



Policy on relations with public sector entities

These guidelines aim to establish Cuatrecasas's policy, rules and procedures on relations and service contracts with authorities, companies and other public agencies considered public sector entities. The scope of this policy covers all public entities regardless of their country or region.

Cuatrecasas's cooperation, in its corresponding role, is necessary to combat corruption and strengthen trust and transparency in public institutions. These values are stated in the tenth principle of United Nations Global Compact, which the firm signed in 2000.

Moreover, recent major changes in social awareness, laws and case law in some countries, particularly Spain and Portugal, call for greater regulation and efficiency in the distribution of resources and public funds, amid the shortage and limitation caused by the constitution's budget balance objectives. Thus, exemplary behavior is necessary from those that manage public funds.

Although the firm's services mostly focus on advising the private sector, it also advises several public authorities and companies. Therefore, Cuatrecasas feels compelled to reinforce the ethical commitment required to overcome the current economic crisis.

By implementing the following rules of conduct for providing services to the public sector, our attitude must go beyond merely making sure we do not break the law and take on a new role, helping achieve a high level of transparency, objectivity and efficiency when providing legal services to public sector entities.

Therefore, the board of directors has approved the following policy, internal procedure and rules, making them compulsory for all partners, lawyers, and support staff of the firm from when they are implemented on July 1, 2015:

FIRST. Scope: this policy applies to the firm's services for public sector entities in accordance with regulations in force in all countries and regions (in Spain, under article 3 of the act consolidating public sector contracts).

SECOND. The firm can participate in calls for tenders announced in official gazettes or on the contractor's profile, when permitted by law or instructions for contracting, and whose awarding criteria has been determined previously and favors selecting the most economically advantageous tender. Our proposal, meeting the conditions in the announcement, will be sent to the contracting body and signed by the person with powers to represent the firm in public sector contracts.

THIRD. If we are contracted to provide legal services through award procedures when an announcement has not been made as required by the previous rule, the partner responsible for the case must take the following precautions:



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- a) Check that due process was observed in contracting, and that the law and the entity's rules for contracting were observed.
- b) If the contracting rules require several proposals, considering the object and value of the contract, check that the contracting entity has requested three offers from financially sound firms.
- c) If the contract is directly awarded due to urgency or special circumstances without making a previous public announcement and without requests for offers from other firms, thoroughly assess the legitimacy of the circumstances.
- d) If regulations permit, issue a corresponding fee or e-proposal that meets the terms and conditions of the contract.
- e) Seek authorization from CACI before approving the contract.

FOURTH. For minor contracts (under €18,000 plus VAT) that, under the regulations, can be awarded without previously following a special procedure, the partner in charge must take the following precautions:

- a) Assess the proposed service to ensure that it can be provided within the framework of a minor contract and that the object and contents satisfy the needs of the public intended to be covered. Check that the object has not been divided to reduce the price of the contract, thus avoiding having to make a public announcement.

If the assessment shows that further services will be required to satisfy the need intended to be covered, the minor contract cannot be accepted.

- b) If, for unforeseeable circumstances, after fulfilling the minor contract, new services are required, avoid entering into new minor contracts. New contracts that do not follow the appropriate legal procedure cannot be approved.

FIFTH. If a public sector entity asks for advice before contracting legal services, our lawyers must advise it to issue a public announcement showing how to best proceed, complying with the values and principles of public contracts. The public announcement can be made in an official gazette or on the contractor's profile, following the appropriate procedure under the given circumstances.

If a public announcement is not made, Cuatrecasas, Gonçalves Pereira will not accept the request.

SIXTH. The price of offers for public sector contracts must reflect the complexity and workload they represent. Never charge more than the established hourly rate.

SEVENTH. Check, beyond legal requirements, for (i) a family relation within the third grade of consanguinity or the second grade of kinship; (ii) a close friendship between the firm's partners and authorities or directors of the contracting entity; and (iii) any other personal relationship that could cast doubt on the objectivity of the award.



The partner creating the potential ethical conflict must notify CACI of the circumstances when performing a Conflict & Risk check for the client. CACI must evaluate the case's circumstances and consider any possible impact on reputations.

EIGHTH. On the initial conflict form, when possible, measures will be adopted through CACI, so that when the client is a public sector entity, all the pertinent information will be shown on the case's opening page, enabling the committee to ensure compliance with these rules.

NINTH. As established in our Methodology Manual, partners and lawyers in charge must regularly track, during and after closing the matter, all cases that require extra work or contracts. Internal control and general management will also evaluate the circumstances and take appropriate measures to comply with these rules.

TENTH. Check ongoing cases or relations with public entities that have gone on for over two years and ensure that the terms have not changed. If changes or extensions have been required, the new terms and conditions must be appropriately updated, regularized and legalized.

Procedure to follow: conflict check form

The following are procedures and questions to complete when performing a conflict check, which aim to (i) ensure that the policy for public sector entities is observed, and (ii) provide enough analytical information on cases and clients, and ensure that the analysis and approval of cases can be correctly followed up on.

The conflict form (see the attached example) includes a new section, just before the section referring to whether the client or counterpart is a listed company, with the following questions:

1. Are any of the clients a public sector entity? Yes/No

If yes, answer this question:

2. Has there been a public announcement? Yes/No

If no, answer this question:

3. Is the contract for over €18,000 plus VAT? If it is under that figure, is it a repeat contract (more than one contract per year)? Yes/No

If the answer is no to the second question (there is no public announcement), and yes to the third question, the conflict automatically goes to the CACI, which will (i) request any additional information necessary from the partner that started the conflict check process, (ii) assess the matter, and (iii) decide whether to accept it.