

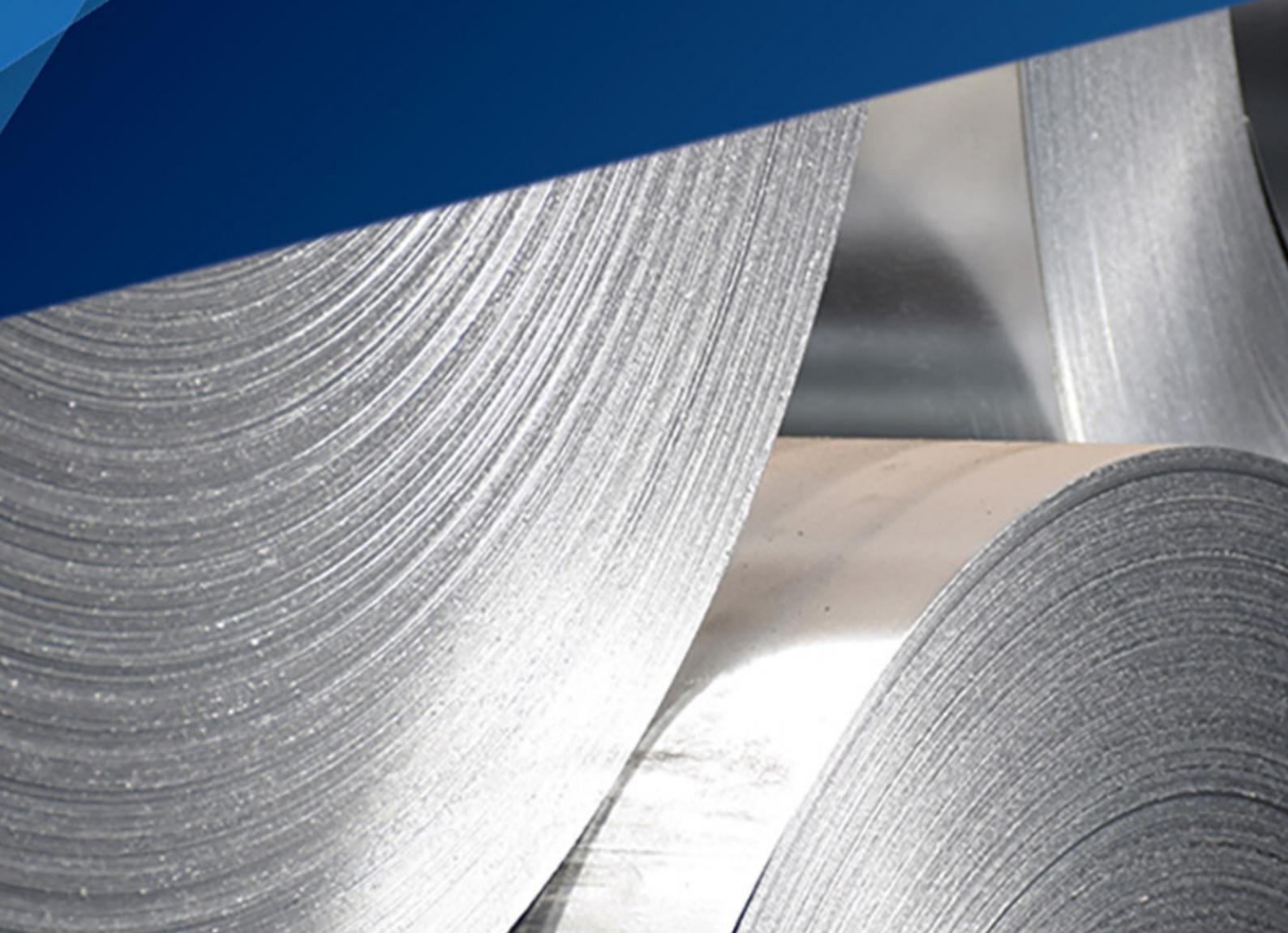


LIBERTY



ANTICORRUPTION POLICY

LIBERTY MAGONA
libertysteelgroup.com/it/



Introduction -

Liberty Magona, mindful of the negative effects of corrupt practices on the economic and social development of the areas in which it operates, is committed to preventing and combating illegal activities in its business.

Prevention of corrupt practices is not just a legal obligation but also one of the guiding principles of Liberty Magona, also in light of the strategic importance of the sectors in which the Company engages and the social and legal significance of the contexts in which its business is rooted.

As a concrete implementation of its commitment in this area, Liberty Magona has adopted the Code of Ethics, which defines the values by which the Company is inspired to achieve its objectives and the relevant principles in the conduct of its business, desiring that its employees and any other third party acting on its behalf operate in accordance with the highest standards of integrity and with the Compliance Programme.

I. Purposes

As further confirmation of its commitment to combating illegal conduct, by introducing this Policy Liberty Magona intends to bring together and combine into a coherent whole the existing rules designed to prevent and combat such behaviour, as to enhance the recipients' awareness of the rules and behaviours that must be observed.

The Policy provides a frame of reference for the identification, review and achievement of Anticorruption objectives established in keeping with the Policy.

2. Policy statement

In accordance with national legislation Liberty Magona does not tolerate Corruption in any way.

Corruption is defined as the abuse of power by someone who has been invested with it and who instead uses it for their own advantage and gain. The most common form is through giving or receiving money or other advantage by inducing someone to do or give through illegal actions.

In particular, in relation to the Company's current or potential business and for any of its areas of interest, the recipients of the Policy must not:

- offer, promise, give, pay, authorise a third party to give or pay, directly or indirectly, undue benefits or advantages of any value or other monetary or non-monetary compensation to a third party (a Public Official or a Person Performing Public Services or a private party) as an incentive or reward to act or refrain from acting in relation to one's duties, regardless of where the payoff is made or offered and the place where the third party or the receiver operates;
- request or accept, or authorise a third party to request or accept, directly or indirectly undue benefits and advantages of any value or other compensation other monetary or non-monetary compensation by a third party (a Public Official or a Person Performing Public Services or a private party) as an incentive or reward to act or refrain from acting in relation to one's duties, regardless of where the payoff is made or offered and the place where the third party or the receiver operates.

Violation of the present Policy rules, may expose Liberty Magona to the risk of penalties and substantial

reputational damage.

In keeping with the zero-tolerance approach, the Liberty Magona will not entertain any exception to the provisions and prohibitions of this Policy. The conviction of acting for the benefit of the Company cannot justify in any way the adoption of conduct that goes against the above principles.

Liberty Magona encourages its Staff to raise any and all doubts promptly.

Employees who are uncertain about the conduct to be adopted should ask assistance, either through the dedicated e-mail address: comunicazionicompliance@libertysteelgroup.com or by paper correspondence.

Actual or even suspected violations of the Anticorruption Rules and Regulations and this Policy and must be reported at once.

Liberty Magona guarantees that no employee will be punished, dismissed, demoted, suspended, transferred or discriminated against in any way (i) for refusing to adopt illegal conduct, even though such refusal resulted in negative consequences for the Company's business and (ii) for reporting in good faith violations of the Anticorruption Rules and Regulations or this Policy.

3. Scope

This Policy is issued by Liberty Magona and its adoption is mandatory, the compliance with the Anticorruption Rules and Regulations and this Policy is mandatory for all recipients.

In the event that applicable provisions of Anticorruption Rules and Regulations are stricter than those of the Policy, such provisions must be complied with and, in any case, their violation will constitute also a Policy violation.

4. Definitions

For the purposes of this Policy, the terms listed below will have the meaning specified:

Liberty Magona S.r.l. or Company

Code of Ethics: Code Ethics of Liberty Magona

Corruption: Conduct whereby anybody who, acting directly or indirectly on behalf or in the interest of Liberty Magona, offers, promises, receives or provides undue rewards and/or compensation, directly or indirectly (thus through third parties), for personal benefit for the benefit of Liberty Magona or third parties.

Recipients: the Staff of Liberty Magona, the Directors of the Company and all those who work in the name and/or on behalf and/or in the interest of the Company or who have professional or business relations with it.

Person Performing Public Services: A person who performs a public service for any reason, as defined in the single national legislation to which the public service refers.

Anticorruption Rules and Regulations: National regulations applicable in the individual countries where Liberty Magona operates, and the Global Compact of the United Nations, UNI ISO 37001), as well as all the international law Conventions, including but not limited to:

- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997);
- Criminal Law Convention on Corruption Council of Europe (1999);
- United Nations Convention against Corruption (2004).

Liberty Magona employees: the Company's employees (managers, executives, employees, workers).

Policy: The Anticorruption Policy adopted by Liberty Magona.

Public Official: A person that performs a legislative, administrative or judicial public function, regardless of whether the office is held by appointment, election or succession.

5. General principles

To comply with the Policy, the Company shall adopt and follow the following general criteria:

- signatory powers must be adequately formalised and clearly defined, providing for dual signatures, and must be granted in close connection with the specific organisational and managerial responsibilities of the attorney; their concrete exercise must respect both the limits defined by value or by subject, and the company directives and procedures, as well as the applicable regulations. impartiality and absence of conflicts of interest: the Recipients of the Policy must operate with professionalism, transparency, impartiality and in compliance with the Anti-Corruption Regulations, and must promptly report any situation from which a conflict of interest may arise. With regard to the Staff of Liberty Magona, communications concerning the existence of a possible conflict of interest must be made according to the procedures defined by the appropriate procedure;
- traceability and storage: All the activities carried out and the relevant controls performed must be traceable and verifiable ex post. The documentation produced must be filed properly and be easily retrievable;
- Third party companies: each corporate function responsible for a given process shall implement, within the process of its own competence, appropriate procedures according to criteria of reasonableness and proportionality with respect to the type of relationship to be established, aimed at (i) verify the reliability and adequacy of the third parties with whom Liberty Magona is considering establishing a professional or business relationship, (ii) provide specific contractual clauses committing the third parties to comply with the principles contained in the Code of Ethics, in the Policy and in the procedures and protocols defined for the compliance with the Anti-bribery Regulations, and (iii) check the actual services rendered by the third parties in execution of the contracts entered into with Liberty Magona, as well as as ascertain the appropriateness of the fees to be paid.

As a general criterion, for the purposes of application of the Policy, the following must be considered prohibited (as are the types of conduct referred to in the Policy):

- (i) any other conduct that, even though it is not expressly prohibited by the Policy, has the same purpose as one or more prohibited conducts referred to in the Policy;
- (ii) any approach intended to circumvent or avoid the prohibitions referred to in the Policy.

Liberty Magona shall guarantee that the Policy will also be made known to its commercial and financial partners, professionals, consultants, commercial promoters, all types of collaborators and suppliers. Such parties shall be required to sign a statement confirming that they have knowledge of the Policy and that they undertake to comply with it and ensure that their assignees or successors and contracting parties shall comply with it.

6. Principles of conduct in key sensitive areas

Regarding the types of activity of Liberty Magona, the following areas are most sensitive to the risk of Corruption:

- Dealings with Public Authorities (in all their ramifications)
- Gifts, accommodation and public relations expenses
- Facilitation payments
- Relationships with political and trade union organisations
- Consulting, specialist and professional engagements
- Award of contracts for works and the supply of goods and services
- Acquisitions of equity stakes in other companies
- Staff selection and recruitment
- Non-profit initiatives and sponsorships
- Bookkeeping entries

In relation to current or potential of Liberty Magona business and otherwise in relation to all areas of interest of the Company, the recipients must comply with the Code of Ethics, the procedures and the protocols established to abide by Anticorruption Rules and Regulations, as well as the following principles of conduct.

Dealings with Public Authorities

Liberty Magona's dealings with the representatives of Public Authorities, in all their ramifications, must be strictly compliant with Anticorruption Rules and Regulations and cannot in any way jeopardise the Company's integrity and reputation.

Only authorised Company officers and functions may enter into commitments, and manage dealings, with representatives or Public Authorities and/or quasi-public entities.

In these dealings the Group must not try to improperly influence the decisions or actions of the institution concerned.

Regarding dealings with Regulatory, Supervisory and Control Authorities, Liberty Magona undertakes to abide strictly by the rules established by such Authorities to ensure compliance in the areas falling within their purview. The Company's employees shall comply with any request by such Authorities during their inspections, by cooperating in the relevant activities.

Gifts, accommodation and public relations expenses

Presents, gifts and other public relations expenses are allowed within the boundaries of common professional and commercial courtesy, it being understood that under no circumstances will sums of money be offered or accepted, and in any case in compliance with the provisions of local law and these anti-corruption guidelines.

To that end, presents, gifts and any other benefit or non-monetary compensation that the receivents

offers to (or accept from) public or private parties must, under the circumstances, be: (a) appropriate, reasonable and in good faith; (b) such as not to (i) jeopardise the integrity and reputation of any of the parties in the relationship or (ii) create the impression, in the beneficiary or in an impartial third party, that they are intended to obtain, maintain or compensate for undue advantages or to exercise undue or illegal influence over the beneficiary's activities or decisions; (c) registered and otherwise not offered or accepted secretly; (d) compliant with Anticorruption Rules and Regulations and procedures and corporate protocols.

Without prejudice to the foregoing criteria:

- I. The recipients may offer or accept presents, gifts or any other benefits or utilities if of modest value. Gifts of money are prohibited and, if offered, must be refused.
- II. Hospitality (transportation, accommodation, meals, entertainment, etc.) is allowed for business purposes, to promote the Liberty Magona's activities and to develop commercial relationships and partnerships.

Facilitation payments

The Group prohibits expressly any type of payment or payoff given directly or indirectly to Public Officials or to Persons Performing a Public Service or to private parties, be they natural persons or entities, to expedite, facilitate or simply guarantee the performance of a routine activity or otherwise a lawful and proper activity falling within the scope of the duties of such parties.

Dealings with political organisations and trade unions

Liberty Magona shall not provide contributions of any kind, directly or indirectly, to political parties, movements, committees or political and trade union organisations, or to their representatives or candidates, either in Italy or abroad, without prejudice to what is established and permitted by the applicable laws. Anyone with a connection to political parties or politicians should abstain from decision-making on contributions.

Care must be taken that contributions to political parties or politicians can be interpreted as a bribe.

Engagement of consultants, specialists and professionals

The procedure for selecting a consultant or professional must be based on their professionalism and must take into account the need for transparency, impartiality, cost-effectiveness and efficacy.

The Company's procedures shall implement these criteria, governing in a detailed manner the relevant processes.

The basic approach shall be as follows:

- where the nature of the engagement is such as to justify the choice of a specific professional (*intuitus personae*), provided that the need for the relevant professional service is adequately explained, steps shall be taken to retain such professional. The process owner guarantees, with adequate supporting documentation, that the selected professional meets the integrity, standing, reputation, reliability, organisational profile, technical and professional qualification and skill requirements necessary to fulfil the engagement;
- in the other cases, provided that the need for the relevant professional service is adequately explained, the professional shall be selected through a comparison among different candidates

- with the qualifications necessary to carry out the task at hand. The competent company functions ensure that the professional to be retained meets the integrity, standing, reputation, reliability, organisational profile, technical and professional qualification and skill requirements necessary to fulfil the engagement;
- in any case, the competent company functions must ensure that the professional does not have any incompatibility or conflict of interests and that the country in which the professional (or the entity) is resident is not included in the list of countries with a privileged tax regime, if this country is different from that in which the professional service is to be delivered.

The contracts and/or agreements entered into with the selected professionals must indicate — in an exhaustive, clear and adequately detailed manner — the services required and how such professionals are entitled to earn their agreed-upon fees.

The procedure to select professionals, the contracts and agreements entered into with them and the services rendered must be documented and justified.

Award of contracts for works and the supply of goods and services

The Company's selection of its suppliers must be transparent, traceable, public and based on free competition, non-discrimination, equal treatment and rotation criteria and on verifiable data related to the competitiveness and quality of the products and services required.

Company procedures implement and regulate the processes in detail. In particular, the following basic obligations are ensured:

- strict compliance with the laws in force in the countries in which Liberty Magona operates;
- adoption of objective and transparent evaluation criteria in selecting any supplier;
- in relationships with suppliers, compliance with all the applicable laws and contractual terms and conditions;
- adoption of the principles of fairness and good faith in the correspondence and dialogue with suppliers, in line with best business practices.

The need to pursue the utmost competitive advantage for Liberty Magona requires its suppliers to implement operational solutions in line with applicable laws and, more generally, with the principles of personal and health protection, safety at work and environmental protection.

Acquisitions of equity stakes in other companies and joint ventures (M&A)

The Company's M&A initiatives must entail, with the support of the Legal department and the other departments concerned) the adequate and reasonable verification of counterparties, particularly their identity, reputation and reliability, any pending proceedings or convictions for Corruption (or for other offences that would suggest questionable professional ethics) for the counterparty or its representatives (e.g. partners, directors, senior managers, etc.).

Counterparty means the party to the M&A transaction (e.g. the seller of an equity interest in a company to Liberty Magona), the target of the M&A transaction (e.g., the company in which Liberty Magona acquires an equity interest).

While asset acquisitions alone theoretically do not entail any succession of liability, it is good practice to perform anti-corruption due diligence and to tailor the acquisition contract in such a way as to exclude liability for violation of anti-corruption laws.

Adequate due diligence relating to the target company must involve also the identification and evaluation of possible "legacy" risks, related to past instances of Corruption.

In its preliminary assessment, Liberty Magona must consider also the adoption of Anticorruption policies and procedures within the counterparty's organisation.

Staff selection and recruitment

The Liberty Magona's staff selection and recruitment shall be based on the principles of fairness and impartiality.

Liberty Magona shall recruit employees whose qualifications meet its staffing requirements, making choices (as with current employees) solely on the basis of professionalism and competence and rejecting any kind of favouritism.

Moreover, as they are selected, candidates must indicate, in accordance with the applicable laws, the existence of any situations and circumstances which the Liberty Magona considers significant for the possible continuation of the selection process (e.g. kinship with civil servants, criminal sentences, incompatibility, etc.).

The Human Resources department of Liberty Magona is responsible for ensuring that its own selection and recruitment processes are without fail in line with the foregoing principles and criteria, also in the case of candidacies transmitted by recipients.

Non-profit initiatives and sponsorships

Non-profit initiatives and sponsorships shall be undertaken at the Company's discretion, in accordance with common business practices.

The above activities must be carried out by Liberty Magona in accordance with the applicable authorisation procedures and processes.

At any rate, aspects to be considered in the choice of proposals to accept, Liberty Magona must pay attention to any possible conflicts of interest, whether personal or related to the company. In addition to being reasonable and proportional with respect to the Company expected outlay, the process owner must determine in advance the nature and importance of the initiative, the identity and reputation of the final beneficiaries of the sponsorship or the contribution (promoters, organisers, etc.).

Furthermore, implementation of the actual initiative should be verified, especially its consistency with the program proposed to Liberty Magona.

Each accounting entry shall reflect exactly what is reflected in the supporting documentation. It shall therefore be the responsibility of each employee to ensure that the supporting documentation is readily available and in order.

Bookkeeping entries

Every Company transaction or operation must be properly entered in the Liberty Magona's accounting system, in accordance with the applicable laws and accounting standards. Every transaction or operation must be authorised, verifiable, lawful, consistent and fair.

For the accounts to be truthful, complete and transparent, Liberty Magona shall keep adequate and complete supporting documentation for every transaction in its records, so as to make it possible to:

- enter the amounts in the books accurately;

- determine at once the characteristics and the reason for the transaction;
- easily trace back the transaction;
- check the decision-making, authorisation and implementation process, as well as the identification of the various levels of responsibility.

Therefore, all employees are required to cooperate — in keeping with their individual responsibilities — so that every Company transaction is recorded in a properly and timely manner.

Each accounting entry must reflect exactly what appears on the supporting documentation. Therefore, it shall be the duty of each employee to ensure that the supporting documentation is easily retrievable and ordered.

The use of false documents and invoices is prohibited, as are inappropriate, ambiguous or false accounting entries and any other accounting procedures that could conceal or define illegal payments.

7. Personnel training

Liberty Magona shall ensure awareness of the Policy, the Code of Ethics and the Anticorruption Rules and Regulations by all staff.

Liberty Magona shall plan and manage training activities in this area, with the objective that its employees understand, in relation to the position filled:

- the Corruption risks to which they and their organisation are exposed;
- the Corruption prevention policy;
- the relevant aspects, related to their role within Liberty Magona, of the Corruption prevention management system;
- the pre-emptive actions to be undertaken and the reports that they have to submit in relation to the risk or the suspicion of illegal practices.

Participation in training activities is mandatory.

The Human Resources Department of the individual Company shall ensure that the planned training path is followed by all personnel.

The Policy shall be disseminated to all employees and is available on the intranet.

8. Reporting

The violation, or suspected violation, of Anticorruption Rules and Regulations or this Policy should be reported immediately, to the following transmission channels:

comunicazionicompliance@libertysteelgroup.com or by paper mail

To the extent applicable, reference is also made to the rules laid down in the "Whistleblower Procedure."

9. Sanctions

For Liberty Magona, the Policy shall come into effect with its publication on the company's website.

9.1 Disciplinary measures

In most jurisdictions, both companies and individuals can be held liable for a criminal offence. In general, criminal liabilities carry fines and imprisonment, which can be severe.

In addition to criminal liability, both individuals and companies involved in corruption can be sued for compensation on behalf of those individuals or companies that have been harmed as a result of the corrupt actions.

Violations of the Policy by the Company's employees will result in the adoption, by Liberty Magona of disciplinary measures. Liberty Magona will also fully cooperate with the Authorities. Every violation shall be pursued with the application of adequate and proportionate disciplinary measures, taking into account also the criminal nature of the related conduct, which may go as far as the termination of the employment relationship.

9.2 Contractual remedies

Violations of the Policy by third parties may result, on the basis of the specific considerations of Liberty Magona in the failure to execute, or in the termination of, contractual arrangements.

10. Ongoing monitoring and improvement

The team of the Internal Audit department, on the basis of the annual audit plan approved by Liberty Magona, shall review and assess the internal control system, to ensure that the provisions of the Policy are applied.

The Anticorruption Officer shall review the Policy regularly, to ensure its full effectiveness. The Internal Audit team may recommend improvements to the Policy on the basis of any newly-introduced best practices.

In case of violations, the Anticorruption Officer will consider whether any revisions or amendments to the Policy and the internal Rules and Regulations might help to prevent the recurrence of the violation.

Liberty Magona shall guarantee that its own Corruption risk prevention management system meets the general requirements and is committed to improving such system on an ongoing basis.



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