

LOTTOMATICA GROUP S.P.A.
CHARTER OF THE BOARD OF DIRECTORS

ARTICLE 1

PRELIMINARY PROVISIONS

1.1 This regulation (the “**Charter**”) governs the functioning and competencies of the Board of Directors (the “**Board of Directors**” or simply the “**Board**”) of Lottomatica Group S.p.A. (the “**Company**”).

1.2 For all and anything not expressly established herein and insofar as compatible, reference is made to the provisions of the Corporate Bylaws, of the law and the principles and rules established by the Corporate Governance Code issued by Borsa Italiana S.p.A. (the “**Code**”) that govern the composition and proceedings of the Board of Directors.

1.3 In the case of discrepancy or contrast between the rules established herein and those resulting from any amendments to the Code, the latter shall prevail.

ARTICLE 2

BOARD OF DIRECTORS

2.1 The Board normally meets at least every three months also according to the annual calendar of corporate events defined and notified to Borsa Italiana S.p.A. and to the public within 30 days from the end of each financial year.

2.2 The Board organizes its proceedings and operates in such a way as carry out its functions efficiently. For the organization and documentation of its works as well as for the preservation of the material used and produced during the Board meeting, the latter avail itself of the assistance of a secretary and also of the competent corporate functions.

2.3 Within the Board, a significant role is assigned to non-executive directors (e.g. through their appointment as members of the committees indicated in art. 5 below and through promoting meetings of only independent directors in accordance with art. 6 hereinafter).

The following are considered executive directors:

- a) the Managing Directors of the Company or of a subsidiary having strategic relevance¹, including the relevant chairman when they are vested with individual management powers or when they carry out a specific role in defining corporate strategies;
- b) the directors vested with management duties within the Company or in one of its subsidiaries having strategic relevance or in a controlling company when the office also concerns the Company;
- c) if an Executive Committee is appointed, the directors who are members of such committee, when no managing director is appointed or when the participation in the Executive Committee, taking into account the frequency of the meetings or the scope of the relevant resolutions effectively configures systematic involvement of its members in the day-to-day management of the Company or at strategic meetings of the Company.

¹ Subsidiary companies of strategic relevance are considered to be Companies of the Group (as defined below) whose sales and services revenues (net of infra-Group items) represent more than 20% of Group sales and services revenues, or the companies of the group indicated case by case as such by the Board, according to discretionary assessments also within the framework of Group industrial plans.

ARTICLE 3

COMPETENCIES

Within the framework of the powers established by law, by the Corporate Bylaws and the Code, the Board of Directors, in particular, shall:

- a) examine and approve the strategic, industrial and financial plans of the Company and of the group to which it belongs (the “**Group**”), and guide the system of corporate governance of the Company and the structure of the Group towards adoption of national and international *best practices*;
- b) evaluate the adequacy of the organizational, administrative and general accounting structure of the Company and of its subsidiaries of strategic relevance, in particular with regard to the internal control system and the management of conflicts of interest;
- c) determine, after examining the proposals of the specific committee and consulting the board of statutory auditors, the remuneration of the Chief Executive Officers and of other directors who hold particular positions and also, if the shareholders’ meeting has not already done so, determine the allocation of the global remuneration due to members of the Board;
- d) evaluate the general performance of the Company, taking into account, in particular, the information received from the executive committee and also periodically comparing the results achieved with those planned;
- e) examine and approves in advance the transactions of the Company and of its subsidiaries, when it is required by the Corporate Governance guidelines of the group as approved from time to time by the Board and in any case such transactions have a significant strategic, economic, or financial impact for the Company, paying particular attention to situations in which one or more directors hold a significant interest on their own behalf or on behalf of third parties, and more generally to transactions with related parties that are the specific competence of the Board; to this end, it establishes general criteria for identification of major transactions;
- f) evaluate, at least once a year, the scope, composition and functioning of the Board and of its committees, providing, eventually, guidance regarding the professional figures whose membership of the Board is considered advisable;
- g) provide information, in the report on corporate governance, regarding the methods of exercising the competencies described herein.

ARTICLE 4

RESPONSIBILITIES OF DIRECTORS

4.1 All directors are required to resolve with full knowledge of the facts, independence of judgment and independently, adopting decisions that may reasonably promote – as primary objective – the creation of value for all the shareholders.

4.2 For each Board meeting, the competent corporate functions draw up information regarding new regulations affecting the Company, company bodies or the Group, and assist each director involved in investigating major issues that are important in carrying out their mandate.

4.3 The chairman of the Board shall undertake useful initiatives so that the directors may enhance their knowledge of the corporate context and dynamics in order to carry out their role in a more efficient and aware manner.

ART. 5

COMMITTEES WITH CONSULTING AND PROPOSAL FUNCTIONS

5.1 In its own area of operation, the Board sets up one or more committees with the task of supporting the Board with consulting and proposal activities. Of such committees, the Board of Directors

establishes at least one of following: the internal control committee, the remuneration committee, the appointment committee and any other similar bodies established by the Code.

5.2 The powers and also the rules of proceeding and composition of each committee are established with a resolution of the Board of Directors, which also establishes, after consulting the Board of Statutory Auditors, the additional remuneration due to their members.

5.3 The committees are made up of non-executive directors, most of whom are independent. At least one member of the internal control committee has suitable financial and accounting experience.

5.4 In carrying out their functions, the committees have access to the corporate information and functions necessary to carry out their tasks and may also avail of external consultants, within the terms established by the Board which allocates the suitable financial resources for carrying out their relevant tasks. Meetings of the committees are called and held according to the principles and methods indicated in the relevant regulations.

5.5 The committees shall report periodically to the Board regarding their activities.

5.6 The Company provides adequate disclosure in the report on corporate governance regarding the setting up and members of the committees, on the contents of the appointment conferred on these and on activities effectively carried out during the year.

ART. 6

INDEPENDENT DIRECTORS

6.1 The Board of Directors, without prejudice to each director's obligation to carry out his/her duties with due diligence according to the nature of his/her appointment and specific competencies, shall periodically evaluate the independence of its members in order to verify the existence of relationships which can affect their independence of judgment.

6.2 The Board of Directors shall evaluate, after the appointment of a new director who qualifies himself/herself as independent and, in any case, at least annually, the independence of its members resulting as such from the last assessment made, on the basis of information provided by the same director and of the principles and criteria required by law and the Code.

To this end, the Board:

- may in any case, according to specific situations concerning each director, take into account any further information considered useful and appropriate, adopting additional and/or partially different criteria that give priority to substance over form;
- and to this end, shall define, after consulting the board of statutory auditors, the contents and methods according to which the directors concerned provide the aforesaid information and how this is evaluated by the Board.

6.3 The Board of Directors shall notify the result of its own evaluations to the market through a press release and in the annual report on corporate governance, specifying and motivating the adoption of different parameters from those indicated in the aforesaid principles and criteria.

6.4 The chairman of the Board shall ensure that the board of statutory auditors is able to verify independently the results of such evaluations and also the correct application of the criteria and procedures adopted by the Board to ascertain the independence of its members. The outcome of the controls carried out by the board of statutory auditors is disclosed to the market in the annual report on corporate governance and/or in the report of the statutory auditors to the shareholders' meeting

6.5 Among the independent directors, a *lead independent director* is usually appointed especially in the case of accumulation of the role of chairman of the Board and that of *chief executive officer* (CEO), the latter being considered a director who, by virtue of the powers delegated and effective exercise thereof, is the main responsible for the management of the Company. The *lead independent director* constitutes a point of reference and coordination for the questions and contributions of non-executive and in particular independent directors.

6.6 The independent directors meet at least once a year in the absence of the other directors. Meetings are called by the *lead independent director*, also at the request of any independent director, and are conducted according to the principles and the methods established by the Corporate Bylaws. Such

meetings are chaired by the *lead independent director* or by an independent director appointed by a majority of the independent directors. The person – also not an independent director – appointed case by case according to the same methods acts as secretary.

6.7 Meetings of the independent directors are called and conducted according to the principles and methods indicated in the corporate Bylaws.

ART. 7

MEETINGS AND RESOLUTIONS

7.1 Meetings of the Board are called according to the methods and terms indicated in the corporate Bylaws.

7.2 In order to guarantee that the directors resolve with full knowledge of the facts, the competent corporate functions send supporting documentation regarding the items on the agenda of each meeting to each director and to each statutory auditor. Such documentation contains the main information required for suitable knowledge and evaluation of the topics on which resolutions are to be voted during the meeting.

7.3 The chairman ensures that such supporting documentation shall be sent via e-mail or fax, or other suitable means, with considerable prior notice in relation to the date of the meeting, usually together with the notice of call. However, the chairman of the Board may provide information directly during the meeting, notifying in advance the directors and the statutory auditors, in case of particular confidential or other requirement reasons. In such case, immediately after the end of the meeting, the documentation is transmitted to the directors and to statutory auditors absent, or who have participated using distance communication instruments, through means able to guarantee safeguarding of the aforesaid requirements.

7.4 The chairman may invite directors of the Company or of controlling companies or of the Group, and also other persons or external consultants, whose presence is considered useful by the chairman according to the topics on the agenda, to attend the meetings of the Board. Such persons will be required to comply with the obligations of confidentiality established by this Charter.

7.5 Meetings are conducted by the chairman, or whoever replaces him, according to the provisions of the Company Bylaws and the methods considered most suitable thereby to guarantee that the works of the meeting are carried out in an optimal manner.

7.6 For resolutions regarding relevant transactions and/ or with related parties, the current provisions are applied and also criteria of substantial and procedural correctness established by laws and regulations, by the Code and by the specific regulation approved by the Board.

7.7 Directors holding a significant interest, also potential - on their own behalf or on behalf of third parties - with regard to the scope of the resolution, must inform the Board of Director and the members of the Board of Statutory Auditors on the specific interest held, specifying its nature, origin, extent and the terms of the same. At the end of such oral report - that must be anticipated by a written report providing the same information sent to the Board of Directors and to the Board of Statutory Auditors at least five days before the Board of Director's meeting called to resolve on the matter - the director concerned, after having answered any question and provided all necessary clarifications, shall abstain from the vote and leave the session in order to allow the Board to take the appropriate resolution.

ART. 8

MINUTES

8.1 At the end of each Board, a draft of the relevant minutes is drawn up by the secretary and transmitted to all the directors and statutory auditors, approximately within fifteen business days, for any comments or observations, that may be discussed at the next meeting.

8.2 The final text of the minutes is usually approved by the the Board at the first subsequent meeting, and then transcribed promptly in the company register by the competent corporate functions.

8.3 The part of the minutes relating to the resolutions adopted that require immediate execution or disclosure, or for which prompt documentation requirements exist, may be approved and transcribed concurrently and also subject to certification and abstract by the chairman and secretary.

8.4 The final version of the supporting documentation distributed to the directors and statutory auditors is, at the discretion of the chairman and of the secretary, attached to the minutes or preserved amongst the deeds of the Board.

ART. 9

OBLIGATIONS OF CONFIDENTIALITY

Directors and Statutory Auditors are required to hold as confidential the documents and the information acquired when carrying out their respective functions, complying with applicable legal provisions and also with the rules adopted by the Company for disclosure of the aforementioned documents and information according to internal procedures regarding the management or treatment of confidential and *price sensitive* information with particular reference to the specific regulation approved by the Board.

ART. 10

RELATIONSHIPS WITH SHAREHOLDERS

10.1 The Board, also through the competent corporate functions, promotes and facilitates the broadest possible participation of the shareholders at meetings and endeavors to facilitate exercise of shareholders' rights.

10.2 Meetings are usually attended, for the Board, by the chairman and CEOs. On such occasions, they usually report on activities carried out and planned by the Board.

10.3 In the case of significant variations in the market capitalization of Company shares or in the composition of its share structure, the Board evaluates the adequacy of the percentages established for exercise of the shares and of the prerogatives intended to protect minorities, formulating if necessary, proposals to the meeting.