



## **Antitrust Guidelines**

**Document approved by the ROAD Joint Management Body on 24 April 2024**

### **Introduction**

The first paragraph of Article 24 of the Network Agreement establishing ROAD provides (i) that the Network members undertake that all forms of cooperation within ROAD, including the exchange and sharing of information, shall always be carried out in compliance with antitrust regulations and (ii) that the Network shall adopt special internal guidelines for this purpose.

The purpose of this document is therefore to provide ROAD and its Network Partners with some guidelines with respect to the conduct to be maintained when carrying out activities within ROAD, in order to avoid antitrust violations.

### **Interactions with competitors and prohibition of exchange of sensitive information**

Business Networks such as ROAD promote innovation and enable the common pursuit of progress and development goals, as well as playing an important role in stimulating the improvement of market efficiency, thus supporting robust competition between companies. At the same time, Business Networks such as ROAD, by establishing cooperation between companies and creating a forum for the exchange of information of an industrial, commercial, technical or technological nature, may entail antitrust risks if they involve competing companies.

Antitrust law prohibits agreements between undertakings that have as their objective or effect a restriction of competition. Decisions by bodies that are exponential and representative of the member companies, as ROAD might be, are also equated with agreements between companies. There is also an “agreement” in the case of a tacit exchange of intent, either directly or through a third party, or even in the case of mere market alignment resulting from the exchange of sensitive information.

For this reason, Network members that are competitors are prohibited from entering into agreements that have the objective or effect of restricting competition and are not permitted to exchange commercially sensitive information, unless there is a legitimate justification for doing so and appropriate precautions are taken, to be assessed on a case-by-case basis.

Under antitrust law, information is considered commercially sensitive and, therefore, cannot be shared between competitors if it is not in the public domain and is likely to influence a competitor's business decision or strategy. Such information may include, for instance:

- a) present or future (selling or buying) prices, pricing formulas, pricing strategies, mark-ups, other sensitive terms and conditions;

- b) marketing strategies, including customer lists and sales areas, as well as sales projections;
- c) tenders, including the intention to bid or not to bid in a particular tender and/or to refuse to deal with third parties;
- d) current and future production and distribution costs;
- e) volumes produced and/or sold, production capacity;
- f) profit margins and other detailed economic results;
- g) research and development projects that can disclose the company's business strategy, trade secrets and other commercial information concerning intellectual property rights.

This does not mean that competing Network Members cannot exchange any kind of information. However, it is necessary that the purposes set out in recital I), as well as in Articles 2 and 3, of the Network Agreement, be pursued in compliance with antitrust law.

In the context of the cooperation between competing Network Members, therefore, it is important to limit the flow of exchanged information to what is strictly necessary for the cooperation underlying ROAD and, should there be a need to share commercially sensitive information within ROAD, to assess together with the antitrust compliance function mandated by the Network under the Services Agreement the adoption of appropriate safeguards (e.g. confidentiality agreements, firewalls and/or clean teams).

### **Internal Network Activities**

In order to avoid agreements prohibited by antitrust law, at meetings of the Network Joint Management Body, the Scientific Committee and the PMO Innovation Committee it is necessary:

- to prepare and share in advance with the participants the agenda of the meeting, which may not include the making of competition-restricting decisions or the discussion of commercially sensitive information between competitors;
- during the discussion, not to deviate from the items on the agenda;
- to interrupt immediately any representatives of competing Network Members who exchange commercially sensitive information or propose the making of competition-restricting decisions;
- always to take minutes that accurately reflect who was present and what was discussed;
- to keep the agenda and the drafted minutes for an appropriate period of time.

The antitrust rules outlined above also apply outside the meetings of the Network bodies, including informal meetings between representatives of the Network Members. Therefore, sharing commercially sensitive information with competitors is also prohibited on such occasions.

Under antitrust law, in fact, exchanges of information are deemed to occur irrespective of (i) the means used to communicate and (ii) the time and place at which they occur, and even if:

- they consist of a **single episode**;

- they are **one-sided** (i.e. only one competitor provides information, while the others are mere recipients);
- they are **indirect** (i.e. competitors exchange information through third parties, such as associations, suppliers, consultants or ROAD itself).

### **Collaboration with Network Partners and/or actors outside the Network**

As between competing Network Partners, Network Partners are generally not permitted to share commercially sensitive information even with Network Partners or other competitors outside the Network.

Should it be necessary to share commercially sensitive information with competing Network Partners or other non-Network competitors in pursuance of the purposes set out in recital I), as well as Articles 2 and 3, of the Network Agreement, it will be necessary to contact in advance the Antitrust Compliance function appointed by the Network under the Services Agreement in order to assess the adoption of appropriate safeguards (e.g. confidentiality agreements, firewalls and/or clean teams).



## Anti-Corruption and Anti-Money Laundering Guidelines

***Document approved by the Joint Management Body of ROAD - ROME ADVANCED DISTRICT  
on 10 October 2024***

ROAD - Rome Advanced District (hereinafter referred to as 'ROAD' or the 'Network') is committed to operating in compliance with all anti-bribery and anti-money laundering laws applicable to it and is inspired by the principles of ethics, transparency, correctness and professionalism in carrying out its activities.

ROAD has thus decided to adopt this document 'Anti-Corruption and Anti-Money Laundering Guidelines' (hereinafter referred to as the 'Guidelines'), inspired by the principle of 'zero tolerance' towards any form of corruption and money laundering, with the aim of outlining the rules of conduct to be followed in carrying out ROAD's activities, the prohibited behaviours and the safeguards identified by the Network to manage the potential corruption risks inherent to its activities. These Guidelines also provide for control principles aimed at preventing the commission of the offence of money laundering in the context of the Network's non-financial activities.

These Guidelines are approved by the Joint Management Body of ROAD on 10 October 2024.

The "Persons of the Network Organisation", as defined below, must conduct themselves in keeping with the principles and rules defined in the Guidelines.

The Joint Management Body of the Network is personally committed to compliance with the applicable anti-bribery and anti-money laundering laws, as well as to raising awareness and disseminating the rules and principles of these Guidelines to the Network structures.

In addition, ROAD shall use its influence, to the extent reasonable under the circumstances, to ensure that the Business Associates, as defined below, with whom it deals comply with the principles set out in these Guidelines by adopting and maintaining an internal control system capable of preventing breaches of applicable anti-bribery and anti-money laundering laws.

## Contents

<b>1. DEFINITIONS .....</b>	<b>4</b>
<b>2. PROHIBITED CONDUCT .....</b>	<b>5</b>
<b>3. RISK AREAS AND GENERAL PRINCIPLES .....</b>	<b>6</b>
<b>3.1 DEALINGS WITH PUBLIC OFFICIALS AND RELEVANT PRIVATE ENTITIES .....</b>	<b>7</b>
<b>3.2 GIFTS AND HOSPITALITY .....</b>	<b>7</b>
3.2.1 GIFTS AND HOSPITALITY GENERAL CRITERIA .....	7
3.2.2 GIFTS AND HOSPITALITY OFFERED TO OR RECEIVED BY PERSONS IN THE NETWORK ORGANISATION ...	8
3.2.3 GIFTS AND HOSPITALITY OFFERED OR MADE IN FAVOUR OF THIRD PARTIES (INCLUDING PUBLIC OFFICIALS).....	8
3.2.4 REGISTRATION OF GIFTS AND HOSPITALITY.....	8
<b>3.3 CONFLICT OF INTEREST .....</b>	<b>9</b>
<b>3.4 BUSINESS ASSOCIATES.....</b>	<b>10</b>
3.4.1 GENERAL PROVISIONS.....	10
3.4.2 SUPPLIERS/CONTRACTORS.....	11
3.4.3 NON-PROFIT INITIATIVES AND SPONSORSHIPS.....	11
3.4.4 SALE OF GOODS AND SERVICES.....	12
<b>3.5 PERSONNEL SELECTION, RECRUITMENT AND MANAGEMENT.....</b>	<b>12</b>
<b>4. ANTI-BRIBERY AND ANTI-MONEY LAUNDERING SAFEGUARDS.....</b>	<b>12</b>
<b>4.1 TRAINING AND INFORMATION.....</b>	<b>12</b>
<b>4.2 ACCOUNTING AND FINANCIAL CONTROLS.....</b>	<b>13</b>
<b>5. IMPLEMENTATION AND IMPROVEMENTS OF THE GUIDELINES .....</b>	<b>13</b>
<b>6. CONSEQUENCES OF VIOLATING ANTI-CORRUPTION AND/OR ANTI-MONEY LAUNDERING RULES.....</b>	<b>14</b>
<b>7. REPORTS OF VIOLATIONS .....</b>	<b>14</b>
<b>ANNEX 1 - DUE DILIGENCE GUIDELINES.....</b>	<b>15</b>

## 1. DEFINITIONS

**Business Associates:** third parties, natural or legal persons, with whom the Network has or intends to have business or contractual relations, for any reason, in areas considered to be at risk of corruption (such as, by way of example, suppliers of goods and services, contractors, subcontractors, counterparties to collaboration/partnership agreements, consultants, agents, beneficiaries of sponsorships and non-profit initiatives, counterparties to real estate transactions). This definition also includes entities that apply to join the Network as Network Members.

**Due Diligence:** a process of ethical and reputational verification, aimed at assessing the nature and extent of any corruption and/or money laundering risks and the existence of any Red Flags in relation to specific business or contractual relationships, to actual and/or potential Business Associates, as well as in the selection phase of Network personnel (hereinafter referred to as "Due Diligence").

**Relevant Private Entity:** a company or entity that, irrespective of its legal status, operates in the general interest and may influence with its professional/institutional activity the external perception of the Network or may determine an advantage for the Network from the performance or non-performance of its activity (by way of example: mass media, certification or conformity assessment bodies, consumer associations, rating agencies).

**Non-profit initiatives:** liberal disbursements, donations, other non-profit projects and initiatives for the benefit of local communities for health, social, educational and/or humanitarian purposes.

**Free gifts:** any object or other benefit having an economic value, which is offered to or received from a third party, for which no specific service or remuneration is provided or received, including, but not limited to, gifts, gift certificates, discounts or personal credits.

**Hospitality:** meals, travel, entertainment (including tickets to sporting or cultural events, visits to tourist sites, etc.) offered and/or received.

**Red Flags:** critical elements or potential corruption and/or money laundering risk factors that must be taken into account in the Due Diligence process (e.g. the Business Associate has a conflict of interest or questionable reputation, has an unusual or recently established corporate structure, has been investigated, indicted or convicted for relevant offences, refuses to provide the information requested in the Due Diligence process).

**Persons in the Network Organisation:** members of the ROAD Common Management Body, the staff of ROAD, as defined in the Network Agreement, and any other persons participating in committees and/or internal bodies of ROAD.

### **Public Official:**

- a) anyone exercising a legislative, judicial or administrative function;
- b) anyone acting in an official capacity in the interest or on behalf of:
  - any body, office, agency or department, whether central or peripheral, in Italy or abroad, which is in charge of public interests and/or which carries out legislative, jurisdictional or administrative activities by virtue of public law provisions and authorising acts;
  - international public organisations (e.g. the European Bank for Reconstruction and Development, the International Bank for Reconstruction and Development, the International Monetary Fund, the World Bank, the World Trade Organisation);
  - agencies, departments or bodies of the European Union;

- a company or organisation owned or otherwise controlled by a state<sup>1</sup> unless it operates in the market on a normal commercial basis, for example, on a basis that is substantially equivalent to that of a private enterprise, without preferential subsidies or other privileges;
- c) any member of a political party or candidate for Italian or foreign political office or other public office;
- d) any member of the royal family of the relevant country;
- e) any person in charge of a public service, i.e. those who, in whatever capacity, perform a public service, where public service means an activity regulated in the same form as public function, but characterised by the absence of the powers typical of the latter;
- f) representatives of local communities.

**Sponsorships:** promotional/advertising communication initiatives through which a party, referred to as the 'sponsee' or 'sponsored party', undertakes, for a fee, to associate its activity with the name or distinctive sign of the 'sponsor' in order to positively promote its image, identity, brand or its products/services.

## 2. PROHIBITED CONDUCT

The Network prohibits both private and public corruption without exception. In general, bribery 'between private parties' refers to corruption committed between 'private' individuals or private organisations, including through third parties, in breach of the obligations inherent in their office. In contrast, 'public' bribery occurs when at least one of the individuals involved is a Public Official acting in the exercise of their duties.

In particular, the Network prohibits:

- offering, promising, giving, paying or authorising anyone to give or pay, directly or indirectly, money or other benefits (economic or otherwise) to public or private parties (active corruption);
  - accepting, or authorising anyone to accept, directly or indirectly, money or other benefits (economic or otherwise) or their requests or solicitations from a Public Official or a private party (passive corruption);
- by Persons in the Network Organisation ('direct bribery') or by anyone acting on behalf of the Network ('indirect bribery');

when the intention is to:

- a) induce a Public Official or a private party to perform improperly and contrary to their duties any function of a public nature or any activity associated with a business, or to reward such parties for having performed it;
- b) influence an official act (or omission) by a Public Official or any decision in breach of official duty;
- c) obtain or secure an improper advantage in connection with business activities; or
- d) in any case, to violate applicable laws.

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<sup>1</sup> By way of example, companies or organisations: (i) whose statutes or articles of incorporation stipulate that they are bodies or agencies of the government; (ii) which perform functions or services in the public interest (i.e. for the benefit of the general public or a large section of the population); (iii) which are financially dependent on the government (e.g. where the government is responsible for losses and/or financing operations of the company or organisation itself); (iv) which do not operate in the relevant market on a normal commercial basis because they have special powers under legislation; (v) in which the majority of the members of the board of directors or management committees are appointed by the government.



The instruments of corruption are not only payments in cash/money or other economic advantages, but also initiatives, business practices or social activities, and any other benefit or consideration<sup>2</sup> capable of unduly influencing a counterparty in order to gain an undue advantage for the Network or of a personal nature for the agent.

Furthermore, in order to prevent illegal activities related to money laundering<sup>3</sup>, the Network prohibits without exception the Persons of the Network Organisation and anyone acting in its interest and/or on its behalf from:

- a) replacing or transferring money, goods or other benefits in the knowledge - or in the presence of reasonable grounds for believing - that they originate from unlawful activities, or carrying out other transactions in connection therewith in such a way as to obstruct, conceal or disguise the identification of their unlawful origin;
- b) acquiring, receiving, possessing, concealing or using money, goods or other utilities with knowledge or in the presence of reasonable grounds for believing that they are of unlawful origin, or meddling in the purchase, receipt or concealment of such goods;
- c) taking part in any of the acts referred to in the preceding paragraphs, associating in order to commit such an act, attempting, instigating or facilitating the commission of such an act, or assisting any person involved in such activities to evade the legal consequences of such acts.

### 3. RISK AREAS AND GENERAL PRINCIPLES

The main risk areas identified by the Network's Joint Management Body due to the Network's operational context are: relations with Public Officials and Relevant Private Entities; gifts and hospitality; contracts or collaboration agreements with Business Associates (including non-profit initiatives and Sponsorships); selection, recruitment and management of human resources.

For each of these risk areas, the Network's Joint Management Body has adopted the control measures indicated below, periodically monitored and updated with a view to continuous improvement, compliance with which is mandatory for all the Persons of the Network Organisation. Finally, transversal control measures are envisaged for all the aforementioned risk areas, aimed at preventing and managing even potential conflict of interest situations.

In addition to the above, it is specified that the Network prohibits:

- for the Persons of the Network Organisation and for any Business Associate acting in the interest and/or on behalf of the Network, undue or unofficial payments of money or other utilities made in favour of the Public Administration, both in Italy and abroad, for the purpose of speeding up, favouring and in general facilitating the performance of a routine activity known as "facilitation payments"<sup>4</sup>;

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<sup>2</sup> Such as, for example, gifts and hospitality, political contributions, non-profit initiatives or sponsorships, jobs, investment opportunities, confidential information, personal discounts or credits, facilitation payments.

<sup>3</sup> Money laundering is understood as conduct through which the proceeds of unlawful activities are reintroduced into the market, also by means of multiple and fractional lawful transactions, with the intention of obstructing the reconstruction of the actual source of the proceeds and concealing the unlawful origin of the money, goods or other benefits.

<sup>4</sup> "Extortion payments" - i.e., payments made to Public Officials extorted from the Persons of the Network Organisation by means of violence or serious and imminent threat to physical safety and personal security - may be made for the sole purpose of avoiding personal injury. Such payments must in any case be immediately reported by the Persons in the Network Organisation concerned to their direct superior (or, failing that, directly to the Network Common Management Body) who will consult the Network Common Management Body to identify the actions to be taken. These payments must also be correctly recorded in the books and records of the Network.

- any form of contribution, direct or indirect, to political parties, movements, committees, political organisations and trade unions, including to their representatives and candidates, both in Italy and abroad.

### **3.1 DEALINGS WITH PUBLIC OFFICIALS AND RELEVANT PRIVATE ENTITIES**

All relations of the Persons of the Network Organisation with, or referring to, or involving Public Officials or Relevant Private Bodies must be conducted in compliance with these Guidelines, with particular regard to the following principles and minimum standards:

- relations with Public Officials or Relevant Private Bodies must be characterised by correctness, transparency and traceability of behaviour and are reserved exclusively to the competent functions and positions of the Network;
- favours, collusive behaviour, direct solicitation and/or through third parties, or the payment of money or other benefits to Public Officials or Relevant Private Entities in order to obtain advantages for the Network, for themselves or to induce them to perform (or reward them for having performed) their role improperly are prohibited;
- when a negotiation, request or any other relationship with Public Officials or Relevant Private Bodies is underway, the Persons of the Network Organisation must not seek to improperly influence the decisions of the other party, including those of Public Officials or Relevant Private Bodies dealing or making decisions on behalf of their bodies;
- it is never permissible to pay or offer, directly or indirectly, money or gifts or any benefit to Public Officials or to representatives of Relevant Private Entities or to their family members, in order to reward an action of their office;
- it is prohibited to use public contributions, grants and financing for purposes other than those for which they were granted;
- traceability of relations and appropriate and specific written reporting to the Chairperson of the Network Joint Management Body, properly filed, of relations or interactions with Public Officials and Relevant Private Entities must be ensured<sup>5</sup>.

### **3.2 GIFTS AND HOSPITALITY**

#### **3.2.1 GIFTS AND HOSPITALITY GENERAL CRITERIA**

Gifts and Hospitalities may be offered, made or received if they fall within the context of acts of professional or business courtesy and are such that they cannot be construed by an impartial observer as being intended to create an obligation of gratitude or to obtain improper advantage.

Therefore, any Gift or Hospitality must in all cases:

- be, according to the circumstances, reasonable and in good faith, proportionate, of modest value and not appear to be improper, also with reference to the rules and principles adopted on the matter by the entity to which the Persons of the Network Organisation belong;
- be in good taste and conform to generally accepted standards of professional courtesy;
- be carried out in connection with legitimate and not merely personal purposes;

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<sup>5</sup> Reporting is to be ensured by means of minutes, notes or by e-mail in which the following elements are indicated: date and place of the interaction, participants, topics discussed and positions expressed by the participants.

- not be offered, made or accepted in order to obtain some benefit in return or to exert undue influence on any business, legal or regulatory decision otherwise relevant to the Network or any other party (i.e. not to constitute a “quid pro quo”);
- not consist of a payment in cash or cash equivalent (e.g. cheques, gift vouchers);
- comply with local laws and regulations applicable to the recipient of the Gift and/or Hospitality, including codes of conduct or other legislation that the public or private entity, to which such recipient belongs, has adopted;
- be registered and supported by appropriate documentation.

### **3.2.2 GIFTS AND HOSPITALITY OFFERED TO OR RECEIVED BY PERSONS IN THE NETWORK ORGANISATION**

Any Gift or Hospitality offered to, or received by, Persons in the Network Organisation must:

- (i) comply with the general requirements and criteria set out in section 3.2.1 above; and
- (ii) be previously assessed and approved by the Chairperson of the Network's Joint Management Body or the person identified by him/her.

If the Gift or Hospitality does not comply with the requirements set out in (i) and/or (ii) above, the Persons in the Network Organisation concerned must refuse it, immediately inform the Chairperson of the Common Governing Body of the Network or the person identified by him/her and register it in the appropriate "Gift and Hospitality Register".

### **3.2.3 GIFTS AND HOSPITALITY OFFERED OR MADE IN FAVOUR OF THIRD PARTIES (INCLUDING PUBLIC OFFICIALS)**

Any Gifts or Hospitality offered or made by the Persons of the Network Organisation must:

- (i) comply with the general requirements and criteria set out in section 3.2.1 above; and
- (ii) be assessed and approved in advance by the Chairperson of the Network's Joint Management Body or the person identified by him/her.

If the Gift or Hospitality does not comply with the requirements set out in (i) and/or (ii) above, the Persons of the Network Organisation concerned must not perform it.

Family members of recipients (e.g. spouses) should normally not be included as recipients of Gifts or Hospitality.

As a rule, Hospitality (in particular travel, meals, accommodation) must be provided to third parties directly, rather than through a reimbursement of related expenses. *Per diem* payments, sometimes referred to as allowances (e.g. travel allowances) or incidental expenses, are strongly discouraged.

Any proposals to include family members in the Hospitality treatment, to reimburse expenses or to grant daily allowances must be approved by the Common Management Body of the Network, ensuring in all cases compliance with the regulations applicable to the beneficiaries.

### **3.2.4 REGISTRATION OF GIFTS AND HOSPITALITY**

Gifts and Hospitalities received by the Persons of the Network Organisation or offered to third parties must be recorded in a special register ("Gift and Hospitality Register"), providing detailed information (including the name of the person making the Gift or Hospitality and of the recipient, a description of the Gift and/or Hospitality, the actual or estimated value and the date of making/receiving).

The Gifts and Hospitality Register must be managed by the Network Operations Manager or by a different person identified by the Network Management Body.

### **3.3 CONFLICT OF INTEREST**

The identification and management of conflicts of interest is based on the necessary compliance with the organisational measures and procedures prepared by the Network Management Body and, in any case, with the laws, regulations and self-regulatory provisions applicable to the Network.

A conflict of interest is manifested in all situations from which conduct or decisions, within the scope of one's work activity, may arise that may generate an immediate or deferred, direct or indirect advantage, even of a non-economic nature, for the Network Organisation Person or his/her family members or for other persons with whom he/she has close personal or business relations.

Situations of conflict of interest, even potential ones, are therefore considered to be those in which the aforementioned interests are of a personal nature of a Person in the Network Organisation:

- they may interfere with the ability to make impartial decisions and/or assessments in the interest of the Network;
- they may be favoured by virtue of one's position in the organisation of the Network, also in the light of the information to which one has access.

By way of example and without limitation, the following constitute cases of conflict of interest:

- the economic and financial interests of the persons of the Network Organisation and/or their families in the activities of suppliers, customers and competitors;
- the instrumentalisation of one's functional position for the realisation of interests conflicting with those of the Network;
- the use of information acquired in the course of work for one's own benefit or the benefit of a third party contrary to the interests of the Network;
- the performance of work of any kind (work and intellectual services as well as the holding of corporate offices) for customers, suppliers, competitors and/or third parties in conflict with the interests of the Network;
- the conclusion, finalisation or initiation of negotiations and/or contracts - in the name and on behalf of the Network - involving family members or partners of the Persons of the Network Organisation or legal persons in which they have a personal and economic interest.

In particular, the Persons in the Network Organisation are obliged to avoid conflicts of interest between personal economic activities<sup>6</sup> and the tasks they hold within the structure they belong to in the Network.

It is forbidden to take personal advantage of business opportunities of which one has become aware in the course of one's duties within the Network.

The Persons of the Network Organisation must refrain from carrying out activities in pursuit of their direct or indirect personal or pecuniary interest, which is even potentially in conflict with the interests of the Network.

In any case, the Persons of the Network Organisation must avoid any situation and all activities in which a conflict with ROAD's interests may arise, even potentially. Any situation that may constitute or lead to a conflict of interest must be promptly reported to the Chairperson of the Network's Joint Management Body.

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<sup>6</sup> Activities carried out in the exercise of the role held within the institution/company adhering to the Network ("Network Member") in relation to the activities of the Network are to be excluded.

When a conflict of interest, even a potential one, is reported, the Chairperson of the Network's Joint Management Body identifies measures to safeguard, in the specific situation, transparency and correctness of conduct in the performance of activities. At the end of this activity, the aforementioned person informs the person concerned of the measures identified to manage the conflict of interest.

If the conflict of interest situation concerns the Chairperson of the Network's Common Management Body, the latter shall promptly inform the Common Management Body, which shall inform the Chairperson of the measures identified to manage the situation.

### **3.4 BUSINESS ASSOCIATES**

#### **3.4.1 GENERAL PROVISIONS**

ROAD, within the scope of its activities, may have contractual relationships with different types of Business Associates.

Such relationships may present risks for ROAD in terms of both corruption and money laundering, as it may become involved in any corrupt and/or money laundering activities carried out by Business Associates.

Taking the above into account, the Network, with a view to ethical business management, requires its Business Associates to comply with anti-bribery and anti-money laundering laws, ethical standards and qualification requirements set by the Network, throughout the duration of the contractual relationship.

The Network also ensures that:

- i) before entering into or renewing contracts<sup>7</sup> an adequate Due Diligence process is carried out with a Business Associate, as prescribed in Annex 1 to these Guidelines.
- ii) the checks carried out and the results of the Due Diligence process, including any reasoned decision not to carry out Due Diligence<sup>8</sup> and the evaluations on the results or on the aforesaid decision are brought to the attention of the person/body authorising the formalisation of the contract/operation/initiative in question,
- iii) the person/body authorising the transaction has a clear representation of the critical issues raised and the potential risks associated with it.

The Network ensures that every relationship with Business Associates is regulated in writing in contracts that (i) contain commitments on anti-corruption and anti-money laundering compliance and, in particular, a commitment to operate in accordance with the principles set out in these Guidelines as well as applicable anti-corruption and anti-money laundering laws and (ii) provide for the Network's right to terminate the relationship in the event of a breach of the above commitments and applicable laws, with a consequent right to compensation for damages suffered.

In the case of Business Associates or operations with higher risk profiles, the Network may also adopt specific and enhanced mitigation measures, including: (i) requiring the adoption and implementation throughout the duration of the contract of anti-bribery and anti-money laundering rules and controls in line with those set forth in these Guidelines; (ii) providing for ROAD's right to conduct audits of the contractual counterparty/partner in relation to the activities covered by the contract and the compliance commitments therein.

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<sup>7</sup> Except in the case of mere confidentiality agreements or preliminary agreements, such as Memoranda of Understanding or Letters of Intent, which contain only confidentiality commitments and not also specific obligations for the Network such as, for example, obligations of exclusivity or cost-sharing in relation to activities of assessing - directly or through consultants - the feasibility of initiatives or projects.

<sup>8</sup> In the presence of prerequisites such as, by way of example, the excellent reputation of the potential counterparty, also from an ethical point of view, the proven reliability of the same or the usual relationships.

From the moment a contract is entered into with a Business Associate and until the conclusion of the relationship, (i) monitoring activities are planned to ensure that the elements assessed during the Due Diligence remain valid for the entire duration of the contract and (ii) timely reporting of any gaps or suspected violations of anti-bribery and/or anti-money laundering laws is carried out through the information channels provided by the Network .

In relation to long-term contracts<sup>9</sup> periodic Due Diligence updating activities will be carried out. Due Diligence is also to be carried out in the case of contract renewals or changes to essential elements<sup>10</sup> of the contract.

Moreover, with a view to preventing corruption, the Network establishes that any fees to be paid to the Business Associate shall be exclusively commensurate with the service expressly indicated in the contract and shall be paid only after verifying that the supplies/services have been carried out in accordance with the contractual terms provided for; in the case of consultancy contracts, the fees paid by the Network must be adequately justified in relation to the task to be performed (the performance of which must be described in detail in the relevant contract, to be drawn up in writing) and to current market practices. In addition, all appropriate documentation must be filed to ensure maximum correctness, transparency and traceability of the contractual relationship.

### **3.4.2 SUPPLIERS/CONTRACTORS**

The procurement procedures for goods and services are conducted by the Network in a correct and transparent manner and provide for appropriate controls to ensure transparency and correctness in the supplier/contractor selection process (to be conducted, as a rule, through competitive procedures and, in any case, by adopting objective evaluation criteria in a declared and transparent manner), as well as in the management and performance of the relevant contract, including appropriate safeguards with regard to regulatory restrictions on certain trade flows resulting, for example, from economic and financial restrictive measures ("Sanctions"), or export control measures.

### **3.4.3 NON-PROFIT INITIATIVES AND SPONSORSHIPS**

Before embarking on a not-for-profit initiative or Sponsorship, appropriate due diligence must be carried out on the initiative and potential counterparties/beneficiaries.

Non-profit Initiatives and Sponsorships, duly approved by the competent body or entity of the Network, must only be made in favour of entities that are not recently established, well known, trustworthy and with an excellent reputation for honesty and integrity.

Payments to the beneficiary organisation must be made exclusively to a current account in the name of the organisation, must be recorded in a true and transparent manner in the books and records of the Network, and the beneficiary organisation must undertake to record the contributions received in its books and records in a proper and transparent manner.

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<sup>9</sup> Long-term contracts are defined as those with a duration of more than three years and those of shorter duration with automatic renewal clauses.

<sup>10</sup> Such as, for example, the subjective element, the subject matter, the economic conditions, the duration etc. and other elements that may affect the increase in the level of risk.

### **3.4.4 SALE OF GOODS AND SERVICES**

With reference to contracts for the sale of goods and services by the Network:

- open-source audits are conducted on potential customers of the Network in order to verify their ethical/reputational profile, and contractual safeguards are defined with regard to anti-corruption and anti-money laundering, including appropriate safeguards with regard to regulatory restrictions on certain trade flows resulting from, e.g., sanctions, or export control measures;
- adequate traceability is ensured with regard to the determination of the price and the assessment of its fairness;
- cash flows must be in line with the provisions of the relevant contract and, in any event, payments must be received in accordance with the provisions of Section 4.2 below.

### **3.5 PERSONNEL SELECTION, RECRUITMENT AND MANAGEMENT**

The process of selection, recruitment and management of any employee (also in the form of secondment) of the Network must be carried out in such a way as to ensure that the resources identified possess professional requisites and technical and/or managerial skills consistent with the Network's needs and to avoid situations of incompatibility<sup>11</sup>, favouritism or facilitations of any kind.

In view of the above, the recruitment process must provide for checks on the candidate's references and previous professional experience as well as checks on suitability for the role and include, in keeping with and to the extent permitted by applicable local laws, the following pre-employment checks concerning:

- presence of possible conflicts of interest or relations such as to interfere with the functions of Public Officials called upon to operate in relation to activities in which the Network has a concrete interest, as well as with top representatives of companies, consortia, foundations, associations and other private entities, also without legal personality, that carry out professional and business activities that have a particular relevance for the activities of the Network;
- any criminal record and ongoing criminal proceedings and any civil or administrative sanctions or ongoing investigations, which relate to activities relevant to the candidate's professional ethics, also taking into account the role the candidate is expected to play.

The findings should be assessed in relation to the role and tasks the candidate is expected to perform.

## **4. ANTI-BRIBERY AND ANTI-MONEY LAUNDERING SAFEGUARDS**

### **4.1 TRAINING AND INFORMATION**

ROAD will provide the People of the Network Organisation with adequate training and periodic updates on anti-corruption and anti-money laundering laws, as well as on the importance of compliance with these laws and the relevant prevention and control systems, including the principles of these Guidelines.

In addition, Road undertakes to disseminate the contents of these Guidelines, both to the people of the Network Organisation and to the Business Associates, through publication on its official channels (e.g. website) and to promote, in line with the highest national and international standards, communication initiatives on the culture of ethics and integrity.

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<sup>11</sup> E.g. pantouflage or revolving doors (Art. 53 para. 16 ter Italian Legislative Decree 165/2001).

## 4.2 ACCOUNTING AND FINANCIAL CONTROLS

The Network's accounting records must comply with the applicable accounting standards and must fully and transparently reflect the facts underlying each transaction. All costs and charges, revenues and receipts, income, payments and expenditure commitments must be entered in the financial information in a timely, complete and accurate manner and have adequate supporting documents, issued in accordance with all applicable laws and the relevant provisions of the internal control system. All entries in the accounting records and the related information documentation must be available to the external auditor.

In keeping with the above principles, it is the policy of the Network that all payments and transactions of the Network should be recorded accurately in the relevant books and records, so that the books, records and accounts reflect transactions and acquisitions and disposals of assets in reasonable detail. This principle applies to all transactions and expenses, whether or not they are significant from an accounting point of view.

With regard to financial controls, in general, payments made and received must be in line with contractual provisions.

In any event, as a rule, payments may not be demanded, made or received:

- to/from a party other than the contractual counterparty or the party foreseen in the contract as the payee/payer<sup>12</sup>;
- to/from encrypted bank accounts or in cash or similar instruments, through current accounts or savings books in anonymous form or with fictitious names;
- to a bank account not included in the contract;
- to/from a third country other than the country of the parties or the country of the payee/payer of the payment provided for in the contract or in the performance of the contract. Countries where a company/entity, ROAD's contractual counterparty, has established its centralised treasury and/or where it has established, in whole or in part, its own headquarters, offices or operating units that are functional and necessary for the performance of the contract are not deemed to be third countries for the purpose of the application of the prohibition.

## 5. IMPLEMENTATION AND IMPROVEMENTS OF THE GUIDELINES

Compliance with these Guidelines is mandatory for all Persons in the Network Organisation. Furthermore, every effort is encouraged to prevent the violation of applicable anti-corruption and/or anti-money laundering laws by third parties connected to the Network, including Business Associates. To this end, Business Associates will comply with the aforementioned Guidelines or the equivalent provisions set out in their own ethics and anti-corruption policies when carrying out activities on behalf of the Network.

In order to ensure the effectiveness of these Guidelines, the Chairperson of the Common Governing Body will (i) supervise the implementation of these Guidelines and (ii) report on the implementation of these Guidelines to the Common Governing Body of the Network, at least annually.

The Joint Network Management Body, each of the Network Partners and the Network's external auditors may suggest improvements to this document on the basis of emerging best practices or if gaps or criticalities are identified.

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<sup>12</sup> The checks foreseen, on a case-by-case basis, on the contractual counterparties, must also be carried out on the persons indicated in the contract as recipients of the payment/givers of the payment.



## **6. CONSEQUENCES OF VIOLATING ANTI-CORRUPTION AND/OR ANTI-MONEY LAUNDERING RULES**

Violation of anti-bribery and/or anti-money laundering laws and/or these Guidelines may constitute a breach of law, breach of contractual obligations arising from the existing relationship and a disciplinary offence.

Persons in the Network Organisation who violate these Guidelines and/or anti-corruption laws and/or anti-money laundering laws will be subject - in accordance with applicable law and internal procedures - to disciplinary action, up to and including dismissal (if applicable) and any other legal action to the extent necessary to protect the Network's interests.

Business Associates will be subject to the remedies of a contractual nature provided for by law or by specific clauses they have signed.

In addition to the foregoing, any person may also be exposed to claims for damages or legal action before the competent courts, including criminal courts.

## **7. REPORTS OF VIOLATIONS**

The Persons of the Network Organisation and third parties may make duly substantiated reports concerning violations of anti-bribery and/or anti-money laundering laws, as well as of these Guidelines, in accordance with the provisions of the specific regulation defined by ROAD concerning the use of reporting channels and the way in which reports are handled.

The Network is committed to protecting the confidentiality of the identity of whistleblowers and the content of reports in full compliance with privacy legislation.

Persons in the Network Organisation shall not be subject to dismissal, demotion, suspension, threat, harassment or discrimination in the workplace for refusing to report - or for reporting to the Network - the occurrence or suspected occurrence of a breach of anti-bribery and/or anti-money laundering laws, as well as of these Guidelines, even if such refusal entails detrimental consequences for the Network's activities.

## **ANNEX 1 - DUE DILIGENCE GUIDELINES**

The Due Diligence processes carried out by the Network must be adapted to the level of risk identified - on the basis of the indicators set out below - with reference to the nature of the contract/transaction to be carried out and of the potential counterparty or potential new Adherent Network Member subject to Due Diligence checks.

The Network Operations Manager is responsible for the Due Diligence process.

Due Diligence must be completed before proceeding with the formalisation or finalisation of the contract/transaction or, in the case of an application for membership of the Network by new entities, before acceptance of such membership.

The checks carried out, the results of the Due Diligence and the evaluation thereof shall be submitted by the Network Operations Manager to the subject/body of the Network empowered to authorise the formalisation of the contract/operation/initiative in question and duly filed.

### **1) Risk Indicators and Due Diligence Activities**

The following risk indicators relating to the transaction/contract/counterparty must be taken into account when determining the checks to be carried out in the context of Due Diligence:

- a) Country risk<sup>13</sup> (as determined on the basis of international indices, such as, in the field of anti-corruption, that published annually by Transparency International or as resulting, in the field of anti-money laundering, from the presence in the "black and grey list" countries of the Financial Action Task Force - FATF);
- (b) nature of the counterparty (natural person/legal entity);
- (c) structure, value, nature and complexity of the contract/operation and any interaction with third parties (public officials/private parties) in the performance thereof;
- (d) planned financing and payment arrangements;
- (e) reputation of the counterparty in the relevant sector/market.

In conducting Due Diligence in respect of Business Associates, the following information is collected, in whole or in part depending on the assessment of the risk indicators set out in the list above:

- (a) company registration documents and financial statements;
- (b) the identity of shareholders (including the ultimate beneficiaries of the corporate chain), directors, top management and key personnel;
- (c) qualifications, experience and financial resources in relation to the performance of the activity covered by the contract;
- (d) the possible adoption of ethics and anti-corruption policies and procedures;
- e) background and profile of the contractual counterparty/partners, beneficiaries of non-profit initiatives/sponsorships and other third parties involved in the negotiation/execution of the contract/operation;
- (f) the presence of Public Officials (or familiarity with Public Officials) in the counterparty/partner's ownership structure, including through the use of corporate information databases;

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<sup>13</sup> Country risk must be assessed with reference to the registered office of the potential counterparty and the place of performance of the contract/operation.

d) presence of 'Red Flags' (as indicated in section 3 below).

## **2) Due Diligence Tools**

The tools for conducting a Due Diligence include, depending on the assessment of the risk indicators contained in the list in point 1 above:

a) checks on open sources/web searches<sup>14</sup> in relation to the counterparty/partner and, if this is a legal entity, in relation to shareholders<sup>15</sup>, directors, top management and persons who will be primarily responsible for carrying out activities involved in the transaction/contract;

b) consultation of lists - held by national or local governments or multilateral institutions - of sanctions e.g.: <https://www.sanctionsmap.eu/#/main> and <https://sanctionssearch.ofac.treas.gov/>;

c) completion by the contractual counterparty/partner of appropriate documentation requesting information relevant to the above-mentioned profiles (e.g. Compliance Statement and/or Questionnaire);

d) use of external experts, including member companies of the Network through a specific service agreement.

In the case of a counterparty/partner wholly owned or otherwise controlled by the State or another public body, it will not be necessary in any event to reconstruct the ownership structure or to submit the documents referred to in c) above. In this case, the verification of open sources on the counterparty/partner, legal representative and persons who will be primarily entrusted with carrying out activities covered by the transaction/contract remains unaffected.

Due Diligence should also be carried out on any third parties (agents, consultants, advisors, equivalent figures) acting on behalf of the contractual counterparty/network partner in the context of the transaction/contractual relationships. Prior to any dealings with such third parties, documentary evidence of the mandate of representation between the third party and the contracting party/partner must always be acquired and filed.

## **3) Red Flags**

Circumstances qualified as Red Flags include, but are not limited to:

a) the express refusal by the potential counterparty of the Network to provide information and documents reasonably requested during the Due Diligence in relation to:

i. company registration documents and financial statements,

ii. the identity of shareholders (including the ultimate beneficiaries of the corporate chain), directors, top management and key personnel,

iii. qualifications, experience and financial resources in relation to the performance of the work it is called upon to do;

b) Information revealing that those subject to Due Diligence:

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<sup>14</sup> In order to verify the possible existence of investigations, indictments or convictions against the subject of the Due Diligence (or, in the case of an entity, its natural and/or legal persons as well as the holders of management powers) in relation to serious offences, with particular reference to offences related to corruption, money laundering, fraud. Such searches can be carried out through Internet browser searches, e.g. by entering, in the search engine (e.g. Google), the name of the subject of the Due Diligence (and, in the case of an entity, of its natural and/or legal persons as well as of the holders of the management power) and the words "corruption", "abuse of office", "money laundering", "fraud", "human rights", "investigation", "proceedings", "conviction", "sentence", etc. both in Italian and in English.

<sup>15</sup> In cases where for the risk profile the ownership structure is reconstructed, all direct and indirect shareholders are included, from the counterparty/partner to the ultimate beneficiaries of the same.

- i. are in a situation of conflict of interest and/or incompatibility with ROAD,
  - ii. have been subject to investigations/sanctions by public supervisory and control authorities,
  - iii. have been investigated, indicted, convicted, sanctioned or disqualified for relevant offences (relating, in particular, to corruption, fraud, money laundering or similar criminal conduct),
  - iv. have relations with - or hold/have held the position of - Public Officials,
  - v. are on the list - held by national or local governments or international institutions - of sanctions prohibiting contracting with public or governmental entities;
- c) unjustified/anomalous requests concerning payments or the structure of the contract/operation:
- i. it is required that the payment/profit envisaged/derived from the transaction/contract be paid in cash or to an entity or natural person other than the counterparty subject to Due Diligence; to an encrypted bank account, etc.;
  - ii. an unjustified increase in consideration or a discount is demanded for matters not related to changes in the terms of the transaction/contract during the course of the negotiation;
  - iii. an unusual structure of the transaction is proposed, incorrect or unnecessary cost items are included or false documentation is provided or excessive and unreasonable payments are demanded in relation to the performance.