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# **Code of Ethics and Conduct**

KLA Advogados





## **Dear KLA Colleagues,**

We are delighted to present to you the KLA Code of Ethics and Conduct ("Code").

The purpose of the Code is to re-emphasize the ethical standards that apply to all KLA Advogados personnel. This Code provides you with all the necessary information to carry out your professional activities, especially when interacting with government officials and public entities.

In a market environment that is constantly developing and increasingly intolerant of corruption, this Code is essential for maintaining KLA's good image and fundamental for portraying confidence to our clients. By adopting it, we affirm our commitment that has been an integral part of KLA since its inception namely to render legal services guided by ethics, professionalism, and integrity in accordance with legal standards.

Based on the Code of Ethics and Discipline of the Brazilian Bar Association and pertinent legislation such as the Anti-Corruption Law (Federal Law 12,846/13), the Code provides an overview of how every KLA staff member should conduct themselves.

The activities of a law firm necessarily involve contact with public officials, whether it be judges, clerks in public entities, notaries or anyone who performs functions of a public nature, which is why it is essential that the everyone in the firm must respect the law.

In view of this, compliance with the guidelines of this Code is extremely important in performing our professional activities. We must all act in accordance with this Code and always abide by it, thus maintaining high standards of ethical conduct.

The responsibility rests on us to ensure that KLA's exemplary image is maintained, as any unlawful conduct by one will harm ALL. Together we represent a top tier law firm with proven technical acumen that respects the regulations imposed by law and by this Code.

We are very proud of the firm that we have built and will do our best to maintain our impeccable reputation. We rely on you on our journey to success to always observe the highest ethical principles.

## **The KLA Partners.**



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## 1. Advocacy

By its very nature, legal practice is a profession in which respect for rules and ethical conduct it is essential for the development, enhancement and guarantee of citizenship. As an integral part of legal practice, every lawyer and intern are duty-bound to follow the rules and guidelines of the OAB Code of Ethics and Discipline.

The OAB Code of Ethics and Discipline prescribes the values that we must always be mindful of. Article 2 of the OAB Code describes the role of the lawyer within society as “...**defender of the democratic rule of law, citizenship, public morality, justice and social peace...**”. It further establishes the duty of the professional “**to act with intrepidity, independence, honesty, decorum, veracity, loyalty, dignity and in good faith**”.

At the core of all KLA activities is the professional duty of client-lawyer confidentiality inherent in the law. Client matters ARE ALWAYS CONFIDENTIAL and often extremely confidential even as far as other KLA personnel are concerned. All KLA’s internal matters must be handled with due care, both in and out of the office setting.

## 2. Recipients of the Code

ALL KLA personnel must adhere to this Code, and it includes staff who work in administration given that they are in direct contact with clients and client matters.

No client matters should be discussed outside the office setting, and extreme caution should be exercised when disclosing client names. Often, the mere presence of a particular client in the office may suggest a scenario involving sensitive information, therefore, any leaking of such information could cause irreparable damage to the client and KLA.

## 3. Compliance Officer

The KLA Integrity Program will operate under the auspices of the Compliance Officer, who will have unfettered authority to:

- Be privy to all reports from the External Reporting Channel, conduct independent investigations into irregularities and have unrestricted access to documents and information from different areas;



- Present the conclusions reached following the investigations to the Ethics and Discipline Committee and participate in the deliberations whenever called upon to do so;
- Determine the necessary procedures for the implementation of the Code;
- Clarify any uncertainty relating to the Code and the KLA Integrity Program; and
- Promote a culture of compliance among KLA personnel and third parties.

## 4. Ethics and Discipline Committee

The Ethics and Discipline Committee (“Committee”) is the institutional body whose main function it is to coordinate and direct measures relating to the implementation and management of the KLA Integrity Program. The Committee will also be responsible for the analysis, guidance, decision-making, and issuance of recommendations when instituting disciplinary measures involving lawyers or KLA collaborators who violate this Code or pertinent legislation.

The Committee will comprise the members of the Executive Committee. The Committee may, in exceptional circumstances and depending on the topic to be discussed and resolved, request other personnel to be present.

The Committee will meet bimonthly in the ordinary course of business, and exceptionally whenever necessary. All meetings are to be recorded and documented in official minutes. Should any conflict of interest arise involving any member of the Committee, such conflict must be disclosed at the earliest opportunity in order to maintain impartiality and objectivity in its decision-making.

## 5. Training & Access to Information

To divulge and better impart the principles herein, periodic training will be held for all KLA staff. The training will be overseen by KLA’s Compliance & Investigations department, who will remain at your full disposal to clarify any uncertainty that you may have. All training sessions are mandatory.



## 6. Client Relationship

Clients are subject to the same anti-corruption regulations that apply to KLA. Therefore, as a law firm, KLA must always keep clients informed of the risks of corruption.

With the advancement in the understanding of the relevance of Compliance Programs, more and more companies have implemented and improved mechanisms for the prevention and mitigation of risks relating to corruption and other types of unlawful conduct. As such, it is commonplace for KLA to be asked to share its values as outlined in this Code and for clients to conduct a preliminary investigation before contracting KLA.

Therefore, good conduct toward clients and interaction with the market audience ensure that KLA stands in good stead as a sound business partner, as it, in addition to offering excellent legal services, endeavors to protect mutual interests.

Accordingly, our professional performance must always be guided by the interests of KLA and its clients. Any scenario that could give rise to a conflict of interest must be carefully analyzed in favor of attaining KLA's institutional objectives.

Instructions from new clients, whether of a consultative or contentious nature, must first be submitted to the partners for consideration and to assess potential conflicts of interest.

The following are some examples of conduct permitted and prohibited by law:

| <b>Must</b> ✓   | <b>May not</b> ✗  |
|---|---|
| <ul style="list-style-type: none"> <li>▪ Personify ethics and courtesy;</li> <li>▪ Act pursuant to this Code and pertinent legislation;</li> <li>▪ Always be disposed to clarify the law; and</li> <li>▪ Perform client due diligence before onboarding clients and accepting new instructions to avoid conflicts of interest.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Obtain or offer an undue advantage;</li> <li>▪ Engage in an unfair commercial practice;</li> <li>▪ Disclose confidential information; and</li> <li>▪ Engage unethically or unlawfully with clients and commercial partners.</li> </ul> |



## 7. Non-Discrimination and Combating Psychological Harassment and Sexual Harassment

We strive to maintain a work environment in which every professional feels secure to express their opinion, perform their function, and socialize with their colleagues. Therefore, KLA does not tolerate any form of psychological or sexual harassment, whether in the work environment, at work social events or any other office-related scenario.

Sexual harassment is any conduct meant to constrain someone to gain sexual favor by taking advantage of their status as a hierarchical superior in the exercise of their function or by virtue of their position.

Any proposition or imposition that may cause embarrassment or intimidation, violate sexual freedom is also unacceptable, whether through gesticulation, physical act, verbal utterance, in writing or any other form of communication <sup>[1]</sup>.

Some examples of inappropriate behavior are:

- Explicit or veiled insinuations;
- Any unwanted physical contact;
- Persistent unwanted amorous advances already rejected – “no is no!”; and
- Letters, notes, emails, phone calls or messages of a sexual nature.

Psychological harassment manifests in the repetition of gestures, words or behavior that subject a professional to vexatious or embarrassing situations during the working day and in the exercise of their functions that may lead to their exclusion from their job function or result in the deterioration in work environment.

Some examples of psychological harassment are:

- Verbal abuse and/or altering of the tone of voice;
- Intimidating conduct;
- Refusing to engage in direct communication to exclude from the work environment;

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[1] Handbook/Guide on Sexual Harassment at Work, International Labor Organization, 2017.



- Isolation;
- Pejorative or negative comments about personal life; and
- Systematic and excessive or unfair criticism of work performance.

## 8. Use of Insider Information

KLA may, from time to time, handle matters that directly or indirectly involve transactions relating to securities listed on Stock Exchanges, the Over-the-Counter Market, or the like.

In addition to the professional duty of client-lawyer confidentiality inherent in the law, lies the obligation to safeguard material and privileged information of clients involved in securities trading, as the disclosure and use of such information are also prohibited and may be construed as insider trading, hence everyone involved in a securities trading transaction must adhere to the legal provisions that govern the use of privileged information.

All KLA employees must take special care:

- To strictly observe the legal provisions that govern the use of privileged information;
- Not get involved, directly or indirectly, in any business or transaction, relating directly or indirectly to securities by using client information, even when such involvement is not strictly characterized under the law as privileged in nature; and
- Not to provide any third party with any information that relates, directly or indirectly, to the transaction in question or the securities involved therein.

As a rule, all KLA employees are expressly prohibited from trading, directly or indirectly, securities issued by clients and companies connected to them.



## 9. Contracting of Third Parties

When contracting third parties such as paralegals, consultants, partners, correspondents and service providers, the firm will continue to conduct due diligence in view of the risks that a business partner may present to KLA.





The Anti-Corruption Law stipulates that KLA may be held legally accountable for the unlawful actions of third parties it has contracted. Hence, KLA may be held liable for the unlawful actions of its collaborators under the terms of any applicable code of ethics and integrity.



| <b>Must</b>    | <b>May not</b>   |
|---|---|
| <ul style="list-style-type: none"><li>▪ Ensure that KLA needs the services of a third party;</li><li>▪ Request references;</li><li>▪ Identify the role of the third party and verify their qualifications;</li><li>▪ Conclude a contract in writing; and</li><li>▪ Ask for the requisite documentation in the event of reimbursement.</li></ul> | <ul style="list-style-type: none"><li>▪ Disregard warning signs (red flags);</li><li>▪ Disregard reasons for rejecting a potential candidate;</li><li>▪ Tolerate non-compliance with the rules by a third party;</li><li>▪ Accept confusing, generic and/or unclear invoices;</li><li>▪ Failing to obtain certificates, when appropriate; and</li><li>▪ Neglecting to investigate whether a third party is reputable.</li></ul> |

## 10. Relationship with Government Entities

Visits and contact involving government entities and officials must always be conducted in compliance with prevailing regulations. When engaging in a professional capacity with government officials, lawyers must be cognizant of the fact that these officials are subject to rules of conduct.

Any improper conduct may give rise to sanctions being imposed on KLA and its clients in addition to the fines that may be imposed on the individual responsible for the improper conduct. Should a public official indicate that to deal with a certain matter some favor would be expected in return, further interaction with the official must be ceased and the matter immediately brought to the attention of the partner responsible for the client and/or to the KLA Compliance Officer.



| Must    | May not   |
|--|--|
| <ul style="list-style-type: none"> <li>▪ Adopt an attitude that is ethical and appropriate;</li> <li>▪ Obtain prior approval from the Compliance Officer to offer corporate gifts/presents to a government official;</li> <li>▪ Obtain prior approval from the Compliance Officer to invite government officials to speak at KLA events;</li> <li>▪ Always communicate with government officials through official channels, preferably in writing; and</li> <li>▪ Immediately report any sense of unease and/or request for possible undue advantage.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Offer anything of value to a government official and/or third party connected to them, unless with the prior approval of the Compliance Officer</li> <li>▪ Offer a corporate gift, present or any form of entertainment to a public official if KLA or its client has an interest in the outcome of a decision that may be taken by the public official, or by the body to which they belong; and</li> <li>▪ Request, offer or grant undue advantages or manipulate with accounting entries.</li> </ul> |



For the purposes of this Code, Governmental Entities are the Public Administration and Public Official(s).

Public Administration is the entity comprising the institutions of the State of Brazil jointly, or in the case of a foreign country at all levels of government (Federal, State and Municipal) and of all its Powers (the Executive, Judiciary and Legislative); A Government Official is any person who works or holds a position in a public body or in a company controlled by the Brazilian Government or any foreign country, even if on a temporary basis and without remuneration. Employees of international organizations (e.g., the UN, IMF, WTO) are also considered Public Officials.

## 11. Corporate gifts, Presents and Entertainment



Offering any corporate gift, present or any form of entertainment is subject to the rules below:



| Allowed   | Not allowed   |
|--|--|
| <ul style="list-style-type: none"> <li>▪ Present corporate gifts as a courtesy at historical or cultural events or as part of a marketing initiative and;</li> <li>▪ Present corporate gifts of a commercial value less than R\$ 100 no more than twice annually; and</li> <li>▪ Use KLA facilities for business lunches.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Present or offer a corporate gift, present or any form of entertainment to a public official who might act in an official capacity in the interest of KLA or its clients;</li> <li>▪ Choose high-end restaurants or extravagant dishes at lunches with third parties;</li> <li>▪ Create events that violate ethical rules applicable to public officials; and</li> <li>▪ Pay expenses that are unusual and not in accordance with business custom.</li> </ul> |

## 12. Office/Firm equipment and Social Networks

Electronic office equipment is the property of KLA and is subject to the firm’s security monitoring protocols. KLA employees should not expect privacy when using corporate email and its telephone network services.

| May    | May not   |
|---|--|
| <ul style="list-style-type: none"> <li>▪ Use email, telephone network services and office supplies for professional purposes and matters pertaining to KLA and its clients; and</li> <li>▪ Reference information of a legal nature in social networks posts.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Use email, telephone and office supplies for personal matters/purposes;</li> <li>▪ Divulge information about clients and service providers on social networks;</li> <li>▪ Comment on cases in which KLA acts, even if the case is in the public domain.</li> <li>▪ Publicly speak on behalf of KLA without proper prior authorization; and</li> </ul> |



|  |  |
|--|--|
|  | <ul style="list-style-type: none"><li>▪ Disclose information on social networks that could damage the reputation of KLA and its clients.</li></ul> |
|--|--|

### 13. External Reporting Channel

If any employee of KLA notices or suspects any act that is not in compliance with this Code or with the legislation that is in force, they must immediately report what happened to the following communication channels:

- KLA's External Whistleblower Channel  
**Website: [www.contatoseguro.com.br/kla](http://www.contatoseguro.com.br/kla)**  
**Telephone: 0800: 0800 517 0036**
- Compliance Officer;
- Hierarchical superior; or
- Partner responsible for the matter or client involved in the matter.

Whenever possible, it is preferable to reveal your identity as this will assist in conducting an internal investigation. However, if you prefer not to identify yourself, you may opt to report the matter anonymously. KLA will investigate all complaints received and will take the appropriate measures in each case regardless of how the complaint is received or the method of communication used.

All reports will be treated confidentially, and the identity of the person reporting them will also be protected. Furthermore, information received by way of a complaint will only be shared with parties as and when strictly necessary for purposes of conducting the investigation.

Reporting any unlawful act is important for the firm's growth and to maintain a standard of ethical conduct expected from everyone who works at KLA, moreover, any retaliation is prohibited. If you believe you are being retaliated against for reporting unethical or unlawful conduct, report this to the Compliance Officer immediately.



## **14. Disciplinary Measures**

Failing to comply with the norms and rules of this Code together with any provisions that may be defined by the Ethics and Discipline Committee, are subject to disciplinary measures as prescribed by law that apply in addition to legal sanctions and the provisions that may be imposed by the Ethics Committee of the OAB.



**Author: Compliance & Investigations Dept.**

**Date: 05/10/2016**

**Revision: 3.0**

**Last revised: 06/09/2022**

**Approved: Executive Committee**



## Terms of Acceptance and Commitment

I declare that I am aware of the content of this Code of Conduct (version 3.0 of September 2022), as well as the conduct established therein.

I further declare that I am aware of the sanctions that will be imposed on me in the event of non-compliance with the Code of Conduct, the Code of Ethics and Discipline of the Brazilian Bar Association, the provisions of Law No. 12,846/13, as well as any other applicable legislation, whether domestic and foreign.

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## ANNEX A

### Anti-Corruption Legislation (national and foreign)

In Brazil, as in the international scenario, there are laws that punish unethical conduct such as offering and paying bribes.

Domestically, the principal laws are the Penal Code and Law No. 12,846, of August 1, 2013, known as the Anti-Corruption Law.

The Penal Code provides, in addition to the crimes of active<sup>1</sup> and passive<sup>2</sup> corruption, the definition of a government official prescribed in article 327<sup>3</sup>, of which § 1 should be highlighted. According to this section, a government official is an individual who holds a position in a parastatal organization and in a services company who performs typical state activities, hence, any person, even without any connection to the public administration, may be considered a public official if they perform a typical public administration function. Thus, an employee in a private company who performs government-specific activities (e.g., electric energy concessionaire or highway concession company) is treated as a public official for the purposes of delineation of corruption.

While the Penal Code sanctions the individual responsible for the offense (natural person), the Anti-Corruption Law punishes the legal entity for which such individual acts as a collaborator (even if they are an outsourced service provider such as an expeditor), regardless of whether the legal entity had intended to commit the unlawful act and whether it was actually committed or not. This strict liability accountability of the legal entity is laid down in article 2 of the Anti-Corruption Law<sup>4</sup>.

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<sup>1</sup> Art. 333 - Offer or promise an undue advantage/benefit to a public official to induce them to perform, omit or delay an official act/function.

<sup>2</sup> Art. 317 - Request or receive, for oneself or for others, directly or indirectly, even if outside their job function or before assuming it, but because of it, **any** undue advantage/benefit, or to accept any promise of such advantage.

<sup>3</sup> Art. 327 - For criminal law purposes, a public official is considered someone who, although temporarily or without remuneration, holds a public position, job or function.

Paragraph 1 - Anyone who holds a position, job or function in a parastatal entity, works for a contracted service provider or who is contracted to perform a typical activity/function in the Public Administration, is **deemed** a de facto a public official.

Paragraph 2 - The fine will be increased by a third when the perpetrators of the crimes provided for in this Chapter occupy positions on a commission, in management or advisory role of a body of direct administration, joined capital company, public company or foundation established by the public authority.

<sup>4</sup> Art. 2 Legal entities shall be held strictly liable, in the administrative and civil spheres, for the **any** harmful act provided for in this Law that was committed for their own benefit, whether for their sole benefit or not.





Thus, it is reiterated that no matter who performed the unlawful act or whether it was consented to by KLA, all those involved will bear the consequences, especially in the civil and administrative ambit. Accordingly, KLA may be sanctioned for an unlawful act of only one lawyer or employee, and the unlawful act committed by a single person will put all KLA staff at risk.

Internationally, the most noteworthy anti-corruption laws are the US Foreign Corrupt Practices Act ( “FCPA” ) and the UK Bribery Act, and we must always respect the rules contained therein, as many of our clients carry out economic activities in the US and UK. If any prohibited conduct under said laws is committed by any employee of KLA, even within the territory of Brazil, KLA and the client may also face consequences abroad. It is important to remember that the individual responsible for committing the unlawful act will also face the applicable punishments.

**Therefore, pursuant to item 10 of this Code “Relationship with Government Entities”, it is strictly prohibited to offer or promise under any circumstances any undue advantage, even in the form of gifts or entertainment, to any government official, domestic or foreign.**