

Freshfields Bruckhaus Deringer
Ethical principles and rules of conduct
for our German practice

Every profession has its own ethical standards. Lawyers¹ practise a liberal profession, represent the interests of their clients and are independent agents of the administration of justice. The right to seek the counsel of a lawyer of one's choice, and to be represented by them before courts, arbitral tribunals or authorities, is an essential element of the fundamental principle of the rule of law. Lawyers advise, structure and defend. In so doing, they are expected to possess profound knowledge of the law, represent their client's interests with dedication and observe applicable law and regulation.

A modern profession has developed on top of these foundations, reflecting the liberalisation of the market for legal advice and changing client expectations. Freshfields Bruckhaus Deringer is a global law firm. We assist leading companies in industry and finance, institutions and governments in their most important transactions and projects and advise them on financial issues, on managing their risks and complying with their regulatory obligations and on managing their disputes.

Our clients not only trust in our professional expertise and our diligence, but also in our loyalty, integrity, confidentiality and independence as lawyers.

For this reason, we govern ourselves not only by the universally applicable professional duties for lawyers but also by the values and rules that we regard as being essential requirements for our actions. The following ethical principles and rules of conduct summarise the essential professional duties and the further requirements we ask of ourselves in one uniform policy. In this context, certain measures and procedures have been introduced which are meant to ensure these principles and rules of conduct are observed.

The ethical principles and rules of conduct also apply analogously to everyone who works in our firm in Germany, including all non-lawyers.

¹ The terms partner, lawyer, employee, client etc are to be understood gender-neutrally in this document.

I. Ethical principles

1. Professional competence and personal integrity

We don't just want to provide our clients with excellent specialist advice; we also want to do so in a responsible and sustainable way. We therefore require the highest standards from our lawyers and employees in terms of professional competence and personal integrity. We expect our lawyers always to keep abreast of the latest developments that affect their practice, and always to meet the ethical requirements for legal work.

2. Responsible application of the law

We conscientiously adhere to the law governing the legal profession. In addition, we also want to meet ethical requirements when working on our mandates. Our advice must satisfy the highest standards for responsible application of the law. Our legal structuring not only involves methodical application of the law but also adherence to the principles of ethical responsibility.

3. Preserving professional secrecy

The duty to preserve professional secrecy is core to the relationship of trust between client and lawyer, and one which we observe without compromise.

4. No conflicts of interest, independence

A global law firm like Freshfields Bruckhaus Deringer operates within a dense network of economic and societal relationships. We undertake to exercise particular care in identifying and avoiding conflicts of interest.

We ensure that we are not exposed to either extraneous influences or anything which could compromise our independence in our work.

5. Ethical pursuit of interests

As lawyers, we are obliged to protect the interests of our clients. Our clients are responsible for their own actions. Lawyers are neither moral “arbiters” of the interests with which they are entrusted, nor should evolving short-term political convictions be the standard for a lawyer’s pursuit of client interests. However, we do not advise on projects or plans that we consider are contrary to fundamental ethical values.

6. Advisory principles

Within the subject-matter and scope of our engagement, we give our clients comprehensive and transparent advice on all legal aspects of a project. We do not shy away from advising our clients that they should not proceed with a proposed course of action for ethical reasons. We reject actions which appear abusive from an ethical perspective.

7. Preservation of trust in the profession and the rule of law

As independent agents of the administration of justice, we seek to contribute to the achievement and preservation of the rule of law. We ensure that our client work neither undermines trust in the integrity of the legal profession or the stability of the rule of law, nor contributes to harming the standing of constitutional democracies.

8. Internal culture

Fairness, cooperation, equitable participation and diversity are essential elements of our internal culture. This also includes mutual respect, openness and trust. Fair working conditions, equal opportunities as well as the potential for both professional and personal development are of particular importance to us.

9. Focus on the common good, community engagement

As a responsible “corporate citizen”, Freshfields Bruckhaus Deringer seeks to have a positive impact in society by encouraging our people to be involved in community investment and to undertake pro bono work. Each of us follows their own sociopolitical principles and views. However, our common values are to respect human rights, maintain the socio-cultural and institutional bases of a free, democratic and social society, and safeguard natural resources.

II. Special rules of conduct

In particular, the following special rules of conduct are derived from these ethical principles.

1. Identity check

We check the identity of our client in every single instance where a new client relationship is formed. This includes a check on who holds a share or interest in the client and who is the beneficial owner behind the client (“know-your-customer” check).

2. Risk assessment / conflicts of interest

Before taking on a mandate we perform a check, as part of our global Business Acceptance process, on whether there are conflicts of interest, legal risks or reputational risks involved.

3. Prevention of corruption and money laundering

We comply with the existing rules on the prevention of corruption and money laundering without compromise. We place great value on the existence of comparable values or commitments at our clients and other contractual partners.

4. Engagement letter

We perform our legal work on the basis of terms of engagement, which must at least be in text form, that establish the subject matter of the engagement as specifically as possible. Where necessary for clarification purposes, those terms of engagement may explicitly state areas that are not covered by the engagement.

5. Factual basis and assumptions

Precisely and comprehensively identifying the relevant circumstances while observing the professionally required level of diligence is an essential element of responsible legal advice. We do not base our submissions to authorities, statements of case or opinions on any facts which we know to be inaccurate or incomplete. Insofar as our statements are based on premises or assumptions, we indicate them as such in a transparent manner.

6. Professionalism and “fair play”

Our communication is professional, businesslike and respectful. We respect the rules of “fair play”.

7. Remuneration agreements

Within the framework of the statutory provisions, we seek to agree fees with our clients that seem reasonable in the context of the importance of the matter for the client as well as the difficulty, complexity and amount of work involved. Our clients are billed as soon as possible and in a transparent and traceable manner on the basis of a remuneration agreement which must at least be in text form.

8. Damage to third parties prohibited

We do not support the exercise of any right with the intention to inflict, in a manner contrary to public policy, damage on another person.

9. Collegial dialogue; involvement of the Ethics Committee

It is a key part of our firm's culture that we encourage all in the firm to seek advice from their colleagues on difficult judgments and on questions where there is doubt. This dialogue is of particular importance where the issue in question concerns adherence to the ethical principles and rules of conduct. In cases of doubt, the Ethics Committee should be consulted. To this end, all information required for properly addressing the matter must be provided to the Ethics Committee.

10. Reporting breaches; updating the policy

Everyone at Freshfields Bruckhaus Deringer is urged to report potential or existing breaches of the present ethical principles and rules of conduct to the competent persons. Suggestions on necessary updates to this policy, particularly with regard to newly identified challenges, should be directed to the Ethics Committee.

III. Implementation and enforcement

The above ethical principles and rules of conduct contain essential requirements for our actions. It is in the interests of the firm and everyone who works in the firm that this policy is observed at all times and without reservation. We want these ethical principles and rules of conduct to have a lasting influence on our firm's advisory practice and, for this purpose, intend to give them practical effect and ensure they are adhered to. This requires implementing a process of self-regulated monitoring which the following principles are intended to promote.

1. Our ethical principles and rules of conduct form part of our induction events for new joiners. They are also regularly part of our quality-focused education and training programme, which also includes how to deal with ethical issues.

2. The Regional Managing Partner (RMP) and the management of our practice and sector groups in Germany will seek to ensure compliance with our ethical principles and rules of conduct. Compliance with these provisions is addressed at all regular planning and review meetings.
3. The Ethics Committee discusses ethical issues which may arise in the firm's individual practice areas. Furthermore, it deals with reports on breaches of the ethical principles and rules of conduct and advises the RMP on applying and updating the present policy.
4. Serious breaches of our ethical principles and rules of conduct result in penalties being imposed on those responsible, which can extend to exclusion from the firm or termination of employment.
5. Everyone at Freshfields Bruckhaus Deringer has the right and the opportunity to contact the Ethics Committee or its individual members, including anonymously where required.