS 105, however given the nature of the Mongolian market, we believe this is the most accurate way of arriving at a fair market price.

### 2. RICS Valuation Global Standards 2020

- The method of measurement is that of the Mongolian measurement standard as per local legislation. This is a departure from RICS property measurement 2nd edition.

## I. VALUATIONS

The 100% Freehold interest in the property will be valued with the following valuation approaches and methods under the Highest and best use premise of value. The final valuation report will be delivered on the 05 Feb 2022.

#	Approach to value	Method to value
1	Market	Comparable Transactions

### 1. Currencies

Country currency	Valuation reporting currency
MNT	MNT

### 2. VPGA 10 – Local or market specific matters that may give rise to material valuation uncertainty

- The valuer did not identify any local or market specific matters that may give rise to material valuation uncertainties

## V. CONFLICT OF INTEREST

### 1. INTRODUCTION

Please note that in the event a conflict of interest, or risk of conflict of interest, is declared, an informed consent form is to be signed by the Client to carry out this valuation assignment. As per the global *Conflicts of Interest* professional statement, 1st edition - March 2017, "An RICS member or regulated firm must not advise or represent a client where doing so would involve a Conflict of Interest or a significant risk of a Conflict of Interest; other than where all of those who are or may be affected have provided their prior Informed Consent. Informed Consent may be sought only where the RICS member or regulated firm is satisfied that proceeding despite a Conflict of Interest is:

- in the interests of all of those who are or may be affected and
- is not prohibited by law,
- and that the conflict will not prevent the member or regulated firm from providing competent and diligent advice to those that may be affected".

Informed Consent is defined as follow : " Consent given willingly by a party who may be affected by a Conflict of Interest, that party having demonstrated to the RICS member working independently or within a non-regulated firm or regulated firm concerned that the party understands:

- that there is a Conflict of Interest or a significant risk of a Conflict of Interest and
- the facts known by the RICS member (working independently or within a non-regulated firm or within a regulated firm) or the regulated firm that are material to the Conflict of Interest and
- what that Conflict of Interest is or may be and
- that a Conflict of Interest may affect the ability of the RICS member (working independently or within a non-regulated firm or within a regulated firm) or a regulated firm to advise or act fully in the interests of a client."

### 2. CHECKLIST

**1. Has the agency worked with the prospective client previously?**

*Refer to RICS Red Book / Professional Standard 2 - Section 3, Paragraph 3.7*

Yes, a potential conflict of interest may arise

**Nature of the potential conflict(s):** The valuer has been engaged by the client on a regular basis over the past 5 years. The valuer has been in charge of doing the valuation of the real property assets of the client's company for their inclusion in the company financial statements.

**Mitigation strategy:** The valuer will disclose the relationship with the client in the terms of engagement and in the valuation report.

**2. Have any of the partners worked in a personal capacity with the prospective client previously?**

*Refer to RICS Red Book / Professional Standard 2 - Section 3, Paragraph 3.7*

No, there is no conflict of interest.

**3. Do any of the employees working on the valuation (including partners) know any of the prospective client company's employees?**

*Refer to RICS Red Book / Professional Standard 2 - Section 3, Paragraph 3.7*

No, there is no conflict of interest.

**4. Do any of the employees (including partners) have any interest (financial or otherwise) or future prospect of interest in the target property to be valued?**

*Refer to RICS / Professional Statement, global - Conflict of Interests - Section 1, Paragraph 1.1. & 4.2.(b), Commentary Note 7)*

No, there is no conflict of interest.

**5. Is the agency acting for the buyer and the seller of the property or asset in the same transaction or acting for two or more parties competing for the same opportunity?**

*Refer to RICS / Professional Statement, global - Conflict of Interests - Section 1, Paragraph 1.1. & Commentary Note 9. & 11.(a) and (b)*

No, there is no conflict of interest.

**6. Is the agency valuing a property or asset previously valued for another client of the same valuer or firm?**

*Refer to RICS Red Book / Professional Standard 2 - Section 3, Paragraph 3.7*

No, there is no conflict of interest.

- 7. Is the agency undertaking a valuation for third-party consumption where the valuer's firm has other fee-earning relationships with the client?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3, Paragraph 3.7*  
 No, there is no conflict of interest.
- 8. Do any of the employees (including partners) have any prior knowledge of previous transactions related to the properties to be valued?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3, Paragraph 3.7*  
 No, there is no conflict of interest.
- 9A. Is the agency currently working on any projects that conflict (directly or indirectly) with the client's business?**  
*Refer to RICS / Professional Statement, global - Conflict of Interests - Section 1, Paragraph 1.1. & 4.2. (a) and (c), Commentary Note 6 and RICS / Professional Standard 2 - Section 4, Paragraph 4.2*  
 No, there is no conflict of interest.
- 9B. Is the agency currently working on any projects that conflicts (directly or indirectly) with the target properties?**  
*Refer to RICS / Professional Statement, global - Conflict of Interests - Section 1, Paragraph 1.1. & 4.2. (a) and (c), Commentary Note 6 and RICS / Professional Standard 2 - Section 4, Paragraph 4.2*  
 No, there is no conflict of interest.
- 10. Does the agency and the prospective client company have any directors, partners or employees in common?**  
*Refer to RICS / Professional Statement, global - Conflict of Interests - Section 1, Paragraph 1.1. & 4.2.(b), Commentary Note 7 & 3*  
 No, there is no conflict of interest.
- 11. Is there any direct or indirect fee sharing between the agency and the client?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3, Paragraph 3.7 and to RICS / Professional Statement, global - Conflict of Interests - Section 1, Paragraph 1.1. and 4.2.(b), Commentary Note 7 and 3*  
 No, there is no conflict of interest.
- 12. Does this valuation fee constitute a substantial portion of the agency's revenue for the quarter or the year (over 25%)?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 5, Paragraph 5.7*  
 No, there is no conflict of interest.
- 13. Has the agency or any of its employee provided a verbal or indicative value of the property to the client prior to engagement?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3, Paragraph 3.7*  
 No, there is no conflict of interest.
- 14. Is the agency valuing for a lender where advice is also being provided to the borrower or the broker?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3, Paragraph 3.7 & VPGA 2 Section 3, Paragraph 3.4*  
 No, there is no conflict of interest.
- 15. Does the agency have a long-standing professional relationship with the borrower or the owner of the property or asset?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3.7 & VPGA 2 Section 3, Paragraph 3.4*  
 No, there is no conflict of interest.
- 16. Is the agency introducing the transaction to the lender or the borrower, for which a fee is payable to the valuer or firm?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3.7 & VPGA 2 Section 3, Paragraph 3.4 and 5.*  
 No, there is no conflict of interest.
- 17A. Does the agency have a financial interest in the borrower?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3.7 & VPGA 2 Section 3, Paragraph 3.4 and 5.*  
 No, there is no conflict of interest.
- 17B. Does the agency have a financial interest in the assets?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3.7 & VPGA 2 Section 3, Paragraph 3.4 and 5.*  
 No, there is no conflict of interest.

18. **Is the agency acting for the owner of the property or asset in a related transaction?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3.7 and VPGA 2 Section 3, Paragraph 3.4*  
No, there is no conflict of interest.
19. **Is the agency acting or has the agency acted for the borrower on the purchase of the property or asset?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3.7 & VPGA 2 Section 3, Paragraph 3.4. & 5.*  
No, there is no conflict of interest.
20. **Is the agency retained to act in the disposal or letting of a completed development on the subject property or asset?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3.7 & VPGA 2 Section 3, Paragraph 3.4. & 5.*  
No, there is no conflict of interest.
21. **Has the agency recently acted in a market transaction involving the property or asset?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3.7 & VPGA 2 Section 3, Paragraph 3.4. and 5.*  
No, there is no conflict of interest.
22. **Has the agency provided fee earning professional advice on the property or asset to current or previous owners or their lenders?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3 & VPGA 2 Section 3, Paragraph 3.4. and 5.*  
No, there is no conflict of interest.
23. **Is the agency providing development consultancy for the current or previous owners?**  
*Refer to RICS Red Book / Professional Standard 2 - Section 3 & VPGA 2 Section 3, Paragraph 3.4*  
No, there is no conflict of interest.
24. **The valuer identifies one/several conflict(s), or potential conflict(s), of interest (Party Conflict, Own Interest Conflict or Confidential Information Conflict)**  
*Refer to PS 2 paragraph 3.2.(a) & (b) of RICS Valuation - Professional Standards 2022*  
No, there is no conflict of interest.
25. **The valuer doubts his or her ability to avoid or manage any threat to independence and objectivity.**  
*Refer to PS 2 paragraph 3.3 of RICS Valuation - Professional Standards 2022*  
No, The valuer is able to continue the assignment objectively and unbiased, free of any conflict of interest and or potential conflict of interest that may arise during the course of this assignment.

## VI. DISCLOSURES

1. **Has the client been informed of the agency's complaint procedure in writing and verbally?**  
  
Yes
2. **The valuer / member of RICS does not have the required level of expertise to deal with some aspects of the commission.**  
*Refer to PS 2 paragraph 2.4 of RICS Valuation - Professional Standards 2020*  
  
No.
3. **The valuer proposes to employ another firm to provide some or all of the valuations that are subject to the instruction.**  
*Refer to PS 2 paragraph 2.6 of RICS Valuation - Professional Standards 2020*  
  
No.
4. **Has the asset been previously valued by the valuer or the valuer's firm?**  
*Refer to PS 2 paragraph 5.1 of RICS Valuation - Professional Standards 2020*  
  
No.
5. **The valuer has been involved with the purchase of one or more properties for the client within the 12 month period preceding the date of instruction or date of agreement of the terms of engagement or a specific longer period prescribed or adopted in your jurisdiction.**  
*Refer to section PS 2 paragraphs 5.3.2 of RICS Valuation - Professional Standards 2020*  
  
No.
6. **The valuer has provided a series of valuations over a period of time.**  
*Refer to PS 2 paragraph 5.4.1-4 of RICS Valuation - Professional Standards 2020*  
  
Yes. The valuer has been the exclusive signatory of the agency valuation reports for the past 5 years.
7. **Has the valuer continuously been the signatory to valuations for the same purpose?**  
*Refer to PS 2 paragraph 5.5.1 of RICS Valuation - Professional Standards 2020*  
  
No.
8. **Has the valuer valued the asset for the same purpose either within the 12 month period preceding the date of instruction or relevant period as prescribed or adopted in your country of practice.**  
*Refer to PS 2 paragraph 5.6.1. & 2. and 5.7.1. & 2. of RICS Valuation - Professional Standards 2020*  
  
No.
9. **Has the valuer / firm been involved with the purchase of the same asset for the client within the period of 12 months preceding the valuation date?**  
*Refer to PS 2 Paragraph 5.3.2 of RICS Valuation Professional Standards 2020*  
  
No.
10. **In the case where the party that commissioned the valuation for secured lending is not the intended lender, is the identity of the prospective intended lender disclosed?**  
*Refer to RICS / VPGA 2 Section 4, Paragraph 4.2*  
  
No.

## VII. DELIVERY, FEES & CONDITIONS

### 1. DELIVERY DETAILS

Expected completion date of this assignment is the 05 Feb 2022 and the report(s) will be delivered in:

- Soft copy (PDF) delivered by email

### 2. SUMMARY

Designation	Amount (MNT)
Valuation Fees	3,000,000.00
Additional costs	1,500,000.00
Total (excluding taxes)	4,500,000.00
VAT (10%)	450,000.00
Total (including taxes)	4,950,000.00

### 3. DETAILS

#### A. VALUATION BREAKDOWN

#	Property	Method	Size(Sq.ft)	Fees Basis	Amount (MNT) (excl. taxes and discount)
1	Chingeltei Apartment	Comparable Transactions	80	Lumpsum	3,000,000.00

#### B. ADDITIONAL COSTS

#	Item	Qty	Unit Price (MNT)	Amount (MNT) (excl. taxes and discount)
1	Chingeltei Apartment	1	1500000	1,500,000.00

### 4. PAYMENT TERMS

For the avoidance of doubt, should the instruction become abortive at any given point, "The Service Provider" is entitled to 100% of the fees. The above fees are non-refundable and non-adjustable.

It is understood that payment of the valuation fee is not contingent on the appraised value, a loan closing, or any other prearranged condition.

#	Term	Date	%	Amount (MNT) (incl. taxes and discount)
1	Payment Term-1	09 Jan 2022	50%	2,475,000.00
2	Final Payment Term	07 Feb 2022	50%	2,475,000.00



## VIII. SIGNATURES OF THE PARTIES

### 1. GOVERNING LAW

This engagement shall be subject to laws of Mongolia. The parties in this letter submit to the exclusive jurisdiction of the Courts in Mongolia for settling any dispute arising out of the engagement.

### 2. RESPONDING TO SUBPOENAS OR OTHER JUDICIAL REQUESTS TO PRODUCE DOCUMENTS

Should "The Service Provider" receive a subpoena, a judicial request to produce documents or a request to provide testimony pertaining to this assignment in connection with a lawsuit or proceeding, "The Service Provider" shall notify "The Client" immediately so as to afford "The Client" ample time and opportunity to take appropriate action as "The Client" sees fit. However, should "The Service Provider" not be a party to these proceedings, "The Client" shall agree to compensate and reimburse "The Service Provider" for any professional time expended and actual expense incurred in responding to this request. This includes attorneys' fees, if any. "The Service Provider" shall be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or request for testimony.

### 3. SIGNATURES

You may authorise our appointment by signing this letter and returning it to us (via email: [jd081389@gmail.com](mailto:jd081389@gmail.com))

X

Signature

Date:

For and on behalf of: EMCA Bank

Name Peter Emca

Designation Director

X

Signature

Date:

For and on behalf of: ACME Valuation Ltd

Name John Doe

Designation Lead valuer for this assignment

### 4. DISCLAIMER & COMPLAINTS HANDLING PROCEDURE

While Acme constantly strives to maintain the highest possible ethical and service standards, we do occasionally fall short from our client's expectations. It is our desire to build on any such mistake to continue to improve our levels of professionalism and to better serve our clients. s such we ask that any past or existing client with any complain please send us a mail at [info@mad-mongolia.com](mailto:info@mad-mongolia.com) at your earliest convenience. We treat such matters very seriously and will always seek to find a solution that pleases all parties involved. All emails will be received and reviewed directly by the firm's Managing Partner only. Please include all pertinent details such as dates, places, times, people involved and nature of the complaint. We will revert back to you as soon possible, usually within 24 hours. Furthermore, please note that the legal name of our firm is Acme Valuation Ltd, Acme Valuation is used as a trading and marketing name.

## IX. APPENDICES

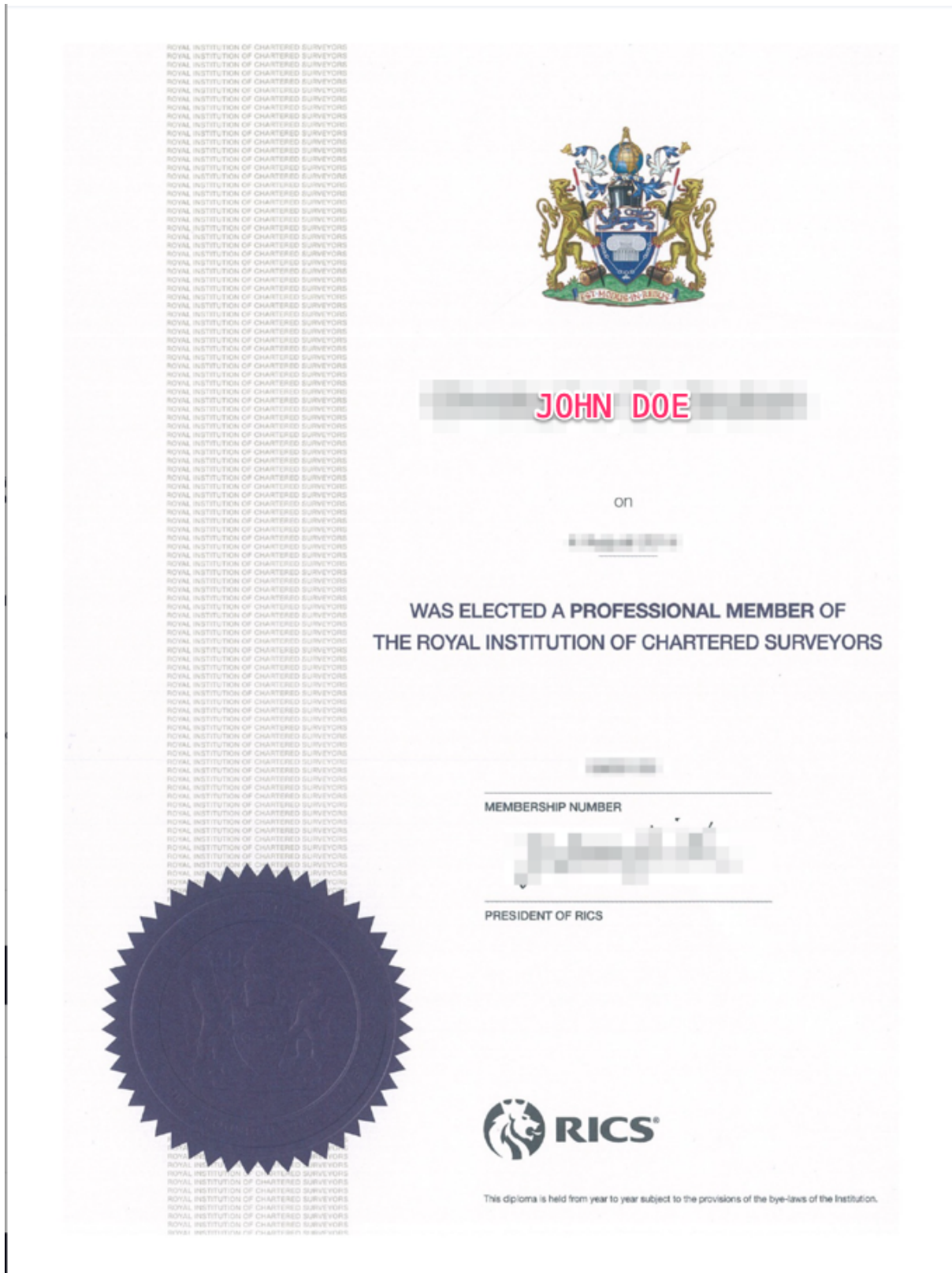
### 1. AGENCY ACME VALUATION AVAILABLE DOCUMENTS

#### A. COMPANY RICS REGISTRATION



## 2. LEAD VALUER JOHN DOE AVAILABLE DOCUMENTS

### A. MRICS





## RICS VALUER REGISTRATION

This is to certify that



is an RICS Registered Valuer

Valid from: [Redacted]

Until: [Redacted]

Membership no: [Redacted]

[Redacted Signature]

DIRECTOR OF REGULATORY AND CORPORATE AFFAIRS



This certificate is held from year to year subject to RICS' bye-laws and scheme rules currently applicable and is not a certificate to practice.



VAL02





<b>Client ID:</b>	EMCA Bank
<b>Assignment ID:</b>	Acme Valuation - 2021 (test)
<b>TOE ID:</b>	Emca Valuation
<b>Lead Valuer:</b>	John Doe
<b>Project Manager:</b>	John Doe
<b>Date of instruction:</b>	09 Jan 2022

**ACME Valuation** - 58 Acme Street, Ulaanbaatar, Mongolia - Ulaanbaatar - Mongolia

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