

Organisation, management and control model pursuant to Italian Legislative Decree 231/2001

Organisation, management and control model

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INFORMATION ABOUT THE DOCUMENT			
Document code:	PR - 2.00		
Type of doc. Version			
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Total pages:	sixty-three		
<small>(including this one)</small>			

HISTORY OF AMENDMENTS	
Version	Description of amendments
1.00	First issue
2.00	Updated Layout and Regional Specifications

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1 THE COMPANY

History

Casinò de la Vallée, Saint Vincent was founded in 1947 following the approval of the Opening decree on 6th April 1946.

The authorisation of the establishment of the casino for twenty years was provided for by article 12 of Legal Decree no. 545 of 7/9/1945, with which the autonomous status of Valle d'Aosta was granted. The aforementioned article assigned administrative responsibility for "initiatives relating to tourism, supervision of hotels, protection of the countryside and supervision of antiques and artistic works" to the regional authority.

On 13th May 1946, the Regional Council approved the conditions for opening and on 17th May it established the allocation of profits between the licensee and the Region. The finalisation of the agreements led to the official opening of the casino at 9 p.m. on 29th March 1947.

With the regional Law of 30th November 2001, the autonomous region of Valle d'Aosta promoted the formation of a public company with complete public participation, called Casinò de la Vallée S.p.A., founded on 2nd December 2002, with the following corporate aims:

- management of the Saint Vincent casino;
- development of all activities, both internal and external, consequent to and instrumental in the abovementioned management, included therein the promotion and execution of all initiatives suitable for encouraging the development of the casino and of the specific management aims;
- professional training of the employees;
- development of the induced economy and local tourism;
- possible participation in similar or additional initiatives in Italy or abroad.

The relationship between Casinò de la Vallée S.p.A. and the autonomous region of Valle d'Aosta in relation to the management of the Saint Vincent Casino is regulated by the Specification approved with resolution by the Regional Council no. 36 on 24th June 2009.

From the moment in which it was founded, as well as managing games, and offering the richest selection of them in the country, the company also organises many cultural initiatives for tradition, which are included in a rich calendar of prestigious events such as, the noted Saint Vincent prize for journalism, cinema, fiction and radio, born in 2007. Over the years the Casino has organised numerous events which, through prizes, television events and shows, has tried to promote, both in Italy and whenever possible also abroad, an image of a small mountainous region strongly oriented towards communication, and of the Casino, which since 1947 has operated within its boundaries.

Today the company has more than 700 employees

Outline of the statute and management structure

The share capital, quoted as 14,600,000 euros, is underwritten by the autonomous region of Valle d'Aosta for a share of no less than 99% (of the majority). If there should be an increase in the share capital, the Assembly can decide to issue shares with different rights to those already issued. These are available for public entities other than the Region of Valle d'Aosta, on the condition that the latter's participation doesn't fall below 66% (of the majority share).

They can be members of Casinò de la Vallée S.p.A. and also interested local councils within the Region (article 2 Regional Law 36/01).

The company can issue bonds within the limits of the regulations.

The management of the company is entrusted to the Administrative Body elected by the Assembly of members, in the form of a Chief Executive or board of directors. The Administrative Body has wide-ranging powers for both ordinary and extraordinary administration, it can carry out anything it deems necessary and appropriate for the attainment of the corporate aims, except those which the law or statute maintain solely for the Assembly. It can also name a proxy for the management of specific sectors when employing the powers bestowed upon it. It draws up the annual balance accompanied by a report on the progress of the corporate management and audited by a specialised company.

The Chief Executive and the Chairman of the Board of Directors will represent the company to third parties and in legal proceedings.

The Chief Executive or the Board of Directors will nominate the Managing Director and decide his/her powers and salary package.

Within the limits of the powers bestowed upon him/her, official signatures and corporate representation are the responsibility of the Managing Director.

The Assembly, when set up in accordance with the regulations, represents all of the members and their decisions oblige all of them, including those who are absent and the dissenting. The Assembly is convened by the Administrative Body at least once a year in ordinary circumstances and/or any time it is judged to be appropriate and when required by law.

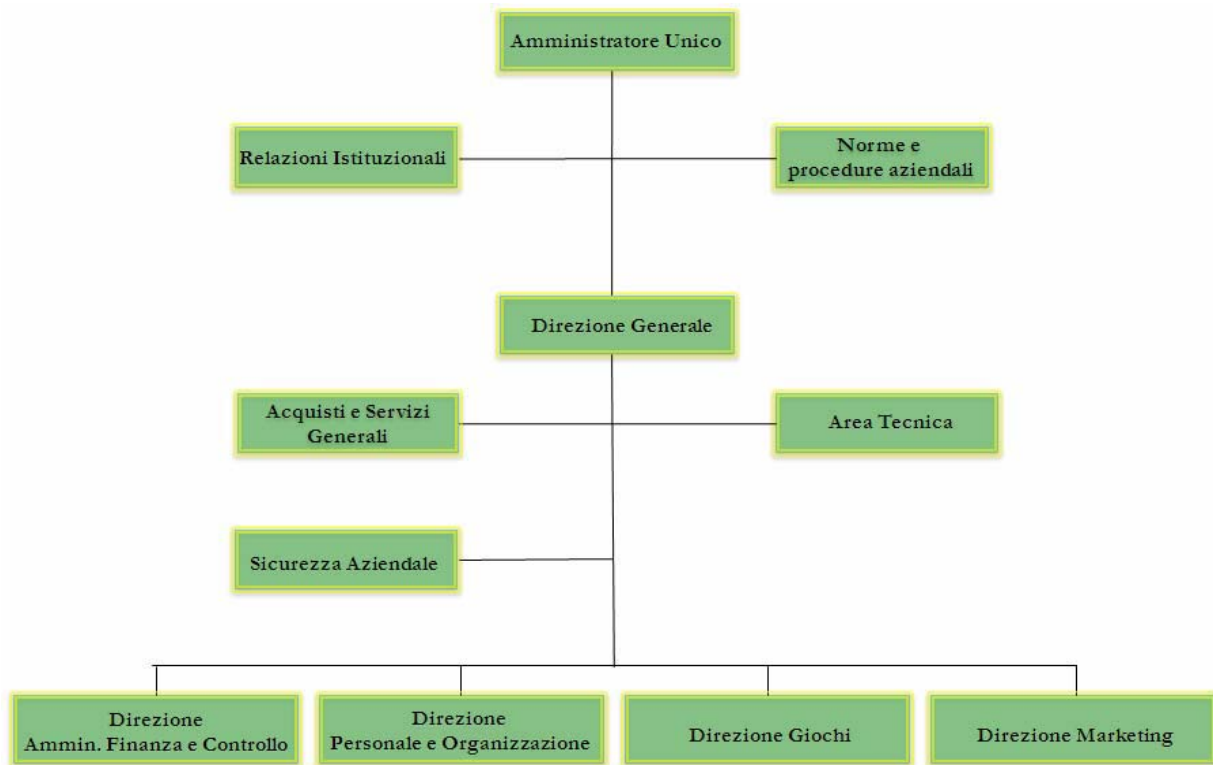
The Board of auditors is made up of three permanent members and two temporary ones.

The Regional Council nominates two permanent auditors, one of whom is the Chairman of the Board of auditors, and a temporary auditor.

The Board of Auditors has a mandate of three periods. The auditors participate in the meetings of the Board of Directors but do not have the right to vote.

Outline of the organisational structure of the Company

The articulation of the functions of the top management and the main relationships between them are represented in the following diagram:



The first organisational level consists of:

- Administration, Finance and Control Management
- Games Management
- Marketing Management
- Personnel and Organisational Management

The Administration, Finance and Control Management is responsible for the management of finance and accounts.

The Marketing Management is responsible for the activity of client management and for the organisation of all events, as well as for activity to promote Casino de la Vallée's company image. The Games Management ensures the organisation and preparation of all games of interest to the Casino, as well as guaranteeing the correct and timely execution of all operations linked to the service.

The Personnel and Organisational Management has the task of guaranteeing the selection of personnel suitable for carrying out the functions required by the Management, as well as supervising the processes of training and education, and of ensuring the correct administrative management of the employees of the Casino.

In the creation of this model, the main responsibilities of each position in the first organisational level are defined, as is their mission, which is also stated in the Company Quality manual.

Modular structure of internal controls

The following two factors have been taken into account in the definition of the control systems and specific prevention measures:

- the nature of the company's business requires the articulation of some functions according to non unequivocal relationships between managers or the inclusion of functions under the same hierarchical area of responsibility;
- each area manager is responsible for the small-scale organisation of his/her area in accordance with the law, the regulations and the policy adopted by the company.

As a result, the casino has adopted a regulatory system based on modules, consistent with the aforementioned logic of small-scale organisation, where documents have distinct roles according to their importance, as described in the organisational procedure, "Management of documentation and registrations": consequently all documents describe the corporate procedure for the correct execution of business under controlled conditions.

This choice allows distinct levels of measures for prevention and control to be traced:

- the Ethical Code sets out the general principles of conduct;
- this Organisation, management and control model sets out the measures for prevention and control according to the type and degree of exposure to crime risk in the processes identified as sensitive;
- the internal procedures identify specific prevention and control measures for the correct execution of business in the separate areas and in the relationships between areas.

Specific prevention and control measures related to the crimes stated in the Decree can be found within the Integrated Management System adopted by the Casino, namely in the following official procedures:

Cash Management Procedure
Procedure for cheque funds
Purchasing Procedure
Procedure against money laundering
Marketing Procedure
Administrative Activity Management Procedure
Relations with the Public Administration Procedure
Human Resource Management Procedure
Management of the Upkeep and Planning of Property
Health and Safety Procedure
IT Systems Management Procedure

It should be reiterated that the casino has adopted a regulatory system based on modules, consistent with the logic of small-scale organisation. This creates a unique Integrated Management System capable of permitting the company to keep the processes under control, both from a preventative point of view for effective prevention against the commission of offences within it, and from a quality point of view for customer satisfaction.

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Management role of the Regional Council

The Company and all its parts conform their business activity to the principles of correct corporate and entrepreneurial management, as well as priority public interest in the development of the economy, tourism and employment in Valle d'Aosta.

Such a system of corporate management is oriented to:

- maximising value;
- high-quality customer service;
- transparency in relation to the market.

The relationship between Casinò de la Vallée S.p.A. and Valle d'Aosta Regional Council, regarding the management of the Casino, is regulated by Specification No. 36 of 24/06/2009, approved by the Regional Council and signed by the Chairman of the Regional Council and the Chairman of the Company.

The Specification regulates the relations and reciprocal obligations concerning:

- the use of material and immaterial, movable and immovable goods necessary for management, therein including the transfer or possible licensing or use of goods belonging to the Regional Council;
- the income due to the Regional Council as revenue from public duty, with specific regard to minimum levels, percentages, guarantees and means of payment;
- the means of planning, financing and undertaking promotional activity for the Casino;
- the means of control by the Regional Council, in its financial, managerial and operational role with regard to the management of the Casino, and the regional supervisory service;
- the criteria for the recruitment of personnel and for the access to managerial positions;
- the outsourcing to third parties of additional activities not directly connected to the productive activity concerning public and commercial services or collateral services for the public and of support for the management of the Casino.

Control by the Regional Council

The corporate business, due to the peculiarity of the corporate aims, is subject to a particular form of external public control, in accordance with the Specification and the constitutive Regional Law of the company – Regional law no. 36, 24th June 2009.

Specifically, the Specifications require:

that the Regional Council, through its own supervisory service, carries out both continuous and systematic controls and random ones on the games, events, entrances and services, with the possibility of immediate, direct access to the Casino's IT system;

the presence of a representative of the Regional Council in attendance at the opening and closing of each gaming table;

the Company to send the Regional Council a quarterly management report aimed at providing complete coverage of its management performance, including the progress of the annual programme of events;

the preparation of the programme of promotional events for the Casino in agreement with the “Promotion and events committee”, made up of the President of the Regional Council or his delegate, a member of both Châtillon and Saint-Vincent City Councils and a Company Director;

the obligatory approval of the investment development plan by the Regional Council based on the proposal of the Regional executive committee;

the obligatory approval of the employment of new personnel by the Regional Council;

the writing of a report for them by the President of the Regional Council on the state of affairs of Casino de la Vallée S.p.A.’s management, within thirty days of them filing the annual report.

2 Terms and definitions

The Company	Casino de la Vallée S.p.A.
Leg. Decree 231 /2001 Model	Italian Legislative Decree 8th June 2001, no. 231 organisation and management model in accordance with legislative decree 8th June 2001, no. 231
Administrative Body	Chief Executive
Company bodies	Chief Executive, Managing Director, Board of Auditors and respective members
Top Management	highest-level management – Chief Executive and delegates and those granted powers by the Administrative Body itself
SB	Supervisory Board – organisation in charge of supervising the running of and compliance with the organisation and management model, as well as its updating
Employees	those who work for the company as employees, including directors
Consultants	those who work for or on behalf of the Casino under contract for such collaboration or a specific mandate
Proxy	internal document attributing roles and/or tasks
Power of attorney	unilateral document of a contractual nature with which the subject clearly grants a third party the powers to represent him
Assumed offences	the offences stated in Italian Legislative Decree 231 /2001
QMS	Quality Management System

3 Italian Legislative Decree 8th June 2001, No. 231

Main contents

With legislative decree 8 June 2001 no. 231, issued to implement the proxy in accordance with article 11 of Law 29 September 2000 no. 300, the “administrative responsibility of juridical people, of the company and of associations even when lacking legal status” following the commission of an offence, was introduced into the Italian legal system.

The offences for which the decree is applicable (described in detail in the appendix to this document) are:

article 24: “unauthorised allocation of money, fraud against the State or a public body or for the attainment of allocation of public money and I.T. fraud against the State or a public body”, associates the administrative responsibility of the organisation to the commission of the following offences: the unauthorised allocation of money to the detriment of the State (or another public body, or the European Community), fraud (to the detriment of the State or another public body) I.T. fraud (if committed to the detriment of the State or another public body);

article 24b: “I.T. offences and illegal data processing” associates the administrative responsibility of the organisation to the commission of the following offences: the offence of illegal access to an I.T. or telecommunication system, the offence of illegal possession and distribution of access codes to I.T. or telecommunication systems, the offence of distribution of computer hardware, devices or programmes intended to damage or block an I.T. or telecommunication system, the offence of illegal tapping, obstruction or blocking of computer or telephonic communication, the offence of I.T. forgery and the offence of damaging information, data and computer programmes, even if used by the State or another public body or anyhow, when of public interest;

article 25: “extortion and corruption”, associates the administrative responsibility of the organisation to the commission of the following offences: extortion, the corruption of an official act or of an act contrary to the obligations of an official position;

article 25b: “forgery of money, credit cards and official stamps”;

article 25c: “corporate offences”, which associate the administrative responsibility of the organisation to the commission of the following offences: false corporate communications, false reports or communications by the auditors, stock manipulation, illegal allocation of utilities and stocks, illegal transactions involving stock, company stock or that of the holding company, transactions detrimental to creditors, unlawful influence on the Assembly, lack of communication of conflicts of interest, obstruction of the public supervisory authority in carrying out their job;

article 25d: “crimes of terrorism or subversion of the democratic order”, which associate the administrative responsibility of the organisation to the commission of crimes with the scope of terrorism or of subversion of the democratic order in accordance with the penal code and special laws;

article 25d-1: “the practice of mutilation of female genital organs”;

article 25e: “crimes against individuals”, which associate the administrative responsibility of the organisation to the commission of the following offences: possession of pornographic material (resulting from the sexual exploitation of minors) and tourist initiatives aimed at the exploitation of underage prostitutes;

article 25f: “offences of market abuse”, which associate the administrative responsibility of the organisation to the commission of abuse of privileged information and manipulation of the market;

article 25g: “crimes of manslaughter and serious or very serious accidental injuries, committed due to violation of the regulations on safety and health and hygiene at work”;

article 25h: “receipt, laundering and use of money, goods or utilities of illegal origin”;

“international crimes”: introduced with law 16 March 2006, no. 146, which associate the administrative responsibility of the organisation to the commission of laundering and criminal association on an international scale.

Applicability of “administrative responsibility” and interested parties

In accordance with article 5, Legislative Decree 231/2001, because the administrative responsibility can be integrated when an offence has been committed by an individual who has a relationship with the organisation, it must have been committed “in its interests or to its benefit”, since the organisation is not responsible if the offender “acted purely in his own interests or in those of a third party”.

Furthermore, so that the penal responsibility of both the offender (an individual) and the administrative responsibility of the organisation can be identified, it is necessary for the offence to have been committed by someone who holds a top management position within the organisation or someone in a subordinate position. More accurately, still in accordance with article 5, “the organisation is responsible for offences committed in its interest or to its benefit:

by people who hold positions in the representation, administration or management of the organisation or one of its organisational units with financial and operational autonomy, and people (so-called top management) who carry out its management and control, even virtually;

by a person who reports to one of the management or supervisory people in letter a) (so-called subordinates)”.

The organisation and management model and related activity

Whenever an offence is committed by a person in a top management position, the legislative decree establishes that the organisation does not have administrative responsibility if it supplies evidence that (article 6):

a. the managing body had adopted and been using effectively, before the offence was committed, organisation and management models suitable for the prevention of the type of offence which was committed;

b. the task of supervision of the functioning of and compliance with the models and updating them has been entrusted to a unit of the organisation which has autonomous powers of initiative and control;

c. the people have committed the offence fraudulently evading the organisation and management models;

d. supervision by the organisation (as in letter b)) was not missing or insufficient.

In accordance with paragraph II of article 6, the organisation and management model must provide Confidential document. It is forbidden to reproduce this document or to pass it on to third parties.

for the following necessities:

1. the identification of activities in areas where offences can be committed;
2. the provision of specific protocols for the planning of training and the fulfilment of the organisation's decisions regarding the offences in need of preventative measures;
3. the identification of appropriate methods of managing financial resources so as to prevent offences from being committed;
4. the obligatory provision of information to the organisation responsible for the supervision of the functioning of and compliance with the models;
5. the introduction of an appropriate disciplinary system with sanctions for violation of the measures set out in the model.

In a situation when, on the other hand, the offence is committed by "people under the management of others", article 7 of the legal decree states that the organisation is responsible "if the commission of the offence was made possible by the lack of compliance with the obligations of management and supervision", lack of compliance which is excluded "if, before the offence was committed, the organisation had adopted and been effectively using an organisation, management and control model suitable for the prevention of the type of offence which was committed".

The same regulation goes on to state that the model must provide suitable measures to guarantee that the business is developed in compliance with the law and to discover and eliminate risk situations quickly; the same article establishes that the effective use of the model requires both a "periodic check" and any "necessary modifications" to the model if "significant violations of the regulations are discovered" or if "there are changes in the organisation or business activities" and a disciplinary system suitable for imposing sanctions on the lack of compliance with the measures set out in the model itself.

4 The organisation and management model of Casino de la Vallée S.p.A.

Aims of the model

Casinò de la Vallée S.p.A. is conscious of the need to ensure conditions of correctness and transparency when carrying out business and the activities of the company in the interests of its position and image, of the jobs of its employees and of the clients' gaming activities. On the basis of the stated reasons, the company considers the creation of the organisation and management model as set out in Legislative Decree 231/2001, to be in accordance with its corporate policy.

This initiative was undertaken with the conviction that the adoption of the Model creates a valid tool for raising awareness among all those who work for and on behalf of the company, so that in the fulfilment of their jobs, their conduct is correct and consistent with preventing the risk of committing the offences set out in the Decree (or later amendments and/or additions).

This Organisation model has been prepared by the Company, taking into consideration both the regulations in the Decree and the Guidelines created by Confindustria, approved on 8 April 2008 (see the following paragraphs for information on the structure of the Model).

The Model is intended for members of the company bodies and employees, that is, all those who have a working relationship with the company, including managers, as well as those who work for or on behalf of the Company in one or more areas of business identified as being at risk.

Compliance with the Model is also guaranteed by the provision of contractual clauses which oblige freelance workers, consultants and commercial partners to comply with the principles contained in the Code of Ethics, as well as protocols specifically concerning the activity carried out. If at fault, the Company has the chance to withdraw the contract or annul it and in any case, to request compensation for any possible damage sustained.

The aim of the model is therefore the construction of a well-structured system, organised into procedures, protocols and codes of conduct, as well as the control activity to be carried out preventatively (so-called *ex ante* control) and aimed at preventing the commission of the different types of offence considered in the Decree.

Particularly, through the identification of “business risk areas” and the consequent creation of specific procedures, the Model sets out the following objectives:

- to install in all those who work in risk areas for and on behalf of the Company, the knowledge that if the provisions stated herein are violated, they may incur sanctions of a penal and an administrative nature, not only for themselves but also for the Company;
- to reiterate that such forms of illicit conduct are strongly condemned by the Company because (even though the Company appears to be in a position to benefit from it) such conduct is in any case contrary to the provisions of the law and to the socio-ethical principles which the company aims to conform to in the fulfilment of its corporate mission;
- to allow the Company, thanks to the monitoring of the risk activities, to promptly intervene in order to prevent or resist the offences themselves from being committed.

The regulatory principles of the model

In the agreement, creation and application of their model, Casinò de la Vallée S.p.A. observes the following regulatory principles:

- a clear and formal allocation of powers and responsibilities, coherent with the duties already assigned;
- the separation of tasks for which the authorisation of a transaction must come under the responsibility of a different person than whoever records, carries out or controls the operation (if the control is carried out by a single person). This principle should however allow efficient management of the corporate activities;
- the creation of rules for suitable conduct to guarantee the execution of corporate activities in compliance with the law, the regulations and the integrity of the corporate patrimony;

- the provision of regulatory documentation for individual corporate activities, divided into powers of attorney, powers and proxies and procedures.

Specifically, the system of proxies states that:

the proxies are consistent with the organisational position and up-to-date on any organisational changes;
each proxy document specifies the powers of the proxy and the person he reports to;
the powers specified in the proxy are aligned to and consistent with the corporate aims;
the proxy is autonomous in decision making and expenses appropriate to the role and tasks asked of him.

The power of attorney system states that:

power of attorney status is assigned to people with internal proxies;
the powers of attorney describe powers awarded and are accompanied, when necessary, by a communication which outlines the limits on their extent, whilst taking budget constraints into consideration;
power of attorney is granted to a real person.

The procedures system states that:

the means and timing of carrying out corporate activities which are at risk of crime are defined and regulated;
where possible, the objectiveness of decision-making processes is guaranteed (for example with the preparation of lists of certified suppliers, the definition of objective criteria for the selection and assessment of personnel).

- the possibility of tracing transactions (connected both to the operational activities and to control) aimed at guaranteeing that every transaction and/or action can be checked and is documented, coherent and consistent.

In addition to the stated principles, the fundamentals of the Model are:

- the diffusion, at all levels of the company, of the established rules of conduct and procedures;
- the mapping of the areas of activity at risk in the company, indeed the activities in which the possibility that offences will be committed is considered to be higher;
- the identification of areas of activity where the procedure necessary to prevent offences is absent or insufficient and the subsequent identification of action plans needed so that those areas also reach an “acceptable” level of risk;
- the assigning of specific tasks to the Supervisory Board to control the effective and correct operation of the Model;
- the inspection of corporate conduct, as well as the operation of the Model with subsequent periodic updating (*ex post* control).

Contents of the Model

Casinò de la Vallée's organisation and management model is made up of the following documentation; the structure of which (including the importance of the relationships between the documents) is represented in figure 1.

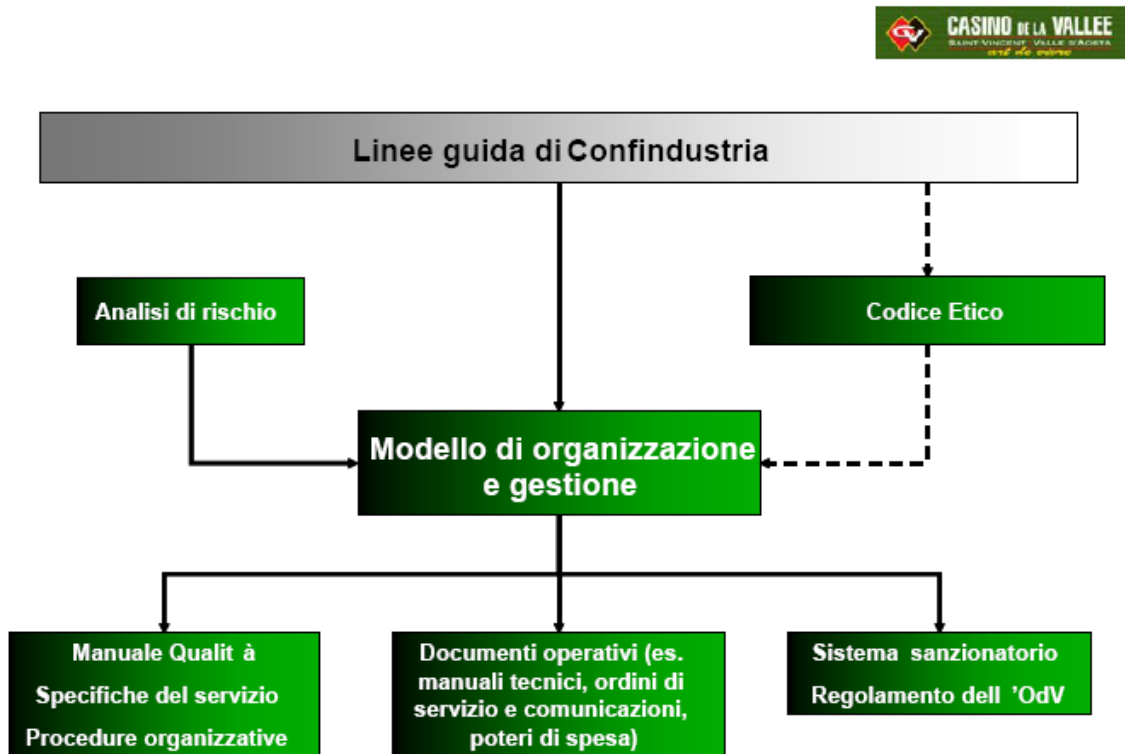


Figure 1 – Documentary structure of Casinò de la Vallée S.p.A.'s Model.

1. **Confindustria Guidelines**, a document used as a methodological guideline, as well as a reference for some precise aspects in relation to operative elements connected to the Decree;
2. **Casino de la Vallée's organisation and control model**, a document which describes the main regulators, the general aspects and some precise aspects in relation to operative elements connected to the Decree (e.g. Supervisory Board, system of sanctions);
3. **Casino de la Vallée's Risk Analysis**, a document which describes the activities within each process, the degree of exposure to risk (specific to each type of offence) and the controls suggested as a result of the assessment;
4. **The Code of Ethics**, a document which illustrates the guideline values of the Company to adopt when carrying out its business, recommending, promoting or forbidding certain behaviour, and if necessary dictating specific bans and limitations in relation to the offences considered;
5. All documentation relating to Casinò de la Vallée's organisation and management model, including:
 - internal policy,

organisational procedures,
regulations inherent to the management control system and the administrative, accounts and financial management,
the system of sanctions,
the internal control system,
the proxy and power of attorney system,
the Supervisory and Control Board's regulations.

Creation of the Model

In accordance with Legislative Decree 231/2001, the process of the creation of the organisation and management model and its implementation was divided into the following phases:

- **identification of the process and related interactions**

the processes were mapped out using the self-assessment tool (see figure 2);

- **identification of risk activities**

during this phase interviews were conducted, documents were collected and data relating to all of the Company proceedings was analysed, highlighting the possible activities exposed to the risk of offence. The areas concerning the organisational structure were also analysed (e.g. proxy for operational management) and the policy for the management of corporate gifts and giveaways.

- **identification and analysis of existing risk protection**

on the basis of the results obtained, a comparison between existing procedures and the highlighted risk activities was made. At the end of this activity it was possible to determine Casinò de la Vallée's "gap analysis" that is, the areas and/or activities not sufficiently protected to guarantee the effectiveness of the model;

- **definition of the protocols**

in order to fill the gaps referred to above, the activity required the integration of existing company documentation with the activities and controls established by the Management and/or the creation of new regulatory documentation.

The identification of processes (both those directly connected to the main services provided, and support services) required as much for this organisation, management and control model as for the Quality Management System and their application, has allowed the sequence and interactions to be established, as shown in the following figure.

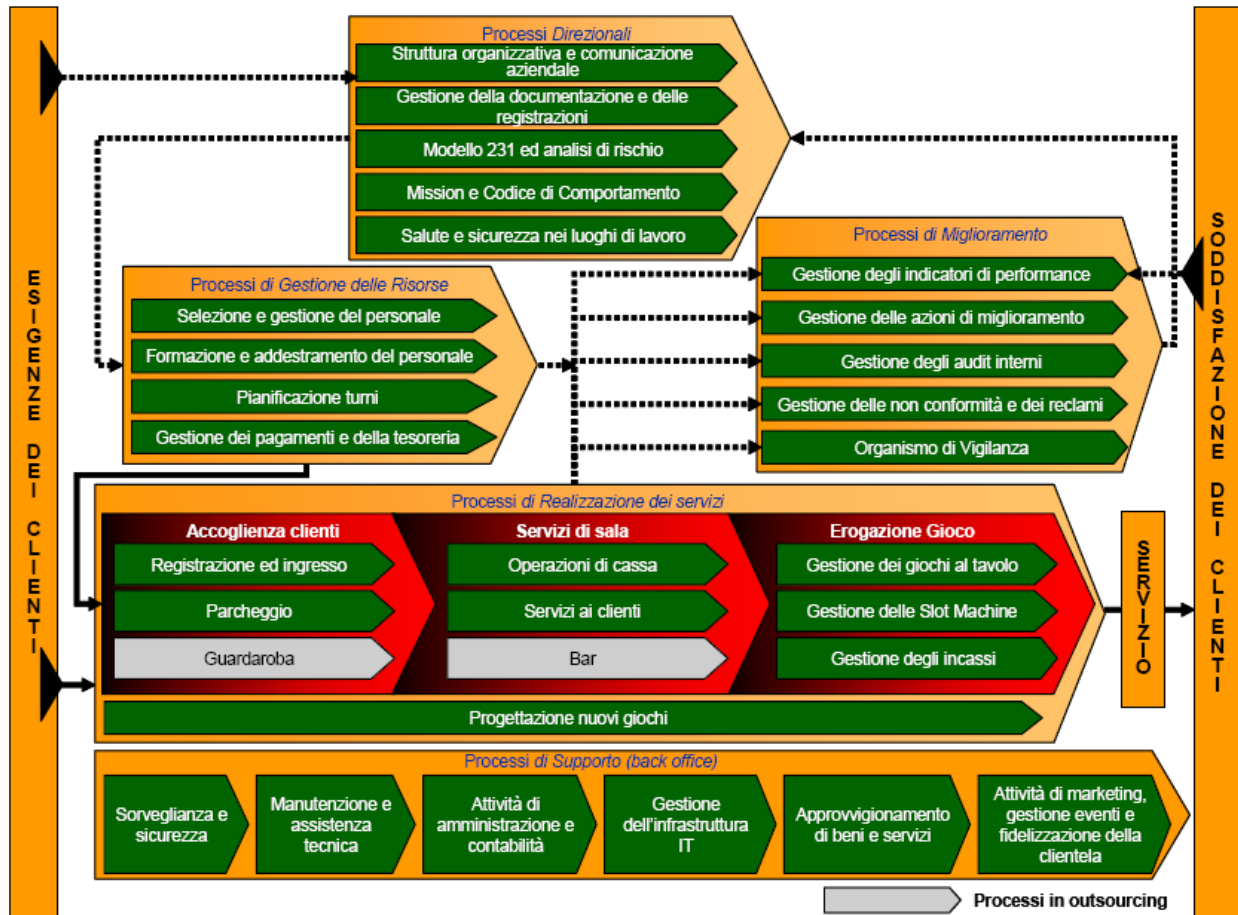


Figure 2 – Flow chart of the processes

Survey of sensitive processes

The mapping of the company activities at risk of crime allows for the identification of areas and related processes which are “sensitive” to the possibility of criminal behaviour. In relation to these processes, it follows that it is an absolute priority to standardise, where possible, all sensitive company processes with the following general principles:

- the separation of tasks through an appropriate distribution of responsibilities and the prevision of suitable levels of authorisation, with the aim of avoiding overlapping roles or operative allocations which concentrate critical activities on a single person;
- the clear and official allocation of powers and responsibilities, with specific indications regarding the limits of the role and consistent with the tasks assigned and the position held within the organisational structure;
- the existence of rules for ideal behaviour to guarantee the execution of the company activity in accordance with the laws and regulations and the integrity of the company patrimony;
- creation of procedures for company activities “at risk of offence”, in order to:
 - define and regulate the means and timing of execution of such activities;

guarantee the ability to trace the acts, operations and transactions using appropriate documentary evidence, which certifies the characteristics and motivation behind the operations and identifies the people, with various roles, involved in the operations (authorisation, execution, registration, checking);

guarantee, when necessary, the “objectiveness” of the decision-making process and limit corporate decisions made on the basis of subjective choices not linked to predefined objective criteria (e.g. existence of lists of suppliers, existence of objective assessment criteria);

- existence and documentation of control and supervision carried out on company transactions;
- existence of safety mechanisms, including computerised ones, which guarantee appropriate protection of/access to company data and goods, all, however, taking into consideration the limited size of the company.

Conscious of the need to maintain the necessary flexibility in management and at the same time guarantee the strictest adherence to the requirements of the Decree, the company believes it appropriate to set up a “virtuous” process aimed at the adherence and integration, when necessary, of some specific protocols for the regulation of activities related to the fundamental processes identified.

Apart from anything else, these respond to the need to document the various stages of the decision-making process, to make it possible to check them and therefore make them traceable. Each protocol formally adopted by the company obliges all people involved, in various roles, to manage the process regulated by the protocol.

The results of the mapping have allowed the company to:

1. identify the organisational units which, given the tasks and responsibilities assigned to them, could potentially be involved in activities “at risk of crime”;
2. identify the main cases of risk/crime;
3. outline possible ways of carrying out illegal acts.

Casino de la Vallée’s sensitive activities

In the light of the risk analysis of the organisation, undertaken in order to prepare this Model, the offences really considered to be relevant to the Company, are those identified in accordance with articles 24, 24b, 25, 25c, 25g, 25h of the Decree, that is:

- offences committed within the relations with the Public Administration (art. 24 and 25);
- I.T. offences (24b);
- offences of forgery (art. 25b);
- corporate offences (25c);

- crimes of manslaughter and serious or very serious accidental injuries, committed due to violation of the regulations on safety and health and hygiene at work (25g);
- receipt, laundering and use of money, goods or utilities of illegal origin (25h).

On the other hand, the Company is not considered to be significantly exposed, to the extent to benefit from, the commission of other identified offences, namely:

- crimes of terrorism or subversion of the democratic order (art. 25d);
- crimes against individuals (art. 25e);
- offences of market abuse (art. 25f);
- international crimes (art. 10 Law 16.3.2006 no. 146).

The areas and/or process in which the above stated crimes could be committed, and are therefore considered sensitive are:

- Purchasing of goods and services,
- Personnel selection,
- Activities set out in the laws against money laundering,
- Management of I.T. infrastructure,
- Cash transactions,
- Administrative and accounting activity,
- Provision of games and services,
- Training and education of personnel,
- Administrative management of personnel,
- Management of petty cash,
- Maintenance,
- Marketing activities,
- Management of official relations,

- Health and Safety at work,
- Debt collection.

General principles of conduct

As well as what will be covered in more detail in the following chapter in relation to each group of offence covered, and the degree of exposure to the risk offence, this paragraph highlights how the company has imposed general rules of conduct on itself, which must be respected when carrying out corporate activities in order to guarantee a suitable system of internal control to prevent the commission of the offences set out in legislative decree 231/2001.

The Code of Ethics, which should be considered an integral part of this Model, sets out all the principles and general rules of conduct in:

- Relations with Public Authorities
- Relations with suppliers
- The assignment of professional roles
- Relations with the Supervisory Board
- Management of the patrimony and accounting activities

Exposure to risk

Methodological introduction

The processes within the casino defined for effective and efficient service provision can be exposed to the risk of crimes being committed, in accordance with Leg. Decree 231/2001, in three distinct ways:

direct exposure – if the activities carried out as part of the process are themselves exposed to the risk of illegal acts. For example:

the request for financing from the European Union, involving direct contact with the Public Administration, exposes the person directly responsible to the crimes of fraud, corruption or illicit receipt of funds;

exploitable exposure – if the process itself is not exposed to the risk of illegal acts, but the outcome of it is. For example:

the hiring of employees linked to figures in the Public Administration can allow the establishment of “large duties”, through which the crime of corruption for an act necessary or against the obligations of the role can take place;

the drawing up of a consultancy contract, if done without due attention and caution, can create a means by which funds for illegal use are established;

no exposure – if the activity or the process doesn't provide significant exposure to the risk of committing certain categories of offence.

On the basis of the type and degree of exposure to risk, every process/activity is regulated by specific internal documentation: moreover, the principles of behaviour stated in the Casino's Code of Ethics are valid for all areas of the company.

Offences against the Public Administration

4.1.1 Definition of Public Administration

Public Administration refers to all public organisations, territorial and non-territorial, the members and the internal bodies of the organisations including the public officials.

Under criminal law any juridical person who is responsible for public interests and legislative, jurisdictional or legal work by virtue of regulations of public law and of authorising acts, is generally considered as a "Public Administration Body". Article 1, paragraph 2 of legislative decree 165/2001, on matters of the work system of the local public administration offices, defines public administration as all State administration. Not all the people who operate in the sector and in relation to the aforementioned organisations are people to whom (or to whose work) the types of criminal cases set out in legislative decree 231/2001 apply.

Specifically the relevant people in this regard are only "public officials" and "those responsible for public service", the latter being separated into those who are civil servants and those who are not.

4.1.2 Exposure to risk

The results of the risk analysis lead to the identification, within the company processes, of the following activities as those, considered first individually then as a whole, in which Casinò de la Vallée S.p.A proves to be more exposed (both direct exposure and exploitable exposure) to the risk of the crimes described above being committed:

- Purchasing of goods and services,
- Personnel selection,
- Provision of games and services,
- Training and education of personnel,
- Administrative management of personnel,
- Management of petty cash,
- Maintenance,
- Debt collection,
- Management of institutional relationships,
- Management of judicial and out of court cases.

It is worthy of note that although the purchasing sectors (orders/contracts with suppliers, freelancers and consultants) don't have direct contact with the Public Administration, they can be at risk of committing corruption. For example, drawing up a contract for an inexistent service can create the means for directly or indirectly obtaining the cost of that service from a civil servant. In other words, the "money" constituting corruption in this case, can also appear through the creation of funds "off the books", transactions aimed at the creation of hidden availability through the issuing of invoices for inexistent operations, unjustified movements of money, payments for consultancy which was never carried out, that is, of an inferior net value to that declared by the company.

In any case, and on a more general note, it is necessary to be aware of circumstances in any sector or activity in which there is direct or indirect contact between the Casino (or specifically those working for it both as managers and lower ranking staff) and the Public Administration. The company is potentially exposed to the risk of the commission of crimes in accordance with article 24 and some of the crimes in article 25 of Leg. Decree 231/2001. This risk is the responsibility of both the person who commits the offence and the administrative responsibility of the body obliged to meet the requirements of the Decree in question.

Specifically, in the activities of management of institutional relationships, marketing and debt collection, and more generally in all of the activities listed above, there is above all the risk of commission of the crime of corruption for an act against the duties of office (article 319 p.c.) by those who hold a position in the company relevant to Leg. Decree 231/2001.

Moreover, the matter of “inappropriate” corruption, or in other words corruption of an “official act” (article 318 p.c.) takes on importance, in accordance with and because of Leg. Decree 231/2001. Another crime for which there is the potential risk of commission during the Casino’s activities, particularly in the sectors listed above is “incitement of corruption”, in accordance with article 322 p.c.

With reference to the case stated in article 317 p.c. (extortion), this is only abstractedly and theoretically related to the responsibility of the Casino: the crime is in fact objectively linked to the role of the civil servant or person responsible for public service, a role unconnected to the Casino, in the case of both those in top management positions as well as those under their management and control. Nevertheless, given the ownership structure and the role that the Public Body holds in the structure of corporate governance, a possible responsibility could be formed if one of the people relevant in accordance with the Decree is an accomplice with a civil servant (or person responsible for public service) to the crime under examination.

The peculiar structure of the company, as well as the fact that the Company benefits from State grants, contributions and public financing aimed at training and at some development plans, make it possible for the following crimes to be committed under the responsibility of the Company: embezzlement, unlawful receipt of grants and obtaining public grants fraudulently, to the detriment of the State or other public bodies or the European Community.

As far as the crime of fraud against the State or other public bodies is concerned, some of the activities listed above are potentially exposed to the risk of commission, both individually and as a whole.

As far as I.T. fraud is concerned (article 640c p.c.) the Casino’s activities aren’t significantly exposed to the risk of commission, in the expectation of, given the results of analysis, provision by the company of suitable systems and procedures for the management of back ups and of removable storage mediums and application of operative systems with suitable procedures for the management of IT authorisation and authentication systems; access levels are identified according to the method of user profiling and are protected by encrypted personal passwords which are not accessible to the system administrators; and what’s more, in terms of security, the Company complies with the criteria in its own Security of Programming Document on the subject of privacy.

4.1.3 Preventative measures

As far as the activity and controls implemented in order to prevent crimes against or damage to the Public Administration, the Casino has adopted the following controls/activities:

- a procedure for purchasing goods and services which regulates the process of selection, acquisition and evaluation of both goods and services and the relative suppliers. In the case of using external collaborators for commercial activity, the working relationship is implemented with specific clauses for control, including:
 - a signed declaration not to have ever been exposed to or involved in penal proceedings for crimes considered in Leg. Decree 231/2001, and if so, a clear declaration of the crimes;
 - preparation of the regulatory clause of violation of Leg. Decree 231/2001 (e.g. quick rescinding clause, criminal);
 - signing the Code of Ethics and declaration of the commitment to comply with it;
 - a signed declaration of awareness of the regulations in Leg. Decree 231/2001, and of its implications for the company as well as the commitment to comply with it.
- the identification of methodological rules for the management of relationships with the Public Administration for all those cases not covered by the relevant procedure;
- the identification of a series of rules and related controls on the following issues acknowledged in their respective procedures:
 - management of corporate giveaways;
 - allocation of invitations and benefits to customers;
 - out-of-court settlements;
 - management of petty cash;
- the procedure “cheque funds and debt collection”, which outlines the method of managing withheld credit and of its passage to classification as bad debt.

I.T. offences

As is now well-known, Law no. 48 of 18 March 2008, “Ratification and implementation of the European Council’s Convention on I.T. crime, held in Budapest on 23 November 2001, and amended regulations of the internal code” has led to significant changes in the Penal Code and legislative decree 231/01.

The main changes can be noted: elimination of the differences between civil law and criminal law in the definitions of “I.T. document”; introduction of the offence of false declaration to the auditor (article 495b penal code (p.c.)); extensive modification of article 615e (Distribution of computer hardware, devices or programmes intended to damage or block an I.T. or telecommunication system); re-examination of the damaging of data, programmes and I.T. systems, including those in public use, with the introduction of legal action against those who damage “private data”; introduction of a new case in point of I.T. fraud, committed by those who provide electronic signature authentication services; inclusion of “I.T.” offences under the administrative responsibility of the organisation, in accordance with legislative decree 231/01.

4.1.4 Exposure to risk

The results of the risk analysis allow the identification and classification of these crimes as having direct exposure to the risk of I.T. offences.

The crimes which potentially risk being committed during the Casino's activities, and therefore take on importance in accordance with and because of Leg. Decree 231/2001, are the cases of "illegal access to an I.T. or telecommunication system" (article 615c p.c.), "illegal possession and distribution of access codes for I.T. or telecommunication systems (article 615d p.c.) and "distribution of computer hardware, devices or programmes intended to damage or block an I.T. or telecommunication system" (article 615e p.c.).

The circumstances explained above, together with the peculiar nature of and activity carried out by the Casino, make it possible for the following crimes to be committed under the responsibility of the Company: illegal tapping, obstruction or blocking of computer or telephonic communication (article 617d p.c.), damaging information, data and computer programmes even if used by the State or another public body or anyhow, when of public interest (articles 635b and 635c p.c.), as well as damaging I.T. or telecommunication systems and damaging I.T. or telecommunication systems of public interest (articles 635d and 635e p.c.), I.T. fraud, committed by those who provide electronic signature authentication services (article 640e p.c.) and false declaration and certification to the authenticator of the electronic signature (article 495b) and I.T. forgery (article 491b).

4.1.5 Preventative measures

The Casino implements all activities connected with the management of its I.T. infrastructure in accordance with the relative organisational procedure, which specifically includes:

- formalisation of the Information Asset Inventory in order to identify which confidential information needs protecting and who can have access to it;
- creation of criteria for limitations on internet use;
- identification of controls on the configuration of hardware and software of the equipment.

Offences against public trust

The accusations examined in this paragraph (referring to forgery of money, credit cards and official stamps) aim to protect the regularity of the circulation of money (and of stocks in general) including the safeguarding of financial and patrimonial interests, both of the organisations authorised to issue them and of individuals who would be damaged by the falseness.

Falseness refers to the following objects:

- Italian and foreign coins in legal circulation, that have been declared to be a valid means of payment by the State;
- official stamps, that is, stamped paper, revenue stamps, valid postage stamps and other stocks of the same legal value.

In general, the cases which are forbidden are: counterfeiting, altering and introduction into the State of forged money and the purchase, receipt, possession and spending of it and putting it into circulation.

4.1.6 Exposure to risk

Generally speaking it should be kept in mind that the sectors in which the risk of commission of the crimes listed above exists and which it is advisable to pay attention to are the following:

- financial flows,

corporate funds,
allocation of available liquid assets.

That said, as far as the Casino's activities are concerned, the crimes hypothesised in accordance with article 25b (forgery of money) could take place in all cash transactions.

4.1.7 Preventative measures

The Casino is equipped with adequate equipment for checking that banknotes are genuine, and moreover the following methods for prevention and control are in place:

guidelines for checking banknotes;

a procedure for cash management;

procedure against money laundering including indications for the procedure and related responsibilities for the operative aspects which derive from that regulation.

Corporate offences

In the last few years the subject of corporate offences has been of particular interest. There have been various interventions to the regulations following on shortly after, firstly, the substantial reform of corporate offences to the Legislative Decree 61/2002, subsequently with the law of 18 April 2005, no. 62 (so-called Market Abuse) with acknowledgement of the EC Directive 2003/6/CE, which modified the Consolidated Finance Act and finally with Law 262/2005 (so-called Protection of Savings), which impacted mainly on the sanctions.

The type of offences under discussion – and it is worth specifying that they are committed by qualified people – has provoked and is provoking interest both in the frequency with which they are committed and in the complexity of the interests in need of protection: safeguarding the integrity of the company patrimony; safeguarding the partners and creditors, honest competition, transparency of the financial markets, safeguarding the non-institutional investors and the whole market, etc.

4.1.8 Exposure to risk

The results of the risk analysis lead to the identification of the areas, considered both individually and as a whole, to which careful attention must be paid and in which corporate offences could take place (details follow). The areas are those concerned with, in charge of, or in any case connected with the following activities:

- the execution, preparation, creation, diffusion and/or communication of announcements to the members or the public regarding the economic, property or financial situation of the company;
- the execution, preparation, creation, diffusion and/or communication of announcements or data about company matters other than those listed above;
- the execution, preparation, creation and/or forwarding of announcements to the public Supervisory Board and the management of relations with this Board;
- the recording, editing, control and conservation of accounting and non-accounting documents, regarding specifically the balance sheet and management control;

- creation of the balance sheet;
- transactions involving capital, contributions, income stocks, shares;
- management of relations with external auditors;
- management of relations with and/or between the company bodies;
- management of relations with the Assembly.

It should first be reiterated that the whole activity of managing the Casino is subject to controls by the Regional Council; the means of control are regulated by Regional Law in Specification No. 36 of 24/06/2009 and includes:

a check of the quarterly management report, which the company sends to the Regional Council;

a report on the state of affairs of Casinò de la Vallée S.p.A.'s management that the President of the Regional Council will produce for the Regional Council, within thirty days of the annual report being filed;

the possibility for the Council to ask for information regarding the Casino's management results;

a series of regulations on the termination of the management.

In spite of this, the following crimes could take place under the responsibility of Casinò de la Vallée in the activities listed above (considering that they are in the interests of the company): false corporate communications (article 2621 civil code (c.c.)), false corporate communications detrimental to members or creditors (article 2622 c.c.), obstructed controls (article 2625 c.c.), obstruction of the public supervisory authority in carrying out their job (article 2638 c.c.), unlawful influence on the Assembly (article 2636 c.c.), fictitious creation of credit (article 2632 c.c.), transactions detrimental to creditors (article 2629 c.c) and illegal transactions involving stock, company stock or that of the holding company (article 2628 c.c.).

As far as the crime of false information in corporate reports or auditors' communications (article 2624 c.c.) is concerned, as a crime under the "responsibility of the auditing company", it could only be hypothetically possible under the responsibility of the Company, in the form of the help of an outsider in the crime itself (e.g. incitement or fixing of the people responsible as part of the external auditors by one of the people in the company stated in the Decree or their participation in the commission of the crime).

Similarly, with reference to the crime of illegal allocation of corporate goods by the liquidators (art. 2633 c.c.), which is also a crime committed by the liquidators, and could only be hypothetically possible under the responsibility of the Company, only in the case of liquidation, in the form of the help of an outsider in the crime itself.

The crime of illegal restitution of money allocated (art. 2626 c.c.) and of illegal allocation of earnings and of reserves (art. 2626 c.c.), are also only hypothetically possible under the responsibility of the Company because, as set out in the ABI Guidelines, "from an abstract point of view, it seems really unlikely that the crime in question can be committed by the administrators 'in the interests or to the advantage of the company', therefore implying that the organisation is responsible".

The crime of stock manipulation (art. 2637 c.c.), which penalises the diffusion of false information or the carrying out of fake transactions or other suitable stratagems, as well as causing a notable alteration of unlisted financial tools, or impacting significantly on the trust which the public places in the stability of patrimonial banks or banking groups, is only hypothetically possible under the responsibility of the Company.

Finally, it should be considered that the crime of omitted communication of conflicts of interest can only be committed by people who hold certain positions within the company, specifically, by a director or component of the board of directors. The crime takes place when the duties of article 2391 of the civil code are violated, in which if the director of a company himself or on behalf of a third party has a conflict of interest with the company in a specific transaction, he must advise the board of auditors and the board of directors and must abstain from participation in any deliberations involving that transaction.

From the considerations described it can be understood that a large part of the activity of preventing that crime must be based on the capability of the organisation to train and select its directors also considering the requisites of ethics, respectability and loyalty.

4.1.9 Preventative measures

Given the considerations described above and also considering that no critical situations with a specific impact on the management-accounting-administrative activities were identified in the process analysis, some further precautions have been adopted for use as preventative measures to further reduce the risk threshold, also acting on the sphere of interrelations between corporate and supervisory bodies, which are already provided for by the legislation in force and more generally by company documentation:

- the outlining of procedures on the subject of administration and accounting;
- the obligation for periodic singular or collective meetings between the Supervisory Board, the Administrative body, the external auditors and the Board of Auditors and the obligation to transmit to the Supervisory Board and the Board of Auditors, sufficiently in advance of the meeting, all documentation regarding the agenda of the assembly or, in any case, other matters to be discussed at the meeting;
- the institution for all positions and people, including those external to the company, who take part in the drafting/editing of the accounts, the balance sheet, other communications, statements, informative elements or documentation connected or inherent to them, of the obligation to:
 - attest the truthfulness, completeness, correctness and accuracy of the data and information contained in them and signed,
 - attest the inexistence of elements from which the incompleteness, imprecision or the untruthfulness of the data described above can be inferred,
- the outlining of the specific method of interaction with the external auditors in terms both of transmission and communication of data to the auditor in charge of carrying out the control, and of the examination of the edited documentation by the external auditors when carrying out their work.

Crimes of manslaughter and serious or very serious accidental injuries, committed due to violation of the regulations on safety and health and hygiene at work

On 1 April 2008, the Cabinet approved the Decree realised in Law 123 of 3 August 2007, regarding safety in the workplace. Article 30 of that Decree cites the Models of Organisation and Management, stating that:

1. the organisation and management model suitable for effective justification of the administrative responsibility of juridical people, of the company and of associations even when lacking legal status in accordance with legal decree of 8 June 2001, no. 231, must be adopted and effectively realised, ensuring a corporate system for the fulfilment of all legal obligations related to:

- a) compliance with the techno-structural standards of law relating to equipment, facilities, workplaces and chemical, physical and biological agents;
- b) risk assessment and preparation of subsequent measures of prevention and protection;
- c) organisational activities like emergencies, first aid, contract management, periodic safety meetings, consultations with the workers' safety representatives;
- d) supervision of health;
- e) supply of information and training to employees;
- f) supervision of compliance with the procedures and with the instructions for employees to work safely;
- g) acquisition of documentation and certification under the obligations of the law;
- h) periodic checks of the application and effectiveness of the procedures adopted.

2. the organisation and management model in accordance with paragraph 1 must provide appropriate systems for recording the implementation of the activities in paragraph 1.

3. in any case the organisation model must provide, according to the requirements of the nature and size of the organisation and of the type of business carried out, an articulation of the functions which ensures the technical skills and powers necessary for checking, assessing, managing and controlling the risk, and a disciplinary system suitable for the sanctioning the lack of compliance with the measures set out in the model.

4. the organisation model must also provide a suitable system to control the implementation of that model and that suitable conditions of the adopted measures are maintained over time. The re-examining of and possible modification to the organisation model must be adopted, when significant violations of the regulations regarding prevention of accidents and hygiene at work are discovered, or when there are changes in the company and in the activity related to scientific and technological progress.

5. On initial application, models of corporate organisation which conform to the UNI-INAIL Guidelines for a health and safety at work management system (SGSL) of 28 September 2001 or to British Standard OHSAS 18001:2007 are considered to conform to the requirements under related parts of previous paragraphs. Further corporate organisation and management models can be indicated by the Commission in accordance with article 6 with the same scope.

4.1.10 Exposure to risk

The identification of sensitive activities in accordance with the Decree was carried out in consideration of activities within which incidents can happen and those in whose ambit the Company can commit the crime of negligent violation of the regulations and preventative measures. Taking that contrast into consideration, the following can be noted:

activities at risk of accident and occupational illnesses highlighted in the Risk Assessment Document, rev.11 Sept 08, pursuant to article 28 Legislative Decree 81/08, and intended as activities where harmful events could potentially take place:

activities at risk of crime, intended as activities which could potentially give rise to the crimes cited in article 25g of the Decree, in as much as omitted or inefficient execution of them could combine the Company's responsibility in the ambit of the Management's Responsibility, the ambit of resource management and the ambit of service provision.

4.1.11 Preventative measures

This model is not intended to replace the assumptions and responsibilities of law enforced on those people identified in Leg. Decree 81/08. On the contrary, it represents a further regulation for control and checking the existence, effectiveness and adequacy of structures of the management system for the protection of health and safety at work.

The first assumption of the model, with the objective of preventing accidents in the workplace, is based on the compliance with some principles and on the implementation of some types of behaviour, which must be observed by the Company workers, and by external people who are legitimately on the Company grounds, namely to:

respect the regulations and internal company procedures for the protection of individuals and groups, carrying out all the necessary controls and activities appropriate for safeguarding their own health and safety and that of their colleagues and of external personnel present in the work place;

not adopt careless behaviour in order to safeguard their own health and safety;

use machinery and any other type of work equipment correctly;

use the available devices for safety and protection appropriately and correctly;

identify, without delay, according to the assigned responsibilities, anomalies and other potentially dangerous situations which you become aware of;

undertake the planned health checks;

undertake the planned training.

The Company, on the basis of those principles, taking into account the precautions identified by Confindustria, when a frequent number of accidents is not registered, has prepared to:

adopt the system of company fulfilments arising from Leg Decree 81/08, as an integral part of this model;

identify a series of connections between the individuals pulled up by the special regulations on the subject of health and safety at work, and the control system in accordance with Leg. Decree 231/01;

specifically entrust the SB with the power/job of monitoring corporate activity and the working of the whole Management System, as a preventative measure on the subject of health and safety;

define as obligatory information, all notifications regarding possible shortfalls or inadequacies in the workplaces or equipment not checked out immediately by the person in charge.

Crimes of receipt, laundering and use of goods with illegal origins

The administrative responsibility of the Company, pursuant to Legislative Decree 231/01, can only apply if the offences of receipt, laundering and use of goods with illegal origins are committed, by subjects connected to the Company, and from which the organisation has at least one benefit, on the basis of the relevant articles in the Penal Code.

Article 25h of the Decree was introduced from article 63, paragraph 3 of the legislative decree of 21 November 2007, no. 231, "Implementation of directive 2005/60/CE concerning the prevention of the use of financial systems to launder money originating from criminal activity and to finance terrorism", which extends the administrative responsibility of the organisation to include the offences of receipt, laundering and use of money, goods and utilities with illegal origins – articles 648, 648b and 648c of the penal code.

Violation of the law against money laundering, set out in Legislative Decree 231/07 (violation of the obligation to identify and record, lack of communication of suspicious transactions, violation of the law on a single electronic archive etc.) doesn't imply, in itself, responsibility as in Legislative Decree 231/01 and related sanctions, except when the violation is complicit, also by omission, in the commission of offences set out in the Penal code.

4.1.12 Exposure to risk

From the analysis carried out, it was possible to identify the sectors in which the risk of the crimes listed above being committed exists, and to which it is advisable to pay attention, namely:

- commercial and administrative management, characterised by intense management of flows of a financial and non-financial nature;
- management of the acquisition of goods and services;
- management of cash transactions.

No critical situations with a specific impact on the accounting-administrative activities or the management of acquisition of goods and services were identified in the process analysis. However, some further preventative precautions to adopt have been identified to further reduce the risk threshold.

On the other hand, due to its business activity, the casino is particularly exposed to crimes of management of financial flows and particularly in cash transactions.

4.1.13 Preventative measures

Given the above information, as far as the activities and controls implemented in order to prevent the commission of the crimes of receipt, laundering and use of goods with illegal origins are concerned, the Casino adopts the following checks/activities:

- the application as provided for in the Acquisition of goods and services procedure, which specifically includes:
 - the creation of due diligence;

the creation of a list of certified suppliers for the management of purchasing;
the signed declaration to have never been exposed to or implicated in criminal proceedings for crimes in Leg. Decree 231/2001 or, if so, a detailed declaration of the crimes;
the predisposition of regulatory clauses of the violation of Leg. Decree 231/2001 (e.g. express resolutive clause, criminal);
signing of the Code of Ethics and declaration of the commitment to comply with it;
signed declaration of awareness of the regulations in Leg. Decree 231/2001 and of the implications for the Company and the commitment to comply with it;

- the drawing up of guidelines for checking banknotes;
- the drawing up of procedures for cash management;
- the implementation of a procedure against money laundering which contains the procedural implications and relative responsibility concerning operational aspects which derive from those regulations.

Specifically, those operation aspects regard the following activities:

- the use of various means of payment for the buying and selling of chips for gambling;
- the method of notifying the Casino Management (using the designated form) of any transaction suspected of money laundering;
- the training of all Casino personnel involved in the activities at risk of money laundering (staff at the gaming tables, cashiers, members of the gaming management).

Other offences

It can be declared, following the analyses undertaken, that the Casino is only abstractly exposed to the offences of subversive association, association for the purposes of terrorism, subversion of democratic order and assistance of associates in accordance with article 25d, to crimes against individuals in accordance with articles 25d-1 and 25e and to offences of market abuse as in article 25f.

As the Company is not significantly exposed to the above offences, no controls other than those in the adopted Ethical Code are implemented.

Control activities in the Integrated Management System

Within its structure, as well as implementing the organisation, management and control model pursuant to Legislative Decree 231/01, Casinò de la Vallée S.p.A. has developed a management system which conforms to ISO 9001:2008.

The voluntary application of these two regulatory models creates a unique Integrated Management System which permits the company to keep the processes under control, both from a preventative point of view for effective prevention against the committing of crimes within it, and from a quality point of view for customer satisfaction.

5 Supervisory and Control Board

General information

The legislative decree states, in article 6, paragraph 1, letter b), amongst others, that the organisation is not responsible for offences committed within it if the task of supervision of its running and its compliance to the agreed organisation and management model, as well as updating it, has been entrusted to an Organ (Supervisory Board) of the Organisation with powers of enterprise and control.

In compliance with this term, Casinò de la Vallée has established a Supervisory Board as a collegial body, which is nominated directly by the Administrative body.

In the context of the appointment of the Supervisory Board, the task of continually checking compliance with and adequacy of the model is assigned to the people responsible for company organisation, in order to guarantee the most solid and effective implementation of it possible, appointing the people responsible as effective operational and communication links between the Supervisory Board and the areas of business in which risks have been identified.

Each person in charge is therefore obliged to report to the Supervisory Board so as to allow compliance with and fulfilment of his own obligations for supervision of and compliance with the Model and with regard to the necessity of updating it.

The execution of the Supervisory Board's tasks is an essential element for the justification stated in the Decree.

Nomination and composition

The SB is a body of a collective nature and is made up of three (3) active members, one of whom has the role of president.

The members of the SB are selected from people who are qualified and are strongly professional and have the requisite of respectability, as set out in article 4, Decree 30 December 1998 no. 516. In order to guarantee the autonomy and independence of the SB, both external and internal members, who don't work in areas identified as "at risk", can be nominated.

The criteria which the company strives to have for the formation of the SB are:

- A composition of various people
- Professional internal and external resources
- Absence of potential conflicts of interest
- Competent internal personnel.

The components of the SB are nominated by the Administrative body with a resolution.

The salary awarded to each member for the role assigned to them is decided on with the same resolution.

The resolution of the nomination and the tasks and powers is communicated promptly via suitable means of communication.

Term of office, replacement and revocation of the components of the SB

The components of the SB stay in office for three years and the term can be renewed for the same length of time. In any case each person stays in office until a successor has been nominated.

If a component of the SB incurs one of the situations of incompatibility as set out in the following paragraphs, the Administrative Body, having gathered information regarding the facts and spoken to the interested party, establishes a period of not less than 30 days within which the incompatible situation must be terminated. If the incompatibility still exists at the end of that period, the Administrative body must revoke the contract. The contract will likewise be revoked if:

- there are such circumstances as to allow less autonomy and independence than is required by law;
- one of the members has been convicted, even if it is not yet definite, of one of the crimes set out in the Decree, therefore requiring a ban, even temporary, from public office, or incapability to carry out managerial roles;
- there aren't all the requisites of respectability in accordance with the following paragraphs.

It is possible for the members of the SB to leave the position at any time. In that case, they must send written communication to the Administrative Body, giving the reasons why they decided to leave.

If all members of the SB decide to leave their positions this won't take effect until the new members have been nominated by the Administrative Body. Otherwise the renunciation is effective immediately.

To protect the SB from the risk of an unjustified revocation of the position bestowed on one of its members by the Administrative Body, it is established that the latter can only revoke the position with good reason.

On that matter, good reason for revocation means:

- banning or incapability, that is a serious illness which makes one of the members of the SB unsuitable for carrying out the task of supervision, or an illness which makes it impossible to carry out their job for a period of more than six months;
- serious non-fulfilment of the duties identified in this model;
- serious negligence in the fulfilment of the task linked to the position;
- a final conviction of the company in accordance with the Decree, that is a prosecution concluded through a so-called "plea bargain", when resulting from the acts "omission or insufficient checks by the SB", according to what is set out in article 6, paragraph 1, letter D) of the Decree;
- a conviction, even if it is not yet definite, for one of the crimes set out in the Decree, therefore requiring a ban, even temporary, from public office, or incapability to carry out managerial roles.

In the situations described above, the Administrative Body will nominate the new member of the SB to replace the one who had the position revoked. If however the revocation is carried out with

good reason, under the terms stated above, for all members of the SB the Body will nominate a new SB without delay.

Requisites of the Supervisory and control Board

5.1.1 Autonomy and independence

Casinò de la Vallée is committed to guaranteeing the SB complete autonomy in its initiatives and to protecting it from any form of interference or conditioning. With that aim:

its components do not have directly operative jobs, taking into account the degree of exposure to the risk of crime in the role in which they operate and they don't have the chance of interference in the operations of the company;

in carrying out its role, the Board isn't subject to hierarchical and disciplinary powers by any bodies or company positions;

it reports directly to the Administrative body;

the adoption of its decisions and the determination of its activities are unquestionable.

5.1.2 Professionalism

To ensure the correct execution of its tasks, it is essential that the Body guarantees an appropriate level of professionalism. The relevant points regarding this are:

knowledge of legal matters (specifically of the structure and means of committing the presumed crimes and of the details of the Decree;

a detailed knowledge of the organisational structure of the company;

suitable skills in auditing and control (analysis techniques and risk assessment).

5.1.3 Respectability and absence of conflict of interest

This requisite is intended as follows:

the members of the SB are selected from people who are qualified and are strongly professional and have the requisite of respectability, as set out in article 4, Decree 30 December 1998 no. 516.

the components of the SB mustn't be related to the top management of the company and what's more, they must not be involved with anything that could generate a real conflict of interest.

5.1.4 Continuation of activity

The continuity of the SB's activity is guaranteed by the three-year period of the position, which can also be renewed, and the possibility of revocation only with good reason under the terms stated above.

The activity of the SB runs on a continuous basis and is explicable as:

a) execution of checks on the application of the control model through:

checks on the correct structuring of the corporate organisation;

substantial checks on the completeness of the application of the controls aimed at crime prevention;

b) continuous possibility of gathering identifications of risk of a crime being committed and generally speaking of all information necessary to carry out the controls;

c) continuous communication between members so as to identify new potential risks and share the results of the controls;

d) organisation of at least four meetings a year, in which:

the validity of the control model is revised also in light of the relevant regulations and laws; changes and integrations to the control model are suggested;

the execution of the agreed controls is checked, controls carried out by staff of the Board are revised and approved.

Requisites of individual members and cases of ineligibility and withdrawal

The members of the SB are selected from people, including those outside the company, who:

- are qualified experts in legal matters, control systems, management systems, auditing or experts in management;
- have notable skills on the basis of the following elements: personal characteristics, knowledge and skills (general and specific), education, experience and training (as specified in the regulations);
- aren't related to or have any relationship of less than the fourth degree with members of the board of auditors or with members of the bodies which they control or are controlled by;
- don't have a conviction, even if it is not yet definite, for one of the crimes set out in the Decree, therefore requiring a ban, even temporary, from public office, or incapability to carry out managerial roles.

The resources of the Supervisory Board

The Administrative Body assigns the SB the human and financial resources considered necessary to carry out the tasks assigned to them, and in any case appropriate for the size of the company and the role expected of the SB according to the degree of exposure to risk.

As far as financial resources are concerned, the Body can make use of the budget provided by the management and assigned annually at the suggestion of that Body.

As far as human resources are concerned, the SB can make use of the personnel assigned to it, of external consultants and of the help of all corporate structures.

In case of need, the SB can make a written request to the Administrative Body for the assignment of further human or financial resources and stating the reasons.

With reference mainly to aspects linked to the protection of health and safety at work (Leg. Decree 81/08) and to the laws against money laundering (Leg. Decree 231/07) the SB must make use of all the resources available for the management of the various aspects.

Convocation

The SB will meet whenever the President considers it necessary, or when at least one member makes a request to the president. It is in any case compulsory to have a meeting at least once every three months. Minutes are taken of every meeting and signed by the participants.

It is compulsory for all members of the SB to abstain from all activities of supervision and control if they find they have a conflict of interest.

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Obligation of confidentiality

The components of the SB are to keep news and information acquired whilst carrying out their jobs confidential.

The components of the SB ensure the confidentiality of the information that comes into their possession, especially if related to notifications of presumed violations of the Model, which they must prevent. Moreover, the components of the SB refrain from looking for and using confidential information for reasons other than those in article 6, or anyhow for reasons which don't comply with the role of the SB, unless there is express and conscious authorisation.

In any case, any information in the possession of members of the SB is to be treated in accordance with the legislation in force on the subject, and specifically, in compliance with Leg. Decree no. 196 of 30 June 2003 (personal data protection code).

Lack of compliance with the above stated obligations results in automatic annulment of the post of the members of the SB.

Tasks and powers of the Supervisory Board

In compliance with article 6, paragraph 1 of the Decree, which entrusts the task of supervision of and compliance with the Model and to attend to the updating of it, the Company's Supervisory Board has the following tasks:

- a. to check the adequacy of the Model, that is its suitability in preventing the occurrence of illegal conduct, and to draw attention to possible commissions or attempted commissions;
- b. to supervise the effectiveness of Casinò de la Vallée S.p.A.'s management system
 1. planning inspections and re-examining the results of previous inspections,
 2. examining the annual reports of the people responsible for the structure, so as to identify possible shortfalls in the functioning of the model and/or identify possible violations of it,
 3. carrying out checks on the activities and operations identified in the areas at risk (e.g. updating procedures, proxy system in terms of coherence between the powers bestowed and activities carried out, knowledge of the Model),
 4. carrying out periodic meetings with the top management of the Casino and with the auditing company in order to examine, check and discuss progress of the organisation and management model,
 5. encouraging meetings with the Administrative Body each time it is deemed necessary to examine or intervene, so as to discuss matters inherent to the functionality and efficiency of the organisation and management model.
- c. to check the effectiveness of the model, that is the similarity between real conduct and that set out in the Model itself;
- d. with the objective of monitoring company activity, and the operation of the whole system of

preventative management with reference to the health and safety at work sector, to carry out periodic and spot checks and related follow-up checks;

e. to establish an effective and efficient system of internal communication so that information relevant to the decree (notification of possible violations and/or lack of compliance with the model) is reported;

f. to supply complete, timely, accurate, accessible and continuous training and information to the Company employees and collaborators, especially the promotion and explanation of initiatives for the diffusion of knowledge about the decree and the consequences of its application (organisation and control model, risk analysis etc.);

g. to arrange updates to the Model;

1. assessing the initiatives necessary for updating the model, including those still to be adopted, with the collaboration of those qualified,

2. assessing the organisational/management changes and the legislative adaptations to the compulsory laws, in terms of their impact on the organisational and management model,

3. prearranging suitable measures so as to keep the mapping of the risk areas up to date,

4. suggesting to the Administrative Body changes to the model made necessary due to significant violations of the regulations, because of mutations to the organisation, legislative interventions which require it to be adapted or the commission of a crime,

5. prearranging the carrying out of risk analysis for new elements or redefinition of the risk due to objective necessity.

h. to guarantee the flow of information to the Company's top management;

i. to supervise compliance with the laws against money laundering, together with all people with the task of management control, whatever their title (article 52, Legislative Decree 231 /07).

With regard to updating the model, it should be stated that the adoption of possible modifications to the model is the task of the Administrative body, which is directly responsible for the adoption and effective implementation of the model itself.

In carrying out its job, the SB is always obliged:

to keep a record, including through filling in and conserving the designated registers, of all activities carried out and the measures adopted;

to keep a record of the notifications and information received, in order to guarantee the traceability of the interventions;

to keep a record of and conserve all documents.

For the execution of the jobs assigned to it, the company management recognises all of the Board's powers needed to ensure a timely and efficient supervision, specifically:

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- to carry out all inspections deemed necessary, even without prior notice;
- to have free access to all operational areas, to the archives and to corporate documents;
- to make use of the help of all structures of the company or external consultants, under its direct supervision and responsibility;
- to make the financial resources allocated by the Administrative Body directly available.

5.1.5 Supervision of compliance with the law against money laundering

With article 52 of Legislative decree 231/2007 (which introduced the new offences of receipt, laundering and use of money, goods or utilities of illegal origin in the Legislative decree 231/2001) new tasks for the Supervisory Body have been outlined.

The duty of supervision of compliance with the law against money laundering also requires the duty to:

- communicate to the supervisory board of the sector, without delay, all proceedings or deeds which come to their knowledge when carrying out their job, which could be a violation of the obligations of adequate checks of the client or regarding the organisation, the registration, the procedures and the internal controls, aimed at preventing involvement in operations of money laundering or financing terrorism;

- communicate to the owner of the activity or to the legal representative or his proxy, without delay, the violation of the duty to notify of suspicious transactions of which they are aware;

- communicate to the Minister of economy and finance, within thirty days, violations: of the ban on the use of cash and/or bearer securities above the legal limit; of the ban on the use of blank bank cheques or giro cheques and, if of a higher amount than that permitted by law, without the non-negotiable clause; of the ban on the use of deposit books with a credit balance higher than that permitted by law and of the ban on the use of anonymous savings books or accounts or in a fictitious name;

- communicate to the UIF (Financial Information Unit), within thirty days, violations of the duty to record client data and other requirements of article 36, of which they are aware.

Flow of information to the Supervisory Board

In accordance with article 6, paragraph 2, letter d) of the decree, it is obligatory to inform the Supervisory Board of any situations of potential risk, or of actions which constitute violation of the system.

There is also a duty for the people responsible for the structure to report information; specifically, such people must report periodically, or in any situation in which there is further necessity, to the SB on the activity carried out (controls undertaken, changes to the operative procedures suggested, new activities set up, which are exposed to the risk of crimes stated in Leg. Decree 231/2001), through designated forms or written reports.

5.1.6. Notification

Company personnel (that is, external collaborators) who intend to notify of a violation (or presumed violation) of the System must contact the Supervisory Board via a special email address or via written communication. In the case of anonymous communication and not in a written form, the Supervisory Board will assess it at its discretion and according to the seriousness of the violation denounced.

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The Supervisory Board guarantees the anonymity and confidentiality of any information inherent to the notifying person, except those required by law, so as to protect him from any retaliation.

5.1.7 Activation of the SB

The SB examines all notifications which are brought to its attention, they assess them and if they deem it necessary, they set in motion all the necessary investigations, such as;

- summoning the person responsible for (or presumed to be) the violation;
- involving the people affected by the notification;
- gaining access to any source of company information, document or data deemed relevant to the inquiry.

5.1.8 Other information

It is the duty of the whole Organisation (corporate bodies, directors, managers and employees) to communicate promptly to the SB information regarding:

- measures and/or news from any legal authority which results in the execution of investigations into illegality, in accordance with Leg. Decree 231/2001, which the company can be involved with;
- requests for legal assistance from employees if legal proceedings are brought against them, in accordance with Leg. Decree 231/2001;
- reports of the managers of the operative units with acts or omissions contrary to the regulations in accordance with Leg. Decree 231/2001;
- news regarding the disciplinary procedures and possible sanctions imposed on employees, or regarding the provisions for archiving those procedures, with the relevant motivation;
- decisions related to the request, granting and use of public financing and basically any other relationship entered into with the Public Administration, which isn't one of those identified as existing when arranging the risk analysis;
- the type, number, recipient and motivation regarding all donations made;
- all possible notifications not checked in good time by the designated person, concerning possible shortfalls or inadequacies in the workplaces or equipment, that is safety equipment made available by the Company, and any other dangerous situations connected to health and safety at work.

A periodic flow of communication is established from the people responsible for the structures to the SB, of information regarding the company's activity, which could be relevant to the execution of the Board's job, specifically:

- the list of open and closed current accounts
- the list of deviations between amount paid, Purchase Requests, order/contract
- contracts for professional consultancy
- the list of donations, sponsorships, study grants and commodities
- reports of the Board of Auditors and/or the Auditing Company
- periodic reports on the subject of health and safety at work, and especially reports of the periodic meetings in accordance with article 35 of Leg. Decree 81/08, and all data regarding incidents at work which have taken place
- news related to any possible violation of the obligations to identify and to check the identity, record and notify of suspicious transactions
- the annual balance sheet, with related supplementary notes.

The list can be integrated from time to time following specific requests by the SB to the various people responsible for the structure.

Having assessed the notifications, the Board plans its activity, including that of a supervisory nature, using the necessary resources.

For issues connected to the protection of health and safety at work, and to the laws against money laundering, the SB can make use of the resources provided by the company for the management of related aspects.

Reporting and document management

In order to maintain its total autonomy and independence, the SB reports directly to the Administrative Body.

During the approval of the balance sheet, the SB reports:

via written reports, regarding the state of affairs of the System, with specific reference to the results of Supervisory activity carried out during the year and to appropriate interventions for the implementation of the System;

via the internal annual audit plan prepared for the following year.

The SB can be convened at any time by the Administrative body to report on specific events or situations related to the efficiency of the Model; likewise, it can ask the above mentioned body, whenever opportune, for a check or intervention on the adequacy of the Model.

6 Supplying training and information to staff

With the scope of rendering this model effective, the Casino aims to guarantee good knowledge and diffusion among the staff of the rules of conduct contained herein. This aim refers to all company resources – both those already in existence in the company and those to be added. The amount of training and information will be supplied in varying degrees of detail depending on both the different amount of involvement of these resources in the risk activities and the role of the trainee, on the level of risk in the area in which they work and whether or not they have a role in representing the company.

Specifically, different levels of information and training, through appropriate means of diffusion, are provided for all managers and other employees through specialist training according to the level of risk and the type of job carried out.

The supply system of information and training is supervised and included in the Supervisory Board's job in collaboration with the Human Resources managers and with the managers of other areas involved in the application of the Model, on a case-by-case basis. Special attention will be given to training employees in top management positions.

In addition, the Casino will give new employees an information pack with which they can acquaint themselves with the most relevant rules. Apart from the rules given to new employees, the information pack contains the Ethical Code and an explanatory presentation of the model with indications on where it can be consulted. Employees must give the casino a signed declaration that the information pack has been received, the main elements of the model have been absorbed and a commitment to observe the regulations has been made.

In order to check the effectiveness and efficiency of the training, the Company will keep a record of:

- the training programme;
- the didactic material provided;
- the list of the participants in the training;
- where possible, the tests of progress/satisfaction with the training received from the personnel.

6.1.1 Supplying information to consultants and partners

The Casino guarantees that adequate information on the principles of the model will be supplied to consultants and partners through explanatory material. On receipt of the information, the consultant/partner must sign a declaration that they are aware of the existence of the Model, the Ethical Code and the principles contained in them and that they make a commitment to respect them.

7 System of sanctions

Casinò de la Vallée S.p.A. condemns any conduct other than that set out in this model and in the Ethical Code, even if such conduct takes place in the interests of or to the benefit of the Company.

The system of sanctions of this model aims solely to reinforce its effectiveness and all staff's compliance with it.

The agreed disciplinary measures are not a substitute for further possible sanctions of a different nature which may result from the same offence (criminal, administrative, civil sanctions).

The disciplinary measures set out in this model are enforced by the Personnel Director following justified notification only by the Supervisory Board.

The adequacy of the disciplinary system in complying with the Decree must be continually monitored by the Supervisory Board.

7.1.1 General criteria for imposing sanctions

The type and extent of the sanctions to apply, once the violation has been assessed, is defined on the basis of the following criteria:

- assessment of the conduct on the basis of intent, guilt, negligence or inexperience,
- the importance of the duties violated;
- the level of responsibility of the subjects involved on the basis of hierarchical criteria;
- the presence of aggravating or extenuating circumstances.

The following actions are disciplinary violations, for which the sanctions set out in the following paragraphs can be applied:

- non-fulfilment of the duties of supervision and control by people who have that responsibility over their subordinates;
- violation, through commission or omission, of the procedures stated and/or put into effect for the fulfilment of the model;
- lack of collaboration or reticence of personnel to provide the SB with information;
- violation of the duty to communicate to the SB, according to the flows of communication established in this model;
- drafting and facilitation in drafting incomplete and false documentation;
- omission in drafting documentation required by this model or by the agreed procedures for its fulfilment;
- violation or evasion of the control system set out in the model.

7.1.2 Sanctions for employees

For employees, the Decree states that the disciplinary system must respect the limits connected to the disciplinary powers imposed by article 7 of law no. 300/1979 (the so-called "Statute of workers") and by the collective negotiation of the sector or company, regarding both the sanctions applicable and the way in which the powers are exercised.

With reference to the applicable sanctions, it is specified that they will be adopted and applied in accordance with the procedures set out in the national and corporate collective regulations applicable to the working relationship.

On the understanding of the principle of connection between the applicable disciplinary measures and in the cases in which they can be used, when imposing disciplinary sanctions, the relationship between the violation and the sanction must be considered.

The violation of the regulations in the model could constitute non-fulfilment of the contractual obligations, with all consequences of the law and especially in accordance with articles 2104, 2106, 2118 and 2119 of the Civil Code, and article 7 of law no. 300/1970.

The sanctions identified are:

- a verbal reprimand for violations of little importance;
- a written reprimand for a repeated violation of little importance;
- suspension from work for very serious violations which increase the degree of exposure to risk of a crime being committed;
- dismissal for non-fulfilment of contractual obligations, for the violation of the provisions of the model resulting unequivocally in the commission of a crime covered by the Decree.

7.1.3 Sanctions for managers

If managers violate the general principles of the model, the rules of conduct imposed by the Ethical Code and the company procedures, the Company will undertake to impose on the people responsible measures considered appropriate according to the violation committed, also taking into consideration the level of trust which exists in the relationship between the company and the manager.

The sanctions identified are:

- a verbal reprimand for violations of little importance;
- dismissal for very serious violations of the provisions of the model.

7.1.4 Measures for directors

If the administrative body of the organisation violates the law in force, the Model or the Ethical Code, the Supervisory Board will inform a representative of the Regional Council if no other organisation is available.

The sanctions identified are:

- formal written recall for violations of little importance;
- pecuniary disciplinary sanctions and total or partial revocation of the proxy, for serious violations;
- revocation of the appointment, for violations which are so serious as to ruin the Company's trust in him. The revocation is decided by the Assembly.

7.1.5 Measures for Service Companies and other third parties

Every violation of the law in force, the Model or the Ethical Code by the Service Company or other parties with whom the Company has a contract for a business relationship will be sanctioned according to specific clauses, added to the relative contracts, based on the regulations of the applicable law, on acts of withdrawal for legitimate reasons, with every possible result including those in the area of compensation.

The possible request for compensation is still valid whenever such conduct causes real damage to the Company, like when the judge applies the measures set out in the Decree to the Company.

7.1.6 Measures for consultants and partners

Consultants and partners are excluded from the disciplinary procedures and measures described above in relation to the law in force for employees.

In any case, whenever conduct which opposes the regulations in this Model is discovered, the perpetrators will receive a written reprimand and/or, in more serious cases (adapted according to elements such as wilfulness, previous violations of the Model by the same person, level of representation of the organisation etc.) and based on the regulations of the applicable law, on acts of withdrawal for legitimate reasons, with every possible result including those related to compensation.

Such action is motivated by the fact that it is in the interests of the Company to extend, as much as possible, the culture of the legality of the Company including to all those with whom it has contact, even occasionally; therefore special clauses are added to the contracts, in which these parties are required to formally adhere to all of the procedures of conduct in existence in the company.