

LOTTOMATICA GROUP S.P.A.

CHARTER OF THE INTERNAL AUDIT AND COMPLIANCE COMMITTEE

ARTICLE 1

RECITALS

- 1.1. This charter (the “**Charter**”) is aimed at governing the working of the internal audit and compliance committee (hereinafter the “**Committee**”) of Lottomatica Group S.p.A. (hereinafter the “**Company**”).
- 1.2. The regulatory and statutory provisions governing the working of the board of directors of the Company shall also apply when compatible.

ARTICLE 2

COMPETENCES

- 2.1. The Committee shall support the board of directors in periodically evaluating the adequacy and actual working of the internal control system, to the extent not reserved to the competence of the board of statutory auditors pursuant to the law, as enforced through mutual understanding, where appropriate, provided that the responsibility shall anyway be up to the board of directors.
- 2.2. Within the limits set above, the Committee is attributed consultative and proposing functions vis-a-vis the board of directors, particularly in the following activities:
- (i) defining the guide-lines of the internal control system, so that the main risks concerning the Company and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored;
 - (ii) identifying an executive member of the board of directors for supervising the functionality of the internal control system (hereinafter the “**Executive Director**”);
 - (iii) supervising and reporting to the board of directors on the compliance related activities on a world wide basis, with specific but not exclusive reference to the relationships with the gaming, financial and market regulators, jurisdictions and authorities;
 - (iv) evaluating, on a semi-annual basis, the adequacy, effectiveness and actual working of the internal control system;
 - (v) describing the essential elements of the internal control system and expressing its evaluation on the overall adequacy of the same in the annual report on corporate governance.

- 2.3** Within the same limits set above, the Committee is also charged with the following duties:
- (i) upon request of the Executive Director, expressing opinions on specific aspects relating to the identification of the principal risks for the Company and its subsidiaries, as well as on the design, implementation and management of the internal control system;
 - (ii) reviewing the work plan prepared by the officer in charge of internal audit as well as the reports periodically prepared by him/her;
 - (iii) reporting to the board, at least on a half yearly basis, or to the Executive Director in case of urgency, on the activity carried out, as well as on the adequacy of the internal control system;
 - (iv) suggesting to the board initiatives aimed at improving the internal control procedures and/or at avoiding events suitable to damage the Company;
 - (v) performing any additional duties assigned by the board of directors.

ARTICLE 3

COMPOSITION

- 3.1.** The Committee is appointed by the board of directors, which shall determine the relevant consideration, and formed of three non-executive board members, the majority of whom independent, in accordance with the self regulatory code for listed companies promoted by Borsa Italiana S.p.A.
- 3.2.** At least one member of the Committee must have an adequate experience in accounting and finance, to be evaluated by the board of directors at the time of his/her appointment.
- 3.3.** The duration of the Committee shall correspond to the duration of the board of directors. Therefore, should the mandate of the board of directors terminate, in accordance with the law and the Company by-laws, the Committee's mandate shall, likewise, automatically terminate.
- 3.4.** In the event of a permanent lack, for whatever reason, of single members of the Committee, including as a result of revocation and/or resignation or decay from the office of board members, the board of directors shall immediately provide for the replacement in accordance with the requirements set forth in this clause.

ARTICLE 4

CHAIRMAN

- 4.1 The board of directors shall appoint one of the members of the Committee as chairman. The chairman is vested with the duties to plan and arrange the Committee's activities, to call the meetings, to manage their course and to report to the board the Committee's proposals, recommendations and opinions.
- 4.2 Meetings are presided over by the chairman, or in his/her absence, meetings will be chaired by the Committee member most senior in rank or, in the case of equal ranking, the most senior in age.

ARTICLE 5

MEETINGS

- 5.1. The Committee is convened by the chairman on his own initiative or upon request of one of its members or of the chairman of the board of directors or of the managing director or of the chairman of the board of statutory auditors, at the Company's headquarters or anywhere else. In any case, the Committee shall be called in advance of the meetings of the board of directors and/or, where established, of the Executive Committee convened to discuss on issues falling under its competence.
- 5.2. The Committee is convened by notice signed by the chairman and addressed to the other members and to the chairman of the board of statutory auditors and containing information on the date, location, time and agenda for the meeting, by means of registered letter or telegraphic communication, telex, fax or e-mail to be sent at least forty-eight hours before the meeting. Where urgency is required the minimum length of time can be reduced after preliminary telephone notice.
- 5.3. Committee meetings will be considered legitimately held if attended by at least the majority of its members or, in the absence of the above notice, by all of the Committee members and the chairman of the board of statutory auditors or another statutory auditor designated by him, all of whom declaring to be fully aware of the items on the agenda of the meeting.
- 5.4. Meetings can also be held by video and/or teleconference, provided that those in attendance by video and/or teleconference can (i) be identified by the chairman and by the secretary of the Committee, (ii) intervene in real time in all discussions, (iii) receive or transmit documents, and that appropriate evidence of (i), (ii) and (iii) is given in the minutes. In such an event, the meeting is considered to be held at the location where the chairman and the secretary of the Committee are.
- 5.5. The Executive Director, the officer in charge of internal audit and other persons who are not necessarily employed by the Company or by any of its subsidiaries, but who can make a useful contribution to the discussion, may participate upon invitation of the chairman, even with reference to single items on the agenda.

- 5.6. Decisions are adopted with the majority of the attending members of the Committee. In the event of an equal number of votes, the chairman has a casting vote.

ARTICLE 6

RECORDING

- 6.1 The Committee shall appoint a secretary of the meeting, who can also not be a member thereof, charged with the minutes.
- 6.2 Once approved, the minutes of the Committee's meetings, signed by the chairman and by the secretary, shall be recorded on the book of the Committee's meetings, which shall be kept by the Corporate Affairs Department of the Company.

ARTICLE 7

CONFIDENTIALITY

Members of the Committee and participants to the meetings, as well as those having access to the relevant book, shall keep confidential any information and/or data they learn as a consequence of their office.

ARTICLE 8

APPROVAL, ENTRY INTO FORCE AND AMENDMENTS

This Charter shall come into force on the date it is approved by the board of directors and shall be amended through a resolution thereof, even upon proposal of the Committee.