



**GIA**  
GEM TRADE LABORATORY®

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Dear Client:

Today, more than ever, GIA must place a premium not only on the quality of our grading expertise and customer service, but also on our values and high ethical standards. We are an organization with a proud history of research, education, and excellence.

In my more than two decades at the Institute, I was fortunate to spend many years working alongside GIA's longtime former president and chairman, Richard Liddicoat, and GIA's vice president, Robert Crowningshield. They modeled GIA's core values of fairness and integrity, of which I heartily agree. As we look to the future, GIA must continue to be driven by those values and ethics.

Over the past several months, our Board of Governors has demonstrated its deep commitment to these core values and standards, and to ensuring that at all times, GIA operates according to best business practices and policies. I look forward to working with the Board and with our President, Bill Boyajian, in my new capacity as head of the GIA Laboratory to achieve these mission-critical activities.

To that end, I would like to take the opportunity to share with you some of the initiatives we are implementing at GIA to make our organization even stronger and better.

### **Our New Compliance Officer**

GIA has recently appointed our current head of Human Resources, Linda Scholl, to be GIA's new Compliance Officer. In this capacity, Linda will report to Donna Baker, GIA's Vice President and General Counsel, and will oversee the enforcement of our compliance policies for the Lab. Linda's extensive background in corporate compliance and human resources make her well-qualified for these new responsibilities. As Vice President of Human Resources and Compliance, she will have under her supervision a seasoned professional dedicated to Laboratory compliance matters.

### **Strengthened Professional Ethics and Conduct Compliance Statement**

As you may know, for many years, the GIA Laboratory has had in place a comprehensive and mandatory Code of Conduct and Professional Ethics Policy. In collaboration with our outside legal counsel, we have recently bolstered the principles and policies enunciated in that document to include even more stringent standards and requirements and that reflect the most current industry guidelines for professional conduct. For example, employees are now required to inform GIA of Code of Conduct violations that they may witness or of which they become aware. Failure to do so will result in dismissal.

### **Mandatory Ethics Training Seminar for Employees**

GIA has also arranged for all employees to take part in a mandatory ethics training seminar in November of this year. Such a session will be conducted annually at GIA and will highlight the importance of the provisions set forth in the Code of Conduct Policy as well as

give additional information on workplace ethics. This year's seminar will be led by Thomas O'Neil, a partner at the law firm of DLA Piper Rudnick Gray Cary, LLP. Mr. O'Neil, as you may recall, conducted the recent investigation of GIA.

### **Employee Prohibition on Accepting Gifts and Gratuities**

Among the many policies and practices contained in the Code of Conduct, there is one policy that we point out to our clients every year as the holidays approach. This provision stipulates that all our employees must avoid situations that conflict in any way with GIA's ability to serve our clients in the most professional and unbiased manner. Therefore, no employee may solicit or receive compensation in any form from Lab clients, including cash and/or non-cash gifts or entertainment. There are no exceptions to this rule, and any violations will result in immediate dismissal of the employee. In turn, we request that our clients respect this rule and refrain from attempting to give gifts of any kind to individual employees. Any such violations will trigger immediate removal from our client list.

### **The GIA Hotline**

We have recently retained an independent firm called EthicsPoint—a leading provider of services to support compliance, workplace ethics, and corporate governance—to enable our clients, as well as our employees, students, and vendors, to communicate openly and safely with GIA's management and Board. Via a toll-free hotline or the Internet, individuals can report cases of actual or even potential misconduct anonymously and confidentially. The multilingual website, and domestic and international toll-free hotlines, also with multilingual support, will be available 24 hours a day, seven days a week. Beginning November 21, 2005, GIA will have an ethics page on its website which will include contact information and go-live dates for the anonymous reporting system. The GIA EthicsPoint domestic hotline 866-295-2625 (U.S. and Canada) will also be available by the same date.

As you can see, we are moving forward with expediency and great energy. These are just several of the important steps we are taking to ensure that we continue to serve the industry and the public with pride and excellence.

On behalf of the GIA Laboratory and its entire staff, I thank you for your support and confidence. Please feel free to contact me directly should you have any questions or comments related to our services.

Sincerely,



Thomas M. Moses  
Senior Vice President, GIA Laboratory and Research