

# ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

PURSUANT TO LEGISLATIVE DECREE NO. 231/01



GENERAL PART

## BRIGHTSTAR LOTTERY SPA

Document approved by the Board of Directors,  
of Brightstar Lottery Spa on 30/07/2025





**Brightstar Lottery S.p.A.**

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## **CONTENTS**

<b>INTRODUCTION</b>	<b>4</b>
<b>1. LEGISLATIVE DECREE NO. 231/2001 AND APPLICABLE LEGISLATION</b>	<b>9</b>
1.1. Administrative liability of legal entities	9
1.2. Sanctions	11
1.3. Attempted crimes and crimes committed abroad	12
1.4. Applicable legislation	13
1.4.1. Bribery Act	13
1.4.2. Foreign Corrupt Practices Act (FCPA)	16
1.4.3. Sarbanes-Oxley Act	17
1.5. Methodological approach	18
<b>2. THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL OF BRIGHTSTAR LOTTERY S.P.A.</b>	<b>21</b>
2.1. Purposes of the Model	21
2.2. Structure of the Model	21
2.3. Basis of preparation	22
2.3.1 Risk area map	22
2.3.2. Analysis of potential risks	23
2.3.3. As-is analysis	23
2.3.4. Gap Analysis and Action Plan	24
2.4. Elements of the Model	24
2.5. Model Addressees	29
2.6. Adoption of the Model and updates	30
2.7 Effective implementation and modification of the Model	30
2.8. The Model within the Brightstar Lottery Group	31
2.9. Intragroup transactions and outsourcing of "sensitive" activities for 231 purposes	32
<b>3. SUPERVISORY BODY</b>	<b>34</b>
3.1. Requirements of the Supervisory Body	34
3.2. Composition and appointment of the Supervisory Body	35

<b>3.3. Causes of ineligibility and incompatibility</b>	<b>35</b>
<b>3.4. Suspension, termination and revocation of office</b>	<b>36</b>
<b>3.5. Compensation</b>	<b>37</b>
<b>3.6. The Supervisory Body's Duties</b>	<b>38</b>
<b>3.7. Powers of the Supervisory Body</b>	<b>39</b>
<b>3.8. Information flows</b>	<b>39</b>
3.8.1. SB's reporting to the company bodies and management	39
3.8.2. Meetings between Group Supervisory Bodies	39
3.8.3. Information flows to the Supervisory Body	39
3.8.4. Reports to the Supervisory Body	40
3.8.5. Violation reporting system (so-called Whistleblowing)	41
<b>4. PERSONNEL TRAINING AND DISSEMINATING THE MODEL</b>	<b>44</b>
<b>4.1. Training</b>	<b>44</b>
<b>4.2. Disseminating the Model</b>	<b>45</b>

## DEFINITIONS

**ADM:** the Italian Customs and Monopolies Agency (formerly the Autonomous Administration of Government Monopolies).

**Activities at risk of crime, Sensitive activities or Risk areas:** the company processes and activities in which one of the crimes as per Legislative decree no. 231/01 could be committed.

**The Brightstar Group's Code of Conduct or the Code of Conduct:** the document indicating the rights, duties (including the moral duties) and internal and external responsibilities of all people and bodies operating in the Brightstar Group to affirm the acknowledged and shared values and conduct and prevent and combat potential committing of the crimes included in Legislative decree no. 231/01.

**Legislative decree no. 231/01 or the Decree:** Legislative decree no. 231 of 8 June 2001 concerning the "Administrative liability of legal entities, companies and associations, including those without legal personality, pursuant to article 11 of Law no. 300 of 29 September 2000", as amended and integrated.

**Addressees:** the people with representation, administration or management roles in the entity or one of its organisational units with financial and functional autonomy; the people who effectively manage and control the entity; the people managed or supervised by one of the aforementioned people and personnel who have a qualified employment relationship with the parent but have been seconded to the subsidiaries.

**Document:** this organisational, management and control model pursuant to Legislative decree no. 231/01 of Brightstar Lottery S.p.A.

**Brightstar Lottery Group:** Brightstar Lottery S.p.A. and its direct and indirect subsidiaries.

**Brightstar Group:** Brightstar PLC and its subsidiaries.

**Brightstar Lottery, the Entity or the Company:** Brightstar Lottery S.p.A.

**Guidelines:** "Guidelines for the creation of organisational, management and control models pursuant to Legislative decree no. 231/01" issued by Confindustria (the federation of Italian industrial and service companies), approved on 7 March 2002 and updated on June 2021.

**Macro-process:** the Integrated Regulations consist of macro-processes that ideally cover all processes in a given area from end to end. The three main areas are Core, Support and Governance and Control.

**Risk area and control map, Risk map or Map:** the document indicating the areas in which the predicate crimes as per Legislative decree no. 231/01 could theoretically be committed.

**Organisational, management and control model, Model or OMCM:** the organisational, management and control model pursuant to Legislative decree no. 231/01 of Brightstar Lottery S.p.A.

**Supervisory Body, SB or the Body:** the entity's body with independent powers of action and control, responsible for monitoring that the Model functions and is complied with and for updating it.

**Process:** the Integrated Regulations consist of processes, which in turn constitute a series of inter-related activities carried out to achieve a shared objective and that transform a specific input into an output.

**Proxy:** this is the deed whereby one party (natural person or legal entity) gives another the power to represent the first party, as explicitly provided for by the Italian Civil Code with respect to representation. Proxies are normally authenticated by a notary who verifies the signatory's signature and powers.

**Crimes:** these are the types of crimes included in the Decree, for which the entity is administratively liable if they are committed in its interests or to its benefit.

**Integrated Regulations:** these policies are one of the tools used to govern company processes. They constitute a framework of rules arranged hierarchically to define the ways in which regulations are issued and made known, in order to meet the needs of the Brightstar Lottery Group's regulatory updates. They focus on company objectives and risk management and the overall level of accountability at process level.

**Disciplinary system:** this system is used to discipline those who do not comply with the Model.

**Senior management:** the people with representation, administration or management roles in the entity or one of its organisational units with financial and functional autonomy and the people who effectively manage and control the entity.

**Subordinates:** the people identified in article 5.1.b) of Legislative decree no. 231/01 as "people managed or supervised by one of the people indicated in letter a)" (see "Senior management").

## INTRODUCTION

Brightstar Lottery S.p.A. is a direct subsidiary of Brightstar PLC.

Brightstar Lottery S.p.A. is part of the Brightstar Group, a global gaming leader with operations in over 100 countries, the result of the merger between International Game Technology and GTECH S.p.A. on 7 April 2015. Following the merger, the Brightstar Group launched a corporate restructuring and reorganisation which impacted its activities, processes and organisational and management approach.

In order to simplify the shareholding chain within the group headed by Brightstar Lottery, on November 22, 2018, a merger by incorporation of Lottomatica S.p.A. into Lottomatica Holding (now Brightstar Lottery S.p.A.) was signed. Following the Merger, Brightstar Lottery acquired a direct equity investment in Lottoitalia; to date, therefore, the Company directly holds equity investments in the share capital of all concessionaire companies of the Brightstar Lottery Group.

In June 2024, the Brightstar Lottery Group also established a new company, MyLotteries, operating in the remote gaming (online) sector, based on a specific concession granted by the Italian Customs and Monopolies Agency (known as the “GAD concession”). This company falls within the scope of the applicable anti-money laundering regulations<sup>1</sup>.

Brightstar Lottery S.p.A. is aware that its sector is one in which business growth must go hand-in-hand with a focus on respecting and protecting the community in which it operates. The company’s deeply rooted culture of transparency and integrity, which is one of its main Corporate Social Responsibility objectives, translates into a wealth of professionalism, motivation and technological expertise and a system of rules and procedures governing business operations, management decisions, communications with the market and, more generally, the company’s relationships with its stakeholders, which are indispensable for its business.

In this context and in order to ensure that everyone working on the Company’s behalf or in its interests complies with the principles of integrity and transparency, the Company has decided to implement an organisational, management and control model that meets the requirements of Legislative decree no. 231/01 and the Confindustria Guidelines.

The scope of the Model is to serve as a single, structured prevention, deterrence and control system to prevent the committing of crime, including by monitoring activities.

In addition to its specific function as described below, this Model is part of the company’s larger control system, which consists, first and foremost, of its corporate governance rules, and its business management systems (e.g., the occupational safety management system and

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<sup>1</sup> Legislative Decree 231/07 “Anti-Money Laundering Decree” and implementing measures of the Bank of Italy.

information security management system, anti-corruption management system, ecc.). The Model was prepared considering procedures and control systems already in place and widely used throughout the company as they are also useful in the prevention of crimes and to control the processes involved in sensitive activities. In this respect, the Model is structured for alignment and consistency with the policies, macro-processes and processes in the Integrated Regulations.

Brightstar Lottery and the others Brightstar Lottery Group's companies adopt a traditional Corporate Governance model, characterised by an administrative body represented by the Board of Directors and a supervisory body represented by the Board of Auditors. Moreover, all the Group companies are subject to statutory auditing by an independent auditing firm.



## **1. LEGISLATIVE DECREE NO. 231/2001 AND APPLICABLE LEGISLATION**

### **1.1. Administrative liability of legal entities**

Legislative decree no. 231 of 8 June 2001, effective since 4 July 2001, transposes the provisions of international agreements on the liability of legal entities in Italian legislation. The Decree, which contains *“Regulations on the administrative liability of legal entities, companies and associations, including those without legal personality”*, introduced a system of administrative liability for entities as a result of the committing of strictly those crimes indicated in the Decree by individuals reporting to the entity. In particular, the entity is liable if the crimes are committed in its interests or to its benefit:

- a) by people with representation, administration or management roles in the entity or one of its organisational units with financial and functional autonomy and the people who effectively manage and control the entity;
- b) by people managed or supervised by one of the people indicated in letter a).

If the crime was committed by **senior management** (i.e., the people indicated in letter a) of this paragraph), the entity is explicitly not liable if it can demonstrate that:

- management had adopted and effectively implemented, before the crime was committed, an organisational, management and control model suitable to prevent the occurrence of crimes like that committed;
- responsibility for monitoring the functioning of the model, compliance with it, and that it is updated was assigned to a specific internal body with independent operating and control powers (the Supervisory Body);
- the people committed the crime by fraudulently circumventing the organisational, management and control model;
- the Body had been sufficiently vigilant.

If the crime was committed by a **subordinate** (i.e., the people indicated in letter b) of this paragraph), the entity is liable if it is demonstrated in court that non-compliance with management or supervisory requirements did not contribute to the commission of the crime. On the other hand, the entity is explicitly not liable if it has adopted adequate conduct protocols (i.e., adequate considering the type of organisation and activities performed) that ensure the performance of company activities in compliance with the law and it has identified and promptly minimised, or eliminated, risk situations.

The entity's liability is not the result of the committing of any crime by senior management or

subordinates, but is limited to the committing of the following types of crimes (i.e. the predicate crimes) included in the Decree and by laws that explicitly refer to the Decree

- I. crimes in relations with the Public Administration (articles 24 and 25 of the Decree);
- II. cybercrime and unlawful data processing (article 24-bis of the Decree);
- III. organised crime (article 24-ter of the Decree);
- IV. forgery of coins, public credit notes, duty stamps, identification tools or marks (article 25-bis of the Decree);
- V. crimes against industry and commerce (article 25-bis.1 of the Decree);
- VI. corporate crimes (article 25-ter of the Decree);
- VII. crimes related to terrorism and subversion of democratic order (article 25-quater of the Decree);
- VIII. violent crimes, specifically sexual violence against women (article 25-quater.1 of the Decree);
- IX. crimes against the individual (article 25-quinquies of the Decree);
- X. market abuse crimes and administrative violations (article 25-sexies of the Decree and article 187-quinquies "Entity's liability" of the Consolidated Finance Act);
- XI. manslaughter and grievous bodily harm, committed by violating the accident prevention and occupational health and safety regulations (article 25-septies of the Decree);
- XII. handling stolen goods, money laundering and using cash, assets or other illegally gained goods, as well as self-laundering (article 25-octies of the Decree);
- XIII. crimes relating to payment instruments other than cash and fraudulent transfer of valuables (article 25-octies.1 of the Decree);
- XIV. copyright infringement (article 25-novies of the Decree);
- XV. inducement to not make statements or to make false statements to the judicial authorities (article 25-decies of the Decree);
- XVI. environmental crimes (article 25-undecies of the Decree);
- XVII. employment of non-Italian citizens with irregular residence permits (article 25-duodecies of the Decree);
- XVIII. racism and xenophobia crimes (article 25-terdecies of the Decree);
- XIX. sports competition fraud, unlawful gaming or betting and gambling using prohibited devices (art. 25-quaterdecies of the Decree);
- XX. tax crimes (art. 25-quinquiesdecies of the Decree);
- XXI. smuggling crimes (art. 25-sexiesdecies of the Decree);
- XXII. crimes against cultural heritage (art. 25-septiesdecies of the Decree);
- XXIII. laundering of cultural assets and devastation and looting of cultural and landscape assets (art. 25-duodevicies of the Decree);

- XXIV. transnational crimes as per article 10 of Law no. 146 of 16 March 2006 “Law ratifying and implementing the United Nations Convention and Protocols against transnational organised crimes”;
- XXV. crimes against animals (Article 25-undevicies of the Decree).

The crimes included in the Decree to date that could pose a potential risk for Brightstar Lottery S.p.A. are those in sub I), II), III), IV), V), VI), VII), X), XI), XII), XIII), XIV), XV), XVI), XVII), XIX), XX), XXII), XXIII) e XXIV) e XXV).

Regardless of the entity’s administrative liability, anyone who commits one of the aforementioned crimes shall be in any case liable for their illegal conduct.

## **1.2. Sanctions**

**Article 9.1** of the Decree identifies sanctions imposed on the entity for the committing or attempt to commit one of the administrative violations, consisting of:

- a) fines;
- b) prohibitions;
- c) seizure of assets;
- d) publication of the sentence.

“*Fines*”, applicable to all violations, are applied on the basis of a “quota” system consisting of 100 to 1,000 quotas of variable amounts ranging from a minimum of €258.23 to a maximum of €1,549.37. The judge decides the number of quotas considering the gravity of the violation, the extent to which the entity is liable and the actions taken to eliminate or reduce the consequences of the violation and to prevent additional violations from being committed. The amount of the quotas is set according to the entity’s results and financial situation, in order to ensure that the sanction is effective (article 11 of the Decree).

The “*prohibitions*” are:

- debarring from practising the activity;
- suspension or revocation of the authorisations, licences or concessions that were used to commit the violation;
- ban on agreeing contracts with the Public Administration, except to obtain a public service;
- exclusion from subsidies, financing, grants or benefits and the possible withdrawal of those already granted;

- ban on advertising goods or services.

The prohibitions are applied strictly in the circumstances indicated in the Decree solely if at least one of the following conditions is met:

- a) the company has received a significant profit from the crime and the crime was committed:
  - by a member of senior management; or
  - by a subordinate when this was possible due to serious organisational weaknesses;
- b) in the event of repeated violations.

The judge establishes the type and duration of the prohibitions considering the gravity of the violation, the extent to which the entity is liable and the actions it has taken to eliminate or reduce the consequences of the violation and to prevent additional violations from being committed. Rather than a fine, the judge may order a court-appointed Commissioner to continue the entity's activities.

In addition to these sanctions, the Decree requires the seizure of the price or profit from the crime, which may include assets or other items of equivalent value, and the publication of the sentence if a prohibition is ordered.

### **1.3. Attempted crimes and crimes committed abroad**

Pursuant to article 4 of the Decree, the entity may be liable in Italy for predicate crimes committed abroad if the objective and subjective criteria for determining liability in accordance with the Decree are met.

However, the Decree establishes additional conditions which must be met in order to prosecute an entity for crimes committed abroad:

- the authorities of the country in which the crime took place are not already taking action against the entity;
- the crime was committed abroad by a person who reports to the entity, pursuant to article 5.1 of the Decree;
- the entity has its headquarters in Italy;

- the entity is liable if the conditions of articles 7<sup>2</sup>, 8<sup>3</sup>, 9<sup>4</sup>, 10<sup>5</sup> of the Italian Criminal Code are met.

Brightstar Lottery's employees include senior management working in foreign countries (e.g., UK and US) and who, in the performance of their duties, comply with principles of conduct suited to ensuring compliance with the ruling legislation in those countries.

#### **1.4. Applicable legislation**

As a member of the Brightstar Group, Brightstar Lottery S.p.A. is subject to UK and US legislation, such as the UK Bribery Act, Foreign Corrupt Practices Act and the US Sarbanes-Oxley Act. The most important legislation applicable to Brightstar Lottery is described below.

##### **1.4.1. Bribery Act**

This Model is an integral part of the company's Compliance Program, which includes compliance with anti-corruption legislation like the Bribery Act.

Approved in April 2010 and effective as from 1 July 2011, the Bribery Act ("BA") reformed UK anti-corruption legislation and introduced the administrative liability of companies for the crime of failure to prevent corruption.

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<sup>2</sup> Article 7 of the Italian Criminal Code: "Citizens and foreigners are punishable under Italian law if they commit one of the following crimes abroad:

- 1) crimes against the country of Italy;
- 2) counterfeiting the national seal and using such counterfeit seal;
- 3) forgery of coins used in the country, duty stamps or public credit notes;
- 4) crimes committed by public government officials in an abuse of power or in violation of the duties of their office;
- 5) any other crime to which Italian criminal law applies in accordance with special legal provisions or international treaties".

<sup>3</sup> Article 8 of the Italian Criminal Code: "Citizens and foreigners who commit abroad a political crime not included in those indicated in point 1 of the foregoing article are punishable under Italian law upon the request of the Minister of Justice.

If the crime is punishable following a complaint brought by the damaged party, in addition to the request of the Minister of Justice, the complaint must have been filed.

Under criminal law, a political crime is any crime against a political interest of the government or a citizen's political right. Political crimes also include ordinary crimes that are wholly or partly motivated by political ends".

<sup>4</sup> Article 9 of the Italian Criminal Code: "Citizens who, beyond the cases indicated in the previous two articles, commit a crime abroad for which Italian law establishes life in prison or at least three years of prison, are punishable under Italian law, provided that they are in Italy.

If the crime committed is one for which Italian law establishes a shorter sentence, the guilty party is punishable under Italian law upon the request of the Minister of Justice or following a complaint brought by the damaged party.

In the cases provided for by the foregoing provisions, if the crime was committed against the European Community, a foreign government or a foreigner, the guilty party is punishable upon the request of the Minister of Justice, as long as extradition has not been granted, or the government of the country where the crime was committed has not accepted it.

<sup>5</sup> Article 10 of the Italian Criminal Code: "Foreigners who, beyond the cases indicated in articles 7 and 8, commit a crime abroad against the government or a citizen for which Italian law establishes life in prison or at least one year of prison, are punishable under Italian law as long as they are in Italy and there is a request from the Minister of Justice or a petition or claim filed by the damaged party.

If the crime is committed against the European Community, a foreign government or a foreigner, the guilty party is punishable under Italian law upon the request of the Minister of Justice, as long as:

- 1) the guilty party is in Italy;
- 2) the crime is punishable under Italian law by life in prison or at least three years of prison;
- 3) extradition has not been granted, or the government of the country where the crime was committed or the government of the guilty party's country has not accepted it".

The BA focuses on four types of crimes: bribing another person (Section 1), being bribed (Section 2), bribery of foreign public officials (Section 6) and failure of commercial organisations to prevent bribery (Section 7). The first three crimes may be committed by natural persons or legal entities, while the fourth may only be committed by legal entities. Furthermore, under the BA, corruption is punishable in dealings with public and private parties alike.

The types of crimes and the BA's characteristics may be summarised as follows:

- the crime of bribing public officials or private individuals (bribing another person - S1 BA) consists of offering, promising or giving (directly or through a third party) a financial or other advantage to another person (public official or private individual) in order to:
  - induce the person (or another person) to perform improperly a relevant function or activity,
  - or to reward a person for the improper performance of such a function or activity,
  - or with the knowledge or belief that the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity;
- the crime of being bribed by public officials or private individuals (being bribed - S2 BA) consists of requesting or agreeing to receive or accepting, directly or through a third party, a financial or other advantage (by the person being bribed or by another person) intending that, in consequence:
  - a relevant function or activity should be performed improperly,
  - or with the knowledge or belief that the request, agreement to receive or acceptance of the advantage would itself constitute the improper performance of a relevant function or activity;
- the crime of bribery of a foreign public official (S6 BA) consists of offering, promising or giving (directly or through a third party) any financial or other advantage to a foreign public official (or to another person at the foreign public official's request or with the foreign public official's assent or acquiescence) with the intention to influence the person in the performance of their functions as such an official (including any omission or abuse) or to obtain or retain an advantage in the conduct of business.

Regulations on crimes of bribery, including bribing a Public Official, apply if the crime (or part of the conduct/omission constituting a crime) is committed in the UK or abroad, by a person who has a close connection to the United Kingdom as a result of citizenship, residency, nationality or place of incorporation;

- the crime of failure of commercial organisations to prevent bribery (S7 BA) is when the company, or another commercial organisation, is guilty of this offence if a person

associated with it bribes another person intending to obtain or retain business for the company or commercial organisation. An associated person is any person with a contractual or substantial relationship with the company (employees, agents, contractors, service providers, joint ventures, subsidiaries and individual shareholders). The crime of failure to prevent bribery may be committed by legal entities incorporated in the UK and those incorporated outside the UK but that conduct their business, or part of it, in the UK. It is inconsequential if the crime of bribery is committed in the UK or abroad and no importance is given to the distinction between senior management and other employees, whereas Italian legislation makes that distinction.

BA 2010 does not cover prohibitive sanctions similar to those provided for by Legislative decree no. 231/01 but does establish sanctions of up to ten years of prison and fines for both natural persons and legal entities, without determining the amount.

Unlike the provisions of Legislative decree no. 231/01, companies are not required to establish a Supervisory Body with similar characteristics and duties to those required by article 6 of Legislative decree no. 231/01.

The guidance issued by the UK Ministry of Justice (The Bribery Act 2010 – Guidance from the UK Ministry of Justice) identifies six key principles to consider in the preparation of an adequate anti-bribery program:

- proportionate procedures: company procedures should be proportionate to the identified risk of bribery and to the nature, scale and complexity of the company's activities. The procedures should also be clear, practical, accessible, effectively implemented and enforced;
- top-level commitment: top-level management is required to implement the system of procedures and internal controls to prevent the crimes covered by the BA and foster a culture of zero tolerance;
- risk assessment: the system of procedures and internal controls must cover potential risk factors considering the sector, nature and size of the business, the place where the organisation operates and its relationships. The assessment process should be periodic, informed and documented;
- due diligence: the organisation should have an adequate due diligence process that is proportionate to the identified risks of bribery, as it is liable for crimes committed by associated persons operating on its behalf;
- communication and training: the organisation should have an internal and external communication system to ensure the necessary commitment of personnel and associated persons operating on its behalf, as well as adequate training on anti-bribery issues;

- monitoring and review: the organisation should have a monitoring and reporting system for its procedures and internal controls to prevent the crimes covered by the BA, making the necessary improvements over time.

#### **1.4.2. Foreign Corrupt Practices Act (FCPA)**

As indicated with respect to the Bribery Act, this Model is an integrated part of the company's Compliance Program, which also considers the US anti-corruption legislation in the Foreign Corrupt Practices Act ("FCPA").

The United States Congress passed the FCPA in 1977 and it prohibits companies and natural persons from undertaking corrupt practices with foreign officials in order to gain or maintain business.

In particular, the FCPA deals with corruption by introducing specific provisions in the following areas:

- anti-corruption: it prohibits natural persons and companies from paying bribes to foreign public officials in order to gain or maintain business opportunities;
- accounting books and records: it requires companies to make and keep books and records that accurately and fairly reflect the transactions of the company and to devise and maintain an adequate system of internal accounting controls and risk management to ensure the traceability of all company transactions.

Subsequently, in November 2012, the US Department of Justice (DoJ), in collaboration with the Securities and Exchange Commission (SEC), published guidelines providing practical guidance on the scope of application of the FCPA and how to build an effective Compliance Program.

According to these guidelines, an effective Compliance Program includes the following elements:

- commitment to anti-corruption compliance by Top Management;
- anti-corruption management system;
- Code of Conduct and system of internal policies and procedures;
- definition of company roles with responsibility for supervising and implementing the compliance program;
- Corruption Risk Assessment;
- ongoing anti-corruption training;
- internal disciplinary system;
- third-party due diligence;



- internal system for reporting potential violations and investigation process;
- monitoring the Compliance Program;
- due diligence for acquisitions.

With respect to sanctions, the FCPA provides for a series of measures (civil and criminal), that are particularly severe for companies and natural persons in violation of anti-corruption and correct bookkeeping legislation.

Specifically, the theoretical fines that could be applied to companies range from a maximum of \$2 million (for violations of anti-corruption legislation) to a maximum of \$25 million (for violations of correct bookkeeping legislation).

Natural persons may be fined by up to \$100,000 and sentenced to five years in prison for violations of anti-corruption legislation, while violations of correct bookkeeping legislation are subject to fines of up to \$5 million and a sentence of 20 years in prison.

In addition to these sanctions, FCPA provides for additional civil law fines (which generally vary according to the individual crime) and prohibitions from conducting business with government entities.

#### ***1.4.3. Sarbanes-Oxley Act***

The Sarbanes-Oxley Act ("SOX") is a United States Federal Law enacted in 2002 to reform regulations applicable to the financial reporting of companies listed on US stock markets.

Since the Brightstar Lottery Group is an international group and its parent Brightstar PLC is listed on the NYSE (New York Stock Exchange), SOX has a crucial impact on the Brightstar Group's overall Compliance Program.

The purpose of SOX was to restore investor confidence and protect shareholders from potential fraud by:

- reinforcing the principles of corporate responsibility;
- introducing new corporate reporting obligations for companies;
- improving the quality and transparency of financial reporting and auditing;
- increasing the sanctions applicable to assessed violations of the law and fraud by company management.

In particular, SOX is based on the following pillars:

- requirement that the directors and senior financial officers certify the financial statements (Section 302);

- radical changes to the accounting and financial information prepared by companies (Section 302);
- formal attestation by the company's directors and senior financial officers that the company has adequate internal controls and procedures for the preparation of the financial statements and other public financial reporting (Section 404).

### **1.5. Methodological approach**

The methodology chosen to update the Model, in terms of organization, definition of operating procedures, structuring into phases and assignment of responsibilities between the various corporate functions, is defined by Brightstar Lottery in order to ensure the quality and authority of the results. The process of updating the Model is carried out in accordance with the provisions of article 6 of Legislative Decree 231/01, with the most significant case law and with the recommendations of the Confindustria Guidelines.

Specifically, in the preparation of the Model, not only did Brightstar Lottery S.p.A. comply with the Decree, but it also followed the principles of the *“Guidelines for the preparation of organisational, management and control models pursuant to Legislative decree no. 231/2001”*, approved by Confindustria on 7 March 2002. On 24 May 2004, Confindustria revised the original text of the previous guidelines to include the Ministry of Justice's comments, thereby achieving *“eligibility”*. Following numerous legislative measures updating the regulations applicable to the administrative liability of entities and extending the scope of application to additional types of crimes, Confindustria updated the Guidelines for the preparation of organisational, management and control models, which the Ministry of Justice approved on 2 April 2008 and again in March 2014 and in June 2021. The salient aspects of the Guidelines for the correct application of the Model are summarised below:

- a) identification of risks, i.e. the analysis of the company's context to highlight the areas or business segments and ways in which events could occur that might compromise the objectives of Legislative decree no. 231/01;
- b) the design of the control system or protocols to structure both the taking and the implementation of the entity's decisions regarding the crimes to be prevented;
- c) the identification of an internal Supervisory Body responsible for monitoring the effectiveness, adequacy and application of the Model;
- d) the introduction of an adequate disciplinary system to discipline non-compliance with the measures set out by the Model.

In order to achieve these objectives, Confindustria has provided for a control system consisting of the following key components:

- Code of Ethics;
- a clear and formalised organisational system with the assignment of responsibilities, hierarchical relationships, description of duties and the specific establishment of the control principles adopted;
- manual and IT procedures to govern the performance of activities, with the appropriate control points;
- authorisation and signature powers with specific indication of the spending approval limits;
- management control system capable of providing timely notification when critical situations arise;
- informing personnel of the controls pursuant to Legislative decree no. 231/01 and providing training.

The June 2021 update of the Guidelines covered both the general and the special part of the model. In particular, the innovations that affected the general part concern: the regulation of whistleblowing, the updates resulting from the so-called "Corrupt Sweeping Law" and the opportunity to enhance an integrated approach to compliance. In the special part, however, the Guidelines have integrated specific paragraphs dedicated to new predicate crimes.

In February 2019, the document *"Consolidated principles for the drafting of organizational models and the activity of the supervisory body and prospects for the revision of Legislative Decree no. 231 of June 8, 2001"* was drafted thanks to the collaboration between CNDCEC, ABI, CNF and Confindustria with the primary purpose of ensuring a real implementation of the principles and trying to create a corporate culture of prevention, in addition to the creation of preventive safeguards that aim at an effective compliance with respect to the principles of "risk management and not a mere formal adherence to the dictate of the Decree." In particular, according to this orientation, in order to carry out an effective updating of the Model, it is necessary to fulfil the following activities:

- company check-up: aimed at acquiring the necessary documentation such as representative and descriptive documentation of the structure, codes of ethics and codes of conduct, self-regulatory norms (all of which must be kept track of through the compilation of minutes);
- risk assessment from a 231 perspective: used to verify the presence and functioning of appropriate controls that guarantee the conformity of activities (company policies, formal rules, principles of conduct and control actions);
- identification of the acceptable risk threshold and gap analysis: only if the verified risk

level is considered higher than the acceptable one, it will be necessary to intervene through risk reduction/risk mitigation operations.

## **2. THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL OF BRIGHTSTAR LOTTERY S.P.A.**

### **2.1. Purposes of the Model**

Brightstar Lottery S.p.A. has adopted the Model to:

- a) promote and develop an ethical culture focused on accountability, striving for integrity and transparency in business;
- b) establish and govern a process that enables it to continuously identify the activities in which crimes could be committed;
- c) define the control principles that must be followed in all company areas;
- d) govern the criteria for the management of financial resources by providing for the necessary and appropriate measures and controls to prevent the creation of off-the-books funds that could be used to commit crimes;
- e) establish a specific Supervisory Body responsible for monitoring that the Model functions correctly and is complied with and updating it, reporting to management;
- f) establish reporting obligations to the aforesaid Supervisory Body;
- g) introduce an adequate disciplinary system to discipline non-compliance with the rules and principles in the Model;
- h) inform Model Addressees on the existence of this system and the need for them to constantly operate in compliance with its content.

### **2.2. Structure of the Model**

The Model consists of this document, i.e., the “General Part”, “Special Parts” prepared for the different types of crimes included in the Decree and considered potential risks for Brightstar Lottery, and the Attachments. In particular, the Model includes:

- the “**General Part**”, which refers to the principles of the Decree before describing the main parts of the Model, with specific reference to the Supervisory Body, personnel training, how the Model is made known inside and outside the company and the disciplinary system;
- the **Special Parts**, which, each for a specific risk area, list the types of crimes and the respective controls that the company has adopted. These risk areas are:
  - **Special Part "A"**, Client Management
  - **Special Part "B"**, Logistics
  - **Special Part "C"**, ICT Infrastructures and Systems

- **Special Part "D",** Lotteries
  - **Special Part "E",** Sales
  - **Special Part "F",** Marketing & Consumer
  - **Special Part "G",** Tax
  - **Special Part "H",** Accounting
  - **Special Part "I",** Legal and Corporate Affairs
  - **Special Part "J",** Finance
  - **Special Part "K",** People & Transformation
  - **Special Part "L",** Strategic Planning and Budgeting
  - **Special Part "M",** Purchasing
  - **Special Part "N",** External Relations & Communications
  - **Special Part "O",** Internal Controls and Risk Management
- **Attachment 1:** Internal reporting system;
  - **Attachment 2:** Disciplinary system.

Furthermore, the Code of Conduct is an integral part of the Model. It establishes the general principles and values that anyone working for Brightstar Lottery in any role must uphold in the performance of their activities.

Although crimes of racism, xenophobia and sexual violence against women, crimes against the individual and crimes against animals, were considered in a preliminary stage, the probability of these crimes being committed is deemed highly remote and, therefore, they are not covered in a specific special part. However, with respect to these crimes, the company applies the fundamental principles of the Brightstar Group's current Code of Conduct and the general control principles described in this General Part.

### **2.3. Basis of preparation**

As required by article 6 of Legislative decree no. 231/01 and in accordance with the recommendations of the Confindustria Guidelines, this Model was prepared in the following steps:

#### ***2.3.1 Risk area map***

The objective of this step was to analyse the company's context in order to map the areas of company activities in which the crimes included in the Decree could potentially be committed.

The company activities and risk areas were identified by initially examining company documentation (organisational charts, proxies, procedures, etc.) and holding a series of interviews with key officers for the activities. The findings were formally validated by department heads and reported to Senior Management.

The Risk Areas have been identified considering the specific nature of the Company, an Holding Company, which also carries out the operating activities outsourced by its subsidiaries.

The results of this step were reported in a document containing a map of all “at risk” activities.

### ***2.3.2. Analysis of potential risks***

The mapping of activities, which was conducted considering Brightstar Lottery’s specific operating context, and the map of sensitive or at-risk areas, led to the identification of crimes that could potentially be committed in the scope of the company’s activities, and the purposes and examples of hypothetical ways in which the illegal conduct could be engaged were identified for each crime.

### ***2.3.3. As-is analysis***

Once the potential risks had been identified, the system of preventive controls in place in the various risk areas was analysed to judge whether it adequately prevents crime risks.

In this step, current internal controls (formal procedures and/or practices in place, verifiability, documentability or traceability of transactions and controls, the separation or segregation of duties, etc.) were mapped based on information provided by the company areas and an analysis of the related documentation.

Interviews were held with the relevant department heads for the respective areas identified as at risk. The results were formalised in specific reports with the two-fold aim of verifying and better defining the scope of activities at risk of crimes and analysing the existing preventive control system, in order to identify, where necessary, the appropriate improvement actions. The risk assessment included an analysis of the following components of the preventive control system:

- organisational system;
- operating procedures;
- authorisation system;
- management control system;
- monitoring and documentation management system;
- code of ethics;

- disciplinary system;
- updating and training personnel.

#### ***2.3.4. Gap Analysis and Action Plan***

Based on the results of the previous step and a comparison with a theoretical model (in accordance with the Decree, the Confindustria Guidelines and national and international best practices), the company identified a series of additions and/or improvements to the control system, along with the appropriate actions to take.

The results of this step were formalised in a document titled “Gap Analysis and Action Plan”, highlighting the gaps and necessary actions with respect to the risk assessment activities described above.

Refer to the most recent version of the risk assessment output documents in the company’s files for information on the outputs, details on the types of controls investigated and the results of the gap analysis.

#### **2.4. Elements of the Model**

The preventive control system protocols that must be implemented at company level to ensure the Model’s effectiveness can be structured as follows:

- a) sufficiently formalised and clear organisational system;
- b) authorisation system based on authorisation and signature powers that are consistent with the defined organisational and management responsibilities;
- c) internal control system;
- d) system of ethics and rules of conduct to prevent the crimes included in the Decree;
- e) management control system capable of providing timely notification when critical situations arise and exist through manual and automated controls to prevent crimes from being committed or to detect, ex-post, any irregularities that could conflict with the purposes of the Model;
- f) documentation management system;
- g) personnel updating and training system covering all elements of the Model, including the Code of Conduct;
- h) adequate disciplinary system to discipline violations of the Code of Conduct and other guidelines in the Model;
- i) information and reporting system between the people involved in each process.



These protocols are valid controls for all the types of crimes included in the Decree. Refer to the Special Parts for information on the specific controls.

**a) Organisational system**

The Board of Directors and/or the Managing Director, on the basis of the current system of delegated and proxy power, approves the organisational system, highlighting roles and responsibilities of each individual organizational unit, defining the relevant macro-processes.

**b) Authorisation system**

As recommended by the Confindustria Guidelines, the authorisation and signature powers must be assigned in accordance with the established organisational and management responsibilities, providing for, where required, specific indication of the expense approval thresholds, especially in the areas considered at risk of crimes.

Proxies are the power to represent the company with respect to the performance of certain activities. They may be general (for the performance of one or more legal deeds and covering all the represented party's dealings or a category of dealings) or special (ad hoc for specific deeds) and are valid outside the company.

The delegation of powers is the formalisation (generally not prepared by a notary) of an appointment to perform an activity within the organisation of the delegating entity.

To effectively prevent potential crime, the essential requirements for the assignment of proxies and the delegation of powers are:

- everyone who deals with the public administration on Brightstar Lottery S.p.A.'s behalf must have a proxy/delegation of powers for this purpose;
- the proxies/delegation of powers must be consistent with the position that the proxy/delegate holds in the organisational chart and with their responsibilities and they must be continuously updated to reflect changes in the organisation;
- each proxy/delegation of powers defines the assigned powers, the person/people to whom the proxy/delegate reports, the assigned management and/or spending powers in line with the organisational position, and the assigned duties;
- the proxy/delegation of powers management system is described in a specific procedure.

In general, the company's control system is based on a formalised and adequately disclosed system of proxies/delegation of powers. Specifically, to facilitate the definition, assignment and revocation of proxies and the delegated of powers within the Brightstar Lottery Group,

a specific “Company proxy management” procedure - PRO.LEG.01.01 has been prepared and formalised to ensure the correct, efficient and transparent allocation of representation powers and the proper use of such powers in the interests of the company and its subsidiaries in dealings within the group and with third parties. Furthermore, the Approval Matrix (“AM”) has been prepared and approved, a document that defines the framework for proper corporate governance, indicating clearly defined approval levels for the entire Company. The AM provides Business Unit Management with the necessary authority levels for the management of its daily activities, while ensuring adequate management control on the approval of transactions.

### **c) Internal control system**

The internal control system consists of the following general control principles, which are at the basis of the tools and methods used to structure the specific control protocols in the Special Parts of the Model:

- segregation of duties: authorisation, execution and control must be segregated;
- formalised procedures: there must be formalised procedures/protocols, subject to Compliance & Risk Management Department and Quality Policies & Procedures function validation, in place to establish the rules of conduct and the operating methods for the performance of sensitive activities and how material documentation is archived;
- proxy/delegation of powers system that is consistent with the assigned organisational responsibilities: authorisation and signature powers must be: a) consistent with the assigned organisational and management responsibilities; b) defined and known within the company; c) preferably exercised jointly and, in any case, limited to established amounts.
- ex-post traceability and verifiability of activities through documentary/IT supports: every transaction relating to a risk area must be adequately recorded. The decision-making, authorisation and performance process of the sensitive activity must be verifiable ex-post, including on the basis of specific documentation (which must be securely saved for an adequate period of time and in accordance with any applicable legislation) and, in any case, there must be detailed procedures for circumstances in which the records are deleted or destroyed.

More specifically, the company rules define organisational solutions that:

- ensure sufficient segregation between operational and control functions to avoid situations of conflict of interest in the assignment of responsibilities;

- are able to adequately identify, measure and monitor the main risks that could arise from all the various operational segments; ensure reliable information systems and suitable reporting procedures at the various management levels;
- ensure that anomalies detected by the operating structures, the Internal Audit Function and the other control functions are promptly brought to the attention of appropriate levels of the company and managed immediately.

Moreover, the company's organisational solutions include control activities at every operational level that are crucial to allow the unambiguous and formalised identification of responsibilities, especially in the tasks of controlling and correcting the anomalies found.

The Company has identified the following types of control:

- **first level:** line controls that are aimed at ensuring the proper execution of operations (e.g. hierarchical, systematic and sample controls) and which, as far as possible, that are incorporated into IT procedures. These controls are carried out by the operational and business structures themselves or they are performed within the back office. The operational and business structures are primarily responsible for the risk management process and must comply with their operational limits in line with the risk objectives and the procedures into which the risk management process is divided;
- **second level:** risk and compliance controls aimed at ensuring, inter alia: i) the correct implementation of the risk management process; ii) compliance with the operating limits assigned to the various functions; iii) compliance of corporate operations with the regulations, including self-regulatory ones. The functions responsible for these controls are separated from the production functions and contribute to the definition of risk governance policies and the risk management process;
- **third level,** internal audit controls, aimed at identifying violations of procedures and regulations, as well as periodically assessing the completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the internal control system and of the information system, with a frequency set in relation to the nature and intensity of the risks. It is carried out by structures that are different and independent from the production structures.

The Internal Control System is periodically reviewed and adapted in relation to the evolution of corporate operations and the reference context.

#### **d) System of ethics and rules of conduct**

##### ***Purpose of the Code of Conduct***

One of the Model's objectives is the adoption of ethical principles to prevent the crimes as per Legislative decree no. 231/01. To this end, the adoption of a Code of Conduct as a *governance* tool is an essential element of the preventive control system. Integrated into the larger corporate governance system, the Code of Conduct increases company controls to reduce the risks of the crimes as per Legislative decree no. 231/01 being committed by recommending certain conduct and, vice versa, prohibiting certain conduct punishable with the application of sanctions in proportion to the gravity of the infraction.

### ***The Brightstar Group's Code of Conduct***

Belonging to the Brightstar Group, as mentioned in the introduction, entails the preparation of a unified system of control rules and mechanisms for all group companies. In this respect, the Brightstar Group's Code of Conduct is an integral part of this Model and a catalogue of principles and rules of conduct that all Brightstar Group companies must follow.

The Code of Conduct is not only applicable to employees on whom the company may enforce compliance with its rules, but it also extends to directors, consultants, freelancers, agents, lawyers and third parties operating on behalf of the various Brightstar Group companies. Accordingly, the Code of Conduct also directly applies to all parties that may be contractually obliged to uphold ethical principles.

Any doubts about the application of the rules and principles in the Code of Conduct in relation to Legislative decree no. 231/01 must be immediately discussed with the Supervisory Body or the Compliance and Risk Management Department. Anyone who learns of a violation of the Code or any other events that could affect its scope and effectiveness are required to report it immediately, even anonymously, to the Supervisory Body as detailed in paragraph 3.8 "Information flows". Non-compliance with the principles and rules of conduct in the Code may entail the application of the sanctions in the disciplinary system as provided for by the Model.

### **e) Management control and cash flows**

Brightstar Lottery S.p.A.'s management control system consists of the various stages in which the annual budget is prepared, actual figures periodically analysed and forecasts reviewed at company level. This system ensures:

- the use of multiple people and the adequate segregation of the company areas involved in the processing and transmission of information;
- prompt notification of any critical situations that arise through adequate information and reporting flows.

Cash flows must be managed in accordance with the principles of the traceability and

documentability of transactions and in line with the assigned powers and responsibilities.

**f) Documentation management**

All of Brightstar Lottery's internal and external documentation is managed using methods that govern, as the case may be, the updating, recording and saving of such documentation.

**g) Personnel updating and training**

Personnel must receive adequate updates and training on key processes so they are knowledgeable about the Model and apply it and its protocols.

**h) Disciplinary system**

An adequate disciplinary system (see Attachment 2) ensures that the Model is effective by disciplining failure to comply with the Model's rules and any violations thereof. These violations must be disciplined, irrespective of any criminal or civil proceedings, since they constitute the worker's violation of their duties of due diligence and loyalty and, in the most serious cases, compromise the trust-based relationship between the worker and the company. The disciplinary system is independent of criminal offences and does not replace that already established by regulations applicable to employment, the Workers' Statute (Law no. 300/1970) and the national labour contract applicable to Brightstar Lottery S.p.A.'s employees. The disciplinary system is meant to discipline non-compliant conduct by company employees (including managers and subordinates), directors and statutory auditors, consultants, the members of the Supervisory Body, contractors and third parties. The company has adopted "The Brightstar Lottery Group's disciplinary system".

**i) Information and reporting**

Information and reporting flows between the parties involved in each process must be efficient, documented and prompt in order to ensure that the Model and its protocols are effectively applied.

**2.5. Model Addressees**

The rules in the Organisational, Management and Control Model apply to all those with representation, administration or management roles in the entity or one of its organisational units with financial and functional autonomy and the people who effectively manage and control the entity, their subordinates, including employees and contractors, and all consultants, agents, lawyers and, general third parties acting on the entity's behalf, within the limits of their powers and for the scope of activities deemed to be "at risk". The Model Addressees are therefore required to scrupulously comply with all provisions, also in fulfilment of the duties of loyalty, integrity and due diligence.

## **2.6. Adoption of the Model and updates**

Pursuant to article 6.1 a) of the Decree, the Model is issued by the entity's management. Accordingly, the approval of the Model and any amendments and additions thereto are the exclusive prerogative and responsibility of Brightstar Lottery's Board of Directors.

The Board of Directors may delegate the Managing Director to update the attachments to the Model in the event of changes that do not impact the risk analysis or structure of the Model. The Board of Directors and/or the Managing Director deliberate about the Model, after having consulted the Supervisory Body.

## **2.7 Effective implementation and modification of the Model**

The Board of Directors of Brightstar Lottery S.p.A. delegates the individual structures to implement the contents of the Model and to ensure the constant updating and implementation of internal regulations and business processes, which constitute an integral part of the Model, in accordance with the control principles and conduct defined in relation to each sensitive activity. The effective and concrete implementation of the Model is also guaranteed by the Heads of the various organizational units of the Company in relation to the activities at risk carried out by them.

The Supervisory Board, in exercising the powers of initiative and control conferred on it, will supervise the activities carried out by the individual organisational units in the sensitive areas and will make suggestions on the possible implementation of controls.

Specific roles and responsibilities in the management of the Model are also assigned to the structures indicated below.

### *Internal Audit Function*

Brightstar Lottery's Internal Audit function ensures constant and independent monitoring of the regular performance of operations and processes in order to prevent or detect the occurrence of anomalous or risky behaviours or situations, assessing the functionality of the overall internal control system and its suitability to guarantee the effectiveness and efficiency of corporate processes.

The Internal Audit function supports the Supervisory Body in monitoring the observance and adequacy of the rules contained in the Model, activating, in the face of any criticalities encountered in the course of its activities, the competent structures for the appropriate mitigation actions.

### Compliance & Risk Management Function

Brightstar Lottery's Compliance & Risk Management function ensures the implementation of the guidelines established by Legal Italy, defines methodology, procedures and tools to support the non-conformity risk management, evaluates the level of conformity of processes and procedures with the regulations within the scope of competence and ensures the implementation of second-level controls in the matters of competence and the correct implementation of the 231/01 models.

### Legal Function

In order to pursue the purpose set out in the Decree, Brightstar Lottery's Legal Function constantly monitors the development of specific regulations and the relevant legal guidelines.

The Legal Function is also responsible for interpreting regulations, resolving legal issues and identifying conduct which may constitute criminal offences.

The Legal Function collaborates with the other departments concerned, each one according to their own sphere of competence, in adjusting the Model and reporting any extensions related to administrative liability of entities.

### Organizational Units

Organizational units are responsible for the execution, proper functioning and effective application of processes over time. The internal regulations identify the organizational units which are responsible for the design of processes.

For the specific purposes of the Decree, the organizational units are responsible for:

- reviewing - in the light of the principles of conduct and control prescribed for the regulation of sensitive activities - the practices and processes for which they are responsible, in order to make them suitable for preventing illicit behaviour;
- report to the Supervisory Board any situations of irregularity or anomalous conduct.

The organisational units, especially for sensitive activities, must take the utmost and constant care in verifying the existence of any shortcomings in regulations or procedures that could give rise to the potential risk of the commission of crimes offences for which they are responsible, and remedying to them.

## **2.8. The Model within the Brightstar Lottery Group**

The companies in the Brightstar Lottery Group include all Brightstar Lottery S.p.A's direct and indirect subsidiaries.

The companies in the Brightstar Lottery Group that have adopted the Model have done so autonomously, with their respective Boards of Directors, directors or official receivers approving, under their own responsibility, the company's own Organisational, Management and Control Model.

Each company in the Brightstar Lottery Group identifies its sensitive activities at risk of crime and the appropriate measures to prevent such crime from being committed, considering the nature and the type of activity performed, in addition to the size and structure of its organisation.

The companies in the Brightstar Lottery Group prepare and update their own Model in accordance with the principles of the "Guidelines for the preparation of the 231 Models of Brightstar Lottery S.p.A.'s subsidiaries" and implement the content of such guidelines, unless the analyses of their sensitive activities highlight the need or advisability to adopt different or additional specific prevention measures to those indicated, which they report to the company's SB.

Every company in the Brightstar Lottery Group implements its own Model and appoints its own SB.

## **2.9. Intragroup transactions and outsourcing of "sensitive" activities for 231 purposes**

The outsourcing of services that may concern the sensitive activities referenced in the Special Parts must be subject to a service agreement.

The service agreements must:

- a detailed description of the outsourced activities;
- the methods of service delivery;
- the specific service levels;
- the powers of verification and control assigned to the Company;
- the methods of charging for the provided services;
- suitable reporting systems;
- adequate safeguards to protect the Company's information assets and the security of transactions;
- the outsourcer's obligation to operate in compliance with the laws and regulations in force as well as to ensure compliance with the laws and regulations also by third parties to whom the outsourcer should turn in order to perform the outsourced activities;
- the right of the Company to terminate the contract in the event of violation by the outsourcer: (i) of the laws and regulations issued by the Authority that may result in sanctions



against the client; (ii) of the obligation to carry out the activity in compliance with the principles contained in the Organization, Management and Control Model pursuant to Legislative Decree no. 231/2001 adopted by the Company, as well as in the Group's Internal Code of Conduct.

Specific company structures continuously check, also by monitoring the expected service levels, compliance with the contractual clauses and, consequently, the adequacy of the activities provided by the outsourcer (internal or external suppliers).

### **3. SUPERVISORY BODY**

In accordance with article 6.1.b) of the Decree, the company's Board of Directors appoints Brightstar Lottery S.p.A.'s Supervisory Body (the "Body" or the "SB"), which operates as specifically established in the SB's own Regulation.

#### **3.1. Requirements of the Supervisory Body**

To meet the duties established by the aforementioned Decree, the Supervisory Body must meet the following requirements:

- 1) **autonomy and independence:** as clarified in the Guidelines, the Body's position in the entity *"must guarantee that it has autonomy in the performance of controls without any type of interference and/or conditioning by any part of the entity"* (including the management body, e.g., Board of Directors/Managing Director). The Body must therefore hold the highest possible position in the entity's hierarchy and report to the highest level of company operations. Moreover, in order to guarantee the Body's necessary autonomy and independence, *"the SB must not be assigned operating duties that, by involving it in decisions and operations, could compromise its objective judgement when conducting controls on conduct and the Model"*;
- 2) **professionalism:** this requirement refers to the specialised technical skills that the Body must have in order to perform its duties under law.

The people appointed as members of the Supervisory Body must have experience in the areas for which the Supervisory Body is responsible, gained as follows:

a) at least three years of experience:

- teaching at a university;
- practising the profession of lawyer, accountant or magistrate;
- holding a management position at public or private bodies/administrations of a size comparable to the company's;

or

b) at least five years of experience:

- continuous work experience in accounting, organisation or internal control at public or private bodies/administrations of a size comparable to the company's;

- 3) **continuous action:** to ensure that the Model is effectively implemented, a specific structure must be exclusively devoted to supervisory activities full time. Therefore, as the body responsible for supervising the functioning of the Model, compliance with it and its updating and as the body with specific powers for action and control, the SB must have

autonomous spending power, have no operating duties and ensure continuity in the performance of its supervisory activities;

- 4) **integrity:** unless they have been rehabilitated, people may not be appointed to the Supervisory Body if they have been subject to preventive measures ordered by the Judicial Authorities, have been irrevocably sentenced for crimes included in Legislative decree no. 231, or have been removed from professional rolls for disciplinary reasons.

### **3.2. Composition and appointment of the Supervisory Body**

The Board of Directors establishes the number of members and appoints them by absolute majority. People outside the company and/or employees or members of its Board of Directors and Board of Statutory Auditors (independent directors/statutory auditors) may be appointed as members of the Supervisory Body. The Board of Directors appoints one of the members from outside the company as Chairperson of the Supervisory Body.

When appointed, the members of the SB state, under their own responsibility, that they meet the professionalism and integrity requirements and that the causes of ineligibility and incompatibility do not apply. Each year, the Supervisory Body checks that its members still meet these requirements and that the aforementioned causes do not apply, reporting any weaknesses to the Board of Directors so that the appropriate steps may be taken.

The term of office is a minimum of two years, at the discretion of the Board of Directors, ending with the quotaholders' meeting called to approve the financial statements for the last year of office. In any case, the termination of the members of the Supervisory Body due to expiry of their term of office shall take effect from the moment the new Body is reconstituted; therefore, until that moment, the previous Supervisory Body shall continue to operate under a "prorogatio" regime.

### **3.3. Causes of ineligibility and incompatibility**

People may not be appointed as members of the Supervisory Body if they:

- 1) have been debarred, disqualified, bankrupt or have been sentenced to a punishment that prohibits them, even temporarily, from holding public office or are unable to hold executive office, as established by article 2382 of the Italian Civil Code;
- 2) are managing directors or members of the executive committee of the company, its direct or indirect parent or its direct or indirect subsidiary;
- 3) are married to, live with, or are a close relation within the fourth degree or a relation through marriage within the second degree of any of the people in point 2);
- 4) have professional, commercial or business relationships with any of the people in points

2) and 3);

5) are in any of the following situations:

- i. subject to preventive measures ordered by the Judicial Authorities;
- ii. subject to sentencing or a plea deal for punishment pursuant to article 444 and subsequent articles of the Italian Criminal Procedural Code, including non-definitive sentences, for the crimes as per Legislative decree no. 231/01 or similar crimes (e.g., tax and bankruptcy crimes, crimes against estates, crimes against the public trust, etc.);
- iii. subject to criminal proceedings for the crimes as per Legislative decree no. 231/01 or similar crimes (e.g., tax and bankruptcy crimes, crimes against estates, crimes against the public trust, etc.);
- iv. subject to sentencing, including non-definitive sentences, in administrative court for one of the crimes as per articles 187-bis and 187-ter of Legislative decree no. 58/1998 (Consolidated Finance Act);

6) have been sentenced or have reached a plea deal for punishment pursuant to article 444 and subsequent articles of the Criminal Procedural Code in criminal court, or have been sentenced (including non-definitive sentences) in administrative court, for, respectively, the crimes as per the Decree or the administrative crimes as per articles 187-bis and 187-ter of the Consolidated Finance Act entailing “omitted or insufficient supervision” by the Body, pursuant to article 6.1.d) of the Decree.

Furthermore, people may not be appointed as Chairperson or external member of the Supervisory Body if they:

- 1) perform, or have performed in the past five years, management duties or are, or have been in the past five years, managers with the company, its parent, subsidiary or a Brightstar Lottery Group company with the power to take management decisions that could impact the company’s development and future prospects;
- 2) were, in the past five years, employees of the company or other Brightstar Lottery Group companies;
- 3) are married to, live with, or are a close relation within the fourth degree or a relation through marriage within the second degree of any of the people in point 1).

### **3.4. Suspension, termination and revocation of office**

Brightstar Lottery S.p.A.’s Board of Directors, after consulting with the other members of the Supervisory Body, may order the suspension of a member of the Body if the member has:

- been sentenced for a crime other than those for which revocation is provided for;

- been subject to a preventive measure on an interim basis;
- been subject to a personal precautionary measure.

In this case, after consulting with the other members of the Body, Brightstar Lottery's Board of Directors shall appoint an *ad interim* member.

The office of member of the Supervisory Body may be terminated, other than due to death or expiration, due to:

- resignation by written notice sent to the Chairperson of the Board of Directors;
- forfeiture when the member no longer meets the requirements of office, or when a cause of ineligibility or incompatibility arises.

The office of one or more members of the Supervisory Body may be revoked and their powers assigned to another person solely for just cause, by specific resolution of the Board of Directors, with the mandatory abstention of the director or directors subject to revocation.

Just cause includes, but is not limited to:

- a long period of inaction, demonstrated by, for example, not participating in the Supervisory Body's meetings for 12 months or more;
- serious negligence in the performance of duties;
- permanent conflict of interests;
- grave and repeated violation of the confidentiality obligations;
- missing at least 80% (eighty percent) of the Supervisory Body's meetings.

Should a member of the Body waive office or be revoked from office, the company's Board of Directors immediately replaces the member. The term of office of a member appointed in this way ends with the term of those in office at the time of the appointment.

Should the Chairperson of the Body waive office or be revoked from office, the most senior member of the Body acts as *pro tempore* Chairperson until the appointment of a new Chairperson.

If the majority of members of the Supervisory Body are no longer in office, the remaining members remain in office until the next meeting of the Board of Directors and solely for ordinary administration. At that next meeting, the Board of Directors replaces the members of the Body without delay.

### **3.5. Compensation**

The Board of Directors deliberates on the remuneration due, for the entire duration of the

mandate, to the members of the Supervisory Body for carrying out the relative functions.

### **3.6. The Supervisory Body's Duties**

The Supervisory Body monitors compliance with the Model, that it is effective and that it is updated, upholding the principles of autonomy, independence and continuity.

To this end, the Body:

- submits proposals to the Board of Directors for changes and integrations to the Model that it believes necessary or appropriate in order for the Model to remain adequate and effective over time;
- informs the Board of Directors and the Board of Statutory Auditors of the activities that it has performed at least every six months, and whenever it deems necessary and/or appropriate. In the event of an emergency, it may appoint the respective Chairpersons and/or Managing Director;
- promotes training/updating and communication programmes for company employees, coordinating with the relevant company departments;
- prepares tools for receiving information from the various company departments, as established in the Model in this respect;
- conducts periodic checks (by specifically planning actions) at the company units believed to be at risk of crime, in order to verify that activities are carried out in compliance with the Model pursuant to Legislative decree no. 231/01, in coordination, for this purpose, with the relevant Holding units (Internal Audit, Compliance & Risk Management);
- based on its findings, submits proposals to the relevant company units regarding the advisability of preparing, supplementing and changing the operating and control procedures so that they adequately govern the performance of activities to ensure the Model remains adequate over time;
- verifies the validity of the reports received from Brightstar Lottery's structures and from the Supervisory Bodies of the subsidiaries (in the latter case relating to offences committed by senior management or employees of one or more subsidiaries in conjunction with senior management or employees of Brightstar Lottery), concerning conduct indicated as constituting the offences set out in the Decree and, if grounded, initiates an appropriate preliminary investigation;
- analyses reported violations of the Model or those that it discovers directly and reports to the Board of Directors and the People & Transformation Department to decide which disciplinary action to take in accordance with the disciplinary system.

### **3.7. Powers of the Supervisory Body**

The members of the Supervisory Body guarantee the confidentiality of information that comes into their possession, with specific regard to reports of alleged violations of the Model, and they abstain from using such information for purposes that are inconsistent with their institutional duties.

To efficiently perform its duties, the Supervisory Body has:

- complete access to all company documents and information;
- adequate means and resources. To this end, the company's Board of Directors allocates an expenditure fund each year that the Supervisory Body may use for its duties.

### **3.8. Information flows**

#### ***3.8.1. SB's reporting to the company bodies and management***

The Supervisory body informs the Managing Director, the Board of Directors and the Board of Statutory Auditors of the results of its activities, the implementation of the Model and any related critical issues. More specifically, the SB must periodically report, at least twice a year, to the Board of Directors and the Board of Statutory Auditors. Minutes must be kept of the meetings with the company bodies to which the Body reports and the Corporate Affairs Office must retain a copy of the minutes in a specific archive. These company bodies may convene the SB at any time and the SB may request to be convened in order to report on specific and particularly critical situations.

#### ***3.8.2. Meetings between Group Supervisory Bodies***

If deemed appropriate, the Compliance & Risk Management Italy Department can call for a meeting between the Presidents of Supervisory Bodies of the entities of the Group in order to jointly analyze transversal matters (e.g. Model updates) or specific key issues at Group level.

#### ***3.8.3. Information flows to the Supervisory Body***

Article 6.2.d) of Legislative decree no. 231/01 requires that the "Organisational Model" include reporting obligations to the body appointed to monitor the functioning of the Model and compliance with it. The required structured information flow is designed as a tool to ensure supervisory monitoring of the Model's efficiency and effectiveness and to detect/assess any critical issues for which corrective action must be taken. In particular, in addition to any information specifically required in company procedure (reference should be made to the respective areas), Addressees must immediately send the SB information on the immediate report/flow, or periodic information/reports on sensitive activities and/or events. All the information reported and sent to the SB is specifically indicated and regulated in the "Internal

reporting system” (Attachment 1), which is an integral part of this Model.

#### **3.8.4. Reports to the Supervisory Body**

Employees, the company bodies and contractors must update the Supervisory Body by sending specific reports on events that could give rise to liability for the company pursuant to the Decree. In particular, the Addressees are required to send the SB any reports relating to the committing, or the reasonable assumption of the committing, of crimes by employees and contractors that have come to their knowledge. To make it easier to send these reports to the SB, a dedicated email account has been created ([odvigtlottery@brightstarlottery.com](mailto:odvigtlottery@brightstarlottery.com)) to which the reports should be addressed, along with any questions regarding the elements that constitute the Model and their application.

In addition to the outlined information system, in accordance with article 6.2-bis of Legislative decree no. 231/01<sup>6</sup>, the company has set up channels to enable the people indicated in article 5.1.a)/b) of Legislative decree no. 231/01 to submit, for the purposes of protecting the entity’s integrity, detailed reports of illegal conduct that is relevant for the purposes of Legislative Decree no. 231/01, based on specific, consistent facts, or detailed reports of violations of this Model, which have become known to them in the course of their duties.

Reports must be anonymous and to guarantee the reporter’s anonymity in the management of the report, the company has set up the following “dedicated reporting channels” to the SB:

- a postal address to which hard copy reports may be sent, at the company’s registered office: Organismo di Vigilanza – Brightstar Lottery Viale del Campo Boario 56/d, 00154 Rome;
- an email address to which electronic reports may be sent, corresponding with the following address: [odvigtlottery@brightstarlottery.com](mailto:odvigtlottery@brightstarlottery.com), which is also accessible by filling out a specific report form on the company Intranet.

The company does not tolerate and prohibits all direct and indirect acts of retaliation or discrimination against the reporter for reasons directly or indirectly relating to the report and has established disciplinary sanctions for retaliatory or discriminatory conduct by workers (managers and subordinates) against the reporter. Similarly, the company reserves the right to take disciplinary action against any-one who intentionally or negligently submits reports that prove to be without grounds.

The Body will act to guarantee the reporter’s anonymity, except to meet legal obligations, defend the company’s rights or those of the people involved and protect the reputation of the person(s) subject to the report.

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<sup>6</sup> This provision was included by Law no. 179 of 2017, concerning “Provisions for the protection of reporters of crimes or irregularities that have become known to them in the scope of a public or private sector employment relationship”.



The Company reserves the right to take all measures necessary to guarantee the reporter's confidentiality, taking disciplinary action against any-one who violates the measures protecting the reporter.

The SB may use independent consultants to conduct the investigation, and these consultants will be required to safeguard the reporter's anonymity.

Reports sent to the SB are gathered and saved in a specific archive managed by Compliance Function, which only members of the Body and of the Function itself may access.

If the report is not anonymous and it is not manifestly groundless, the SB forwards it to the People & Transformation Department for any consequent disciplinary action.

The Body is prohibited from disclosing the information acquired in the course of its duties, guaranteeing confidentiality and abstaining from searching for and using the information for purposes other than those indicated in article 6 of Legislative decree no. 231/01. In any case, all information in the Body's possession is processed in accordance with current data protection legislation and, in particular, with the Consolidated Personal Data Protection Code in Legislative decree no. 196 of 30 June 2003 and Regulation (EU) 2016/679.

Any and all disciplinary sanctions will be applied on the basis of the "Disciplinary System" document (Attachment 2).

As long as they are detailed and not offensive, anonymous reports will also be considered and processed. The company hopes that all Addressees, at all levels, cooperate to maintain a climate of mutual respect for the dignity, honour and reputation of everyone, ensuring adequate protection from any reports sent in bad faith.

### ***3.8.5. Violation reporting system (so-called Whistleblowing)***

According to the provisions for private companies provided by Legislative Decree no. 24 of 10 March 2023 as well as the ANAC Guidelines of 12 July 2023 and the Confindustria Guidelines of October 2023, the Company has activated a system to reporting illicit conduct.

Pursuant to art. 1 of the Legislative Decree no. 24/2023, breaches of the national or European Union legislative provisions which harm the public interest or the integrity of the private entity, of which the whistleblowers have become aware in the work context, are subject to reporting.

Pursuant to art. 3 of Legislative Decree no. 24/2023, the following subjects can make reports, benefiting from the protections provided by the decree:

- Employees;
- Persons with administrative, managerial, control, supervisory or representative functions, even de facto;

- Shareholders;
- Self-employed workers, self-employed professionals and consultants who work for the Group;
- Collaborators of companies supplying goods or services;
- Volunteers and interns, paid and unpaid, who work for Brightstar Lottery.

Reports can be made during the employment relationship or other type of legal relationship, but also during the probationary period and before (for example, in the application phase) or after the termination of the employment or legal relationship (for example, during retirement phase).

The Company provides that anonymous and non-anonymous reports of illicit conduct, relevant pursuant to the Decree, of which the whistleblowers have become aware in the work context, can be made through the following communication channels:

- in written form or by telephone on the "Integrity Line" Group platform;
- with a direct reporting method to the Report Manager identified as the head of the Compliance & Quality function (hereinafter, "Report Manager" or even just "Manager"), through a meeting that will be set within a reasonable time and with methods agreed between the Reporter and the Manager. The report will be documented by the Report Manager who will transcribe it into the Integrity Line tool where the reporter can intervene for any changes at any time.

Within seven days, the report is taken over by the Manager who verifies the validity and validity of the facts declared and undertakes to provide a reply within three months from the date of acknowledgment of receipt, or in the absence of such notice, within three months of the expiry of seven days from the submission of the report.

The reporting system adopted by the Company ensures the protection of reporting subjects by ensuring that the latter are not subject to retaliation and/or discrimination. In the event that the reporting person suffers retaliation and/or discrimination, according to the provisions of art. 19 of Decree no. 24/23, he or she can notify the National Anti-Corruption Authority (ANAC) any retaliatory act suffered.

Pursuant to art. 6 of Legislative Decree 24/2023, the reporting person can use external reporting channels (ANAC, public disclosure and report to the Judicial or Accounting Authority) when:

- in the working context the activation of the internal channel is not provided for as obligatory or, if provided for, has not been activated or, even if activated, does not comply with what is required by law;
- the report has not been followed up;
- the reporting person has good reason to believe that, if he or she made an internal report,

this would not be followed up or he or she would be subject to retaliation;

- the reporting person good reason to believe that the breach may constitute an imminent or clear danger to the public interest.

The Company guarantees confidentiality in the management of reports. Confidentiality is guaranteed both for anonymous and non-anonymous reports both as regards the whistleblower's identity - and any other information from which such identity can be deduced, directly or indirectly – and as regards the content of the reports.

Identity and content are protected by security measures and an encryption system suitable to guarantee maximum in accordance with EU Regulation 2016/679 on the protection of personal data.

Moreover, all persons involved in any way in the reporting process are required to treat the identity, content and related documentation with the utmost confidentiality.

In the case of disciplinary proceedings in which the identity of the whistleblower is indispensable for the defense of the accused, the whistleblower is notified by written communication and may decide whether or not to give his consent to the disclosure of his identity so that his report can be used for the purposes of the proceedings.

#### **4. PERSONNEL TRAINING AND DISSEMINATING THE MODEL**

##### **4.1. Training**

Internal training is essential for the Model's effective implementation and the widespread application of the company's conduct and control principles in order to reasonably prevent crimes, for which the entity has administrative liability pursuant to the Decree. To continuously implement the Model, in accordance with the Confindustria Guidelines, Brightstar Lottery S.p.A. will develop an adequate periodical training program which must meet the following requirements:

- training must be consistent with the individual's position in the organisation (new hire, white collar, junior manager, senior manager, etc.);
- the content must be tailored to the individual's activities in the company (risk activities, control activities, risk-free activities, etc.);
- participation in the training must be mandatory and specific control mechanisms must be defined to monitor participation;
- there must be control mechanisms capable of testing what participants have learned.

Training may therefore be general or specific. In particular, *general training* must cover all levels of the organisation in order to enable each individual to:

- learn the principles of Legislative decree no. 231/01 and the desire to embrace them and make them an integral part of the group's corporate culture;
- learn the objectives that the company aims to achieve by implementing the Model and the way in which everyone's individual duties contribute to achieving them;
- gain an understanding of their role and responsibilities within the internal control system;
- learn what types of conduct are expected or acceptable and what types of conduct are unacceptable;
- learn which reporting channels are appropriate for the type of information to be shared and to whom and, specifically:
  - learn to whom and how to report irregularities in the performance of company activities;
  - become aware of the disciplinary actions that will be taken in response to violations of the rules of the Model;
  - learn about the Supervisory Body's powers and duties.

*Specific training* is offered to all those who, due to their activities, require specific skills in order to manage the particularities of these activities. For example, personnel involved in activities categorised as potentially at risk of the crimes covered by the Decree being committed will receive both general and specific training. Specific training should make participants aware of the potential risks that could be associated with their activities and the specific control mechanisms to use to monitor these activities.

#### **4.2. Disseminating the Model**

In line with the provisions of Legislative decree no. 231/01 and the Confindustria Guidelines, Brightstar Lottery S.p.A. must publicise the Model to ensure that all personnel are aware of all its parts. The Model should be disseminated in a manner that is wide-ranging, effective, clear and detailed, with periodic updates on changes in the Model to meet the requirements of the Confindustria Guidelines. In particular, effective dissemination must:

- cover all hierarchical levels of the organisation, from the bottom-up, top-down and across all areas (white collars, new hires, junior managers, senior managers and contractors);
- use the communication channels that are the most appropriate and easily accessible to addressees, such as specific links on the company Intranet, to provide the information rapidly and enable personnel to use the communication effectively and efficiently.

Brightstar Lottery also encourages consultants, partners, contractors, customers and suppliers to learn the principles and rules of conduct promulgated in the Brightstar Group's Code of Conduct and this Model. Therefore, specific notices are sent to them and mechanisms are created for the inclusion and acceptance of specific clauses in contracts to ensure that these parties comply with the principles and rules of the Model pursuant to Legislative decree no. 231/01.