

LOTTOMatica

“Reports management” Procedure

Approval by the Board of Directors of Lottomatica¹ S.p.A., on August 1, 2018

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1. OBJECTIVE

This procedure is aimed to regulate the process of receiving, analyzing and managing reports, including those in an anonymous form made by employees, contractors, business partners and third parties, related to behaviors that constitute or can constitute a potential violation of:

- Legislative provisions to which Lottomatica S.P.A. and its controlled companies (hereafter, "Lottomatica" o "Group Companies" or "Group") are submitted;
- Rules indicated in the Code of Conduct and in the Model of Organization, Management and Control Ex. Legislative Decree No. 231/01 (hereafter, "Model 231") of the Group Companies;
- Procedures and internal guidelines applicable to the Group Companies.

This procedure is not intended to be used for claims or objections of personal nature, or related to operational deviation that will have to be reported by an employee to his or her manager.

The rules and principles indicated in this procedure will not affect or limit in any way reporting obligations to the designated Authorities (Judicial, Supervisory or Regulatory).

1.1 RECIPIENTS

This procedure applies to Lottomatica and its controlled companies and is directed to members of the corporate bodies, all employees and third parties with a business relationship of any kind with Lottomatica and its controlled companies.

1.2 DEFINITIONS AND RELATED DOCUMENTS

1.2.1 Definitions

Code of Conduct:

The **Code of Conduct** represents an integral part of Model 231 and expresses the principles and values to which the following subjects must refer to when carrying out their duties:

- Representatives of Shareholders;
- Members of the Board of Directors;
- Members of the Board of Auditors;
- Employees and contractors with contractual relationships in any capacity, including occasional and/or temporary ones;
- All individuals that have commercial and/or financial relationships of any kind with the Company.

Model of Organization, Management and Control ex Legislative Decree No. 231/01:

Document adopted by the main Group Companies, in order to prevent crimes foreseen in the Legislative Decree No. 231/01.

Supervisory Board ex Legislative Decree No. 231/2001 (hereafter, "SB")

Body tasked with supervising the operation and compliance with the Model 231.

Navex International Ethics Point Platform:

Web platform developed and managed by Navex International Inc., supporting the management of reports from Lottomatica, ensuring the confidentiality of data from the reporters, and those who are reported.

Reports:

Any information regarding potential violations, behaviors or practices not compliant with legislative provisions applicable to the Group Companies, the Code of Conduct, the Model 231 and involving employees (executives included), members of the Corporate Bodies and third parties having any kind of business relationship with the Group.

Anonymous Report:

Any report in which the reporter does not provide his or her personal information.

Bad Faith Report:

Any baseless report, issued with the sole aim of damaging or causing prejudice to the individuals reported.

System Administrators:

Ethics Point platform administrators on behalf of Lottomatica. The System Administrators identified by the Group are the Head of the Internal Audit & GRC and the Head of the Legal & Corporate Affairs Department.

1.2.2 Related documents

- Model of Organization, Management and Control 231/2001 of the Group Companies;
- Code of Conduct of the Group;
- Legislative Decree No. 231/01 containing the “Provisions on administrative liability of legal persons, companies and associations, including those without legal personality, in accordance with the Art. 11 of the Law No. 300, 29.09.2000” as amended and supplemented;
- Law No. 179/2017 containing “Provisions for the protection of authors of reported crimes or irregularities of which they become aware in the context of a public or private employment relationship”;
- Regulation EU/2016/679 on the “Protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)” and related implementing rules.

2. OPERATING MODALITIES

2.1 REFERENCE PRINCIPLES

All the reports received through appropriate communication channels should contain enough information in order to allow an adequate evaluation to their reliability. With this regard, Lottomatica suggests that the reports should be nominative, in order to facilitate a more efficient procedure by individuals in charge of report investigation, applying in any case safeguarding measures related to information confidentiality. The reports received in anonymous form will be taken into consideration only if appropriately detailed and supported by factual elements.

The Group does not tolerate any kind of threat, retaliation, unmotivated sanction or discrimination (such as: dismissal, suspension, benefit loss, unjustified transfer, mobbing) towards the reporter, the reported and anyone who aided in the activities carried out to verify the validity of a nonconformity report. In this regard, in line with the provisions of Law No. 179/2017, Lottomatica reserves the right to:

- adopt the appropriate actions against anyone who put in place, or threatens to put in place, retaliatory measures against those who have submitted reports in compliance with this procedure;
- undertake the necessary disciplinary actions, sanctioning and/or legal measures for the protection of its own staff, its own rights, its own assets and its own image against anyone that, in bad faith, has made false reports, that are unfounded or opportunistic and/or with the only aim of slandering, defaming and/or causing prejudice to the reported or to other subjects mentioned in the report.

Lottomatica:

- promotes a communication and information activity to the recipients, to ensure an extensive knowledge and an effective application of this procedure, through the illustration of the discipline concerning the reports, of the functioning and access to the channels and tools available to make reports and of the disciplinary measures in case of failure to observe the roles and principles of this procedure;
- encourages the recipients to promptly report possible illicit behaviors or irregularities and guarantees the absolute confidentiality and non disclosure the nominatives of personal details of individuals reporting or reported as well as the facts object of reporting, also if it could then turn out to be wrong or unfounded, without any prejudice to legal obligations. The violation of the confidentiality obligation may cause disciplinary responsibility, without any prejudice to any other form of responsibility provided by the law;
- informs that personal information (included any sensitive data, such as ethnic or racial origin, political opinions, religious or philosophical beliefs) of the reporters and of other individuals who might be involved, will be treated in full compliance with the provisions of the existing legislation regarding personal data protection, to assess the validity of the report and its management.

2.2 CHANNELS FOR REPORT SUBMISSION

Employees, Corporate Bodies members along with third parties involved, are required to report without hesitation, in good faith and on the basis of reasonable factual elements, potential violations, behaviors or practices not compliant to the legislative provisions applicable to the Group, to what it is established in the Code of Conduct, in the Model 231 and/or in the applicable internal procedures/guidelines. Lottomatica, with the aim of facilitating the reporting activities, has created a specific channel dedicated to the reports (Ethics Point Platform), run by a specialized third supplier, available at the following Internet address: <https://secure.ethicspoint.eu/domain/media/en/gui/104892/index.html>

The reporter can submit a report filling a specific guided form, eventually attaching supporting files and documentation. Through this channel the reporter can eventually dialogue with individuals in charge of assessing the received reports in the Group.

In addition to the above mentioned channel, there are the reporting channels specifically created within the Models 231 of the Group Companies, through which it is possible to carry out the reports related to the commission or alleged commission of crimes referred to the Legislative Decree N°. 231/01, as well as to any violation or alleged violation of the Code of Conduct, of the same Models 231 and/or of the procedures established for their implementation.

For the management of such reports, please refer to the provisions of Models 231 of the Companies for which the report has been received.

In the event that a recipient receives an extra-system report of alleged irregularity, he/she will be responsible for:

- directing the reporter to the observance of this procedure;

- proceeding, even in case of anonymous report, to fill the specific web form, attaching any supporting documentation available relevant to the reported facts, in order to enable the assessment of the report.

Failure to communicate a report constitutes a violation of this procedure, with consequent application, in case of ascertained bad faith, of the applicable disciplinary sanctions.

2.3 REPORT CONTENT

Any report, also received in anonymous form, must be documented and detailed, in order to provide all the elements necessary to carry out the due verifications and to assess the truth of the reported facts. In particular, the report should preferably contain the following elements:

- if not anonymous, the personal data of the subject that submits the report, with indication of the position within the Company or the relationship with the Group;
- a clear and complete description of the reported facts and of how the reporter has become aware of them;
- the time and place circumstances where the reported facts were committed;
- the personal details or other elements that allow to identify the subject that has put in place the reported facts and the people involved;
- the indication of any other subjects that can witness the reported facts;
- any documents that can confirm the truth of the reported facts;
- any other information that can confirm the truth of the reported facts.

In verifying the truth of the report received, anyone reporter may be contacted to provide any necessary further information.

2.4 BAD FAITH REPORTS

When the verification stage is concluded, should the report be found to be untrue and should the bad faith or defamatory intent of the reported be ascertained, the Internal Audit and GRC Department, together with the Legal & Corporate Affairs Department, submits such behavior to the assessment of the competent Corporate Bodies/Department, so that the appropriate decisions are taken, in accordance with the provisions of paragraph 2.6.

2.5 REPORT MANAGEMENT

2.5.1 Reception and preliminary verification

All the received reports are subject to preliminary verification by System Administrators who, within a reasonable time for the activities to carry out, perform an initial analysis aimed at verifying the existence of legal and factual basis, as well as relevance and existence of enough elements to investigate the reporting. After the analysis, System Administrators decide whether to carry out further examination or proceed to close and file the report.

In particular, System Administrators:

- should they consider the facts to be irrelevant, unfounded, or too generic to allow any verification, they can request further information from the reporter through the specific database and/or file the report. Should they decide to file the report, System Administrators will provide a formal motivation that has led to such decision;
- should the reported facts be considered relevant to the provisions of Legislative Decree No. 231, System Administrators will submit the report and the preliminary analysis results carried out by the SB in charge. The SB can decide, irrespective of System Administrators' evaluations, whether they intend to proceed with further verifications and controls deemed to be necessary or appropriate;
- should the reported facts be considered relevant or in need of further investigations, System Administrators will submit the report and the preliminary analysis results to the Department deemed to be more relevant to carry out the subsequent verifications.

During this stage, System Administrators guarantee, as much as possible with regard to preliminary investigation requirements, the confidentiality of the information contained in the report (for example the data of the reporter/reported).

2.5.2 Verification procedure

All the reports that, following preliminary investigation, are deemed to be relevant, will be subject to further examinations by:

- the SB, in case of reports relevant according to the provisions of Legislative Decree No. 231/01, that can act autonomously (in this case please refer to the provisions of the Model 231 of the company involved in the report) or can take advantage of the support from the Internal Audit and GRC Department, of another Corporate Department/Area or third parties;
- the Internal Audit and GRC Department that, together with the Legal & Corporate Affairs Department, carries out the verification activities, eventually involving the Department/Area relevant to the report, as well as the reporter or reported subject.

At the end of the verification stage, also in case of unfounded reporting, Internal Audit and GRC Department and the Legal & Corporate Affairs Department, also with the support of the Department in charge of the examinations, drafts a summary report containing the actions taken and the outcome of the verification.

Subsequently, Internal Audit and GRC Department submits to the relevant Corporate Bodies/Departments the outcome of the verification, in order to adopt appropriate measures, and, where deemed to be necessary:

- can agree with the Head of the interested Department any necessary action plan, required to remove any weaknesses from the internal control system;
- agree with the Legal & Corporate Affairs Department and/or with the other relevant Department any initiatives to be undertaken to protect the interests of the Group (e.g. legal actions).

All the Departments involved (identified within the Navex Global Ethics Point platform as "Users") must guarantee the absolute confidentiality of both reporter and reported subject during verification activities.

Once received from the competent Corporate Bodies/Departments the communication of the disciplinary/contractual actions adopted, Internal Audit and GRC Department shall file the report, attaching all the supporting documentation.

2.5.3 Monitoring of the corrective actions

If a corrective action plan to remove the critical issues detected is agreed between the Head of the Departments / Areas involved and the Internal Audit & GRC Department, this one will monitor the implementation of the agreed plan.

2.6 SANCTIONS

Should, as a result of a verification activity, any violation of the legislative provisions of the Model 231, of the Code of Conduct, and/or of the internal procedures/guidelines emerge, adequate evaluations will be carried out in order to implement the disciplinary system.

In particular, the investigation activities regarding the application of disciplinary sanctions are performed:

- in case of reports concerning members of the Corporate Bodies, by members of Corporate Bodies not involved, for the application of the sanctions deemed to be most appropriate;
- in case of reports concerning the employees (executives included), by the HR & Organization Department, for the application of the most appropriate disciplinary measures in compliance with the provisions of the applicable “Contratto Collettivo Nazionale di Lavoro” (National Employment Contract);
- in case of reports regarding third parties (suppliers, partners, commercial counterparts, etc..), by the Department that manages the contractual relationship, for the activation of the appropriate contractual clauses, including the resolution of the relationship.

2.7 REPORTING

System Administrators provide on an annual basis:

- to the SB of each Group Companies, a summary report of relevant reports, containing the outcome of the analyses and their status, including the adoption (or the non-adoption) of sanctions;
- to the Lottomatica BoD, a summary report of all the received reports containing the outcome of the analyses and their status, including the adoption (or the non-adoption) of sanctions.

2.8 DOCUMENTATION FILING AND CONSERVATION

In order to guarantee the management and tracking of the reports and of the related activities, System Administrators ensure, also by using the dedicated web platform, to file the reports and the related supporting documentation for a period of 5 years from its reception.

Furthermore, the involved Department/Areas manage, each for its own part, the conservation and filing of the produced documentation, both paper and/or digital, to allow the reconstruction of all different stages of the process.