

## CITY OF VENICE

*Open Procedure for the award of the operating concession for the gambling house of Venice, conditional on the prior sale of Venezia Casinò Gioco S.p.A., a company wholly owned by CMV S.p.A.*

### ANNEX 1 TO TENDER SPECIFICATIONS

#### DUE DILIGENCE REGULATIONS

##### 1. SCOPE

**1.1.** The purpose of these Regulations is to establish, as part of the Procedure, the Due Diligence process that must be followed by Operators who, in accordance with Articles 3 and 4 of the Tender Specifications, are legally qualified to make acquisition bids.

**1.2.** Due Diligence will consist of:

- access to the virtual data room set up and administered by the Municipality of Venice (the "City") and to the documents therein submitted by CMV S.p.A. ("**CMV**"), Casinò di Venezia Gioco S.p.A. ("**CV Gioco**") and, to the extent applicable, by Meeting and Dining Services Ltd. ("**M&D**"), a wholly owned subsidiary of CdV Gioco. The "data room" is to be found at the website <https://vdr.multipartner.com/casinovenetia> under the section Restricted Area;
- a presentation of CV Gioco by the management of CMV, CV Gioco, M&D and any of their consultants (the "**Management Presentation**");
- a visit to the premises of the gambling house for the required on-site inspection (the "**Site Visit**"). The visit to the sites shall be certified by appropriate documentation issued by the Procedure Officer.

##### 2. DATA ROOM

**2.1.** For the period specified in the Schedule, the data room shall be:

- a) fully available in electronic format (pdf or, if required, doc);
- b) accessible at the dedicated internet address <https://vdr.multipartner.com/casinovenetia> under the Restricted Area;
- c) structurally divided into distinct areas that allow a detailed examination of the documents;
- d) available for perusal remotely via the web using a simple internet connection, preferably broadband.

The Data Room Officer is il Dott. Piero Dei Rossi at the offices of the Municipality at S. Marco

4136 Venice, email: piero.deirossi@comune.venezia.it (the "Officer").

**2.2.** In particular, the following shall be made available in the data room:

- the disclosure document relating to CdV Gioco prepared by KPMG Advisory S.p.A. ("**Information Memorandum**");
- the lease agreements relating to the properties currently occupied by the gambling house (the "**Lease Agreements**");
- the act of incorporation of CMV Gioco and M&D and a copy of their registration with the Chamber of Commerce;
- the shareholder register of CMV Gioco M&D;
- the current articles of incorporation of CMV Gioco and M&D;
- the company books and records for the past 3 years of CMV and for the last 2 years of CdV Gioco and M&D relating to: i) shareholders' meetings, ii) the board of directors; iii) the statutory auditors;
- copies of any contract, resolution, title, or any document whatsoever conferring the right to acquire or subscribe to any shares of CMV Gioco or M&D;
- annual reports and the provisional and final annual financial statements of CdV Gioco and M&D for the last 3 years, including the current year;
- any such further documentation as indicated in the list attached to these Due Diligence Regulations;
- any other document that, at their own discretion, the City, CMV, CdV Gioco and M&D deem useful;
- the right to request additional information and/or clarification on what has been made available (the "**FAQ**").

**2.3.** The City reserves the right to change the terms and conditions or dates of the Due Diligence, in which case it must provide prompt written notice to the Procedures Officer.

### **3. CONDITIONS AND PROCEDURE FOR ADMISSION TO THE DATA ROOM**

**3.1.** To gain admission to the data room, the applicant must present the following documents to the Procedures Officer:

- 1) A request for access to the Due Diligence, the module for which is provided in Annex 3. Pursuant to Presidential Decree no. 445 of 28 December 2000, the request must be accompanied by a declaration issued by a person who is an enrolled member of the professional association of external auditors or, if outside Italy, of an equivalent body in accordance with the law of the

relevant country, to certify that the Operator seeking access to the documents meets the criteria as set forth in article 4 of the Tender Specification regarding economic, financial and technical capacities;

2) a promise to protect confidentiality, to be made by filling out the module provided in Annex 4 (“**Confidentiality Clause**”);

3) Due Diligence Regulations, signed for acceptance;

4) the Schedule, signed for acceptance.

The foregoing documentation, signed by a person duly authorized and accompanied by a copy of a valid identity document, a copy of which shall have been email ed in advance to \_\_\_\_\_@\_\_\_\_\_ should be sent by ordinary post to the Procedure Officer (by means of registered letter with acknowledgment of receipt) or, alternatively, delivered by hand no later than 4 p.m. (Italian time) on 00/00/201\_. Upon receipt of the documentation, the Procedure Officer, using the email address provided by the applicant in the module requesting access to the Due Diligence reports, shall issue login credentials (user account and password) for access the data room, or else shall provide reasons for turning down the request.

#### A) Consultation

Those parties that have received credentials for access to the data room (the “**Authorized Parties**”) may proceed without restriction to consult the documentation available there, unless prevented by force majeure.

#### B) Requests for additional documentation and/or information and clarification

Each of the Authorized Parties may apply to the Procedure Officer for further information/clarification or documentation. The answers to such requests and any additional documents shall be published at the following dedicated internet address <https://vdr.multipartner.com/casinovenetia> in the pages contained in the “Restricted Area” of the site.

#### C) Essential Contents

Without prejudice to the Confidentiality Clause, the data room shall make available all such information as may be necessary to make a proper appraisal of the essential economic terms of the transaction.

### 4. OBLIGATIONS

**4.1.** All documentation contained in the data room, as well as any additional intelligence acquired in the course of Due Diligence, constitute confidential information to which the Authorized Parties have access and are subject to the restrictions of the Confidentiality Clause.

**4.2.** By virtue of the Confidentiality Clause, Authorized Parties are required to:

- 1) maintain the confidentiality of documents, protect the user account names and passwords that were communicated to them solely for personal use, and not to share the same with any third party;
- 2) ensure that each assigned user account is used only by the person to whom it was given;
- 3) take adequate, including ICT-based, precautions to protect the confidentiality of the information made available on the site <https://vdr.multipartner.com/casinovenetia>.

## **5. LEGISLATIVE DECREE 196/2003**

Authorized Parties are aware that the examination of the documentation contained in the data room must be done in full compliance with the provisions of Legislative Decree 196 of 30 June 2003 (the "**Decree**"), and this activity should be carried out exclusively on the site <https://vdr.multipartner.com/casinovenetia> which hosts the data room for the exclusive purpose of the Procedure. The Authorized Parties, pursuant to and for the purposes of adhering to the terms of the Decree, agree to adhere scrupulously to the provisions established by the Due Diligence Regulations relating to the organization of the data room, and further agree that any operation they carry out in relation to the documentation contained therein shall be lawful and ethical.

## **6. DISCLAIMER**

**6.1.** The Officer has set up the data room in electronic format, using industry best practices. In no way may the Officer be held liable for the completeness and/or accuracy of the information and data provided.

**6.2.** The Authorized Parties herewith explicitly acknowledge that the documentation made available in the data room may be modified or added to.

**6.3.** The Authorized Parties herewith agree that any offers they may make shall be based exclusively on their independent judgment and assessment of the data and information available.

**6.4.** By signing this document you agree unconditionally and unreservedly to the present Regulations.

## **7. MANAGEMENT PRESENTATION**

**7.1.** The Management Presentation shall take place at the registered premises of Ca 'Vendramin on the dates and at the times indicated in the Schedule.

**7.2.** The exact date of the Management Presentation shall be announced via email to each Operator with reference to the latter's availability.

## **8. SITE VISIT**

**8.1.** The Site Visit shall be held on the same day as the Management Presentation, according to the programme given in the Schedule.

**8.2.** The exact date of the Site Visit shall be announced via email to each Operator with reference to the Operator's availability.

I have read and agree to the above:

In witness whereof,

\_\_\_\_\_, (in/at) \_\_\_\_\_

Date / Place

\_\_\_\_\_

Operator Name (affix company seal here)

\_\_\_\_\_

I have read and accept the above (full signature of the legal representative or a duly authorized proxy assigned the necessary powers and the company seal of the Operator).