



Arcos Partners LLC

# **CODE OF BUSINESS CONDUCT**

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Version DRAFT

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# INTRODUCTION

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Arcos Partners LLC (ARCOS) believes the ethical requirements contained in this Code of Business Conduct (the Code) are vital to the success of the company. ARCOS Management adopted the Code to ensure that the company maintains appropriate ethics and compliance policies and procedures. ARCOS Management is responsible for ensuring that the Code and the company's policies govern all business activities.

All employees, management, and anyone else who represents ARCOS must comply with the Code. All should set an example of ethical behavior and compliance through individual conduct, as well as in interactions with co-workers and oversight of any subordinates or third parties acting on behalf of ARCOS. Any illegal or unethical action, or the appearance of misconduct or impropriety by anyone acting on ARCOS's behalf, is unacceptable. Contractors employed by ARCOS will be covered by their own Supplier Code of Conduct that must conform with ARCOS's Supplier Code of Content.

## How to Use the Code

No code or manual can provide complete answers to all questions. Good sense must be relied upon of what ARCOS required. This includes knowing when to seek guidance on the proper course of action. ARCOS is expected to provide employees with timely and specific guidance from supervisors, managers, and ARCOS Management. Some employees have jobs that require more detailed knowledge of compliance topics than what this Code provides, and in that case the employee's supervisors will direct them to the appropriate information in the company policies.

We ask that each affected person read the Code in its entirety and think about how it applies in all that you do for ARCOS. When confronted with a difficult situation, ask yourself the following questions before acting:

- Is this action legal, ethical, and socially responsible?
- Does this action comply with both the spirit and the letter of the Code?
- Will this action appear appropriate when viewed later by others?
- Is it clear that ARCOS would not be embarrassed or compromised if this action became known within the company or publicly?

Unless you can answer these questions with a "yes," do not take the action and consult with your supervisor.

Employees must understand the level of authority included in their job position and to be careful to act within the limits of that authority.

# **ROLES & RESPONSIBILITIES**

## **Compliance**

Each employee must comply with this Code, all company policies, and any applicable laws. Disciplinary action, possibly including termination, may occur if an employee fails to do so. Likewise, for any supervisor, manager, officer or director who is aware of any violation, and does not promptly report and correct it, may be subject to similar consequences.

## **Reporting Possible Violations**

Each employee must speak up promptly if there is any reason to suspect that anyone in ARCOS has violated company policies or applicable laws (e.g., Federal, regional, or local). We must also report any activity that could damage the company's reputation. ARCOS has established several reporting channels:

1. **Supervisors / Managers:** Your supervisor, manager, department head or any member of management.
2. **Human Resources:** Your Human Resources Representative.

## **Non-Retaliation Policy**

ARCOS is committed to maintaining a work environment that is free of harassment, intimidation, retaliation, and discrimination. Crucial to these objectives is promoting an atmosphere where employees feel safe to engage in frank, honest communication— raising questions or concerns at any time without fear of retaliation. ARCOS strictly prohibits any form of retaliation against employees who raise issues or ask questions, make reports, participate in an investigation, refuse to participate in suspected improper or wrongful activity, or exercise workplace rights protected by law.

# **WORKPLACE POLICIES**

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## **Health, Safety, & Environment**

Keeping the workforce healthy and safe and protecting the environment are among ARCOS's highest priorities. Employees are responsible for understanding and supporting ARCOS policies regarding health, safety, and environmental protection.

While on the ARCOS's premises or acting within the scope of job performance, employees must comply with all applicable health, safety and environmental laws, company policies and procedures and assume responsibility for the protection of themselves, co-workers, and the environment. Report accidents or unsafe practices or conditions and any potential noncompliance with applicable laws or company policies and procedures must be reported immediately to a supervisor.

Failure to meet the ARCOS's health, safety and environmental performance expectations could pose potential risks to employees, co-workers, third parties, neighboring communities, and the environment. Under many health, safety and environmental laws, misconduct, even if unintentional, also carries serious penalties and could result in criminal prosecution of person(s) involved and our company.

Employees are expected to report potential noncompliance with applicable laws or company policies and procedures. Reports should be first addressed to a supervisor for resolution by management. Reports may also be made directly to any of the reporting channels listed in the Code.

## **Diversity & Inclusion**

ARCOS learns from and respects the cultures in which it operates. ARCOS has an inclusive work environment that values the uniqueness and diversity of individual talents, experiences, and ideas. Diversity is promoted within the workforce and having an inclusive environment that helps all employees to fully participate will contribute directly to ARCOS's success.

## **Equal Opportunity**

The diversity of ARCOS employees represents a tremendous asset. ARCOS is firmly committed to providing equal opportunity in all aspects of employment without regard to race, religion, color, national origin, disability, genetic information, marital status, sex, age, veteran status, sexual orientation, gender, gender identity, protected leave status or any other basis protected by applicable law. Equal employment practices are integral to ARCOS's daily activities and extend to all aspects of employment, including recruitment, hiring, job assignment, compensation, promotion, demotion, transfers, discipline, termination, layoff and recalls, and access to employee benefits, training, facilities, and social and recreational activities. In the United States, discrimination is prohibited in hiring, rate of pay, promotion, demotion, transfer, layoff, or termination. Many other countries have similar anti-discrimination laws.

## **Substance Abuse (Drugs & Alcohol)**

The use or abuse of any substance that adversely affects safety or job performance is a violation of company policies. The use, possession, sale, purchase or transfer of alcohol or illegal drugs by employees while on the job or on ARCOS property is prohibited. Reporting to work or working while under the influence of alcohol or illegal drugs is prohibited. Use of a legal drug may also be prohibited if it poses a threat to the safety of ARCOS employees or the public, or if an employee's job performance is significantly affected.

## **Workplace Violence**

ARCOS prohibits violence or threats of violence of any kind in the workplace. We expect employees to resolve their differences through discussion and, if necessary, through the assistance of their Human Resources Representative. Employees who have been threatened with, or subjected to, physical violence by anyone in the workplace should report it immediately to their Human Resources Representative or supervisor. In addition, an employee who is being threatened by someone outside the company should promptly report such threats. The company prohibits actual or threatened violence against employees, visitors, or anyone else who is either on our premises or has contact with employees in the course of their duties. Every threat of violence is serious. We must report any such event immediately. Threats of immediate concern should be referred to ARCOS Management or your local police department or both.

## **Harassment Prevention**

ARCOS is committed to providing employees with a workplace free from harassment. ARCOS prohibits harassment of any employee, whether the harassment is by an employee or non-employee. Prohibited harassment is unwelcome verbal, visual or physical conduct that is based on an individual's protected status that creates an intimidating, offensive or hostile work environment that interferes with work performance. No supervisor or manager may threaten or insinuate, either explicitly or implicitly, that an employee's refusal to submit to any form of harassment will adversely affect the employee's position, pay, assigned duties, work schedule, career development or any other condition of employment. If an employee believes that they are the victim of prohibited workplace harassment, and feel comfortable doing so, inform the offender that the behavior is inappropriate and ask that it be stopped. Employees being asked to stop such conduct should respect the request and stop. If employees are not comfortable talking to the offender, they should utilize any of the reporting channels listed in the Code.

# Human Rights

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ARCOS condemns human rights abuses. ARCOS respects and promotes human rights within the spheres of our activities and influence. We support those rights and freedoms that have been universally recognized in international as well as national law). These include the right to a safe work environment, the right not to be discriminated against or harassed based on race, religion, national origin, sexual orientation, disability, or membership in any political, religious, or union organization, and the right to compensation that meets basic needs as well as the right to a workplace free of child labor and slave labor.

ARCOS's commitment also includes promoting respect for ethical conduct and human rights with third parties with whom ARCOS does business and demonstrating a preference for working with those who share similar values. Additionally, ARCOS policies may require that contracts with third parties contain provisions with respect to the observance of human rights.



# **COMPANY RECORDS & INTERNAL CONTROLS**

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## **Responsibility**

ARCOS's books and records must be prepared accurately and honestly, both by accountants who prepare records of transactions and by any who contribute to the creation of business records (e.g., submitting expense reports and time sheets). All company books and records must be supported by enough documentation to provide a complete, accurate, valid, and auditable record of each transaction.

## **Internal Controls**

Reliable internal controls are critical for proper, complete, and accurate accounting and financial reporting. All employees must understand the internal controls relevant (check and balances) to job positions and follow the policies and procedures related to those controls. If any employees ever suspect that a control does not work (adequately detect or prevent inaccuracy, waste, or fraud), then they are encouraged to talk to a supervisor immediately.

## **Audits**

Internal or external (third party entities) may perform audits to help ensure compliance with established policies, procedures, and controls. Audits help to identify potential weaknesses so they may be remediated promptly. All employees are required to cooperate fully with internal and external audits and should always provide clear and truthful information.

## **Fraud**

Engaging in any scheme to defraud anyone – of money, property, or honest services – violates company policy and the law and carries severe penalties. Those consequences apply to any dishonest or fraudulent activities, including misusing or stealing company assets or falsifying a travel and entertainment expense report, among other violations. ARCOS relies on its internal controls and the personal integrity of all its employees, contractors and directors to protect company assets against damage, theft, and other unauthorized use.

# **CONFLICTS OF INTEREST**

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At ARCOS, employees must always expect one another to act in the best interests of the company. This means that business decisions should be made free from any conflict of interest. They should also appear impartial. We must make our decisions based on sound business reasoning.

A conflict of interest may exist when an employee or a family member is involved in an activity or has a personal interest that could impair, or even appear to impair, the ability to make objective and fair decisions, or could create an incentive to act in a manner that would advance personal interests at the expense of ARCOS.

Full disclosure and approval is required for any activity, transaction, or relationship that could create the appearance of conflict of interest before an employee or their family members undertake the activity. If the activity is already taking place, disclosure is still required. Unless formally approved in writing, such activities are prohibited.

## **Business Courtesies**

Gifts, entertainment, and other business courtesies are commonly offered to create goodwill and strengthen working relationships, but care must be taken to ensure that they do not create conflicts of interest or give rise to the perception of impropriety. Generally, employees may accept modest, unsolicited business courtesies, other than cash, that promote successful working relationships and goodwill with the firms with whom ARCOS maintains or may establish a business relationship. Any gift or business courtesy that could appear to be excessive or lavish or that could create a feeling of obligation to the donor is unacceptable. Such gifts could be perceived as bribes and damage ARCOS's reputation or even break the law.

## **Insider Information**

During business, employees may learn of material non-public information about customers, partners, suppliers, etc. It is illegal to buy or sell the securities of another company if you have material non-public information about that company, nor otherwise use the information for personal advantage or the advantage of others. ARCOS policy prohibits discussion of such information outside or within the company, other than as necessary for conducting company business. Employees who are in possession of material non-public information may not complete a security transaction until the first business day that is at least 24 hours after the time that the information is publicly released.

A major factor in determining whether information is material is the impact that information could have on the company's financial condition or stock price. If in doubt as to whether non-public information is material, employees should seek guidance from a supervisor or ARCOS's legal counsel.

# **ANTI-BRIBERY, INTERNATIONAL TRADE, & ANTIBOYCOTT LAWS**

Wherever ARCOS operates, we must respect and conform to each country's unique customs and business practices. Above all, we must follow its laws and regulations. When business transactions involve more than one country, we must find the best way to comply with all applicable laws. Whenever a possible conflict of laws situation arises, we should always seek guidance from ARCOS's legal counsel.

## **Anti-Bribery Laws**

Bribery of any government official in any country is strictly against ARCOS policy, even if the refusal to make such a payment would result in the company losing a business opportunity. In the United States, that law is the Foreign Corrupt Practices Act (FCPA). In addition, many countries have antibribery / anticorruption laws that make it illegal to bribe officials of other countries. Employees with duties that involve interactions with government-owned or controlled entities or with non-U.S. officials must familiarize themselves with these laws.

All employees and anyone working on behalf of ARCOS must ensure that all interactions and transactions with government officials, their representatives or members of their families, employees of companies that are wholly or partially owned by a government entity, and any other persons are consistent with relevant anti-bribery laws. Management approval is required before any gift or payment can be made to a government or public official. In some cases, the gift or payment must also be approved by ARCOS Management.

## **International Trade Laws**

Many countries have laws that restrict or otherwise require licensing for the export or import of certain goods and services to other countries and to certain parties. ARCOS will ensure that every import, temporary import, export, or re-export of commodities, technical data, software, permanent plant equipment, construction equipment, and other equipment complies with all relevant local or international trade laws and rules, including customs regulations. Due to the complexities of these international trade laws, employees should seek guidance from ARCOS's legal counsel before exporting or importing goods or services or engaging in transactions that might be affected by trade sanctions.

## **Antiboycott Laws**

Some countries have adopted laws prohibiting their people and businesses from participating in or cooperating with international trade embargoes or sanctions that have been imposed by other countries. The rules governing ARCOS's obligations under the antiboycott laws are complex, and the penalties for violating them are severe. For example, antiboycott laws in the United States penalize U.S. companies, like ARCOS, if they participate or cooperate with international boycotts not supported by the United States. This could impact purchase orders, contracts, importation of goods and how its transported. Therefore, any employee receiving a boycott request should inform ARCOS Management or legal counsel immediately.

# **GOVERNMENT AFFAIRS & POLITICAL ENGAGEMENT**

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Employees may voluntarily participate during their personal time in political causes. ARCOS, as a matter of policy, does not apply direct or indirect pressure on any employee to make a political contribution or participate in the support of a political party, the political candidacy of any individual, or a political cause. In the course of doing business around the world, ARCOS may interact with public officials. ARCOS activities must meet ethical standards and comply with both U.S. and local laws and regulations. In all instances, it is imperative for employees to seek proper guidance and obtain the required approvals before engaging in government or political activities. If unsure of the proper business practice with respect to political activities, consult with a supervisor or Human Resources representative.

## **Lobbying Activities**

Lobbying is an activity aimed at influencing public policy decisions by providing oral or written information to elected or appointed officials and their staff. Lobbying activities include both direct communication with public officials and providing support to any person who engages in such communication. The U.S. (as well as other countries) law permits ARCOS to lobby on issues that impact its interests; however, it is strictly regulated. The U.S. definition of lobbying may include any actions taken directly or indirectly with the intent of influencing a U.S. executive branch or legislative branch official. Lobbying activities may require certain types of registration prior to undertaking these actions. Prior to engaging in lobbying activities, any employee must obtain guidance from ARCOS Management.

## **Gifts to U.S. Public Officials**

Under certain circumstances, ARCOS may provide gifts to U.S. public officials. Such gifts must always be in strict compliance with the law and company policy. Guidance from ARCOS's legal counsel must be sought before committing to provide any gifts to U.S. public officials (e.g., elected, and appointed U.S. officials at the local, state and federal levels as well as government employees such as public safety officers and public university professors). Laws regulating "gifts" typically define that term as anything of value, including meals, gift certificates, travel expenses, event tickets or honoraria. Any payment made to a third party on behalf of a public official is considered a gift to the public official. Certain gifts may be prohibited by law, create reporting obligations, or create conflicts of interest. U.S. laws that regulate gifts to public officials apply even when the officials are outside the United States. Gifts to non-U.S. officials require advance approval from ARCOS Management.

## **Political Contributions & Engagement**

Political contributions by ARCOS concerning elections of any kind, whether monetary or nonmonetary must be planned, budgeted, legally reviewed and approved in advance by ARCOS Management and legal counsel. Under no circumstances will the company reimburse any employee for making a personal political contribution.

ARCOS encourages their employees to participate in the political and governmental process and, when permitted by a country's laws and customs, to communicate our personal views to appointed and elected officials. However, the employees cannot identify themselves as representatives of ARCOS.

# **ANTITRUST / COMPETITION LAWS**

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Many courses have laws prohibiting anti-competitive behavior. The purpose of antitrust laws is to help make sure that the free-market system works properly and that competition among companies is fair. ARCOS is committed to conducting its business activities in full compliance with the antitrust laws of the jurisdictions in which it works.

## **Agreements & Contacts**

We must be very careful when we have any contact with our competitors as antitrust laws prohibit any agreements with competitors that might “restrain trade.” Exchanging any information with a competitor can also give rise to concerns. It is generally recommended not to discuss prices, pricing policy or strategy, contract terms and conditions, marketing plans, and similar matters of competitive interest. Any questions should be addressed with a supervisor or ARCOS Management, and it may be appropriate to get advice from legal counsel before proceeding.

## **Customers & Suppliers**

There are also antitrust concerns related to our customers and suppliers that could be determined to be a “restraint of trade.” ARCOS reviews and takes under consideration Customer’s code of conduct expectations. Also, refer to ARCOS’s Supplier Code of Conduct for further information.

## **Violations**

The consequences of violating antitrust / competition laws can be extremely serious for ARCOS and its employees. If a competitor or other third party tries to initiate improper discussions or provide any documents regarding these topics, ARCOS employees will disengage from the discussion immediately and contact their supervisor or ARCOS Management.

# **LEGAL REVIEW OF CONTRACTUAL OBLIGATIONS**

Contractual obligations must accurately reflect the intention of the contracting parties as to all material items and issues. No “secret” or unwritten side contracts, agreements, settlements, arrangements, modifications or waivers are permitted.

Before entering any legally binding arrangement or contractual obligation, review, and approval by the ARCOS Management and/or legal counsel may be necessary. Consult the Legal Department or Company policies prior to entering a contractual obligation on behalf of ARCOS.

# **PROTECTION OF INFORMATION & INTELLECTUAL PROPERTY**

ARCOS's information assets are critical resources and include both the company's paper and electronic records as well as the systems that store, process, or transmit company information.

## **Proper Access & Use**

ARCOS policies safeguard information assets against theft, unauthorized disclosure, misuse, trespass, and careless handling. At times, ARCOS may be authorized to view and handle particular information assets which will only be used for its intended purpose as part of the employee's duties at ARCOS. Employees unsure of their authority should discuss this subject with their supervisor for clarification. Improper handling of information (e.g., unauthorized viewing, copying, distributing, damaging, altering, and removing information from the premises including downloading to an external storage device, personal email, or non-company cloud storage without written authorization) may be grounds for disciplinary action, including termination, and criminal prosecution.

ARCOS must also comply with all laws, regulations, and contractual commitments regarding the valid and enforceable intellectual property rights of third parties, including patents, copyrights, trade secrets and other proprietary information. ARCOS will not knowingly infringe on or misuse the valid and enforceable intellectual property rights of third parties.

## **Records Retainment**

ARCOS business records must be separated from other information and retained in an appropriate repository for at least the period stipulated in the ARCOS's retention schedule, unless superseded by preservation, hold orders or agreement terms in contracts. It may need to be kept for longer periods outside of the United States to comply with local country law. Documents and other forms of information that do not qualify as company records; however, should not be retained past the time that they serve a business purpose.

## **Email and Internet**

Keep access codes (e.g., passwords and personal identification numbers) in a secure place and not share them with others, as anyone with a system identity and access code is responsible for activities performed under that identity. Unauthorized use of computer systems or programs may be grounds for disciplinary action, including termination of employment.

The use of computers and telecommunications are subject to all ARCOS policies and are used only for company business. Occasional incidental personal use is permitted if we never violate ARCOS's standards of acceptable behavior and/or an employee's work obligations. It should not be assumed that any use of ARCOS's communications devices or systems is private.

## **Social Media**

Social media sites are highly visible communication channels that many people use both personally and professionally. There can be several legal and reputational risk that mere engagement with social media can present to companies, including (but not limited to) privacy violations, leaks of market-sensitive information, conflicts of interest, etc. When discussing ARCOS online, it's important to act in accordance with ARCOS's policies.



# RECEIPT AND ACKNOWLEDGEMENT

I acknowledge that I have received a copy of the Arcos Partners LLC's **Code of Business Conduct** (referred to as "the Code") and that I have read, understand, and will abide by the Code. I understand that each employee, contract laborer or other agent representing or acting for the company is responsible for knowing and adhering to the principles and standards of the Code. I also understand that violations of the Code are cause for corrective action, which may result in disciplinary action up to and including discharge.

## Employee / Contractor Acceptance



\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Printed Name*

\_\_\_\_\_  
*Date*