

PARMA CALCIO 1913 S.R.L.

Organisation, Management and Control Model in accordance with D.LGS. 8 June 2001 N 231 and Article 7, Section 5 of the Statute. F.I.G.C.

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PARMA CALCIO 1913 S.R.L.

**MODEL OF ORGANISATION, MANAGEMENT AND CONTROL IN
ACCORDANCE WITH D.LGS. 8 JUNE 2001 N. 231 AND WITH
ARTICLE 7, SECTION 5 OF THE STATUTE F.I.G.C.**

GENERAL PART

DEFINITIONS

The following definitions refer to all of the parts of the Model, notwithstanding other possible definitions within the singular special parts.

Risk Areas

The activity areas of the company in which there is a risk that violations and offences could be committed

CCNL and Collective Agreements

The Collective National Work Contracts and the Collective Agreements applied by the company including the collective agreements for example art.4 of the Law 23RD March 1981 n.91 and its subsequent modifications.

Ethical Code

The ethical code adopted by the company and its relative updates.

External Collaborators

All external collaborators collectively considered, in other words, Consultants, Partners and Suppliers.

Consultants

Individuals who act in the name or on behalf of the Company with a contract, mandate or another contractual arrangement for professional collaboration.

Addresses

Company representatives (trustees, auditors, liquidators, managers and company employees) and external collaborators, and more generally, anyone, with any title, who works in any 'tangible' field on behalf of or in the interest of the Company.

Employees

Individuals who have a subordinate work relationship with the Company.

Decree

The D.Lgs. 8th June 2001 n. 231 and subsequent modifications and additions.

Suppliers

The suppliers of goods or services to the Company who do not fit into the category of Consultants of Partners

Public Service Appointee

In accordance with art. 358 c.p. " *A public service appointee is anyone , with any title, who provides a public service. Public service must intend an activity carried out as a public function but characterised by the lack of the typical powers of the latter and with the exclusion of the operation of simple organisational or merely material tasks.*"

Guide Lines

The Guide Lines adopted by Confindustria for the predisposition of the models of organisation, management and control in accordance with art. 6 , third paragraph of the S.Lgs 231/2001.

Model

The Model of Organisation, Management and Control outlined in the D.Lgs. 231/2001, as well as in art. 7, section 5 of the Statute F.I.G.C.

Supervisory Board (OdV)

The Internal Control Body for the supervision of the functioning and the observance of the Model as well as the relative updates.

Control Bodies

The board of statutory auditors and the audit body (the auditors or the audit company)

Social Bodies

The CEO, the board of statutory auditors and their members.

P.A.

The Public Administration and with reference to the violations regarding Public Administration, Public Officials and the Public Service Appointees including the fulfilments of the their functions of a legal nature, the F.I.G.C.

Public Officials.

According to the art. 357 c.p. "*public officials are those who exercise a public legislative, legal or administrative function . In the same way, it is public the administrative function of public law and by authoritative acts characterised by the formation or manifestation of the willingness of the Public Administration or by its use of authorities or certified powers*".

Violations and Offences

The particular cases of violation or offence to which the discipline as stated in the D.Lgs. 231/2001 are applied by the administrative responsibility of the bodies.

Internal Manager

Individual within the Company to whom is attributed by the CEO or by a manager with this task, the sole or shared responsibility of operations in the Risk Areas.

Evidence Sheet

Document, which identifies the Partner, supplier, or third party, the object of the contract, the references and the criteria of the agreement.

Company (or Parma Calcio)

Parma Calcio 1913 S.r.l.

Senior Management

The people entrusted with representation, administration or management of the body or of an organised unit with financial and functional autonomy as well as people who carry out their management .

Subordinates

People who work for or are supervised by one of Senior Management.

Introduction

Parma Calcio 1913 S.r.L is aware that social interests and the predefined company objectives must be carried out with the upmost respect for the Law, for the regulatory provisions and the code of ethics stated in the Ethical Code of the Company. Parma Calcio 1913 S.r.L would like to also ensure correct and transparent conditions for business affairs and company activities, to protect its own position and image and in conjunction with a larger *risk management* project.

Parma Calcio 1913 S.r.L therefore , in compliance with its own policies, follows the Model of Organisation, Management and Control of D.Lgs. 231/2001.

For the same reason, the Company has launched a project to analyse its own instruments for organisation, management and control, to verify their compliance with the behavioural principles and the procedures adopted from the Decree.

The Company, sensitive to the necessity to guarantee the respect of the principles of loyalty, fairness and probity stipulated in art. 1, paragraph 1 of the Code of Sportive Justice, it also adopts the Model conforming to the prevision in art.7 , section 5 of the Statute F.I.G.C.

CHAPTER 1 STANDARD REGULATORY FRAMEWORK

1.1 THE LEGISLATIVE DECREE OF 8th JUNE 2001, N.231

1.1.1 THE ADMINISTRATIVE RESPONSABILITY REGIME OF THE CORPORATIONS

The Legislative Decree n.231 of 8th June 2001 contains the "*Discipline of the administrative responsibility of judicial persons, of the company and also of associations without any judicial entity*" in compliance with the art.11 of the Law 29th September 2000 n.300 (below the "Decree"), brought into force the following 4th July, introduced into ordinance the responsibility in the penal office of the corporations (judicial persons, companies and associations also without judicial entity), as well as of the physical people that represent and that realised the offence.

According to this guideline, the corporations can be held responsible and consequently sanctioned for violations committed or attempted in the interests of or to the advantage of the corporation itself, by Senior Management or Subordinates.

1.1.2 FUNDAMENTAL PRINCIPALS OF THE DECREE AND OF THE RELEVANT REGULATIONS

The Decree introduced into the Italian ordinance a regime of corporation responsibility in an administrative sense but also with many overlaps with penal responsibility.

According to the Decree, the corporation is responsible for the violations committed in its interests or to its advantage by:

- physical people who work within the representation, administration of management of the corporation itself or by one of its organisational units with functional or financial autonomy, as well as
- physical people who are tasked with the management or control of those corporations (Senior Management)
- Physical people who are managed or supervised by one of the people indicated above (Senior Management)

Such as responsibility is added to the penal responsibility of the physical person who committed the violation. It is important to underline that the corporation is not responsible, as expressed in the legislation (art.5 paragraph 2 of the Decree) if the people indicated above worked in their own interests or in those of a third party.

When the person who committed the violation falls into the Senior Managers category, the presumption of responsibility is established, considering the fact that such a person physically expressed, represents and realises the managerial policies of the corporation. On the other hand, there is to be no presumption of responsibility of the corporation when the person who committed the violation is a subordinate. The corporation is held responsible only if the violation was made possible due to failure in supervision/management.

The responsibility as stated in the Decree also applies in relation to violations committed abroad, as long as no action has been taken by the State in which the violation was committed.

The responsibility for an administrative offence originating from a violation is processed legally. Regarding this, art.36 of the Decree declares that “*Understanding a corporation’s administrative offences of the is the task of the penal judge dealing with the violations from which they derive. The investigation of an administrative offence should follow the same court and procedural conditions for the violation on which the offence depends on.*”

There is an obligatory consolidation of all proceedings: The proceedings regarding the corporation must remain connected as much as possible to the penal proceedings regarding the physical person who committed the violation due to the presumed responsibility of the corporation. (art. 38 of the Decree). A similar rule can also be found in the second paragraph of the same article regarding the discipline of cases in which an administrative offence is investigated separately.

The corporation will participate in the criminal proceedings with its own legal representative unless they are already occupied with the violation on which the administrative offence depends; when the legal representative is not present, the corporation will be represented by a defence lawyer.

1.1.3 The Sanctions

The sanctions established against corporations, as a consequence of a violation being committed or attempted are:

- Financial sanctions, determined by a system of quotas which consider the economic and patrimonial conditions of the corporation (each quota can correspond to a figure which ranges from a minimum of € 258,00 to a maximum of € 1.549,00);
- Prohibitory sanctions (also applicable as a cautionary measure where an activity ban can last more than 3 months but less than 2 years) The activity ban, the suspension or withdrawal of authorisations, licenses or concessions (linked to the offence committed), the prohibition of negotiations with the Public Administration, the exclusion or withdrawal of funding or grants, the banning of advertising goods or services:
- confiscation (or precautionary seizure) of the corporation's profits from the violation or equivalent.
- The release of the sentence (in the case of an application for a prohibitory sanction)

1.1.4 Violation Cases

The corporation is held responsible only for the violations explicitly indicated in the Decree, with its subsequent additions, as well as the laws, which expressly call for the Decree's discipline.

The Decree is in continuous evolution and many different categories of different violations have been added to it over time. Some are violations typical of and exclusive to the activity of the business; others, on the other hand, normally fall outside of the true business activities and belong to a group of activities linked to organised crime.

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The following briefly lists the macro categories of currently relevant violations as according to the Decree:

- Offences against Public Administration (art . 24 and 25 of the Decree);
- Offences against public trust , the subject of forging money, legal tenders and revenue stamps (Art. 25-bis of the Decree introduced by law 11th April 2002 n. 61.) ;
- Corporate offences (art. 25- bis of the Decree, introduced by law 11th April 2002 n.61);
Terrorist offences or offences against the democratic order including the funding of such offences (art. 25-quater of the Decree introduced by law 14th of January 2003 n.7);
The practice of female genital mutilation (art. 25-quater of the Decree , introduced by law 9th January 2006 n.7);
- Offences against individuals, such as prostitution of minors, child pornography also online and any involvement with slavery. (art, 25-quinquies of the Decree, introduced by law 11 August 2003 n.228);
- Market abuse (art.26-sexies of the Decree and art. 187-quinquies TUF introduced by law 18th April 2005 n.62);
Transnational offences (art. 25-octies of the Decree; art. 10 of law 146/2006: the article is partly repealed by the decree introduced by law 21st November 2007 n.231);
- Offences of murder , actual bodily harm and grievous bodily harm, committed in violation of standard safety regulation and under the protection of health and safety in the workplace (art 25-septies of the Decree, introduced by the law 3rd August 2007 n.123);
- Offences of handling , laundering or self-laundering of money, goods or the use of them from an unlawful source (art 25-octies of the Decree introduced by law 21st November 2007 n.231);
- Cybercrime or unlawful treatment of data (art. 24-bis of the Decree introduced by law 18th march 2008 n.48);
Offences of abandoning or depositing refuse on or in the ground. (Legislative Decree n.152/2006);
- Offences of organised crime (art 24-ter of the Decree added to the law 15th July 2009, n.94, art.2, co.29).
- Offences of forging money, legal tenders and revenue stamps or seals or marks used for identification (art. 25-bis of the Decree modified of the law 23 July 2009, n.99).
- Offences of copyright infringement (art. 25-octies of the Decree added to the law 23 July 2009, n.99).
- Incitement to not testify or not to bare false testimony to the legal authorities (art. 25-novies, decies of the Decree added to the law 3rd July 2009, n.116, art.4)
Offences against industry or business (art. 25-bis-1, added to law 23rd July 2009, n.99);
Environmental offences (art 25-undecies, article added to the law 7 July 2011, n.121).

1.1.5 THE ADOPTION OF THE MODEL OF ORGANISATION, MANAGEMENT AND CONTROL.

A fundamental aspect of the Decree is the high value placed on the corporation's Model of Organisation, Management and Control. In the case of an offence committed by a member of Senior Management, in fact, the Company doesn't respond if it can be proved that:

- a) The managing body had adopted and effectively implemented, before the offence was committed, models of organisation and management designed to prevent such offences from being committed;
- b) the task of supervising the performance and compliance with the models and their updates had been entrusted to a body of the company which autonomous powers of initiative and control (c.d Supervisory Board);
- c) the people who committed the offence did so by fraudulently evading the models of organisation and management;
- d) The supervision by the Supervisory Board was not a failure nor insufficient

The Company, must, therefore, demonstrate its non-involvement with the facts contested to by the Senior Manager, proving that the above mentioned requirements were concurrently met and on reflection, the circumstance of the committed offence did not derive from an 'organisation fault' of its own.

In the case of an offence committed by a subordinate and not by any of the managers or supervisors, on the other hand, the Company responds if the offence was made possible by a violation of a manager's or a supervisor's obligations required by the Company. We have here an inversion of the onus of proof at the expense of the prosecution, which, in the case envisaged by art. 7 of the Decree, must prove failure to adopt and effectively implement a suitable model to prevent such offences from being committed.

In any case, the non-observance of the management or supervisory obligations is excluded if the Company, before the offence was committed, had adopted and effectively implemented a Model of Organisation, Management and Control in order to prevent such offences from being committed.

1.1.6 THE CONTENT OF THE MODEL OF ORGANISATION, MANAGEMENT AND CONTROL.

The Decree outlines the content of the models of organisation, management and states that in the case of an extension of delegated powers and the risk of offences being committed as specified in art. 6, paragraph 2, they must:

- 1) identify the areas in which offences could be committed;
- 2) Set out specific protocols designing the formation and implementation of the Company's decision regarding predicted offences;
- 3) identify a method for managing the financial resources in order to prevent offences from being committed;
- 4) impose obligations to provide information to the Supervisory Board relating to the monitoring and implementation of the models;
- 5) Introduce a disciplinary system designed to sanction any cases in which the measures indicated in the Model have not been respected.

The art. 7, section 4 of the Decree, defines the requirements for the efficient implementation of the organisational models:

- The periodic verification and possible modification of the Model when significant offences have been made and when there are changes to the organisation or to the business activity;
- A disciplinary system to sanction cases when the measures indicated in the Model has not been respected.

1.2 L'ART. 7, SECTION 5 OF THE STATUTE F.I.G.C.

Art 1, paragraph 1, of the Code of Sportive Justice stipulates a fundamental principle of sports regulations according to which “ *The Company, the managers, the athletes, the technicians, the match officials and all other individuals that carry out any competitive, technical, organisational, decision-making tasks or any task relevant to the federal regulations are required to observe the federal regulations and acts and must behave according to the principles of loyalty fairness, and probity in every interaction linked to sportive activity*”.

The Statute F.I.G.C states in art. 7, paragraph 5 that “*The Federal Board, or interested Leagues, provide the necessary regulations and supervision to ensure that the companies which participate in national championships adopt models of organisation, management and control which prevent acts being committed which go against the principles of loyalty, fairness and probity in every relationship. The aforementioned models, considering the size of the company and competitive level in which it operates must introduce:*

- a) *suitable measures to guarantee that sports activity is carried out in respect of the law and the sport regulations and by swiftly detect any risk situations;*
- b) *the adoption of an ethical code, which specific procedures for the decision-making phases both administrative and technical including adequate control measures;*
- c) *the adoption of an incisive internal disciplinary system suitable for sanctioning any cases in which the measures outlined in the Model are not respected;*
- d) *The nomination of a guarantee institution , composed of people with maximum independence and professionalism and in possession of autonomous powers of initiative and control, given the task of supervising the operation and observance of the models and their updates.”*

The adoption of a Model, which is structured which identical or similar features to the models of organisation, management and control as in art, 7, section 5, of the Statute F.I.G.C. allows the Company to comply with the state regulations as well as with the requirements imposed by the sports regulations.

CHAPTER 2 COMPANY DESCRIPTION

2.1 PARMA CALCIO 1913 S.R.L

Parma Calcio 1913 S.r.l.'s sole objective is the practice of sports activities and more specifically, the training, preparation and management of football teams as well as the promotion and organisation of competitions, tournaments and very other activity related to football with methods and purposes in line with the regulations and directives of the F.I.G.C and its bodies.

The Company can also manage, directly or indirectly, sports equipment for its own or commercial use and can carry out directly and /or indirectly activities including merchandising. Therefore, activities also include production, marketing, distribution and sales also by correspondence , both retail and or wholesale of casual, sportive and/or technical clothing , electronic products, gadgets and any other marketable product with the company brand.

The Company can carry out any operation for commercial, financial or chattel purposes in order to achieve the company objective.

2.2 GOVERNANCE MODEL OF PARMACALCIO 1913 S.r.l.

The Company has adopted a traditional governing system, sharing the areas of competence between the Assembly of Shareholders, the of Directors and the Board of Statutory Auditors. The Company has also nominated a specialised company for the accounting control.

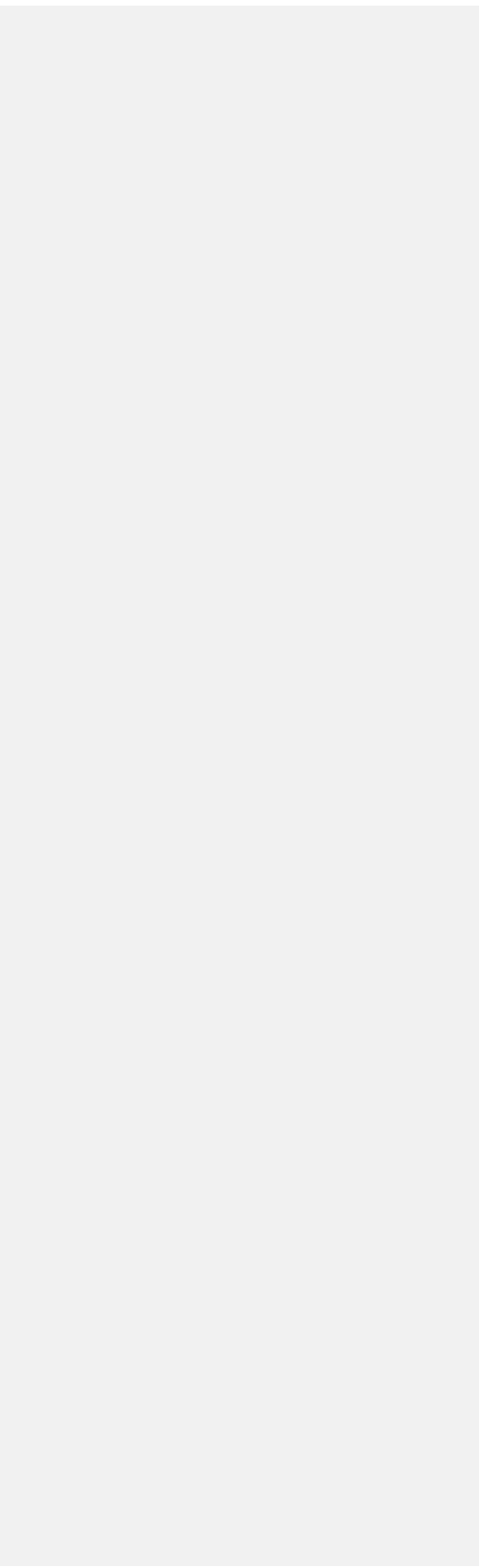
These Bodies are given the traditional obligations as specified by the Law for a limited liability company. The Board of Directors, in order to allow for a more efficient management of the Company, has decided to grant executive powers to a CEO.

2.3 ORGANISATION AND STRUCTURE OF PARMA CALCIO 1913 S.R.L

From the date of the adoption of the current version of the Organisational Model, the company's organisational charts followed that structure.

ORGANISATIONAL CHARTS

Possible changes to the organisational charts do not lead to a modification in the formally approved Organisational Model, and the new organisational charts will have be made transparent within the Company.



CHAPTER 3 ADOPTION OF THE MODEL

3.1 OBJECTIVES AND IMPLEMENTATION OF THE MODEL

Parma Calcio 1913 S.r.l. is aware that the company's interests and predefined objectives must be achieved with the upmost respect for the Law, for the regulatory provisions and the ethical rules stated in the Company's Ethical Code. Parma Calcio 1913 S.r.l. wants to ensure the conditions for fairness and transparency in business affairs and in all company activities in order to protect its position and image and in accordance with a larger *risk management* activity.

The Model was drawn up with consideration of the requirements of the Decree and the indications in the "Guide Lines for the arrangement of Models of organisation, management and control" drafted by Confindustria and approved in its definitive version by the Board of Directors of Confindustria on 6th February 2002 and subsequently integrated in May 2004 and in March 2008 and finally in March 2014.

The governing body of the Company has, as much as required in the Decree, entrusted a single-member body the task of assuming the functions of the Supervisory Board (OdV). This task includes monitoring the functioning, the efficacy and the observance of the Model as well as keeping it updated.

3.2 FUNCTION OF THE MODEL

The Model presents its purpose as the construction of a structured and organic procedural and control system to take place also for means of prevention (control *ex ante*), intended to prevent diverse types of offences envisaged by the Decree from being committed.

In particular, through the identification of Risk Areas and their consequent formalisation in procedures, the Model's objectives are to:

- To make anyone who works for or in the name of the Company in the Risk areas, aware of the possibility of encountering both penal and administrative sanctions not only for them but also for the company in case of a violation of the regulations. The Company would like to underline that all forms of illicit behaviour are strongly condemned by Parma Calcio 1913 S.r.L. Illicit behaviour both contrary to legal regulations but also contrary to the company's own ethical principles which it adheres to in its own business affairs;
- To allow Parma Calcio 1913 S.r.L. thanks to a monitoring system in the Risk areas to intervene promptly to prevent or oppose any illicit behaviours or offences committed.

In addition to the aforementioned principles, the cornerstones of the Model are:

- 1) The activity of raising awareness and promoting in all company levels the behavioural rules and the established procedures;
- 2) The mapping of the Company's Risk Areas, or in other words, the activities in fields deemed with the highest risk of offences being committed;
- 3) Risk prevention through the adoption of specific procedural principles aimed at planning and implementing the Company's decisions in relation to possible offences;
- 4) The verification and documentation of the at risk operations;

- 5) the identification of methods of managing financial resources that provides traceability in every single operation;
- 6) respect for the principle of separating functions.
- 7) the definition of the governing powers in coherence with the assigned liabilities;
- 8) the verification of the company behaviours , as well as the functioning of the Model and its consequent periodic updates (control *ex post*);
- 9) the adoption of a specific disciplinary system suitable for the sanctioning of non-observance of the adopted organisational measures;
- 10) the assignment to the OdV of specific tasks to monitor the efficacy and the correct functioning of the Model.

3.3 REALISATION OF THE MODEL

Given all the above, the Company has launched a series of activities designed to realise a Model, which conforms to the requirements of the Decree and is coherent with the principles of its own management culture.

The project can be divided into the following phases;

- 1) The mapping of the company activity areas at risk of offences and the identification of individuals subject to monitoring;
- 2) the evaluation of the adequacy of the existing protocols in preventing and reducing such a risk and based on this, the identification of the improvement measures considered necessary;
- 3) The nomination of the OdV in accordance with the article 6, paragraph1, letter (b) of the Decree (to which reference is made in Chapter 5).

Below , are the following methods and criteria , which are adopted in the various phases of the project.

Art. 6, paragraph 2. Lett. (a) of the Decree indicates that one of the requirements of the Model is the identification of the processes and the company areas in which offences expressly mentioned could be committed .

In other words, it deals with company areas and processes, which are defined as "sensitive" or "at risk".

The objective of this phase was an analysis of the company context, the governance model in itself (par. 2.2.) and the organisational setup (par. 2.3) to verify- where (in which areas/sectors of company activity) and in which ways and which grades of riskiness ,offences as described by the Decree could be committed.

The result of such verification is the formalisation of a list of activities that, exclusively considering their specific contents, are most exposed to potential risk of Decree offences being committed.

In addition, the internal controls underwent specific analysis in order to evaluate for each single activity if the level of internal controls was adequate for the corresponding risk level and what possible corrective measures could be put into place to guarantee the prevention of illicit behaviours.

The development of such maps begins with individual penalised offences described in the Decree and each of these offences is then associated with any company processes, which could, in theory, materialise in the offence being committed.

In order to ensure an adequate level of detail and the correct adjustment to the Parma Calcio 1913 S.r.L company, interviews were carried out with individuals who, in terms of liability, have a deep knowledge of the sensitive areas and of the control mechanisms in place.

Following those activities , an inventory of sensitive processed and control systems was created highlighting:

- the base processes/activities carried out
- the internal/external functions or individuals involved;
- their relative roles/responsibilities;
- the existing control systems.

The mapping of the Risk Areas obtained in such a way means we must consider that such a complex and evolving issue , not excluding expansions of the field applied by Decree (environmental offences, offences in industrial law, etc.) , as with procedural or organisational evolutions in the Company, could lead to a variation in the areas potentially exposed to a risk of offence.

3.4 STRUCTURE OF THE MODEL

This Model, is composed of, in the current version, a '**General Part**' and the subsequent single '**Special Parts**' introduced for the diverse types of offences considered in the Decree:

Special Part A	Possible offences related to Public Administration according to art. 24 and 25 of the Decree;
Special Part B	computer-related offences according to art. 24- <i>bis</i> of the Decree;
Special Part C	Company offences indicated in art. 25- <i>ter</i> of the Decree;
Special Part D	Offences against an individual indicated in art. 25- <i>quater</i> of the Decree;
Special Part E	Offences of murder, actual/grievous bodily harm committed in violation of hygiene health and safety; Violation of workplace hygiene and health and safe regulations In accordance with art.25- <i>septies</i> of the Decree;
Special Part F	The offences of handling stolen goods, money laundering and utilisation of money, goods of benefits from unlawful origin on a National level when the activities generated goods to be laundered in a European or non-European country according to the art. 25- <i>octies</i> of the Decree;
Special Part G	Environmental offences;
Special Part H	Offences in the falsification of instruments or seals of identification and offences against industry or business;
Special Part I	Offences in copyright infringement.

The 'Procedures' make up another important part of the model and are specifically adopted for this purpose.

With reference to the offences assumed to fall under administrative liability, according to the Decree, the relative risk of offences such as : printing money or tax stamps, female genital mutilation, offences related to terrorism or to subversion of the democratic order, transnational offences , is an abstract risk that cannot be concretely hypothesised.

3.5 MODIFICATIONS AND ADDITIONS TO THE MODEL

As this model is the "emanation of a corporate governance body" (in accordance with the provisions of art.6, paragraph 1, lett.a of the Decree) any subsequent modifications or additions to the Model itself are the competency of Parma Calcio 1913 S.r.L's Board of Directors.

CHAPTER 4 FUNDAMENTAL ELEMENTS (PROTOCOLS) OF THE MODELLO

Through the identification of Protocols, the Company has approved the indications given in the Guide Lines created by Confindustria.

According to such an approach, the components of the Model, which must be implemented on a company level to guarantee the efficacy of the same Model, are:

- 1) the Ethical Code;
- 2) the company's organisation system;
- 3) the company policies and procedures;
- 4) the delegation system and the use of attributed powers;
- 5) the management control system;
- 6) the communication with and training of Personnel;
- 7) the disciplinary system;
- 8) the risk mapping.

In the following paragraphs the characteristics and purposed of the Protocols/Procedures are explained in detail.

With regard to the components of bullet points 6,7 and 8 please refer to their respective chapters.

4.1 THE ETHICAL CODE OF PARMA CALCIO 1913 S.R.L.

Parma Calcio 1913 S.r.L has provided for the elaboration and the publication of an Ethical Code in which the main strategies and rules of conduct adopted by the Company for activities to be conducted in a correct way both ethically and judicially are indicated.

In particular, the Ethical Code as it is today, has the following main points:

- the moral values which inspire the Company's activities;
- Behaviour in everyday activities
- Behaviour when conducting negotiations or in business in general;
- Managing conflicts of interest.

The Ethical Code is binding for all Addressees of the Model.

4.2 THE COMPANY'S ORGANISATION SYSTEM

Parma Calcio 1913 S.r.l. has a hierarchical-functional organisations that allows for a clear definition of:

- a) reporting lines;
- b) attribution of power according to the delegation and proxy system;
- c) contents of the single positions, related to the managing directors.

For these purposes all company information is maintained systematically in order and is represented in organisational charts updated with any organisational variations. In the organisational charts, various areas of activity relative to their single functions, the names of each area manager and the relative hierarchical reporting lines are identified.

Within the definition of the organisation and hierarchical reporting lines, an adequate distinction between functions has been implemented, for the purpose of guaranteeing controls on activities and their managers.

In the guidelines for the definition of the organisation, in fact, it is stipulated that for the same process/activity support through collaboration with other functions/hierarchical levels is guaranteed, to ensure the constant possibility of cross checks on relative operations.

4.3 COMPANY PROCEDURES AND POLICIES

Parma Calcio 1913 S.r.l., in order to provide all of its Employees with a clear frame of reference on modalities to follow when carrying out company activities and obligations they must follow, has developed internal procedures aimed at ensuring:

- 1) the lawfulness and ethical conduct of behaviours;
- 2) the compliance of activities with the Company's objectives;
- 3) the transparency of activity contents and of the attribution of responsibility;
- 4) an adequate separation of responsibility so that every activity is cross-checked by various individuals;
- 5) adequate controls, in the various phases of activity, designed to guarantee the compliance of the activity with the one indicated in the internal regulations;
- 6) The traceability of activities, for which adequate historical and supporting documentation of the main phases of the activity is provided.

4.4 THE DELEGATION SYSTEM AND THE USE OF ATTRIBUTED POWERS

Parma Calcio 1913 S.r.l. has attributed specific operative powers to the CEO and additionally, it makes use of an internal delegation system that for its criteria for stability, must be confirmed in writing and must respond to the points 3), 4) 5), 6) of the previous paragraph.

4.5 THE MANAGEMENT CONTROL SYSTEM

Parma Calcio 1913 S.r.l. implements a managerial control system that is based on the planning of resources and activities found in the annual budget. The construction of the budget is necessary for the subsequent monitoring and controls.

The budget is approved by the governing bodies of the Company

CHAPTER 5 SUPERVISORY BOARD (Od V)

5.1 Introduction

In case of offences foreseen by the Decree, the latter states that a condition for the application for exemption, is that a body of the Company (with autonomous powers of initiative and control) was entrusted with the task of supervising the function and compliance of the Model and of updating it.

5.2 IDENTIFICATION OF THE OD V – NOMINATE AND REVOKE

Parma Calcio 1913 S.r.L in implementing the provisions of the Decree and in consideration of the current setup of the Company, has provided for a Supervisory Board, holding the specific responsibility for ensuring the functioning and implementation of the Model and well as updating it. In the case that a different organisational option is required, the tasks and responsibilities of the Supervisory Board will be attributed to a single-member body.

The mandate of a member of the Supervisory Board will ordinarily last three years, which is renewable on expiry.

Such a mandate will be revoked by the Board of Directors:

- a) in all cases in which the law states the termination , by the employers' initiative, of the working relationship, however the OdV may be employed by the company.
- b) for reasons connected to a specific breach , either intentional or negligent, of the obligations of the job (for example as disloyalty, negligence or inefficiency, etc.);
- c) in cases of proven impediment;
- d) whenever the requirements in the following paragraph are not met by members;
- e) whenever the collaboration/employment ends with the Company, on the initiative of a member of the OdV.

5.3 REQUIREMENTS OF THE OD V

The OdV must be in possession of the requirements of:

- autonomy and independence;
- professionalism;
- continuous action.

In this regard, it should be specified that:

- certification of the requirement of autonomy and independence states that the OdV not be directly involved in any managerial activities that are the subject of their own controls.

- with reference to the requirement for *professionalism* the OdV must possess the technical-professional skills required for the activities they are tasked with carrying out to ensure, along with independence, the objectivity of judgement;
- the Model must be constantly monitored and updated making use of all necessary powers of inspection.

5.4 FUNCTIONS AND RESPONSABILITY OF THE ODV

The Supervisory Board is give all the necessary powers to ensure a punctual and efficient surveillance of the functioning and the implementation of the Model adopted by the Company, according to art. 6 of the Decree, in particular for the execution of the following tasks:

- **oversee the effectiveness of the Model:** namely oversee that the conducts found within the Company correspond to the Model of Organisation , Management and Control;
- **oversee the efficacy of the Model:** namely oversee that the Model is suitably equipped to prevent offences from being committed;
- **update the Model** In order to adapt it to environmental changes and to modifications to the company structure.

On a more operational level, Parma Calcio 1913 S.r.l.'s Supervisory Body is responsible for the following tasks:

5.4.1 UPDATING

- to propose to the various corporate bodies and relevant areas of the company procedural provisions to implement the principles and rules found in the Model;
- To interpret the relevant regulations and verify that the Model is suitable for such regulations, signalling to the CEO any possible areas where intervention may be required;
- To evaluate the requirements for updating the Model, signalling to the CEO any possible areas where intervention may be required;
- To indicate to *management* any appropriate improvement to the systems in place for managing financial resources in order to detect any atypical cash flows with greater margins of discretion than usually accepted;
- To promote any initiatives which spread awareness and understanding of the Model and devise organisational documentation including instructions, explanations and updates on the Model's function.

5.4.2 TESTS AND CONTROLS

- To periodically check the mapping of the Risk Areas in order to adjust it to any changes in company activity and / or structure. To this end, any eventual situations, which could expose the Company to risk of offences being committed, must be signalled to the OdV by *management* or by any members of staff who perform control functions in individual departments. Such reports must be communicated solely in writing;
to periodically carry out, even using external professionals, tests aimed at ensuring the correct application of the Model, in particular checking that proposed procedures and controls have been implemented and documented properly and that the ethical principles have been respected. However, primary responsibility for control activities is assigned to the operative management and is considered an integral part of every company process from which the importance of staff training derives from;

- to check the adequacy and the efficacy of the Model in preventing the offences described in the Decree;
- to carry out periodic audits on operations or specific actions taking place, above all, in high-risk areas. The results of these audits must be summarised in a report, the content of which will be presented in the communications with the company bodies;
- to coordinate the exchange of information between the various company departments (including through apposite meetings) in order to:
 - keep the Risk Areas constantly updated;
 - keep their evolution under control so constant monitoring can be achieved;
 - check the various aspects necessary for the implementation of the Model (definition of standard clauses, staff training, changes to regulation or organisation, etc.);
 - guarantee that the necessary corrective measures to make the Model suitable and effective are promptly put into place.
 - Collect, elaborate and store all the relevant information.

5.4.3 TRAINING

- To promote initiatives for the relevant training for each of the various aspects of the Model and to provide all necessary documentation;
- Monitor the initiatives for raising awareness and increasing understanding of the Model and provide any internal documentation necessary for its effective implementation, including instructions of use, explanations and updates.

5.4.4 VIOLATIONS AND SANCTIONS

- To signal any eventual violations of the Model and, more generally, of the Decree to the competent body, to the CEO as well as, in the *reporting* field the Board of Statutory Auditors.
- coordinate with the company *management* to evaluate the adoption of any eventual disciplinary sanctions.
- indicate the most suitable measures to respond to violations.

5.4.5 REPORTING

Two lines of *reporting* are assigned to Parma 1913 S.r.l.'s OdV:

- a) the first, on a continuous basis, directly with the Chief Executive Officer,
- b) the second, on a half-yearly basis, with the Board of Directors and the Board of Statutory Auditors.

The OdV could be summoned, at any moment, by the aforementioned boards and at the same time, can summon such boards itself to report on the function of the Model and specific situations.

5.5 POWERS OF THE ODV

In order to carry out the aforementioned functions and tasks , the Supervisory Board is able to:

- urge the managers of each individual organisational unit to respect the Model;
- directly indicate which corrections and changes need to be made to the normal practices;
- signal the most serious cases of failure to implement the Model to the managers in charge of internal controls of each department.

The Supervisory Board must also have, free access to people and to all documentation as well as the possibility to gain relevant data and information from the responsible individuals. Finally, all relevant information for an effective implementation of the Model must be passed on to the Supervisory Board.

In order to allow the OdV to operate effectively and autonomously with the correct instruments to carry out their task as assigned to them in the Model:

- a) The Chief Executive Officer of the company, when in the process of forming the company *budget* will approve annually adequate funds of financial resources for the OdV to use for any requirement deemed necessary for it to carry out its tasks correctly;
- b) The Supervisory Board is free to resort to requesting- under its direct supervision and responsibility, the assistance of any of the company bodies or even external consultants.

CHAPTER 6 SELECTION, TRAINING, DISCLOSURE AND SUPERVISION

6.1 SELECTION OF PERSONNEL

The OdV in coordination with the Administration, Finance and Management Control Officer has the possibility to implement a specific system to evaluate personnel during the selection phase, that considers the needs of the company in relation to the application of the Decree

6.2 PERSONNEL TRAINING

The training of personnel in order to implement the Model, is managed by the Chief Executive Officer, the Administration, Finance and Management Control Officer in close coordination with the OdV and will be organised into levels as follows:

- a) OdV: Initial seminar to illustrate the internal company procedures adopted by Parma Calcio 1913 S.r.l and to describe the company structure and dynamics; updating meeting on any significant changes to the regulations both legal and didactic that are relevant to the Decree and its application.
- b) Managerial personnel who represent the Company and Internal Managers: Initial seminar, time-by-time, for all newly hired personnel; annual refresher seminar; access to an intranet site dedicated to the subject, occasional update emails; information in the letter of employment for newly hired personnel; training on the subject in the Company's entrance course.
- c) Other Personnel: informative notice in Parma Calcio 1913 S.r.l.; information in the letter of employment for newly hired personnel; access to the intranet, update email; training on the subject in the Company's entrance course.

6.3 SELECTION OF EXTERNAL COLLABORATORS

Upon proposal by the OdV, and in agreement with the Chief Executive Officer and the General Manager, evaluation systems of the selection of External Collaborators can be put into practice in the Company.

6.4 DISCLOSURE TO EXTERNAL COLLABORATORS

External Collaborators may be given appropriate information about the policies and procedures adopted by the Company, based on the current organisation Model, as well as the about the standard contractual clauses used.

6.5 SUPERVISION OBLIGATIONS

All Company Representatives who have the responsibility of supervising other members are obliged to do so with the highest diligence, signalling to the OdV, following the methods outlined in the following paragraph 7.1, eventual irregularities, violations and failures.

In the case of a lack respect of such obligations, Company Representatives with supervision responsibilities will be sanctioned in line with their position within the Company, which are outlined in the following chapter 8.

CHAPTER 7 MANAGEMENT OF INFORMATION OF THE OdV

7.1 SIGNALLING BY COMPANY REPRESENTATIVES AND BY THIRD PARTIES

The OdV must be promptly informed, through an appropriate internal communication system about any acts, behaviours or events that could be defined as a violation of the Model or, more generally, are relevant to the Decree objectives.

The obligation to provide information on any behaviours contrary to the provisions contained in the Model are a part of the larger duty of diligence and loyalty of the employer as stated in the civil code.

Employees and External Collaborators are obliged to inform the OdV of:

- any information relating to an attempted or committed Offences.
- the measures and or information coming from the police authorities, or from any other authority which carries out investigations into offences or any investigation which involves Parma Calcio 1913 S.r.L or its Company Representatives;
- any requests for legal aid by Company Representatives in the case of penal prosecution for Offences;
- any reports prepared by the managers of other bodies of Parma Calcio 1913 S.r.L related to control and audits and from which facts, acts, events and omissions could emerge with criticisms regarding the observance of the Model;
- information regarding disciplinary processes and any eventual measures taken (including proceeding against Company Representatives) or any archiving measures of such proceedings and their motivations, if in anyway connected to Offences being committed or violations of the behavioural and procedural rules of the Model;
- measures and information regarding the application of the regulations regarding work safety, with the prompt signalling of any incidents occurred;
- Every violation or presumed violation of the rules of the Model or the behaviours not in line with the rules of conduct adopted by the Company.

External Collaborators will have the obligation, also contractually, to signal any aforementioned information involves their work.

7.2 REPORTING METHOD

Whenever an Employee wants to file a report of one of the above cases, must report to their direct superior who will then pass on the report to the OdV. In the case in which the report has no outcome, the Employee who feels uncomfortable reporting to their direct superior to signal an incident can refer directly to the OdV.

Employees with managerial functions and managers of individual area are obliged to report to the OdV any violations committed by Employees.

The OdV evaluates the reports received listening to the author of the report and the person responsible for the accused violation, putting into writing any eventual motivations for not proceeding with an investigation.

The OdV is not required to take into consideration any anonymous reports that appear *prima facie* irrelevant or without a strong foundation or evidence.

The OdV will act in a way to protect any individuals who report against any kind of reprisal, discrimination, penalisation, whilst protecting the identity of the individual making the report, except when following obligations to the law or to the Company or people wrongly or maliciously accused.

Third parties and /or External Collaborators can file reports as mentioned in paragraph 7.1 directly to the OdV.

With regards to reporting directly to the OdV, these reports can be made by email to odv@parmacalcio1913.com or by post to the following address: Organismo di Vigilanza Modello 231 c/o Parma Calcio 1913 S.r.l., Strada Carlo Pisacane n. 4 - 43121 Parma (Pr).

Violations of these information obligations concerning the OdV can bring about the application of disciplinary penalties, which are explained in more detail in chapter 8 to follow.

CHAPTER 8 DISCIPLINARY SYSTEM

8.1 GENERAL PRINCIPLES

An essential feature for the effectiveness of the Model is the existence of an adequate disciplinary system designed to sanction any failures to respect the measures indicated in the Model.

The application of such a system, and of the relative sanctions implies that the violation as defined in the Model is independent from any eventual outcome of legal proceedings brought by the Police Authorities in the event that the violation in question constitutes an offence under the Decree.

8.2 MEASURES REGARDING EMPLOYEES

The observance of the provisions and the behavioural rules found in the Model constitutes compliance by Employees with the obligations of art.2104, second paragraph, and c.c. obligations that represent a substantial and integral part of the Model.

The violation of the individual provisions and behavioural rules, which in the Model, for the Employees constitute a disciplinary offence.

The measures in the Model, mandatory for Employees and punishable when not respected, are communicated through an internal circular to all Employees and is kept in a place accessible to every one (noticeboards).

The disciplinary measures are imposable on Employees in line with those included in art.7 of the law 20th May 1970, n.300 (c.d Workers' Statute) and eventual applicable special measures.

Regarding investigations of failures to comply with the CNNL of reference regarding Employees:

1. every recording of a violation of the Model brings fourth investigatory proceedings;
2. in the event that, following the proceedings, a violation of the Model is confirmed , the disciplinary sanction included in the CNNL is applied;
3. The penalty imposed is proportionate to the seriousness of the violation.

Employees who are qualified as football players, coaches, sportive directors, secretaries, physical trainers, the disciplinary proceedings will follow the time frames and methods included in the standard collective agreements.

Exception is made in the event that the particular circumstances, which accompany the disciplinary violation, do not confer a greater or lesser seriousness

- 1) During the proceedings the employee will incur a **verbal or written reprimand** if they violate the internal procedures included in the current Model (for example if they not observe the stipulated procedures, the fail to communicate to the OdV the necessary information, they failure to carry out controls etc.). Similarly, if they adopt in a Risk Area, a behaviour, which does not conform to the regulations, stipulated in the Model, this will be construed as a non-compliance with the regulations of Parma Calcio 1913 S.r.L.;

- 2) The Employee will incur a **maximum fine equivalent to 2 hours of remuneration** if they violate the internal procedures included in the Model more than once or if they adopt, while carrying out an activity in a Risk Area, a behaviour that does not conform with the regulations in the model more than once, even when these failures are not investigated and contested individually;
- 3) The Employee will incur a **suspension in service and in remuneration for a maximum period of 3 working days** if through violating the internal procedures of the present Model or through behaving in a way that doesn't conform with the Model whilst carrying out activities in a Risk Area or through committing acts which go against the interests of Parma Calcio 1913 S.r.l. cause damage to the Company or exposes it to a dangerous situation or damages the integrity of its goods, or commits acts which go against its interests;
- 4) The Employee will incur a **punishment of a transfer or dismissal with indemnity in lieu of the notice period and severance pay** if, while carrying out an activity in a Risk Area, behaves in a way that does not conform to the regulations of the Model and unambiguously directed towards committing one of the offences sanctioned by the Decree, or in a way that causes significant damage or a dangerous situation;
- 5) The Employee will incur **dismissal without notice and with severance pay** if, while carrying out an activity in a Risk Area behaves in a way which clearly violates the regulations of the Model to the extent that the Company must apply the measures described in the Model and in a way which breaches the relationship of trust with the company or if previous violations are confirmed which led to damage to the Company.

The type and severity of each of the aforementioned sanctions will be determined in relation to :

- the intent of the behaviour or the level of negligence, imprudence or incompetence, also considering the predictability of the event;
- the overall behaviour of the worker, particularly in terms of whether or not other disciplinary measures have been previously applied , within the limits of the law;
- the worker's duties;
- the position of the people involved in the violation;
- other particular circumstances, which accompany the violation.

The disciplinary system is constantly monitored by the OdV, the Chief Executive Office and the Manager of Administration, Finance and Management Control

8.3 MEASURES REGARDING MANAGERS

In the event of a violation committed by one of the managers of Parma Calcio 1913 S.r.L., of the internal procedures stated in the Model, or if a manager behaves in a way which doesn't conform with the regulations of the Model when carrying out an action in the Risk Areas, the most suitable measures that conform with those advised in by the CNNL for Industrial Managers.

8.4 MEASURES REGARDING DIRECTORS AND AUDITORS

In the case of a director or auditor violating the model, Parma Calcio 1913 S.r.L., the OdV will inform the Chief Executive Officer and the Board of Statutory Auditors who will implement all the measures provided for by law.

In the case of a sentence, even in the Court of First Instance for offences stated in the Decree and its subsequent modifications, the convicted director or auditor must immediately communicate this to OdV that will proceed to inform the Chief Executive Officer and the Board of Statutory Auditors as indicated above.

8.5 MEASURES REGARDING EXTERNAL COLLABORATORS

Every case in which external collaborators are behaving in a way which goes against the lines of conduct indicated in the Model or that leads to an offence sanctioned by the Decree being committed could result in, as foreseen in the specific contractual clauses included in the letter of employment and in the partnership agreements, the termination of the contractual relationship, subject to any claims for damages if such behaviour causes damage to Company, like in the case of the application by a judge of the measures provided for in the Model.