

# *Compliance*

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MANUAL

ARRUDA ALVIM,  
ARAGÃO, LINS & SATO

ADVOGADOS



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## • *General Part*

### ***1. Arruda Alvim, Aragão, Lins & Sato’s Compliance Program***

*Compliance* is a double-purpose corporate management tool: (a) to identify and manage the risks inherent to the organization’s activity; (b) to promote the voluntary compliance of internal and external rules, and ethical values of the organization, by means of the consolidation of conformity routines.

#### ***1.1. Committee responsible for the Compliance Program***

To be exempt in the analysis and processing of risks, and to process the reports that may eventually be received by means of the confidence channel, a hybrid committee was created, composed by members of the Board, the Firm’s collaborators, and the *Compliance* consulting team. The Committee has the triple role of: (a) processing and judging the reports received by means of the confidence channel, respecting the fundamental guarantees of the procedure; (b) receiving suggestions and queries; c) determining applicable policies and additional internal rules.

#### ***1.2. Commitment and support by the Shareholders***

For a *Compliance* program to be effective, it is indispensable that the Shareholders of the organization are committed to its contents. The commitment is shown by the declaration in the last item of this Manual, by the active participation in building the program, in addition to the stimulation to the discussion relating to the matrix and the consolidation of the risk policy, and their non-interference in the activities of the *Compliance Committee*.

## **2. Main rules that support this Manual**

- 2.1. Anti-corruption law: Statute No. 12.846/2013, Decree No. 8.420/2015;
- 2.2. Labor Law Consolidation (CLT): Law-Decree No.. 5.452/1943;
- 2.3. Brazilian Tax Code (CTN): Statute No. 5.172/1966;
- 2.4. Data Protection General Law (LGPD): Statute No. 13.709/2018;
- 2.5. Statute for the Practice of Law and the Brazilian Bar Association (EAOAB): Statute No. 8.906/1994 and Ethics and discipline Code.

## **3. Guidelines of the Compliance Program**

- 3.1. Transparency;
- 3.2. Written records of all acts;
- 3.3. Clarity in communication;
- 3.4. Third-party diligence;
- 3.5. Risk management;
- 3.6. Corporate governance;
- 3.7. Data protection;
- 3.8. Training;

## **4. Compliance Tools**

### **4.1. Compliance Manual**

Open to the public, this document sets forth internal procedures for risk management. In addition to disclosing the compliance policy to the external public, it is an instrument to guide the collaborators, associated attorneys, and shareholders. It also aims to improve the law firm's operation, and to encourage the corporate governance environment.

### **4.2. Risk Matrix**

It is the main tool for the management of risks inherent to the law firm's activities. Unlike this document, it is an internal and confidential document, because it serves the purpose of managing, and not of disclosing the ideal practices. The responsible body for the management of the matrix is the *Compliance Committee*, which also has the scope of processing the reports filed by means of the confidence channel, and to foster practices that strengthen an environment of corporate governance and conformity.

### **4.3. Compliance Committee**

4.3.1. The *Compliance Committee* is a consulting, deliberative, and managing body. It is the one responsible for managing the confidence channel and fostering a conformity culture within the organization. It is up to the Committee, additionally, to set the applicable rules and internal policies of the firm.

4.3.2. The Committee is composed of: 2 representatives of the Shareholders (one standing and one alternate member); 2 members of the *Compliance* department (one standing and one alternate member); 2 representatives of the Governance team (one standing and one alternate member); 2 members of the Data Protection (one standing and one alternate member); and, 2 members representing the associated attorneys and collaborators (one standing and one alternate member).

4.3.3. The choice of the members who represent the shareholders, the compliance department, and the Governance, and Data Protection teams will be made by means of a direct vote by the shareholders, which will take place in a shareholders' ordinary meeting. The selection of the members who represent the body of collaborators and associated attorneys is made by

acclamation among the collaborators and the associated attorneys. Both acts will be supervised by the company's Compliance team.

4.3.4. The term of the Committee members is 1 (one) year from the date of the first meeting.

4.3.5. The Committee is the highest compliance body, and it has full autonomy and exemption to conduct its activities. To allow that to happen, the shareholders register their commitment to the program in this Manual (conduct from the top).

4.3.6. The Committee will gather ordinarily once per month, and the participation of all members' categories is fundamental. Extraordinary meetings may be called, so long as they are called with a 5 (five) business-day minimum advance.

4.3.7. The responsibility to call the alternate member falls upon the standing member, if a substitution is needed.

#### ***4.4. Confidence Channel***

4.4.1. The Confidence Channel has the tasks of receiving:

- (a) irregularity reports;
- (b) suggestions;
- (c) consults.

4.4.2. The Channel is an internal tool, for the exclusive use of the Firm's collaborators, associated attorneys, and shareholders. It is not an ombudsman, but a channel to consolidate the practices sustained by this Manual, as well as the values of the Firm.

4.4.3. Anonymity is guaranteed to the interlocutor who, however, shall make cautious and

responsible use of the tool, as well as observe the rules set forth by this Manual.

4.4.4. The Confidence Channel is made available both in the physical version (by means of ballots placed in strategic points of the Firm) or digitally (accessible to collaborators, associated attorneys, and shareholders by means of the compliance tab in the Firm's website).

4.4.5. The Confidence Channel shall be used as follows:

- (a) although the report is anonymous, it must identify the person against whom the irregular conduct is being imposed against and who is in breach with the conformity rules;
- (b) the reports must be based on evidence;
- (c) rectitude must be observed while using the Channel. It is not a space for personal discussions between collaborators and management;
- (d) the Channel can be a space for suggestions and elucidation. It does not solely have the objective of serving as a place to report irregularities. It is also a tool for exchange and institutional communication, connecting the collaborators, the associated attorneys, and the shareholders to the Compliance Committee.

#### ***4.5. Report Processing***

4.5.1. The *Compliance Committee* is the competent body to process the reports filed before the Confidence Channel.

4.5.2. 24 (twenty-four) hours before the Committee's Monthly meeting, the *Compliance* team will access the digital channel and upload the reports to the meeting's digital file.

4.5.3. On the day of the meeting, a member of the Committee will access the content of the ballots, to collect the reports.

4.5.4. The members of the Committee may join the meeting by means of virtual platforms (Skype®, GoogleMeet® and similar apps).

4.5.5. Both the reports filed physically and virtually will be read out loud by the secretary of the meeting, and included in the minutes of the meeting, with the definition of an action plan, and the appointment of the member of the Committee more suitable to address it.

4.5.6. It is up to the members of the Committee to decide on the admissibility of the reports before presenting them.

4.5.7. The person against whom the breaching conduct is being allocated will be notified to file their written answer within 10 (ten) business days and will be allowed to bring evidence to the procedure. The Committee may request that the person be heard.

4.5.8. If witnesses are appointed by the involved parties, the Committee may hear them, if it finds suitable.

4.5.9. After analyzing the evidence, the Committee may decide on the merits of the matter. It will be up to the parties to orally declare their positions.

4.5.10. The decision on the report will be rendered in the meeting, or in the following meeting, and the access to its contents is restricted to the members of the Committee and to the subject involved.

4.5.11. The reports made by means of the digital channel will have follow-up tools through protocols, so that the person who has reported may be aware of its processing by the Committee.

4.5.12. In the event the report has a suggestion or a consult, a plan of action will be defined and distributed to the members of the Committee, if that is the case, so that adequate measures can be

taken to address the matter.

4.5.13. The Committee's decisions are unappealable, whether to the report's admissibility, or to its merits.

#### ***4.6. Applicable Sanctions in the event the irregularity appointed in the report is confirmed.***

In the event the internal procedure conducted under the applicable due process, and as per item 4.5, evidences that the reported irregularity actually took place, the following sanctions may be applied:

- (a) oral warning: in the event the irregularity is considered light by the Committee;
- (b) written warning: in the event the irregularity is considered moderate;
- (c) suspension: in the event the irregularity is considered severe;
- (d) firing: in the event the irregularity is considered extremely grave;
- (e) firing and report to the applicable authorities: in the event the deviation conduct is considered extremely grave, and by legal imposition, the conduct must be reported to other bodies.

#### ***4.7. Ongoing Training***

To encourage the institutional dialogue, which is the best way to consolidate the compliance culture, training sessions are an essential part. There will be ongoing periodic trainings, which can take place with all the team, or, on more specific themes, only with certain sections of the organization.

#### **4.8. Public Newsletter**

Just like the Confidence Channel and the training sessions, the maintenance of a constant dialogue about the cornerstones of the program, which reinforce the routines considered as ideal, will take place by means of a public newsletter, available in the organization's website.

#### **4.9. "Getting to know our third parties" Form**

Just like the Firm is consolidating a compliance program, it is important it keeps records of the conformity situation of the organizations with which it keeps any sort of relation. All agreements executed with service providers, supporters, partners, must be preceded by the "Getting to know our third parties" Form, in which third parties will acknowledge the guidelines recognized as relevant by the *Compliance Committee*.

### **• Special Part**

#### **5. Rules, policies, and procedures to mitigate risks**

The special part of this Manual brings forth the routines that must be implemented by its collaborators, associated attorneys, and shareholders, anytime they are acting on behalf of the Firm.

##### **5.1. Rules for registration and internal documents**

5.1.1. For the principles that govern this Manual to be effective, it is paramount that conformity routines be developed in documenting the main actions taken on behalf of the organization.

5.1.2. Thus, the Governance and the *Compliance Committee* meetings must be preceded by the agendas

to be discussed by both teams. The participating parties will acknowledge the agendas with a minimum prior notice of 72 (seventy-two) hours.

5.1.3. Likewise, the decisions taken will be registered in the minutes of the meetings. The minutes must faithfully reflect the debates that took place. In the event the participating parties agree, the meetings may be recorded.

##### **5.1.4. Filing documents**

5.1.4.1. The documents which relate to the activity of the Firm – as invoices, agreements, minutes, e-mails, records of negotiations, etc. – must be kept in files for, at least, five years from the date they were drafted, in an environment compatible with what the General Law on Data Protection provides (LGPD – Lei 13.709/18).

5.1.4.2. The producing of documents which are exclusively physical must be avoided. All documents must preferentially be digitalized and those with the respective physical version must be kept in a password-safe file.

##### **5.1.5. Minutes of the Meetings**

5.1.5.1. The Performance meetings and the *Compliance Committee* meetings will have minutes which will describe the agenda and the decisions taken. The first subject in the agenda of each meeting must be the reading and approval of the minutes of the prior meeting.

5.1.5.2. Each *Compliance Committee* meeting will result in a formal drafting of a plan of action, if it is the case, to solve the reports or for the implementation of the suggestions made by means of the Confidence Channel, as well as measures that the Committee itself finds suitable.

### ***5.1.6. Rules to draft documents***

5.1.6.1. The documents of the actions taken on behalf of the organization is a conformity routine. The conformity, however, is not exhausted by the simple registration of the action. It is indispensable it bears a clear and adequate language. Some guidelines are essential to the adequate drafting of documents:

- (a) avoid verbosity;
- (b) avoid adjectives;
- (c) observe punctuation rules;
- (d) respect the Firm's formal patterns for each piece written;
- (e) consistently review the text to make sure it is formally correct and adequate as to its content.

### ***5.1.7. E-mails and use of the corporate e-mail***

5.1.7.1. All guidelines mentioned in the item above also apply to drafting e-mails.

5.1.7.2. The corporate e-mail must not be used for personal purposes.

5.1.7.3. The history of the conversation must always be kept while answering an e-mail.

5.1.7.4. E-mails received from unknown people or organizations must be forwarded to the IT department, and its safety confirmed.

### ***5.1.8. Use of instant communication applications, such as WhatsApp®, Telegram® etc***

5.1.8.1. The instant communication application must be used with caution. Emojis and slang must be avoided.

5.1.8.2. It is important that the routines for drafting documents, described in item 5.1.6. of this Manual be observed.

5.1.8.3. The posting of images must not bring any questionable legality on them. The contents must be licit and ethical, and the images may only be posted with the written authorization of the owner of the copyright.

5.1.8.4. The use of more formal means of communication, such as e-mails, is recommended when contacting clients.

## ***5.2. Relation with service providers***

### ***5.2.1. Getting to know our third parties***

The Form "Getting to know our third parties" is a precautionary tool. By means of this document, the service provider and/or partner renders information and acknowledges the rules it is subject due to the Firm's Compliance Program. This Form must be sent to the service provider along the negotiations, and the execution of any agreement will depend on the document being returned duly filled and signed by the legal representative.

### ***5.2.2. Routine and diligence upon hiring service providers***

In addition to the "Getting to know our third parties" Form, other documents may be required from the service provider, partner, supplier, such as good standing certificates, whether tax (Federal, State or Municipal), labor, or relating to social security.

### **5.3. Rules for internal relations**

#### **5.3.1. Rules to avoid Moral Harassment**

With purposes of avoiding moral harassment situations, it is forbidden to, in a habitual or recurrent manner:

- (a) remove the functional autonomy from the collaborators, or deprive them from access to their labor instruments;
- (b) hold back information considered useful for them to perform their activities, or induce them to error;
- (c) systematically contest all their decisions and criticize their work in an exaggerated manner;
- (d) segregate people in their labor environment, whether physically or by means of refusal to communicate;
- (e) permanently hand in more tasks comparatively to other co-workers, or demand the execution of urgent chores, in a permanent manner;
- (f) verbally attack, or otherwise address with despise, alter the tone of voice or threaten with other means of physical violence;
- (g) purposefully and frequently attribute chores that do not belong to the collaborator's attributions;
- (h) criticize personal preferences or convictions, or private lives;
- (i) spread rumors or gossip about colleagues, or make jokes, in an attempt to belittle or embarrass them before their superiors, colleagues or subordinates;
- (j) pressure the coworkers, so they cannot exercise their rights;
- (k) disregard health problems, or medical recommendations in the distribution of tasks and activities;
- (l) isolate coworkers from celebrations, luncheons, and joint activities performed with other coworkers, who are part of the same group.

The conducts appointed above are merely illustrative and do not exhaust the moral harassment hypotheses. Any time members of the Firm feel morally harassed, they can and should proceed with reporting by means of the Confidence Channel.

#### **5.3.2. Rules to avoid Sexual Harassment**

To avoid situations of sexual harassment, the following actions are forbidden:

- (a) express or veiled insinuations of a sexual nature;
- (b) use sexual gestures or words;
- (c) promise a different treatment to hierarchically subordinated persons;
- (d) request sexual favors as means of blackmailing one's permanence in the job, or obtaining a promotion;
- (e) annoyance and offenses, such as whistling;
- (f) talk to colleagues about intimate matters;
- (g) tell jokes that have sexual content;
- (h) make unwelcomed physical contact;
- (i) proceed with impertinent, successive invitations;
- (j) pressure colleagues into joining gatherings or group celebrations;
- (k) create a pornographic environment;
- (l) access sites with sexual connotation in the work environment;
- (m) send WhatsApp® messages with sexual connotation (even humor-related videos).

The conducts abovementioned are merely illustrative and do not exhaust the sexual harassment hypotheses. Any time members of the Firm feel sexually harassed, they can and should proceed with reporting by means of the Confidence Channel.

### **5.3.3. Discriminatory Actions**

A compliant company's environment must work with full observance to differences. Negative discriminatory actions, whether based on gender, sexual orientation, ethnicity, religious orientation, or any other personal option will not be tolerated.

### **5.3.4. Personal posture before the organization**

5.3.4.1. One must be discrete, and adequate attire is highly recommended. Excessive cleavage tops and overly short skirts must be avoided. An adequate posture is expected from the Firm's personnel.

5.3.4.2. In the event the office is to be represented by a collaborator in formal ceremonies, the representative shall choose formal attire.

5.3.4.3. It is not recommendable that men wear Bermuda shorts or tank tops, considering the Firm is considered a formal corporate environment.

5.3.4.4. A detailed policy on the matter may be drafted by the *Compliance Committee*.

5.3.5. Improper use and/or unauthorized identity of the office.

5.3.5.1. The use of the Firm's name, distinctive marks, image or trademark is forbidden without prior express, and formal authorization.

5.3.5.2. Special attention must be paid to the use of social networks and broadcasting any reference to the Firm. The exposure of the Firm's collaborators pictures within the Firm's premises – or on its service, in their networks, with purposes which are merely personal is forbidden (political, religious,

ideologic and marketing orientations).

5.3.5.3. Visitors must be accompanied by a member of the Firm and must be previously informed to the department of human resources, with a description of the purpose of the visit.

5.3.5.5. Suppliers, technicians, and similar visitors must be previously authorized by the department of human resources. Such visitations will always be supervised.

### **5.4. Relations and interaction with public agencies and politically exposed persons**

#### **5.4.1. Ideal routines to relate to politically exposed or public persons**

(a) register any gathering or meeting: All meetings had with public agents, in public agencies, or with politically exposed persons, must be registered;

(b) gatherings and meetings must preferentially take place with another co-worker.

#### **5.4.2. Policy for hospitality, gifts, sponsorship and donations to foreign or national Public entities**

5.4.2.1. The sponsorship of politically exposed persons is forbidden.

5.4.2.2. Only exceptionally shall public agents be remunerated for speeches given.

5.4.2.3. The *Compliance Committee* will set forth the policies applicable for donations and gift concessions.

### **5.5. Internal Procedure for donations and /or sponsorship to private companies and NGOs**

5.5.1. Any request for sponsorship of private companies or NGOs, shall be processed by the Compliance Committee, in the first meeting subsequent to the mentioned request, so as its adequacy and pertinence is evaluated, based on the conformity parameters adopted by the Firm.

5.5.2. In the event of NGOs and companies that are habitually contemplated with sponsorships, already known to the organization, the request will not be necessary. An information to the Committee on the decision to donate or sponsor, the amount, and its purpose, will suffice.

5.5.3. Every donation or sponsorship made in cash must be accounted for by the benefited institution.

5.5.4. The accountability may take place by means of a report for the use of amounts, invoices for the acquisition of products or hiring of services, and photographic registration of the delivery of the assets with the amounts donated.

### **5.6. Submission of accounts for expense allowances and travel reports**

5.6.1. All collaborators who make use of expense allowances must present invoices that evidence the adequate disbursement of the amounts.

5.6.2. The receipts must be presented to the finance department within 2 (two) days after the disbursement, accompanied by a submission of accounts report.

5.6.3. In the event there is evidence of irregularities, the matter will be submitted to the *Compliance Committee* for analysis and deliberation.

### **5.7. Meetings on Performance and improvement of internal communication**

Meetings to monitor and follow up on measures that each sector of the Firm is developing must take place periodically, as well as standardization of the position the Firm shall take relating to juridical theses.

### **6. Criteria applied for data storage – attention to data security requirements and to the Data Protection Law**

6.1. All collaborators and officers of the Firm must keep all personal data to which they have access due to the job they carry out as confidential, in obedience to the Data Protection Law.

6.2. The following shall be considered as confidential:

- (a) information about the Firm's collaborators used by the human resources department to manage personnel;
- (b) information about clients – natural persons, and companies – which are being kept in the Firm's server;
- (c) legal theses and motions drafted by members of the Firm, which contain information about the parties and details about facts.

6.3. None of the Firm's documents may be shared with third parties and all storage procedures set forth by the IT department must be followed, notably about regular password change.

6.4. Furthermore, the following routines must be implemented:

- (a) all computers must be protected with strong passwords (which contain numbers, letters and symbols);
- (b) every time a collaborator is away from his or her computer, they must shut down all

programs or manually block the computer, so as not to leave any information exposed, not even to other co-workers;

(c) every equipment must be updated with regard to firewalls or active antivirus;

(d) all documents must be stored in a secure environment: if physical, in a room with controlled access; if digital, in non-exposed digital storage spaces;

(e) passwords must not be shared with co-workers or family;

(f) suspicious e-mails must not be opened (even if they have been sent by known senders);

(g) corporate e-mails are for exclusive use of the Firm's interests. They must not be used for personal registrations or enrollments by the collaborators (ticket purchases, registrations with magazines and news, etc.). The Firm's collaborators shall keep their own private e-mail active for such purposes;

(h) private e-mails must not be handled in the office's machines, so that they do not get exposed to any invading agent that may be transmitted by personal e-mails, such as viruses;

(i) personal social networks must not be accessed through the computer used in the professional environment;

(j) WhatsApp® must not be opened in the equipment used in the professional environment;

(k) every collaborator must be part of the Firm's specific training on data protection, which shall be offered periodically through professionals of the IT area;

(l) comply without resistance with the routines appointed by the Firm's trainers and providers who implement data protection procedures.

## **7. Environmental Responsibility**

The law firm Arruda Alvim, Aragão, Lins & Sato Advogados undertakes to perform actions to preserve the environment and guarantee environmental sustainability.

The commitment is two-fold: **awareness** of the members of the team as to the potential environmental impacts of their actions, and **execution of projects** aiming environmental sustainability.

### ● **FINAL CONSIDERATIONS**

The primary purpose to have the compliance program implemented is to trigger awareness from collaborators and officers, promoting the management of the risks inherent to the Firm's activities, and fostering the voluntary compliance with the external rules (imposed by the State), the internal ones (imposed by the organization itself), and moral and ethical values.

This Manual has a mandatory nature, and has been approved by the *Compliance Committee*, in an ordinary meeting that took place on February 14th, 2020. All collaborators, associated attorneys, and shareholders shall be subject to its rules.

- **FORMAL COMMITMENT BY THE SHAREHOLDERS OF ARRUDA ALVIM, ARAGÃO, LINS & SATO**

We, the shareholders, undertake a formal commitment with the guidelines exposed in the Manual, additionally assuring autonomy to the *Compliance Committee*, so that it shall fulfill its objectives without any external interference.

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