

## Code of Conduct and Ethics

This code of conduct and ethics (“Code”) sets out standards of practice and behavior to be observed by the employees, officers, consultants, and other representatives (jointly referred as “Representatives”) of Stonward Litigation Finance SL (“Stonward”) in day-to-day operations.

### 1. Purpose

Stonward is a boutique litigation funding based in Spain that **provides access to capital for commercial litigation, investor-state and international arbitration in Europe and the Americas. We help individuals, companies and law firms access the right legal finance provider. Our funding solutions come from the largest and smallest investment funds; from the most well-known third party funders to those with a lower profile in the market. We also provide access to capital on a case-by-case basis.**

### 2. Promotional Efforts

Representatives shall engage in and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

At all times, Representatives shall make, and to promote the making by others of, full, fair, accurate, timely and understandable disclosure, in all material respects, about Stonward's financing capacity and timing to analyze cases.

Representatives shall not stir up the litigation, directly or indirectly, by influencing attorneys or by encouraging potential clients. Representatives shall not take any action that may lead to fraudulently influence, coerce, manipulate, or mislead clients or third parties.

### **3. Confidentiality**

Representatives will observe the confidentiality of all information and documentation relating to our clients and their disputes to the extent that the law permits, and subject to the terms of any confidentiality or Non-Disclosure Agreement in effect.

### **4. Case Analysis**

Prior to take a case, Representatives shall conduct appropriate due diligence, both before offering funding or advisory services and during the litigation procedures that are being funded, including but not limited to analysis of the law, facts, and costs relating to a claim, and including regularly reviewing the progress of the litigation.

In case Stonward acts as funder it shall (i) always maintain access to adequate financial resources to meet the obligations under the LFA, and adequate capacity to pay any costs and debts as they become due; and (ii) take reasonable steps to ensure that the clients have received independent advice on the terms of any Litigation Funding Agreement (LFA) prior to its execution.

## 5. Litigation Funding Proposals

Any funding proposal shall be clear to the client in terms of:

- Liability of to the client to meet any adverse costs that results from a settlement accepted by the client or from an order of the Court.
- Payment of any premium (including insurance premium tax) to obtain adverse costs insurance.
- Security for costs
- Capacity of to provide inputs to decisions in relation to settlements.
- Capacity to terminate the LFA if Stonward or third-party funder reasonably ceases to be satisfied about the merits of the dispute, or reasonably believes that the dispute is no longer commercially viable; or reasonably believes that there has been a material breach of the LFA by the client.

## 6. Conflict of Interest

Conflicts of interest arise in situations where employees, consultants or representatives have competing professional or personal interests, including, without limitation:

1. a material interest in the client's dispute or other transaction to be entered into with or by Stonward
2. a relationship that gives or may give rise to a conflict of interest in relation to such a transaction
3. a financial, familial, or personal relationship with an outside vendor or law firm to be engaged by Stonward
4. serving as an employee, consultant or or in any similar capacity with, any third-party engaged in business-related activities with Stonward

Representatives shall not perform any actions that will conflict with any duties owed to clients and must fully disclose all actual and perceived conflicts of interest.

Representatives shall not take any steps that cause or are likely to cause the clients' solicitor to act in breach of their professional duties and/or shall not seek to influence the clients' solicitor to cede control or conduct of the dispute to Stonward or a third-party funder

Outside Business Activities (OBAs) include any arrangement in which any of Stonward's Representatives is also an employee or consultant or representative, of another person or entity other than Stonward. OBAs are permitted if they do not create a Conflict of Interest with clients and Stonward. Any conflicting OBA shall be immediately reported so that proper actions can be taken to avoid any damage to potential clients.

## **7. ICCA-Queen Mary Task Force Report on Third-Party Funding in International Arbitration**

Stonward strongly adheres and is committed to follow at all times the Best Practices in Third-Party Funding Arrangements and other principles related to disclosure and conflicts of interests established by ICCA-Queen Mary Task Force Report on Third-Party Funding in International Arbitration.

## **8. Compliance with Laws and Regulations**

Representatives shall comply with applicable laws, rules and regulations, considering especially any laws related to Litigation Funding. In Spain, particularly, litigation funding is not regulated and the autonomy of the parties to reach an agreement prevails (*libertad de pactos*) according to Section 1225 of the Commercial Code. Notwithstanding this, other jurisdiction may have applicable regulation and it should be revised on a case-by-case basis.

## **9. Anti-corruption**

Representatives shall conduct business in an honest and ethical manner and has zero-tolerance approach to bribery and corruption activities, wherever we operate.

## **10. Report of Violations and Anti-Retaliation**

Any concerns about violations, or suspected violations of this Code shall be reported to [compliance@stonward.com](mailto:compliance@stonward.com)

Violations of this Code provisions will be dealt with promptly, including subjecting persons to corrective and/or disciplinary action, up to and including termination of employment.

Stonward strictly prohibits any retaliation of any type against an individual who reports a suspected violation or assists in the investigation of such conduct, and Stonward will protect the confidentiality of the whistleblower; however, considering that Stonward may have a duty to inform third parties, including regulators, and to investigate.

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