

Remuneration

The remuneration paid to the managing directors of the Company and its subsidiaries, and to senior management, is normally associated with the Company's financial results and/or the achievement of specific objectives using the "management by objectives" approach. They can also receive remunerations through "stock granting" plans and/or Lottomatica "stock option", with a three-year average vesting period.

The remuneration of executive directors other than managing directors, as well as that of non-executive directors, is determined at a fixed rate that is commensurate with the commitment required, and is not tied to financial results or specific objectives achieved by the Company. Directors also receive a "token" for each board meeting or committee meeting in which they participate.

Directors' remuneration is determined by the shareholders and, with respect to special duties, by the Board of Directors.

Compliance and governance program

Lottomatica Group S.p.A is a company subject to extensive global gaming laws and regulations, as well as substantial oversight worldwide by lottery authorities and related governmental agencies and bodies. Lottomatica Group S.p.A. is committed to the highest standard of business ethics and integrity as well as compliance with the laws and regulations governing its global business operations. As a result, Lottomatica Group S.p.A. adopted a Compliance and Governance Program (the "Program") that applies to all Group companies and their employees, consultants, distributors, and suppliers.

The elements of the Program include: setting standards (Code of Conduct, internal policies and procedures); communicating the standards (formal training, leadership forums, and periodic notifications); providing mechanisms for reporting potential exceptions and concerns, such as the Integrity Line, a confidential communication channel managed by an independent provider that allows individuals to anonymously report activities that may involve unethical or unlawful conduct; as well as "Ask The Board" and "Ask The Chief Compliance Officer" email addresses.

The Program also maintains an internal organizational structure to support the execution of the Program and to monitor the global business activities of the Group.

GLOBAL COMPLIANCE AND GOVERNANCE COMMITTEE

Corporate Compliance within Lottomatica Group is overseen by the Global Compliance and Governance Committee (the “Committee”). The Committee reports jointly to the Board of Directors and to the Executive Officer of Lottomatica and meets at least once every quarter.

A key tool the Committee uses for managing Corporate Compliance is the Lottomatica Group S.p.A. Global Compliance and Governance Plan (the “Plan”). The Plan provides Lottomatica and its subsidiaries with the framework and guidelines for ensuring conformity to the various compliance and regulatory licensing requirements in its worldwide lottery, casino gaming, and gaming services business sectors. The Plan applies to Lottomatica and all its subsidiaries, employees, consultants, distributors, key vendors and Company-controlled joint ventures, and its purpose is to prevent, detect, report and correct violations of the law and Company policies and procedures.

GOVERNATIVE AFFAIR COMMITTEE (GAC)

The Government Affairs Committee (GAC) is comprised of senior managers of Lottomatica Group S.p.A. and its wholly-owned subsidiary, GTECH Corporation. The GAC administers and approves consulting contracts and other agreements for advice on obtaining and/or retaining lottery and other state-sponsored gaming business through government relations consultants. It provides direction on the engagement and use of government relations consultants in order to achieve efficient and cost effective government relations contracts. It administers and approves permissible political contributions as well as specific charitable contributions that are requested by a government official. In this regard, it should be pointed out that in 2010, Lottomatica in Italy did not make any donations to political parties or candidates for political office.

Code of Conduct

Lottomatica Group is a global company operating in a complex and highly regulated business environment. Our employees live and work in countries all over the world. The Lottomatica Group Code of Conduct (which was first adopted in September 2007 and most recently revised in September 2010, and approved by the Lottomatica Group Board of Directors) provides information about the standard of behavior and the level of integrity expected of all employees, directors, officers and consultants, as well as any third parties, agents or representatives who deal with or act on behalf of the Lottomatica Group S.p.A. and its subsidiaries and controlled affiliates.

The Company is committed to the principles of integrity, trust,

respect and excellence in all relationships in which it does business, the Core Principles of which are:

- ▶ To comply with all applicable laws and regulations governing worldwide business and expect all contractors, consultants, and other third parties with whom the Group does business to do the same.
- ▶ To manage activities in compliance with the Core Principles in all business operations and transactions.
- ▶ To act with integrity in all relationships and in all workplaces, avoiding all conflicts of interest between work and personal activities of employees.

- ▶ To be committed to the protection of the Company's total assets, including financial, physical, and intellectual property assets, and guarantee the accuracy and transparency of all given information.
- ▶ To maintain a culture that fosters a safe workplace, equal opportunity, diversity, communication, and innovation where everyone is treated with respect, fairness and dignity.
- ▶ To be committed to corporate social responsibility and, in particular, enabling customers to provide educational, cultural, charitable, and philanthropic opportunities to their citizens.

In order to disseminate and ensure a better understanding of the Code of Conduct, and consequently of the Company's anticorruption policies, a training program involving all new employees was carried out in 2010, with the assistance of a consulting agency.

The Code is available and may be downloaded from either the Lottomatica website (www.gruppolottomatica.com) or from the GTECH website (www.gtech.com).