



# Code of Ethics and Conduct

## **Article 1 - Premise**

The 3Achain Network (hereinafter referred to as "Network") is composed of the City of Lugano as the promoter of the initiative to create a permissioned distributed ledger, of the partners that hold a ledger node (blockchain infrastructure) itself, as well as of the professional users that use the infrastructure.

The members of the Network shall conduct their internal and external activities in compliance with this Code of Ethics and Conduct ("Code of Ethics").

The orientation towards ethics is indispensable for the reliability of the Network's conduct towards the environment in which it operates.

## **Article 2 - Addressees of the Code of Ethics and Conduct**

The Board of the Network, and the other organs of the same as well as all 3Achain partners and in general all those who operate in the name and/or on behalf and/or in the interest of the Network, or who have relations with it, including professional users ("Addressees of the Code of Ethics and Conduct"), each within the scope of their functions and responsibilities, are required to comply with the principles and provisions contained in this Code of Ethics.

## **Article 3 - Ethical principles of conduct**

Integrity, transparency, excellence, honesty and fairness characterise the activity of the Network. The satisfaction and loyalty of its partners and users allow the Network to develop a long-term vision and strategy, to pursue excellence in a process of continuous improvement, bringing added value to the region and improving the global environmental balance.

In particular, the Network is committed to:

- protecting the integrity and functionality of the permissioned distributed ledger called "3Achain" promoted by the City of Lugano;
- ensuring full transparency of its actions to all interested parties, without prejudice to the confidentiality requirements required by the conduct of its activities; for this reason, the addressees of this Code of Ethics must ensure the utmost confidentiality of the information acquired or processed in the course of or during the performance of their duties;
- pursuing excellence in the conduct of its business;
- avoiding and condemning the use of unlawful or otherwise improper conduct in order to achieve objectives, which must be pursued exclusively through excellence in terms of innovation, quality, economic, social and environmental sustainability;
- protecting and enhancing the value of the stakeholders by involving them in the activities and involving them in the objectives in order to improve the effectiveness, the sense of belonging and the degree of satisfaction; conducting relationships and behaviour according to the principles of honesty, fairness, transparency, confidentiality, impartiality, diligence, loyalty and mutual respect, as set out in this Code of Ethics;

- seeking the respect of the principle of equal opportunities without distinction of sex, marital status, sexual orientation, religious faith, political and trade union opinions, skin colour, ethnic origin, nationality, age, condition of different abilities;
- pursuing and support the protection of internationally recognised human rights;
- using resources responsibly, in line with the objectives of sustainable development, respecting the environment and the rights of future generations; not to tolerate any type of corruption towards public officials, or any other party, in any form or manner, in any jurisdiction, not even where such activities are in practice permitted, tolerated or not legally prosecuted. For these reasons, it is forbidden for the Addressees of the Code of Ethics and Conduct to offer or receive gifts or other benefits that may constitute a violation of the law, or conflict with the Code of Ethics, or which, if made public, may damage the image of the Network;
- safeguarding and protecting its assets, through careful and rigorous management of available resources and by equipping itself with tools to prevent misappropriation, theft and fraud against it;
- condemning the pursuit of personal and/or third-party interests to the detriment of those of the Network;
- as an active and responsible member of the communities in which it operates, to respect and ensure respect for the laws in force in the areas in which it operates, both internally and in its relations with the outside world;
- put in place organisational tools to prevent the violation of rules and principles of transparency, fairness and loyalty and oversee their compliance and concrete implementation.

The Addressees of the Code of Ethics operate in compliance with the laws and regulations in force as well as with the contracts and conditions defined within the Network itself.

In particular, the Addressees of the Code of Ethics and Conduct carry out their activities in full compliance with the regulations in force on anti-money laundering and the provisions issued by the competent Authorities.

To this end, the Addressees of the Code of Ethics and Conduct must operate in compliance with company procedures and protocols and avoid carrying out suspicious operations in terms of correctness and transparency. In particular, the Addressees of the Code of Ethics and Conduct undertake to check in advance the information available on commercial counterparties, suppliers, consultants, etc., in order to verify their respectability and the legitimacy of their activities; they also undertake to operate in such a way as to avoid involvement in operations that could even potentially favour the laundering of money from illegal or criminal activities, acting in full compliance with anti-money laundering regulations.

In the pursuit of the fundamental principle of respect for the law, the partners of the Network expressly exempt themselves from all conduct that may affect, even if only potentially, the image and work of the Network.

These obligations also apply to consultants, suppliers, customers and any subject having relations with the Network. The Network and, on its behalf, the City of Lugano shall not initiate or

continue any relationship with subjects who do not respect this principle and those contained in this Code of Ethics.

Whoever operates in the context of the Network must be aware of the laws and regulations that govern the activity. Doubts regarding the lawfulness or regularity of conduct in practice, can and must seek instruction from the Network Board and then comply with the directives received.

#### **Article 4 - Internal control system**

The efficiency and effectiveness of an internal control system are a condition for carrying out the Network's activities in accordance with the rules and principles of this Code of Ethics.

The Network's internal control system, commensurate with its actual operations, consists of a set of tools, activities, procedures and organisational structures designed to ensure the following objectives:

- the effectiveness and efficiency of the activities carried out, ensuring also the traceability of actions and decisions;
- the reliability of accounting and management information;
- compliance with laws and regulations;
- the safeguarding of the integrity of the Network's assets.

For the above purposes, the Addressees of the Code of Ethics and Conduct are called upon to contribute to the continuous improvement of the internal control system.

#### **Article 5 - Principles of conduct**

The Network bases the excellence of its activity on constant innovation, with the objective and development of a service-oriented culture to meet the needs of those with whom it comes into contact. Sound collaborative relationships are established with these parties through an immediate and competent response, with conduct based on fairness and courtesy.

Every operation and transaction carried out in the name and/or in the interest of the Network must be lawful, consistent, congruent, authorised, registered and verifiable. In particular, all operations and transactions referable to the Network must be adequately registered, so that it is always possible to verify the various phases until their completion.

Every person who operates within the scope of the Network's activities must avoid any situation that implies a conflict between his/her personal interests and those of the Network itself. Any risk of conflict of interest, even if only potentially, must be promptly communicated to the Network's Board.

In managing its activities, the Network is committed to preserving the environment in all its aspects and public welfare. The Network achieves these objectives by respecting the laws and regulations in force, optimising the use of resources, using appropriate technological solutions and pursuing sustainable development.

#### **Article 6 - Management of information and personal data**

The Network treats all data and information in its possession with the utmost confidentiality. The processing of personal data is carried out in compliance with the regulations in force and the procedures adopted by Network.

Any type of exchange of confidential information with companies operating in the same sector is prohibited, except for the disclosure of public information. Confidential information includes all information that, if made public domain, may be detrimental to the Network, Partners or Professional Users.

Any information relating to the Network, Partners or Professional Users acquired or developed by each Addressee of the Code of Ethics and Conduct in the course of their work is of a confidential nature and may not be used, communicated to third parties or circulated without prior permission of the Network Board.

### **Article 7 - Compliance with and implementation of the Code of Ethics**

The Network shall inform the Addressees of the Code of Ethics and Conduct about its provisions and application. The Addressees of the Code of Ethics and Conduct shall refrain from any conduct contrary to the principles contained therein.

Any Addressee of the Code of Ethics and Conduct who becomes aware of actions contrary to the regulations in force or to the provisions of this current Code of Ethics, shall inform the Network Board or, alternatively, the Internal Audit Service of the City of Lugano (as an independent body). Such reports shall be made anonymously or confidentially, without fear of possible retaliation.

In the event of a proven infringement of this Code of Ethics, the Network Board will provide any appropriate recommendations for the improvement of the internal control system.

The violation of the principles contained in this Code of Ethics, will result, depending on the case, to a disciplinary offence (sanctionable in compliance with the applicable legislation) and/or to a breach of contract, irrespective of whether criminal proceedings are brought in cases of possible wrongdoing, and may result in the exclusion from the permissioned distributed ledger called "3Achain" and compensation for any damages resulting from such violation to the Network.