



Dear Vendor,

as part of the ongoing process of developing its manufacturing organization and enhancing the reliability and credibility of the brand at international level, in 2001 LOTTO introduced its first model of General Sourcing Policy. In view of developments in thinking and as a result of further dialogue with external organizations representing sports industries federation and workers unions, LOTTO has decided to revise the Policy. The ideals of LOTTO are the ideals of sport, and LOTTO seeks to promote fairness, honesty, mutual understanding and high ethical standards not only on the sport fields but also in the factories which make LOTTO products. These principles are based on the international labour standards outlined in the relevant Conventions of the International Labour Organization (ILO), as well as on the Code of Conduct promoted by the Worldwide Federation of the Sporting Goods Industry (WFSGI). LOTTO also acknowledges that factories operate under different legal, economic, social and cultural environments and these differences merit understanding and respect.

Suppliers, as so as their eventual subcontractors, must ensure that all activities related to the manufacturing of LOTTO products, at least comply with all relevant applicable mandatory legal requirements, but in any case under appropriate working conditions and without the use of child labor. All of our Suppliers are also requested to spend particular attention to the requirements of the International Customs Service in terms of shipment documents. All the merchandise shipped must be properly labeled and documented as to country of origin and accompanied by any relevant commercial documents (visa, quota, invoices, packing lists, etc.). Each Supplier is also requested to ascertain the security of the products, for which he will be fully responsible. In this regard, he is expected to take all the necessary steps to guarantee that any shipments to LOTTO are secure and that do not contain prohibited materials/substances, drugs, weaponry or any other kind of illegal or smuggled goods.

LOTTO's Affiliates may refuse to accept deliveries, may return or cancel orders for products that were not manufactured in compliance with these standards.

Please, ensure that your Company is adhering to these standards!

Here enclosed is a copy of the General Sourcing Policy for your reference, if you have any questions or comments, please, contact our Legal Office at:

direzione.generale@lottosport.com

With Best Regards,

**Gianni Lorenzato
EVP – CFO&COO
Lotto Sport Italia SpA**

GENERAL SOURCING POLICY

Lotto Sport Italia SpA (LSI) is concerned about the safety and fair treatment of the workers involved in the manufacturing of the goods, wherever the workers are located. For this purpose LSI has set forth the following General Sourcing Policy, which shall apply worldwide to the production factories. LSI guidelines require all of the Suppliers to comply with certain employment standards that LSI believes should be universally recognized notwithstanding more relaxed standards (if any) which may be provided by applicable local laws.

When selecting its Suppliers, LSI takes great care to choose reputable business partners who are committed to ethical standards and business practices in accordance with those of the Company. At the very minimum, LSI expects its Suppliers to comply with all legal requirements applicable to the conduct of their business.

Each of the Company's Suppliers agrees that, by accepting orders from LSI or any of its Affiliates, it will conform to and implement the terms of these General Sourcing Policy and require the same from each of its subcontractors. Every Supplier acknowledges that, should he fail to fulfill this agreement, LSI will be forced to reevaluate and possibly terminate, its business relationship with such Supplier.

Employment Standards. LSI will only do business with Suppliers whose workers are, in all cases, present voluntarily, compensated fairly and allowed the right of free association and who are neither put at risk of physical harm, discriminated against, nor exploited in any way.

In particular, it is LSI's policy that:

Child Labour. Child labor is not permissible. Workers may not be younger than 15 years of age (or 14 where local law permits) or the age for completing compulsory education if higher.

Forced Labour. Employers shall not use forced labor, whether in the form of prison labor, bonded labor, or otherwise. No employee can be compelled to work through force, the threat of force, or intimidation of any form.

Wages and Benefits. Employers recognize that wages are essential to meeting employees' basic needs. LSI will only deal with Suppliers who compensate their employees fairly by providing wages, benefits and leave that, must be equal or exceeding the minimum wage or the prevailing sports industry wage, whichever is higher. In addition to their compensation for regular hours of work, employees shall be fairly compensated for overtime hours.

Working Hours. LSI will only deal with Suppliers who maintain reasonable work hours. Workers shall not be required, except in extraordinary business circumstances, to work in excess of 60 hours per week, including overtime, or the local legal requirement, whichever is less. Employees shall be entitled to at least one day off per week.

Health and Safety. LSI will only deal with Suppliers who provide their employees with a safe and healthy work environment, designed to prevent accidents and injury to

health arising out of or occurring in the course of work. At the very least, the Company requires that its Suppliers comply with all applicable, legally mandated minimum standards for workplace health and safety. This includes protection from fire, accidents, and toxic substances. Lighting, heating, ventilation system and sanitary facilities should be adequate. Factories must have safety and health policies and procedures that are clearly communicated to the workers.

Discrimination. LSI believes that employment should be based on ability and not on belief or any other personal characteristics. Thus, LSI will only deal with Suppliers who do not practice discrimination in hiring or in other aspects of employment on the basis of gender, race, nationality, social or ethnic origin, religion, sexual orientation, political opinion, age, disability or similar factors.

Harassment and Abuse. LSI expects all employees to be treated with respect and dignity. Thus, LSI will not deal with Suppliers whose employees are subject to physical, sexual, psychological or verbal harassment or abuse.

Freedom of Association and Collective Bargaining. LSI expects all of its Suppliers to grant their employees the right to choose to affiliate with legally sanctioned organizations or associations of their own choosing, and to bargain collectively. Where the right to freedom of association and collective bargaining is restricted under law, the employer shall consider the development of parallel means for independent and free association and bargaining.

This General Sourcing Policy is distributed by the Company to each of its Suppliers. In order to assure that the guidelines' contents are available to the Vendors whose well-being is their object, the Company also requires its Suppliers to post these General Sourcing Policy prominently on the premises where goods for the Company are manufactured.

These guidelines are integral parts of our purchase agreement with our Suppliers. To assure its Suppliers' conformity with these General Sourcing Policy, LSI reserves the right to make unannounced inspections of its Suppliers' facilities.

Moreover, every shipment of goods to the Company must be accompanied by a certificate from the Supplier confirming, in respect of the goods included in the shipment, that the Supplier and each of its subcontractors have complied with the terms of these guidelines and that, in particular, no child labour was employed in the manufacture of such goods.

Suppliers agree to maintain and provide, upon request, all documentation necessary to demonstrate and to assure compliance with the General Sourcing Policy.

LSI welcomes questions and comments regarding this General Sourcing Policy, all of which should be sent to the Company's Legal Office at the following address:

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Via Montebelluna 5/7
31040 Trevignano (TV) Italy
direzione.generale@lottosport.com