



# **ANNUAL CORPORATE GOVERNANCE REPORT**

**Report on Corporate Governance, the Adoption of a Corporate  
Governance Code, and Ownership Structures**

**Approved by the Board of Directors on 24 September 2010**

**INDICE****PREMESSA**

<b>1. ISSUER PROFILE</b>	<b>4</b>
<b>2. INFORMATION ON OWNERSHIP STRUCTURES</b>	<b>5</b>
<b>3. COMPLIANCE</b>	<b>6</b>
<b>4. BOARD OF DIRECTORS</b>	<b>7</b>
<b>5. TREATMENT OF COMPANY INFORMATION</b>	<b>15</b>
<b>6. INTERNAL COMMITTEES</b>	<b>16</b>
<b>7. REMUNERATION AND APPOINTMENTS COMMITTEE</b>	<b>16</b>
<b>8. REMUNERATION OF DIRECTORS</b>	<b>16</b>
<b>9. AUDIT COMMITTEE</b>	<b>17</b>
<b>10. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM</b>	<b>19</b>
<b>11. INTERESTS OF DIRECTORS AND RELATED-PARTY TRANSACTIONS</b>	<b>23</b>
<b>12. APPOINTMENT OF AUDITORS</b>	<b>24</b>
<b>13. STATUTORY AUDITORS</b>	<b>25</b>
<b>14. RELATIONS WITH SHAREHOLDERS</b>	<b>27</b>
<b>15. SHAREHOLDERS' MEETINGS</b>	<b>27</b>
<b>16. CHANGES AFTER THE CLOSURE OF THE YEAR OF REFERENCE</b>	<b>27</b>

**GLOSSARY**

<b>Corporate Governance Code</b>	The Corporate Governance Code of listed companies approved in March 2006 by the Committee for <i>Corporate Governance</i> and promoted by Borsa Italiana S.p.A. The Corporate Governance Code is available on the website of Borsa Italiana S.p.A. ( <a href="http://www.borsaitaliana.it">www.borsaitaliana.it</a> ).
<b>Board</b>	The Board of Directors of the Issuer.
<b>Issuer</b>	The securities Issuer to which the Report refers.
<b>Year</b>	The financial year closed at 30 June 2010.
<b>Regulation on Issuers</b>	The regulation issued by Consob with resolution no. 11971 of 1999 on issuers, as later integrated and amended.
<b>Market Regulation</b>	The regulation issued by Consob with resolution no. 16191 of 2007 on markets, as later integrated and amended.
<b>Report</b>	The Corporate Governance Report and ownership structure that companies are required to prepare pursuant to article 123-bis TUF.
<b>Consolidated Law on Finance</b>	Legislative Decree 24 February 1998, on. 58 (Consolidated law on finance), as later integrated and amended.

## PREFACE

This purpose of this Report is to illustrate the corporate governance system adopted by Juventus Football Club S.p.A. (hereinafter "Juventus", the "Company" or the "Issuer") and to provide information about the Issuer's adoption of a Corporate Governance Code. The Report is also available on the Company's website [www.juventus.com](http://www.juventus.com).

The Company has adopted a system of governance in line with the best national and international practices, enhancing the role of independent directors, adopting a cutting-edge Code of Ethics unique in its business sector, establishing new internal monitoring rules and adopting a system of delegation of responsibilities that puts the Board of Directors at the centre of company management. Given its high profile of independence and professionalism, it offers the maximum guarantee for the interests and safeguard of the market and shareholders.

Therefore, this Report illustrates the overall framework of Corporate Governance highlighting the aspects of conformity with the principles contained in the Corporate Governance Code and any divergence from its recommendations, as suggested in the "Format sperimentale per la Relazione sul governo societario" published by Borsa Italiana S.p.A.

To enable easy consultation of the regulations that regulate corporate governance, the current Company By-laws are appended to this Report.

It should be noted that the information provided is dated 24 September 2010, the date of the approval of this Report by the Board of Directors.

## 1. ISSUER PROFILE

The Company is controlled by EXOR S.p.A., a company listed on Borsa Italiana S.p.A., in turn controlled by Giovanni Agnelli e C. S.a.p.az..

The Issuer adopted a traditional administration system that includes a division of power between the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors. Furthermore, the Issuer has set up the Remuneration and Appointments Committee and the Audit Committee in the framework of the Board of Directors.

### *Shareholders' Meeting*

The Shareholders' Meeting is convened by the Board of Directors in the municipality of the Company headquarters or in another location, in Italy, usually at least once a year within one hundred and twenty days of the closure of the financial year. The Meeting – whether ordinary or extraordinary – will also be called whenever the Board of Directors deems it appropriate and in the cases envisaged by law.

The Meeting may be attended by shareholders with voting rights. Each shareholder may be represented at the Meeting as permitted by law. The provisions that regulate the way the meetings are held have been approved and modified by the OGM. The Company's Shareholders' Meeting Regulations are available on the internet site [www.juventus.com](http://www.juventus.com).

### *Board of Directors*

Management of the Company is entrusted to a Board of Directors composed of a number of members that may vary from three to fifteen as decided by the OGM. The Directors remain in office for a maximum of three years and their mandate expires at the date of the Shareholders' Meeting for the approval of the last financial statements of their period in office. Directors may be re-elected.

The Board is vested with the broadest powers for the ordinary and extraordinary management of the Company.

The Board of Directors is appointed on the basis of lists of candidates.

When the OGM has not made the appointment, the Board appoints a Chairman from among its members. It may also appoint one or more Vice Chairmen and one or more Chief Executive Officers; it also appoints a secretary, who is not necessarily a member of the Board.

The Remuneration and Appointments Committee and the Audit Committee have been set up in the framework of the Board of Directors to provide consultancy and proposals.

As described in detail in Paragraph 4.2, the Board of Directors in office at the reporting date was appointed by the Shareholders' Meeting on 27 October 2009 and its office will end upon approval of the financial statements for the year 2011/2012.

#### *Board of Statutory Auditors*

The Board of Statutory Auditors, established in line with the By-laws, is made up of three acting auditors and two deputy auditors, ensures observance of the law and the articles of association, the respect of the principles of correct management and the adequacy of the Company's organisational structure for those aspects under its responsibility, the internal control system and the administrative and accounting system as well as the reliability of the latter in correctly representing management operations. The Board of Statutory Auditors monitors the correct implementation of the rules of corporate governance.

The Company By-laws contain the required clauses to ensure that one acting member of the Board of Statutory Auditors and one deputy member are nominated by the minority. The Chairman of the Board of Statutory Auditors is appointed by the minority.

As specified in Chapter 13, the Board of Statutory Auditors in office at the reporting date was nominated by the Shareholders' Meeting on 27 October 2009 and its office will end upon approval of the financial statements for the year 2011/2012.

## **2. INFORMATION ON OWNERSHIP STRUCTURES**

### **a) Structure of Share Capital**

The Share Capital of the Issuer totals € 20,155,333.20, entirely subscribed and paid up and is split into 201,553,332 ordinary shares valued at € 0.10 each. All the company shares are listed in the STAR segment of the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A.

The ordinary shares are nominal, freely transferable and are issued in electronic form, in the centralised management system of Monte Titoli S.p.A.

Each ordinary share entitles the holder to one vote at ordinary and extraordinary general meetings of shareholders, and to the equity and administrative rights contemplated by laws in force and the articles of association.

As regards the division of net profits and the liquidation of the Company, reference should be made to Articles 26 and 31 of the Juventus By-laws enclosed with this Report.

### **b) Restrictions on the transfer of shares**

There are no restrictions on the transfer of Company shares.

### **c) Significant shareholdings**

According to the official information received as at 24 September 2010, the following table reports the composition of the Company's shareholding structure, regarding shareholdings that exceed the threshold of 2% of share capital with voting rights.

<b>Shareholder</b>	<b>Ordinary shares</b>	<b>% of share capital</b>
EXOR S.p.A.	120,934,166	60.001%
LAFICO S.a.l.	15,121,352	7.502%

### **d) Shares that confer special rights**

No shares carrying special controlling rights have been issued.

**e) Shareholdings of employees: mechanism for the exercise of voting rights**

No forms of employee shareholding are envisaged and, at the moment, no stock option plans exist.

**f) Restrictions to voting rights**

There are no restrictions to voting rights.

**g) Agreements between shareholders**

No material shareholders' agreements subject to Article 122 of the Consolidated Law on Finance exist.

**h) Change of control clauses**

At the date of this Report no significant agreements exist of which Juventus is part that take effect, or are modified or are terminated in the case of change of control of the Company.

**i) Authorisations to increase company share capital and for the purchase of treasury shares**

Powers to increase the share capital have not been delegated. No authorisation has been given for the acquisition of treasury shares. At the date of this report, Juventus does not hold treasury shares.

**l) Direction and co-ordination activities**

Juventus is not subject to the direction and co-ordination of its majority shareholder EXOR S.p.A. pursuant to article 2497 of the Italian Civil Code, as EXOR S.p.A. does not play a role in Company operations and only plays the role of shareholder, holding and managing the majority shareholding in the Company; there are no aspects to indicate any company exercises direction and co-ordination activities since the Company operates in complete negotiating autonomy with third parties and there is no centralised treasury; in addition, the Company has a sufficient number of Independent Directors to ensure the management autonomy of the Board of Directors which defines the general and operational strategic guidelines of Juventus in full autonomy.

Juventus does not direct or co-ordinate the activities of other companies.

Finally, note that the information required by article 123-bis, section 1, letter i) is illustrated in Chapter 8 of this Report dedicated to Directors' remuneration, while the information required by article 123-bis, section 1, letter l) is illustrated in Chapter 4 of this Report dedicated to the Board of Directors.

**3. COMPLIANCE**

Juventus, recognising the value of the corporate governance model described by the Corporate Governance Code (see the website of Borsa Italiana: [www.borsaitaliana.it](http://www.borsaitaliana.it)), has adopted corporate governance principles and rules in line with that model and described in this Report.

This Report identifies the areas of acceptance of the provisions of the Corporate Governance Code, the observance of these commitments and also explains and justifies any reasons for divergence from some principles exempted case by case for transparency and ease of consultation.

The Company intends to continuously evaluate possible updates of the Corporate Governance system to bring it in line with the developments in national and international best practices.

## 4. BOARD OF DIRECTORS

### 4.1 Appointment and substitution of Directors

Pursuant to Art. 13 of the Company By-laws and in observance of Principle 6.P.1 of the Corporate Governance Code, the Board of Directors is appointed on the basis of lists of candidates.

In the presence of a number of lists, one of the members of the Board of Directors is expressed by the second list that has obtained the most votes.

Only shareholders who, singly or together with others, are owners of shares with voting rights representing at least 2.5% of company capital or the different percentage laid down for the company by the regulations in force, this percentage must be indicated in the meeting notice. The shareholding required for the presentation of lists of candidates for the election of the management and control bodies of Juventus pursuant to Art. 144-septies, section 1, of the Regulation on Issuers, has been set by Consob as 2.5% (Resolution no. 16958 of 21 July 2009).

No shareholder, nor shareholders linked by relations of control or connected as specified in the Italian civil code, may present or vote for, not even through a third party or fiduciary company, more than one list. Each candidate may be included in only one list, and will otherwise be considered ineligible.

The candidates included in the lists must be listed with progressive numbers and possess the requisites of integrity and professionalism established by law. The candidate indicated with number one in the progressive order must also meet the requirements of independence demanded by law.

In observance of the application criterion 6.C.1 of the Corporate Governance Code, the lists presented must be deposited at the company headquarters at least fifteen days before the date of the first call for the shareholders' meeting and this will be reported in the notice calling the meeting. The lists will be published promptly on the Company's Internet site.

Together with each list, by the deadline indicated above, the certification is deposited of the shareholder's right to participation, detailed information on the candidates' personal and professional qualities, as well as the declarations in which the individual candidates accept the candidature and state, under their own responsibility, that they possess the requisites demanded. The candidates for whom the rules above have not been respected are ineligible.

The number of directors to be elected is decided by the meeting, and the procedure is as follows:

1. all the directors to be elected except one are elected from the list that has obtained most votes, on the basis of the progressive order of the list;
2. in observance of the law, one director is elected from the second list that has obtained the highest number of votes, on the basis of the progressive order of the list.

No account is taken of the lists that obtain at the meeting a percentage of votes less than half of the amount demanded for the presentation of lists.

The above rules for the appointment of the Board of Directors are not applied when at least two lists have not been presented or voted nor in the meetings that must substitute directors during the course of their mandate. In these cases, the meeting decides with a relative majority vote.

The Board may replace Directors who cease to occupy office in the course of the term, as established by Art. 2386 of the Italian Civil Code.

If, due to resignation or other causes, the majority of Directors should leave office, the whole Board shall be deemed to be resigning and the Directors still in office should urgently call a Meeting for the new appointments.

Furthermore, the mandate of Directors appointed by the Meeting in the course of the term shall expire on expiry of the term of office of Directors in office at the time of the appointment.

As regards the requirements of honourability of the Directors demanded by Art. 147 quinquies of legislative decree 58/1998, the Board of Directors has periodically verified these requirements for all its members.

Directors who receive definitive convictions in the courts entailing additional sentences incompatible with their position are suspended from their position for the period established by the sentence.

Directors who are subject to disciplinary proceedings by bodies of the F.I.G.C. that entail the permanent expulsion from any rank or category of the F.I.G.C. shall be removed from office and may not fill or be nominated or elected to other company positions.

## 4.2 Composition

The Board of Directors in office at the reporting date is composed of 7 Directors, 5 of whom are non-executive and 4 of whom are independent. The current Board of Directors will remain in office until the Shareholders' Meeting called to approve the Financial Statements 2011/2012. The Board of Directors was appointed by the Shareholders' Meeting of 27 October 2009, without the application of the list vote mechanism. On this occasion, two lists were submitted, one by the majority shareholder EXOR S.p.A., owner of 60.001% of the ordinary shares, and one by LAFICO S.a.l., owner of 7.502% of the ordinary shares. The lists and all the documentation required by the By-Laws for the related filing have been published on the Company's website [www.juventus.com](http://www.juventus.com). They are still available for consultation.

Further to the director Aldo Mazzia tendering his resignation, the Board of Directors co-opted Andrea Agnelli on 19 May 2010, naming him Chairman of the Board and assigning him operating powers.

Brief profiles are given below of the members of the Board of Directors:

**Andrea Agnelli (Chairman)** Born in Turin in 1975, Agnelli completed his schooling at Oxford (St. Clare's International College) and Milan (Università Commerciale Luigi Bocconi). He gained professional experience in a variety of positions both in Italy and abroad: with Iveco-Ford in London; with Piaggio, where he had sales and marketing responsibilities; with Auchan Ipermercati in Lille; with Schroeder Salomon Smith Barney in London, managing a number of sensitive transactions in the equity capital markets division; with Juventus Football Club, where he worked on brand promotion and development. In 1999, he was hired by Ferrari Idea in Lugano to promote and develop the Ferrari brand in non-automotive areas. In November 2000, he moved to Paris and assumed responsibility for marketing at Uni Invest SA, a Banque SanPaolo company specialised in investment management products. From 2001 to 2004, he worked at Philip Morris International in Lausanne, where he initially had responsibility for marketing and sponsorships and as of December 2003, focused on corporate communication. In 2005 and 2006, he worked in strategic development at IFIL Investments S.p.A. In March 2007, Agnelli founded the joint stock company called Lamse S.p.A., the financial holding company where he is Chief Executive Officer.

In April 2008, Agnelli was named Chief Executive Officer of the Royal Park Golf & Country Club I Roveri. His objective was to build a world class golf club with sporting facilities, exceptional service and event organisation. Since May 2006, he has been a member of the Board of Directors of IFI, now known as EXOR S.p.A. Since April 2007, Agnelli has been a member of the Advisory Board of BlueGem Capital Partners LLP, a private equity fund. Since 2008, he has been a member of the Federal Council of the Italian Golf Federation. He is General Partner of Giovanni Agnelli e C. S.a.p.az.. Agnelli became a member of the Board of Directors of Fiat S.p.A. on 30 May 2004. In 2010 he was named a director of the Lega Nazionale Professionisti – Serie A.

**Jean-Claude Blanc (Chief Executive Officer and General Manager):** born on 9 April 1963 in Chambéry (France), an MBA graduate (Harvard Business School/Boston – USA) and International Business and Marketing (CERAM/Nice - France). From 1987 to 1992 he was sales and marketing director and director of the opening and closing ceremonies of the Albertville Winter Olympic Games (France). From 1994 to 2000 he was General Manager/CEO of the Amaury Sport Organization, the owner of sports facilities in France and the organiser of leading French sports events (Tour de France, Paris/Roubaix, Paris/Dakar). From 2001 to June 2006



he was General Manager /CEO of the French Tennis Federation (FFT) and responsible for the organisation of the French Open (Roland Garros), the Paris Master Series and the Davis Cup. He has recently become a member of the Competition Committee of UEFA and represents Juventus in the European Club Association (ECA).

**Carlo Barel di Sant'Albano (Non-executive director):** born in Turin on 31 May 1964, he has lived mainly abroad: first in Colombia and then in Brazil and Scotland, where he attended Gordonstoun School. After his Bachelor of Arts in International Relations at Brown University (Providence, Rhode Island), he completed his education with an MBA at the Harvard Business School. After initial experience as a trader di fixed income trader in New York with Drexel Burnham Lambert, he continued his career in the world of finance, working in particular in the field of investment banking in Latin America at Bear Stearns & Co., then moving to the M&A department of Credit Suisse First Boston of New York in 1994. He moved to London in 2001, where he became first European head of the pharmaceuticals M&A sector and then, in 2004, Chief Operating Officer of all M&A activities in Europe. He was Chief Executive Officer and General Manager of IFIL Investments S.p.A. until the merger and is currently Chief Executive Officer of Exor S.p.A. and Exor S.A. He is also a Director of Fiat S.p.A., Cushman & Wakefield Inc., Vision Investment Management and SGS S.A.;

**Riccardo Montanaro (Independent director):** born in Alba (Cuneo) on 25 July 1957, he graduated in law at the University of Turin in 1981. A lawyer specialised in administrative law, his career began in the studio of Prof. Marco Siniscalco (becoming a partner of the law firm "Siniscalco – Montanaro" in 2000) and from 2003 as leading partner in the studio "Montanaro e Associati". He is a visiting professor in the course of Environmental Law at the University of Turin, Faculty of Natural Sciences and Faculty of Law; previously he taught in the Master course for Environmental Experts of the Scuola di Amministrazione Aziendale (Business School) of Turin in 1998/1999; in the course in Environmental Law at the University of Eastern Piedmont (Faculty of Law of Alessandria) from 1998 to 2003; in the specialisation course in Environmental Law (now a Master course) at the Faculty of Law of Alessandria from 1998 to 2004; in the course in Environmental Law at the Politecnico of Turin from 2000 to 2004. A speaker at conferences on administrative and environmental legal issues, and the author of many publications, he is also a member of the editorial board of the review "Ambiente e Sviluppo". He served as President of the State Music Conservatory "G. Verdi" of Turin between 2007 and 2010.

**Marzio Saà (Independent director):** born in Biella in 1940, he graduated in Economics and Business at the University of Turin, and was later awarded a Master in Business Administration at the University of Denver (Colorado, USA) and attended the Advanced Management Program at the Harvard Business School. He joined the Audit division of Arthur Andersen of Milan in 1964, spending his whole career with the multinational auditing and business consultancy: after experience in the Newark branch (New Jersey, USA) he headed the Milan office from 1976 to 1980 and later from 1986 to 1993, the year when he was appointed head of operations for Arthur Andersen in Italy, and, until 2001, member of the European Operating Committee. From 1991 to 1997 he was a member of the Board of Andersen Worldwide Organization. From June 2000 until the end of his career with Andersen (in December 2001) he was responsible for the Central Mediterranean Region. He was a member of the Board of Assirevi (the association of Italian auditing companies) from 1980 to 2001, and has been a director of numerous listed and unlisted companies. He is currently a member of the Board of Directors of Parmalat (where he is also Chairman of the Internal Audit and Corporate Governance Committee), SIT la Precisa, Cofiber, Erfin and ITS and of the advisory board of Ing Direct Italia. Since 2002 he has taught Accounting and Financial Reporting at the University Bocconi in Milan.

**Camillo Venesio (Independent director):** born in Turin on 13 November 1953, he graduated in Economics and Business (con lode) at the University of Turin in 1977. After several years of study and work abroad, in 1978 he merged the Banca Anonima di Credito with the Banca di Casale e del Monferrato. The union of the two created one of Piedmont's largest banks, the Banca del Piemonte, of which he is Chief Executive Officer (since 1983) and General Manager (since 1990). He also holds the position of President of Small Bank Committee of the ABI – the Associazione Bancaria Italiana – of which he is a Member of the Presidential

Committee, the Executive Committee and the Board. He is also Vice President of the Cassa di Risparmio di Ravenna. He also sits on the Board of Directors of Reale Mutua Assicurazioni and of Si Holding S.p.A. In 2003 he was awarded the honour of Cavaliere del Lavoro.

**Khaled Fareg Zentuti (Independent Director):** Born in Janzur (Tripoli) on 24 December 1954, Zentuti earned a degree at the Business School of Accounting in Bengasi (Libya), earned a Master's Degree in Business Administration at the University of Hartford (USA) and then a doctorate in finance in Istanbul. His first position was with LAFICO from 1991 to 1993 as head of the Italian branch in Rome. In 2004, Zentuti served as the president and director general of the Libyan Financial Investment Co and also was the person responsible for the shareholders' portfolio. He currently serves as General Manager of the Long Term Investment Portfolio of LAFICO as well as vice-president of the Union Bank Amman (Jordan) and the Libyan Foreign Bank in Tripoli.

Significant information for each Director is given below:

Name	Position	In office since	List	Exec.	Non-exec.	Indep.	Indep. TUF	% Meeting	Other positions
- Andrea Agnelli: Jean-Claude Blanc	Chairman	19/05/2010	*	X				100	6
	Chief Executive Officer and General Manager	27/10/2010	EXOR	X				100	-
Carlo Barel di Sant'Albano	Director	27/10/2010	EXOR		X			83	6
Riccardo Montanaro	Director	27/10/2010	EXOR		X	X	X	100	-
Marzio Saà	Director	27/10/2010	EXOR		X	X	X	100	3
Camillo Venesio	Director	27/10/2010	EXOR		X	X	X	100	6
- Khaled Fareg Zentuti	Director	27/10/2010	LAFICO		X	X	X	70	3

(\*) Co-opted by the Board of Directors on 19/05/2010.

**Key: Exec.** if marked, this indicates that the person can be qualified as an executive director. **Non exec.** if marked, this indicates that the person can be qualified as a non executive director. **Indep.** if marked, this indicates that the director can be qualified as independent according to the criteria of the Code of Conduct. **Indep. TUF:** if marked, this indicates that the director meets the requirements of independence established by Art. 148, section 3 of the TUF (Consolidated Finance Law) (Art. 144-decies of the Regulation on Issuers). **% Meeting** this indicates the attendance, as a percentage, of the director at the Board of Directors' meetings during the financial year or after assuming the position. **Other positions** this indicates the total number of positions held in other companies listed in regulated markets (including foreign ones) in financial, banking, and insurance companies or of significant dimensions.

The independence requirements were evaluated by the Board of Directors in conformity with the criteria of independence adopted and reported elsewhere in this Report. These criteria correspond with the provisions envisaged by Art. 147-ter, section 4, of the Consolidated Finance Law and incorporated in the Corporate Governance Code.

The following table gives the relevant information on the Audit Committee and the Remuneration and Appointments Committee.

#### Audit Committee

Name	Position	% Committee (*)
Marzio Saà	Chairman	100
Riccardo Montanaro	Member	100
Camillo Venesio	Member	100

(\*) Indicates the attendance, as a percentage, of the Director at the Audit Committee meetings during the 2009/2010 financial year.

#### Remuneration and Appointments Committee

Name	Position	% Committee (*)
Carlo Barel di Sant'Albano	Chairman	100
Riccardo Montanaro	Member	100
Camillo Venesio	Member	100

(\*) Indicates the attendance, as a percentage, of the Director at the Committee meetings during the 2009/2010 financial year.

In line with Application Criterion 1.C.2 of the Corporate Governance Code, the Directors accept the position when they can diligently devote the time required, also taking into account the number of positions they hold as director or auditor in other listed companies in regulated markets, including foreign ones, in financial, banking, and insurance companies or others of significant size.

In line with Application Criterion 1.C.2 of the Corporate Governance Code, the positions held by the current Directors in other listed companies in regulated markets, including foreign ones, in financial, banking, and insurance companies or others of material relevance are listed below:

- Andrea Agnelli: Chief Executive Officer of Lamse S.p.A., Director of Exor S.p.A. and Fiat S.p.A., member of the Advisory Board of BlueGem Capital Partners LLP, Director of Lega Nazionale Professionisti – Serie A and the Italian Golf Federation.
- Carlo Barel di Sant'Albano: Chief Executive Officer Exor S.p.A. and Exor S.A., Director at Fiat S.p.A., SGS S.A., Cushman & Wakefield Inc. and Vision Investment Management;
- Marzio Saà: Director of Parmalat S.p.A., Cofiber S.p.A. and ERFIN – Eridano Finanziaria S.p.A.;
- Camillo Venesio: Chief Executive Officer and General Manager of Banca del Piemonte S.p.A., Vice Chairman of Cassa di Risparmio di Ravenna S.p.A. and Finconfianza S.p.A., Director of Cartasi S.p.A., Reale Mutua Assicurazioni S.p.A., and Cedacri S.p.A.
- Khaled Fareg Zentuti: General Manager of the Long Term Investment Portfolio at Lafico, and Vice Chairman of Union Bank Amman (Jordan) and of the Libyan Foreign Bank in Tripoli.

While keeping in mind the above, at the date of this Report, the Board has not defined general criteria regarding the maximum number of directorships or management positions in other companies that can be considered compatible with effectively playing the role of Director of the Issuer.

The Board of Directors meeting of 24 September 2010 examined case by case the positions currently occupied by its own Directors in other companies and holds that the number of type of the positions occupied does not interfere and is compatible with performing their tasks effectively as Directors of Juventus.

### **4.3 Role of the Board of Directors**

The Board of Directors is vested with all and every power for the ordinary and extraordinary management of the Company. It thus has the power to take all the measures considered necessary and appropriate to achieve the Company purpose, with no exceptions, save only such action as is reserved by law for the Shareholders' Meeting.

In addition to the right to issue non-convertible bonds, the Board is also responsible for assuming decisions concerning all operations permitted by art. 2365, second paragraph of the Italian Civil Code and the spin-off of companies according to the provisions of the law.

The Board of Directors meets, at the Company offices or elsewhere, as long as this is in countries of the European Union, usually at least every three months, as convened by the Chairman or a Vice Chairman or by another person permitted by law whenever this is deemed appropriate, or when requested by at least three Directors or by at least two acting Auditors or by bodies with delegated powers. The Meetings are regulated in observance of the law and of the By-laws. The meetings of the Board of Directors may be held through the means of telecommunications.

The Board of Directors exercises its powers in conformity with the Corporate Governance Code and thus:

- examines and approves the Company's strategic, commercial and financial plans, and the corporate governance system (Application Criterion 1.C.1, section a);
- assigns and revokes the powers of executive directors and defines their limits, the forms in which they may be exercised and the regularity with which they must report to the Board

on the work conducted regarding the powers assigned to them, at least every three months as specified in the By-laws (Application Criterion 1.C.1, section c);

- after examination of the proposals of the Remuneration and Appointments Committee and after consulting the Board of Statutory Auditors, decides on the remuneration of the Chief Executive Officers and of those who occupy particular positions, as well as the subdivision of the global remuneration for the individual members of the Board of Directors and the members of the Internal Committees, when this has not been decided by the Shareholders' Meeting (Application Criterion 1.C.1, section d);
- evaluates the general management situation with particular attention to situations of conflict of interest, paying particular attention to information received from executive directors and the Audit Committee as well as regular comparison of effective results against forecasts (Application Criterion 1.C.1, section e);
- examines and approves in advance operations of a significant economic, equity and financial impact (with particular reference to operations with related parties - Application Criterion 1.C.1, section f) in as far as this is compatible with the decision-making speed demanded by the "transfer campaign"; in any case, the Executive Directors and the General Manager act within the framework of plans defined by the Board of Directors to which they report promptly about transfer operations;
- evaluates the adequacy of the general organisational, administrative and accounting structure of the company as prepared by the chief executive officers, with particular reference to the internal control system and the management of conflicts of interest (Application Criterion 1.C.1, section b);
- reports to the shareholders at the OGM;
- sets the guidelines and evaluates the adequacy and effectiveness of the internal control system at least once a year (Application Criterion 8.C.1, sections a, c).

Twelve meetings of the Board of Directors were held in the 2009/2010 financial year, each lasting an average of 3 hours. These meetings all focused on the analysis and resolutions concerning the performance of operations and the financial results. The Board also passed resolutions regarding the company officers, the composition of the committees and the related compensation.

Two meetings of the Board of Directors have been held in the current 2010/2011 financial year for approval of the accounting documents for the period, including the Annual Financial Statements at 30 June 2010, and of this Report. At present, a further 3 meetings of the Board of Directors are planned for the 2010/2011 financial year for the approval of the interim accounting documents.

The majority of the members of the Board need to be present for its resolutions to be valid. The documentation regarding the questions on the agenda of these meetings is sent to the Directors in a timely fashion to ensure that they are adequately informed in advance of the topics to be examined.

The Manager responsible for preparing the financial reports attends all meetings of the Board of Directors while some managers of company departments will attend meetings of the Board of Directors on invitation to illustrate issues and topics for which they are responsible.

The Executive Directors will ensure that the other members of the Board of Directors and the Board of Statutory Auditors receive information on the chief legislative and regulatory innovations regarding the Company and company bodies.

In compliance with the provisions of Application Criterion 1.C.1 of the Corporate Governance Code, and without prejudice to the powers assigned to the delegated officers, the most significant transactions affecting the company economic, financial and asset structure, including approval of strategic and financial plans, are examined and approved by the Board of Directors. On the occasion of operations of greatest economic and financial significance the delegated bodies make available to the Board of Directors, a reasonable time in advance, a summary picture of the operation highlighting in particular the economic and strategic

purposes, the economic sustainability, and the forms of execution as well as the consequent implications for the Company's activities. In order to identify the actions that the company officers (delegated bodies, Directors, Board of Statutory Auditors) must take during significant economic, financial and asset operations, the Board of Directors approved an operational procedure on "Significant economic, financial and asset operations and those with related parties" available on the internet site [www.juventus.com](http://www.juventus.com).

For operations with related parties, see Chapter 11 of this Report.

The Board of Directors meeting of 24 September 2010, in observance of Application Criterion 1.C.1., section g of the Corporate Governance Code, made a self-assessment on the size, composition and functioning of the Board, noting that the Board is made up of 7 Directors, 5 of them non-executive and 4 independent.

The Self Assessment process was done by filling out a special questionnaire whose contents were defined by the Audit Committee. Each Director filled out the questionnaire and the anonymous and overall results of the analyses were brought to the attention of the Board of Directors, by the Audit Committee.

The Board ascertained from the questionnaire that the composition and functioning of the body were adequate for the Company's management and organisational requirements and confirmed the diversified nature of the Directors' professions and in particular the expertise of the non-executive Directors in economics, accountancy, law, and finance (Application Criterion 3.C.3.). the frequency of the meetings was viewed favourably. Also as regards the Board's Committees, the assessment was positive as regards the role and information flows provided by these committees within the Board. The improvements made essentially concern the depth and the timing of sports information.

#### **4.4 Delegated bodies**

Pursuant to art. 21 of the By-laws, the Chairman, Vice Chairman and Chief Executive Officers in the framework and exercise of the powers conferred on them may sign on behalf of and represent the Company to execute the Board of Directors' decisions and in law.

The Board of Directors voted on 19 May 2010 to confer specific and equal management powers on the Chairman Andrea Agnelli and on the Chief Executive Officer Jean-Claude Blanc. The system of the attribution of powers at Juventus clearly defines the powers attributed by the Board of Directors to the Chairman and to the Chief Executive Officer.

The Company has decided it would be appropriate to assign specific management powers to the Chairman to safeguard the Company's interests, transparency and joint responsibility (Principle 2.P.5.).

All transactions whose value exceeds the thresholds envisaged by the specific powers attributed to the Chairman and the Chief Executive Officer as well as transactions regarding property, excluding rent and leasing contracts lasting no more than 9 years and for a sum of less than € 10 million, must obtain the prior approval of the Board of Directors.

The Board of Directors also has the exclusive responsibility for any decisions regarding significant legal disputes or court cases concerning the Company image and brand.

In the event of such operations, the delegated bodies will make available to the Board of Directors, with reasonable advance notice, an overview of the operation, highlighting in particular the economic and strategic aims, the economic sustainability, the forms of execution as well as the consequent implications for Company operations.

The Board of Directors may also, as permitted by law, attribute powers to other directors, executives, representatives and managers who will exercise them within the limits set by the Board itself.

No Executive Committee has been appointed.

#### **4.5 Non-executive and independent directors**

The Board is primarily made up of non-executive Directors (5 out of 7), some of whom are independent. Their number and authority ensures that these Directors will make an important

contribution to decision-making by the Board. The Independent Directors (4 out of 7) bring their particular expertise to Board discussions, contributing to decisions that protect company interests.

The conditions of independence applied are as follows.

- a) must not be the spouse or relative up to the fourth degree of another Company Director;
- b) must not be the Director, spouse or relative up to the fourth degree of Directors, of a subsidiary company that controls or is subject to common control by the Company;
- c) must not be linked to the Company or to companies controlled by it or to companies that control it or those subject to common control or to other Directors or to those specified in the sections a) and b) above by relations as employee or consultant or other professional, economic and financial relations;
- d) must not control the Company, directly or indirectly, even through controlled or trust companies or third parties nor to be able to exercise considerable influence over it or to participate in a shareholding agreement through which one or more subjects can exercise control or considerable influence over the Company (Application criterion 3.C.1., lett. d);
- e) must not have been in the previous three financial years a significant figure in the Company, of one of its subsidiaries with strategic importance or of a company subject to common control with the Company, or of a company or body that, even together with others through a shareholding agreement, controls the Company or is able to exercise considerable influence over it (Application criterion 3.C.1., section b);
- f) must not have, nor had in the previous financial year, directly or indirectly (for example through subsidiary companies or in which s/he is a significant figure, or as a partner in a professional studio or consultancy firm significant commercial, financial or professional relations (Application criterion 3.C.1., section c):
  - with the Company, one of its subsidiaries, or with leading figures in it;
  - with a person or entity which, together with others through a shareholding agreement, controls the Company, or – if a company or body – with any of its significant figures;
- g) must not be, nor have been in the previous three financial years, an employee of one of the above mentioned companies or bodies (Application criterion 3.C.1., section c);
- h) must not receive, nor have received in the previous three financial years, from the Company or a subsidiary or parent company, significant additional remuneration with regard to the "fixed" remuneration as a non-executive Director of the Company, including the participation in incentive plans linked to company performance, also including share-based incentives (Application criterion 3.C.1., section d);
- i) must not have been a Director of the Company for more than nine years in the last twelve years (Application criterion 3.C.1., section e);
- j) must not hold a position as an executive director in another company in which an executive director of the Company holds a position as Director (Application criterion 3.C.1., section f);
- k) must not be a partner or director of a company or entity belonging to the network of companies entrusted with the auditing of Company accounts (Application criterion 3.C.1., section g);
- l) must not be a close family member cohabiting with a person in one of the situations specified above (Application criterion 3.C.1., section h).

The Board of Directors evaluates on the first occasion the existence of the requisites of independence demanded by the Corporate Governance Code for each of the independent directors, also in observance of Art. 147-ter, paragraph 4, of the Consolidated Finance Law. The Board of Directors evaluates annually the independence of Directors taking into account of the information provided by those directly involved. The Board makes public the outcome of its evaluations, at the time of the appointment, through notification to the market and, later, in the framework of the annual report on corporate governance (Application criterion 3.C.4.).

Based on the information provided by the Directors and which is available to the Company, the Board of Directors meeting of 24 September 2010 held that Directors Riccardo Montanaro, Marzio Saà, Camillo Venesio and Khaled Fareg Zentuti possessed the requisite of independence.

The Board of Directors also ascertained that all the independent directors meet the requirements of independence envisaged for the members of the Board of Statutory Auditors by the Consolidated Finance Law.

The Board of Statutory Auditors has verified the correct application of the criteria and procedures adopted by the Board in evaluating the independence of its own members (Application criterion 3.C.5.).

#### **4.6 Lead Independent Director**

In the meeting held on 27 October 2009, the Board of Directors of the company appointed Director Marzio Saà as *Lead Independent Director*. The *Lead Independent Director* called a meeting of the Independent Directors on 28 June 2010 as required by Application Criterion 3.C.6 of the Corporate Governance Code. The Independent Directors compared their opinions on the work of the Board of Directors and the Committees in which they are members; and on the role played by the Independent Directors in these committees and the figure and role of the *Lead Independent Director*. The Independent Directors agreed to positively assess the spirit of teamwork and collaboration that inspired the work of the officers, with special attention to decision-making about highly important strategic issues, such as the investment for a new stadium.

### **5. TREATMENT OF COMPANY INFORMATION**

The Board of Directors has adopted an internal procedure for the treatment of confidential information, meaning by this non-public information of a precise nature – as specified by Art. 181, paragraph 3, of Legislative Decree 58/1998 – directly or indirectly concerning the Company or one or more financial instruments issued by it and which, if made.

The procedure aims to regulate the information flow, the responsibilities and means of dissemination of confidential information to third parties.

The Chairman and the Chief Executive Officer handle management and communication to the public and authorities of confidential information, with special reference to price-sensitive information. Communications to authorities and the public - including shareholders, investors, analysts and the media – are provided in the terms and modalities specified in the regulations in force, respecting the criteria of correctness, clarity and parity of access to information (Application criterion 4.C.1.).

In its communications, the Company follows the principles contained in the “Guida per l’Informazione al Mercato” of Borsa Italiana S.p.A.

Directors and Statutory Auditors must maintain the confidentiality of the documents and information acquired when performing their duties and observes all the provisions regarding the external communication of such documents and information. The same duties of confidentiality are also applied to Company managers and employees.

In order to satisfy the regulations in force, the Company has created a Register of the people who, because of their working or professional activities or the functions performed, have access to the information envisaged by Art. 114, paragraph 1, of Legislative Decree 58/1998. For this purpose the Company has established a specific organisational procedure.

The Company has also established an organisational procedure to satisfy the obligations as per Art. 114, paragraph 7, of Legislative Decree 58/1998 (so-called “Internal Dealing”).

The Company has identified the Company Directors, Statutory Auditors, the General Manager, and the General Manager for the Sports Area as “Significant Parties”, holding obligations of disclosure.

The organisational procedure prohibits with binding application the members of administrative and control bodies, as well as those with functions as directors or managers as specified by Consob regulation no. 11971/99 (so-called internal dealing), to make, directly or through third parties, operations of purchase, sale, subscription or exchange of shares or financial instruments linked to them in the 15 days preceding the board meeting called to approve the financial statements for the period.

For all further information, reference should be made to the documentation published on the internet site [www.juventus.com](http://www.juventus.com).

## **6. INTERNAL COMMITTEES**

Two committees have been created in the framework of the Board of Directors to provide consultancy and proposals: the Remuneration and Appointments Committee and Audit Committee (Principle 5.P.1.).

To examine the matters relating to the remuneration of Directors and questions related to appointments, the Board of Directors has decided to create a single Committee as the issues are closely inter-related.

## **7. REMUNERATION AND APPOINTMENTS COMMITTEE**

The Remuneration and Appointments Committee is composed of the following non-executive Directors, the majority of whom independent:

- Carlo Barel di Sant'Albano (Chairman);
- Riccardo Montanaro;
- Camillo Venesio.

The Remuneration and Appointments Committee has the following functions:

- to formulate proposals for the fixed and variable remuneration of executive directors, including any participation in shareholding incentives, monitoring the application of the decisions made by the Board of Directors (Application criterion 7.C.3.);
- to formulate proposals for any possible remuneration of members of internal committees established by the Board of Directors;
- to periodically evaluate the remuneration of directors with strategic responsibilities, overseeing their application on the basis of information provided by the executive directors and formulate general recommendations on the matter for the Board of Directors (Application criterion 7.C.3.).

The Company adopts incentive mechanisms on the basis of which the remuneration of executive directors, the General Manager and some employees includes a part that varies according to whether certain economic and/or sports results are achieved.

The Committee may avail itself of the assistance of independent consultants or other experts to acquire the opinions or information needed on matters to be examined; as far as the 2009/2010 financial year is concerned, the Committee made no use of external consultants.

Three meetings of the Remuneration and Appointments Committee were held in the course of the 2009/2010 financial year.

These meetings focused on the analysis and verification of the organisational structure and the proposals regarding Executive Directors' compensation.

## **8. REMUNERATION OF DIRECTORS**

The compensation of the Chairman Andrea Agnelli, in exception to the Application Criterion 7.C.1 of the Corporate Governance Code, is not tied to the business results of the Company or objectives set by the Board of Directors.



A portion of the remuneration of the Chief Executive Officer and the General Manager Jean-Claude Blanc is associated with the business results of the Company or objectives set by the Board of Directors (Application Criterion 7.C.1.).

In the meeting held on 27 October 2009, the Board of Directors resolved to split the yearly compensation of € 70,000 decided by the Shareholders' Meeting equally among its members. Furthermore, the Board resolved to pay Committee members an additional amount of € 5,000 (€ 7,500 for the Chairmen of the Committees).

The Chief Executive Officer and General Manager, Jean-Claude Blanc, will receive a one-off payment of € 3 million if his contract is terminated by the Company, without just cause, or in the event of the resignation of the Chief Executive Officer and General Manager, with just cause.

Detailed information on the remuneration of Directors and compensation related to the year ended 30 June 2010 are provided in the Notes to the Financial Statements (pursuant to article 78 of the Regulation on Issuers).

Note that there are two executives at Juventus with strategic responsibilities: the General Manager Jean-Claude Blanc, who also plays the role of Chief Executive Officer, and the General Manager of the Sport Division, Giuseppe Marotta.

In the 2009/2010 financial year, the Company and leading insurance company stipulated a civil liability policy for directors, auditors and employees with a maximum per incident and per year of € 40 million to hold them free of liability for demands for damages for non malicious acts. The per-capita premium payable varies in relation to the number of persons insured.

Remuneration of non-executive Directors is not related to the Issuer's business results nor are they beneficiaries of stock option plans.

## 9. AUDIT COMMITTEE

The Audit Committee is composed entirely of independent Directors:

- Marzio Saà (Chairman);
- Riccardo Montanaro;
- Camillo Venesio.

The Audit Committee has the following functions:

- to assist the Board of Directors in the definition of the guidelines for the system of internal control;
- to assist the Board of Directors in the identification of an executive director entrusted with overseeing the operations of the system of internal control;
- to assist the Board of Directors in the evaluation, at least once a year, of the adequacy, effectiveness and effective functioning of the system of internal control;
- to assist the Board of Directors in the description of the essential elements of the system of internal control illustrated in the Report on Corporate Governance;
- to provide the Board of Directors with its own opinion on the appointment and removal of those responsible for internal control;
- to assess, together with the manager responsible for preparing the financial reports and the independent auditors, the correct use of the accounting principles (Application criterion 8.C.3., section a);
- on the request of the executive director in charge, to express opinions on specific aspects regarding the identification of the main company risks as well as the planning, production and management of the system of internal control (Application criterion 8.C.3., section b);
- to examine the work plan prepared by the person responsible for internal control as well as the periodical reports produced (Application criterion 8.C.3., section c);

- to evaluate the proposals formulated by the independent auditors to obtain the appointment, as well as the work plan prepared for the audit and the results illustrated in the report and any letter of suggestions (Application criterion 8.C.3., section d);
- to oversee the effectiveness of the auditing process (Application criterion 8.C.3., section e);
- to assist the Board of Directors in verifying the operations of the Monitoring Unit as per Legislative Decree 231/2001;
- to perform other tasks assigned by the Board of Directors (Application criterion 8.C.3., section f);
- to evaluate the observations that emerge from the reports of the independent auditors, from information from the Board of Statutory Auditors, from reports of the Monitoring Unit and investigations and examinations made by third parties;
- to report to the Board of Directors, at least every six months, at the time of approval of the Annual Report and the Half-Yearly Report, on the work of the Committee itself and on the adequacy of the internal control system (Application criterion 8.C.3., section g).

To perform its functions, the Committee may access the company information and functions needed to conduct its tasks and may commission, with the possibility of using Company facilities, independent consultants or other experts, to the degree felt necessary to conduct its work.

The Audit Committee maintains relations with the Board of Statutory Auditors, the independent auditors, the Internal Auditor and the Manager responsible for preparing the financial reports. Furthermore, the Audit Committee meets at least once a year with the Monitoring Unit as envisaged by Legislative Decree 231/2001 (as illustrated further in this report) to exchange information regarding their respective control activities. In the event of particular anomalies found during control operations, information between these bodies will be prompt.

The meetings are attended by the Chairman of the Board of Statutory Auditors or by another Statutory Auditor nominated by him/her, the Internal Auditor and the person responsible for internal control, as secretary, and, on invitation, on the basis of the issues to be discussed, one or more internal members of staff (company managers) or external (independent auditors).

Five Meetings of the Audit Committee were held in the course of the 2009/2010 financial year. Minutes of the Committee meetings were taken.

The purpose of the meetings was the analysis of the company processes most closely related to its functions, as well as issues on which the Committee felt itself able to give its contribution due to the specific professional competencies of its members. In particular, an analysis was made of the valuation criteria and accounting policies underlying the descriptions of the economic and asset situations submitted for the approval of the Board of Directors, the internal procedures and, compliance with Corporate Governance principles. The Audit Committee also dedicated special attention to updating the Model of Organisation, Management and Control pursuant to Legislative Decree 231/2001 and held a specific meeting with the Monitoring Unit. The Audit Committee also oversaw the effectiveness of the accounts auditing process, examining the results illustrated in the reports by the independent auditors and reported to the Board of Directors on the adequacy of the internal control system, providing special reports on this.

Finally, the Board of Directors assigned the Audit Committee to define a self-assessment questionnaire on the size, composition and functioning of the Board and its Committees to submit to Directors. The Audit Committee was also responsible for collecting the data necessary to make the self-assessment, informing the Board of Directors in an aggregate and anonymous form. Chapter 4 of this Report discusses the results of the self-assessment process.

In the year 2010/2011, the Audit Committee has already called two meetings to analyse the results of the self-assessment of the Board of Directors and to analyse the accounting documents, including the results of the audits done.

## 10. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Corporate Governance Code defines the Internal Control System as the set of rules, procedures and organisational structures intended to enable healthy and correct management of the company, consistent with the objectives set (Principle 8.P.1) through an adequate process of identification, measurement and monitoring of the chief risks.

With special reference to the financial information process, the main objectives are identified as reliability, accuracy, credibility, and timeliness of the information.

These objectives can be reached by defining control activities and standards (see § 11.2.3 below) and through implementation of a process of identifying, assessing and monitoring risks.

Juventus has formally defined the activities aimed at integrating and streamlining the risk management process by defining the Risk Management & Reporting policy, the reference Risk Model and approval of the method for assessing risks and uncertainties. This process makes it possible to make the assessments by following guidelines that concentrate on the areas of highest risk and relevance or on risks of significant error, including due to fraud in the financial statement documents and related IT documents.

### 10.1 Guidelines<sup>1</sup>

#### 10.1.1. Identification of risks

In recent years Juventus has undertaken a series of initiatives to improve the Company's organisational mechanisms and Internal Control System based on a process of identification and monitoring of the chief risks.

In the identification of the risks to be submitted for the examination of the Board of Directors, the executive director responsible for the Internal Control System must concentrate on the risks with the highest potential impact on the Company. These risks are identified on the basis of the following criteria:

- the nature of the risk, with particular reference to risks of a financial nature, those regarding the observance of accounting standards and those with a potentially significant impact on the Company's reputation;
- the probability that the risk occurs and its extent;
- the Company's exposure to risk.

#### 10.1.2 Implementation of the Internal Control System

The Internal Control System adopted by Juventus is an essential element of the system of corporate governance and assumes a fundamental role in the identification, minimisation and management of the significant risks for Juventus contributing to the protection of the shareholders' investments and the Company's assets. In addition, the Internal Control System facilitates the effectiveness of company operations contributes to ensuring the reliability of financial communication and the observance of standards and regulations.

In particular, this system is implemented through:

- a) the identification of Corporate Governance rules with which the behaviour of all personnel complies;
- b) the creation of constant overview of management through the adoption of formalised and shared models and operational procedures;
- c) the definition of a system of powers, functions and powers of representation able to support behaviour consistent with the organisational structure.

#### 10.1.3 Evaluation of the effectiveness of the Internal Control System

The periodical verification of the adequacy and the effectiveness and any revision of it are an essential part of the Internal Control System, in order to ensure its full and correct efficiency.

<sup>1</sup> Application criteria 8.C.1., sections a) and d)

The Board of Directors of Juventus is particularly interested in the issues inherent to the Internal Control System, even through careful evaluation of the work and reports of the Audit Committee. The Chairman of the Audit Committee reports on the occasion of the Board meetings on the work of the Committee itself and the adequacy of the Internal Control System through the provision of specific six-monthly reports.

With special reference to the risks affecting financial disclosure, the risk management process and reporting, the Audit Committee has implemented a structured and shared process of evaluating the existing control markers to ensure that risks are covered while limiting the risk of a potential relevant error on financial reporting.

The effectiveness of the controls related to the financial reporting process is done through tests conducted by the Internal Audit department. The results of the tests are periodically reported to the Manager responsible for preparing the Company reports and the Audit Committee, which in turn reports to the Board of Directors, and finally to the Board of Statutory Auditors. Evaluations of the controls can include compensatory controls, definition of corrective actions and plans for improvement.

## **10.2 The rules of the Internal Control System**

Juventus, as defined in the Code of Ethics, intends to spread at all levels, a control-oriented approach, characterised by the awareness of the existence of internal controls and the contribution that this gives to the improvement in efficiency.

### *10.2.1 Code of Ethics*

The Juventus Code of Ethics is thus an integral part of the Internal Control System and expresses the principles of corporate correctness that the Company recognises as its own and to which it demands observance by directors, auditors, employees, consultants, professional footballers, FIGC registered technical personnel, clients and suppliers.

On 24 September 2008 the Board of Directors updated the Code of Ethics to incorporate and formalise the ethical principles significant for the prevention of the new crimes included in Legislative Decree 231/2001.

The cutting-edge Code of Ethics is based on the following key principles to:

- promote the sports ethic and conciliate the professional and economic dimensions of football with its ethical and social values, maintaining at the same time a style of conduct in harmony with its tradition and respecting its own supporters and, more in general, all sports fans;
- create value for its shareholders through the enhancement of the brand, the maintenance of a sports organisation of an excellent technical level, the examination and implementation of projects for the diversification of activities;
- maintain and develop relations of trust with its stakeholders, i.e. all the categories of individuals, groups or institutions whose contribution is needed to achieve company goals.

Furthermore, the Code of Ethics has been delivered to all employees, including professional footballers, FIGC registered technical personnel and all others concerned. It has also been published on the official Juventus site in the section on Corporate Governance (<http://www.juventus.com>). Consultants, suppliers and commercial partners have also been informed of the adoption of the Code of Ethics through the mailing of information or, when underwriting contracts, the inclusion of specific clauses recalling the principles expressed in it.

### *10.2.2 Organisational model pursuant to Legislative Decree 231/2001*

The Company has adopted the model of organisation, management and control envisaged by Legislative Decree 231/2001 regarding the administrative responsibilities of legal entities and keeps it constantly updated with regulatory and legal changes.

As in the phase of adoption, the updates of the Model are preceded by a preliminary monitoring stage of all the activities undertaken by company functions so as to:

- identify the most significant risk factors that could facilitate the occurrence of offences envisaged by the regulations;
- to set up the controls needed to reduce these risks to the minimum.

This Model, which is one of the pillars of the Internal Control System for Juventus, is composed of a general part that contains, in addition to the regulatory references, the description of the Model and the reasons why it has been adopted, as well as the description of the characteristics, functions and powers of the Monitoring Unit. The general part again examines questions concerning the training of personnel and the means of dissemination of the Model as well as the disciplinary system.

The Model also consists of schedules that include the Ethical Code, the regulations, the composition and causes of ineligibility, expiration of office and suspension of the members of the Monitoring Unit and the "Special Parties" relating to the types of offences envisaged by the Decree and held to be significant for Juventus because of its specific operations.

The Model is available in full on the Company's internet site: [www.juventus.com](http://www.juventus.com).

The company procedures and the system of powers to guarantee the control of decision-making processes and the respect of regulation specifications thus constitute an integral part of the model of organisation, management and control.

The most recent update of the organisational model currently in force was adopted at the meeting of the Board of Directors of 10 May 2010.

The Monitoring Unit, appointed by the Board of Directors on 27 October 2009, is composed as follows:

- Guglielmo Giordanengo (Chairman);
- Alessandra Borelli;
- Fernando Massara.

The Monitoring Unit has the task of overseeing the functioning and observance of the Model of organisation, management and control, the adequacy of the Model in relation to the company structure and its effective capacity to prevent offences being committed. This body has the specific professional competencies to conduct the task assigned and take constant action.

The Monitoring Unit will remain in office for the same period as the Board of Directors and until the Shareholders' Meeting called to approve the financial statements at 30 June 2012.

Eight meetings of the Monitoring Unit were held in the 2009/2010 financial year. Minutes of these meetings were taken.

The meetings were principally aimed at updating the Organisational, Management, and Control Model, examining the organisational procedures adopted by the company departments to prevent the offences envisaged by Legislative Decree 231/2001, and planning the most important actions for correctly implementing the Model.

### *10.2.3 Internal Control System on Financial Reporting*

The Company has set in place and maintained a series of reliable administrative and accounting procedures, such as to ensure a high standard of the Internal Control System on financial reporting. In particular, the Administrative and Accounting Control Model is an important element of the Internal Control System in that it helps to ensure that the Company is not exposed to excessive financial risks and that internal and external information is reliable. The objective of this model is also to define:

- a) the guidelines of the control system;
- b) the responsibilities, means and powers to confer on the Manager responsible for preparing the Company reports;
- c) the behavioural regulations to be observed by Company personnel involved in any way in the implementation of the accounting control system;

- d) the roles and responsibilities attributed to the company management and functions involved in preparing, distributing and verifying the accounting information released to the market;
- e) the process of assigning internal responsibility to company department and function managers;
- f) the process of external attestation under the responsibility of the Chief Executive Officer and the Manager responsible for preparing the financial reports.

### **10.3 The organisational structure of the Internal Control System**

In addition to the Board of Directors, the Board's Internal Committees, and the Board of Statutory Auditors, the organisational structure of the Juventus Internal Control System also feature the elements described below.

#### *10.3.1 Director entrusted with overseeing the internal control system*

The Board of Directors meeting of 6 August 2007 identified the Chief Executive Officer Jean-Claude Blanc as the executive entrusted with overseeing the operations of the internal control system (Application criterion 8.C.1, section b).

The executive director has the responsibility for:

- identifying the main company risks regarding the efficiency of company operations, the reliability of financial information, the respect of laws and regulations and the safeguard of company assets (Application criterion 8.C.5, section a);
- submitting these risks and the measures taken to reduce and manage them for examination and evaluation by the Board of Directors (Application criterion 8.C.5, section a);
- planning, managing and monitoring the Internal Control System, answering directly to the Board of Directors (Application criterion 8.C.5, section b);
- proposing to the Board of Directors the appointment, removal from office and remuneration of one or more Internal Control managers (Application criterion 8.C.5, section c).

#### *10.3.2 Internal audit and Internal Audit manager*

The Company has established the Internal Audit function, as envisaged by the Corporate Governance Code (Application criterion 8.C.7), in force as of 1 April 2008.

On 7 August 2008 the Board of Directors appointed the Internal Audit manager responsible for the internal control system.

This person is entrusted with the tasks of evaluation and constant monitoring of, and giving impetus to the current internal control system. The person responsible, who in performing these duties has complete independence and no hierarchical constraints (Application criterion 8.C.6., section b), has adequate access to perform the functions required (Application criterion 8.C.6., section d), has direct access to all the information useful for performing these tasks (Application criterion 8.C.6., section c), reports periodically to the Chairman, to the Audit Committee, to the Board of Directors and to the Board of Statutory Auditors on its activities.

The Internal Audit manager and Internal Control Manager are responsible for:

- assisting the Executive Director entrusted with overseeing for the Internal Control System in planning, managing and monitoring the Internal Control System;
- conducting specific and programmed activities to verify any shortcomings in the Internal Control System, identifying weaknesses and needs for improvement (Application criterion 8.C.6., section a);
- verifying that the rules and procedures that constitute the terms of reference of the control process are respected and that those involved work in line with the objectives set;
- preparing every year a work plan and submits it to the Audit Committee;

- preparing a six-monthly report on its work and submitting it to executive directors, the Audit Committee and the Board of Statutory Auditors (Application criterion 8.C.6., section e).

### *10.3.3 Manager responsible for preparing the financial reports*

The Board of Directors' meeting of 6 August 2007, pursuant to Art. 19 of the Company By-laws, on the proposal of the Audit Committee and after hearing the opinion of the Board of Statutory Auditors, appointed Michele Bergero, Chief Administration and Finance Officer, as manager responsible for preparing the financial reports.

The manager responsible for preparing the financial reports has all the powers necessary to exercise his role, including expenditure. The powers attributed can be exercised individually and with reference to the specific functions assigned and, consequently, purely to perform the actions required to implement them in the interest of the company and in observance of the law. With reference to the exercise of the powers described above, The manager responsible must report promptly to the Chief Executive Officer and at least once a year to the Board of Directors on the activities performed and the costs incurred.

### *10.3.4 Employees*

All employees, according to the tasks assigned by the Company ensure the effective functioning of the Internal Control System as part of their responsibility in achieving the objectives set.

## **11. INTERESTS OF DIRECTORS AND RELATED-PARTY TRANSACTIONS**

The information envisaged by Art. 150 of Legislative Decree 58/1998 and Art. 2381 of the Italian Civil Code is provided by the Directors to the Board of Statutory Auditors and the delegated bodies to the Board of Directors to the Board of Statutory Auditors in the course of the meetings of the Board of Directors, to be held at least every three months.

The delegated bodies also provide Directors and Auditors with adequate information on atypical and/or unusual operations or with related parties, conducted in the exercise of the powers delegated to them.

In line with Principle 9.P.1 of the Corporate Governance Code, the Board of Directors has adopted the Corporate Governance Code for the operations of importance from the point of view of the economic, financial and asset aspects, as well as the conduction of operations with related parties (available on the Company's internet site: [www.juventus.com](http://www.juventus.com)). Presently, the Company is in the process of preparing a specific procedure for regulating related-party transactions pursuant to article 4 "Regulation of related-party transactions" adopted by Consob with resolution no. 17221 of 12 March 2010, as amended

As regards relations with related parties, the Corporate Governance Code envisages that the following must be submitted to the Board of Directors for approval (Application criterion 9.C.1.):

- atypical and/or unusual operations within the group, meaning by this the operations that for their importance and/or size, the nature of the counterparts, the subject of the transaction (even if related to ordinary management), the means of determining the price of the transfer and the timing of the event (proximity to the closure of the financial year) could give rise to doubts regarding: - the correctness and/or completeness of information in the financial statements, conflict of interest, the safeguard of company assets, and the protection of minority shareholders;
- operations with other related parties for sums over € 100 thousand.

The identification of relations and operations with related parties is conducted as laid down in the IAS 24 international accounting standard.

The delegated officers provide the Board of Directors with information regarding these transactions, with particular attention to the nature of the relationship, the means of

execution, the payment conditions and timing, the valuation criteria followed and any risks for the Company.

When a Director has an interest in an operation (even if only potential), pursuant to Art. 2391 of the Italian Civil Code, the Board of Directors and the Board of Statutory Auditors must be informed in a timely fashion of the nature, terms, origin and extent of this interest.

In the event that the nature, value and forms of execution of an operation demand it, the Board of Directors may avail itself of the assistance of one or more independent experts, chosen amongst specialists with acknowledged professionalism and competency in the specific field, in order to acquire an opinion on the economic conditions of the operation and its legitimacy as well as the way it is executed and technical modalities.

The Board of Directors and the Board of Statutory Auditors must in any case be informed of operations with other related parties even if different from those illustrated above.

## **12. APPOINTMENT OF AUDITORS**

The Board of Statutory Auditors, established in line with the By-laws, is made up of three acting Auditors and two Deputy Auditors.

Pursuant to the by-laws, the election of one auditor and one deputy auditor is reserved for the minority.

The Board of Statutory Auditors is nominated on the basis of lists presented by shareholders in which the candidates are listed by a progressive number. The list is made up of two sections: one for candidates for acting Auditor and another for candidates for deputy Auditor, for a number not exceeding the Auditors to be elected.

Lists can only be presented by shareholders which, alone or together with other shareholders, own voting stock representing the percentage specified for the Company by the regulations in force; this percentage must be indicated in the meeting notice.

The lists must be delivered to the Company's registered offices at least fifteen days before the first date fixed for the meeting and reference to this will be made in the notice of the meeting, complete with (Application criterion 10.C.1.):

- a) information regarding the identity of the shareholders that have presented lists, with the indication of percentage of the overall shareholding and certification that demonstrates the right to this shareholding;
- b) a declaration of shareholders other than those that hold, even jointly, a controlling share or relative majority, certifying the absence of related links with the latter covered by the regulations in force;
- c) full information on the personal and professional characteristics of the candidates, as well as a declaration by them of possessing the prerequisites required by law and the Company By-laws and their acceptance of the candidature;
- d) the list of directorship and control positions occupied by candidates in other companies, with the undertaking to update this list at the date of the meeting.

Any candidates who do not comply with the aforesaid provisions shall be considered ineligible. Outgoing Auditors may be re-elected.

The lists, accompanied by the above information, are promptly published on the Company's site (Application criterion 10.C.1.).

In the event that at the date of the above deadline only a single list has been deposited, i.e. only lists presented by shareholders who, on the basis of the above, are connected with each other in the sense of the regulations in force, lists may be presented up to the fifth day following that date. In this case, the threshold specified above is reduced by half.

If no minority lists are presented, the later deadline for presentation and the reduction in the threshold must be notified promptly pursuant to the regulations in force.



No shareholder may present or vote for more than one list, not even through a third party or fiduciary company. Shareholders belonging to the same group and shareholders who enter into a shareholding agreement regarding shares in the company may not present or vote for more than one list, not even through a third party or fiduciary company. Each candidate may be included in only one list, and will otherwise be considered ineligible.

The only candidates who can be included in the lists are those who have respected the limits for positions held, as set by the applicable regulations, and those who meet the requirements set by the regulations and by the By-laws. For the purposes envisaged by Article 1, section 2, paragraphs b) and c) and section 3 of Ministerial Decree No. 162 of 30 March 2000 on the professional requirements of members of the Board of Statutory Auditors of listed companies, topics closely relevant to the company's activities mean commercial law, industrial law, sports law, business economics and financial sciences as well as the other similar or comparable subjects, even if denominated differently, while sectors strictly related to the activities in which the Company operates mean the sectors regarding sports and professional sports.

The election of the members of the Board of Statutory Auditors is conducted as follows:

1. two auditors and one deputy auditor that have obtained the highest number of votes in the meeting are elected, on the basis of the progressive order in which they are listed in the sections of the list;
2. the remaining Auditor and the other Deputy Auditor are elected from the second list that is not connected to the shareholders of reference pursuant to the regulations in force that has obtained the highest number of votes in the meeting on the basis of the progressive order in which they are listed in the sections of the list; in the event of parity between a number of lists, the candidates elected are those of the list presented by shareholders holding the largest shareholding, or, secondarily, by the highest number of shareholders.

The first candidate on the list under point 2 above is appointed to the chairmanship of the Board of Statutory Auditors.

If it is not possible to make the appointment with the above method, the meeting shall decide by a simple majority.

In the event the requisites demanded by law and by-laws are no longer met, the Auditor shall be relieved of office.

In the event of the substitution of an Auditor, the position is taken, including that of Chairman, by the Deputy Auditor from the same list of the Auditor leaving office.

The terms in the preceding paragraphs shall not be applied in Shareholders' Meetings which, according to the law, must appoint acting and/or deputy auditors and the Chairman needed to complete the Board of Statutory Auditors in the event of replacement or resignation. In these cases, the appointment is made by the simple majority vote of the shareholders, respecting the principle of the necessary representation of minorities.

The members of the Board of Statutory Auditors are subject to the same conditions and constraints as specified for Directors in Article 13 of the Company By-laws.

### **13. STATUTORY AUDITORS**

The Board of Statutory Auditors was nominated by the Shareholders' Meeting of 27 October 2009, and it is currently made up of the following members:

- |                           |                |
|---------------------------|----------------|
| - Paolo Piccatti          | Chairman       |
| - Roberto Longo           | Auditor        |
| - Roberto Petignani       | Auditor        |
| - Paolo Claretta Assandri | Deputy Auditor |
| - Ruggero Tabone          | Deputy Auditor |

The Board of Statutory Auditors will remain in office until the Shareholders' Meeting called to approve the Financial Statements of the year 2011/2012.

At the time of appointment of the Board of Statutory Auditors, the only list submitted was by the majority shareholder EXOR S.p.A., as holder of 60.001% of the ordinary shares. The lists and all the documentation required by the By-Laws for the related filing have been published on the Company's website [www.juventus.com](http://www.juventus.com). They are still available for consultation.

Brief information on the members of the Board of Statutory Auditors is given below:

**Paolo Piccatti (Chairman of the Board of Statutory Auditors):** born in Turin, on 18 June 1957, a graduate in Economics and Business, he is a qualified chartered accountant, is registered as a technical consultant of the court of Turin, and is a registered auditor. He has worked in the profession since 1985, mainly in the fields of company and tax law, as well as being a technical consultant.

**Roberto Longo (Auditor):** born in Alpignano (Turin) on 21 April 1947, a graduate in Economics and Business at the University of Turin, he is a Chartered Accountant. In June 1974 he was hired by IFIL S.p.A. (now Exor), where he worked until 2002; Longo played the roles of Administrative Director from January 1983, Administrative and Financial Director from January 1986. From 1995 to 2002 he was Director of Finance and Planning, and from 1986 to 2002 Secretary of the company Board of Directors. During this experience, he also held other positions within the IFIL Group (now EXOR) . From 2003 to 2004, he was Real Estate and Finance Director at Toro Assicurazioni S.p.A.

**Roberto Petrigiani (Auditor):** born in Turin, on 27 October 1963, a graduate in Economics and Business, he is a qualified chartered accountant, is registered as a technical consultant of the court of Turin, and is a registered auditor. He has worked in the profession since 1988, mainly in the field of tax law.

Pursuant to article 144-quinquiesdecies of the Regulation on Issuers, the complete and updated information of the positions covered by the members of the Board of Statutory Auditors is published by Consob at [www.consob.it](http://www.consob.it). The following table gives the key details of the Company's Statutory Auditors:

Name	Position	In office since	List	Indep.	% Meeting	Other positions
Paolo Piccatti	Chairman	27/10/2009	N/A (*)	X	100	1
Roberto Longo	Auditor	27/10/2009	N/A (*)	X	100	-
Roberto Petrigiani	Auditor	27/10/2009	N/A (*)	X	100	1
Paolo Claretta Assandri	Deputy Auditor	27/10/2009	N/A (*)	X	-	-
Ruggero Tabone	Deputy Auditor	27/10/2009	N/A (*)	X	-	-

(\*) The Board of Statutory Auditors was not appointed with the application of the list vote mechanism in that, when its office expired, only the list of the majority shareholder EXOR S.p.A. was submitted.

**Key: Indep.** if marked, this indicates that the auditor can be qualified as independent according to the criteria of the Code of Conduct. **% Meeting** this indicates the attendance, as a percentage, of the auditor at the Board of Statutory Auditors' meetings (calculated considering the number of meetings held during the financial year or after the appointment). **Other positions** this indicates the total number of positions as director or auditor held in other companies listed in regulated Italian markets. Pursuant to article 144-quinquiesdecies of the Regulation on Issuers, the complete and updated information of the positions held by the members of the Board of Statutory Auditors is published by Consob at [www.consob.it](http://www.consob.it).

The Board of Statutory Auditors held nine meetings in the course of the 2009/2010 financial year. The Board of Statutory Auditors

- evaluates the independence of its members at the first possible occasion after their appointment;
- evaluates in the course of the financial year the continuing existence of the independence of its members;
- in making the above evaluations, has applied all the criteria envisaged by the Corporate Governance Code with reference to the independence of Directors.

Any Auditor who has a personal interest or an interest on behalf of a third party in a given Company transaction shall inform promptly and in full the other Auditors and the Chairman of the Board of the nature, terms, origin and extent of this interest (Application criterion 10.C.4).

The Board of Statutory Auditors has been vigilant over the independence of the Independent Auditors, verifying the respect of both the relevant regulations and the nature and dimensions of services other than auditing provided to the Company by the Independent Auditors themselves and by bodies belonging to its network (Application criterion 10.C.5). In conducting its activities, the Board of Statutory Auditors co-ordinated with the Audit Committee through participation in the meetings of the Audit Committee (Application criteria 10.C.6. and 10.C.7.).

#### **14. RELATIONS WITH SHAREHOLDERS**

The Company acts to establish a dialogue with its shareholders and institutional investors. The Chairman and Chief Executive Officer, in the respect of the procedure on the disclosure of documents and information concerning the Company, oversee relations with institutional investors and other shareholders with a view to constant attention and dialogue.

In order to establish a constant and professional relationship with all shareholders, as well as with institutional investors, as requested by the Corporate Governance Code and also to respond to the further demands to be satisfied for admission to the STAR segment of the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A., the appointment has been made of a person responsible for the specific management of all activities concerning relations with institutional investors and other shareholders.

In the framework of these responsibilities, the manager organises regular meetings with members of the Italian and international financial community and updates the financial section of the Company's website. The site provides a special section, available also in English, on news regarding the Company, periodical and annual accounting statements, press releases and corporate presentations to analysts and investors.

At the date of this Report, the Investor Relations Manager is Marco Re.

Shareholders, investors and the financial press can contact the following company offices for information:

- Relations with Institutional Investors and Financial Analysts  
(Tel. +39011-6563456 - Fax +39011-5631177 – investor.relations@juventus.com).
- Press Office  
(Tel. +39011-6563448 – Fax +39011- 4407461)

#### **15. SHAREHOLDERS' MEETINGS**

Shareholders' Meetings are an important occasion for informing shareholders about the Company, respecting regulations on confidential information, as highlighted by Principle 11.P.1 of the Corporate Governance Code.

In order to facilitate the attendance of shareholders at Shareholders' Meetings, the Company pays the maximum attention to the choice of venue, and the date and time they are convened.

Members of the Board of Directors and the Board of Statutory Auditors will be well represented at the Meetings. In particular, Meetings are attended by the Directors who, due to the positions occupied, can provide a useful contribution to discussion in the meetings.

The Company has also adopted an OGM/EGM Code to regulate the ordered and effective management of Company Shareholders' Meetings, available on the Company Internet site: [www.juventus.com](http://www.juventus.com).

#### **16. CHANGES AFTER THE CLOSURE OF THE YEAR OF REFERENCE**

No significant changes are to be noted.

**JUVENTUS FOOTBALL CLUB S.p.A.**  
Share capital Euro 20,155,333.20  
Registered Office in Turin, Corso Galileo Ferraris n. 32  
Registered in the companies register of Turin no. 00470470014 - REA no. 394963

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**COMPANY BY-LAWS**  
**at 24 September 2010**

**COMPANY CONSTITUTION**

Article 1 - DENOMINATION

A joint-stock Company is hereby incorporated under the name of "JUVENTUS F.C. S.p.A." or "JUVENTUS FOOTBALL CLUB S.p.A.", written in any graphic form.

Article 2 - REGISTERED OFFICE

The Company's registered office is in Turin.

Article 3 - CORPORATE PURPOSE

The sole purpose of the Company is sporting activities and activities connected or instrumental to them directly or indirectly.

In the framework of related or instrumental activities, the Company's purpose includes promotional and advertising activities and licensing of its own brands, the acquisition, ownership and sale, with the exclusion of transactions with the public at large, of shareholdings in commercial and real estate companies or companies whose purpose is the supply of services in any case related to the Company purpose.

To achieve the Company purpose and the objectives specified in the sections above, the Company may:

- enter into any and all real estate, investment and financial transactions, the latter with the exclusion of transactions with the public at large, that are held to be useful or necessary;
- promote and publicise its activity and its image using models, designs and emblems, directly or through third parties, and commercialising, again directly or through third parties, goods, objects and products bearing distinctive Company logos or signs; undertake, directly or indirectly, publishing activities, with the exclusion of the publication of daily newspapers.

All activities must in any case be conducted in observance of the law.

Article 4 - TERM

The term of the Company is fixed until 31 December 2100.

**SHARE CAPITAL – SHARES**

Article 5 – CAPITAL STOCK

The share capital is Euro 20,155,333.20 divided into 201,553,332 ordinary shares of par value of Euro 0.10 each.

The shares are registered shares and are issued in electronic form.

The share capital may also be increased through the contribution of assets in kind and/or credit.

Article 6 – SHARES WITHOUT VOTING RIGHTS

If the Company issues shares without voting rights, the Board of Directors will convene the appropriate Meetings, in the event that the shares without voting rights or the ordinary shares are delisted, to vote the convertibility of the shares without voting rights into ordinary shares according to the conversion ratio that will be decided by the Extraordinary Meeting.

Article 7 - DELEGATION OF POWERS TO THE DIRECTORS

The Shareholders' Meeting may assign the power to the Directors to increase the share capital and/or issue convertible bonds, as specified in articles 2443 and 2420 ter of the Italian Civil Code.

**MEETING**Article 8 - ATTENDANCE AND REPRESENTATION AT THE SHAREHOLDERS' MEETING

Shareholders holding voting shares shall be entitled to attend the Meeting. Each shareholder can be represented at a Meeting, in the manner set forth by law.

Pursuant to art. 2373 of the Italian Civil Code a conflict of interests exists for:

- a) anyone holding voting rights at the Shareholders' Meeting of more than 2% (two per cent) of the Company's share capital when at the same time holding voting rights in another football company affiliated to the professional section of the FIGC equal to the percentage needed to ensure the control of this other company as per paragraph 1, points 1 and 2 of art. 2359 of the Italian Civil Code;
- b) anyone holding voting rights at the Shareholders' Meeting of more than 10% (ten per cent) of the Company's share capital when at the same time holding voting rights in another football company affiliated to the professional section of the FIGC with a percentage of the share capital of this company of over 2% (two per cent) but lower than the share specified in point a) above.

For the purposes of the calculation of these percentages, all voting rights must be taken into account that can be exercised, directly or indirectly, also through parent companies, subsidiary companies or associated companies, or through third parties, or on the basis of pledge, usufruct, any other rights or agreements with other shareholders.

Participants at the Meeting who find themselves in one of the situations of conflict described above must declare this situation under their own responsibility.

Article 9 - CALL OF MEETING

The Ordinary Meeting shall be convened by the Board of Directors in the city of the Company's registered office or elsewhere, in Italy, at least once a year within one hundred and twenty days of the end of the financial year. In addition, an Ordinary or Extraordinary Meeting shall be convened whenever the Board of Directors deems it proper and in the cases provided by law.

Article 10 - NOTICE OF MEETING

The Meeting shall be convened by notice to be published in the newspaper "La Stampa" at least thirty days prior to the date fixed for the Meeting, unless otherwise specified by law; in the event of failure to publish the newspaper "La Stampa", the notice shall be published in the "Gazzetta Ufficiale" of the Italian Republic. The notice can also indicate the days for any second call and, in the event of an Extraordinary Meeting, a third call. The notice shall indicate the location, the date and time of the Meeting as well as the matters on the agenda.

**Article 11 – SHAREHOLDERS' MEETING**

For the Meeting to be duly constituted and valid for passing resolutions, the applicable laws shall apply, subject to the provisions of the following Articles 13 and 22 for the appointment of the Board of Directors and the Board of Statutory Auditors.

**Article 12 - CHAIR OF THE MEETING – CODE OF THE MEETING**

The Meeting shall be chaired by the Chairman of the Board of Directors; in his absence by the most senior Vice Chairman or, in the case of a number of Vice Chairmen, the one nominated by the Board of Directors or in their absence by another person appointed by the Meeting. Based on the proposal of the Chairman, the Meeting shall appoint the Secretary, who may be chosen also from among non shareholders and, should he deem it proper, two scrutineers, choosing them from among the shareholders or shareholders' representatives. When required by law, or when deemed proper by the Chairman of the Meeting, the minutes are drawn up by a notary appointed by the Chairman himself, in which case it is not necessary to appoint a Secretary. The resolutions of the Meeting shall be recorded in the form of minutes signed by the Chairman and the notary or Secretary.

The Chairman of the Meeting shall be responsible for verifying if the Meeting has been duly constituted, verifying the identity and legitimacy of the shareholders present, conducting the discussion and ascertaining the resulting of voting.

Except as provided by the previous paragraphs, all further regulations for conducting Meetings shall be determined by the Ordinary Meeting through the adoption of specific rules.

**ADMINISTRATION AND REPRESENTATION****Article 13 - BOARD OF DIRECTORS**

The Company shall be managed by a Board of Directors composed of a number of members variable from a minimum of 3 to a maximum of 15 depending on the number established by the Meeting.

The Board of Directors is nominated on the basis of lists of candidates. In the presence of a number of lists, one of the members of the board of directors is expressed by the second list that has obtained the most votes.

Only shareholders who, singly or together with others, are owners of shares with voting rights representing at least 2.5% of company capital or the different percentage laid down for the company by the regulations in force, this percentage being indicated in the meeting notice, have the right to present lists.

No shareholder, nor shareholders linked by relations of control or connected as specified in the Italian civil code, may present or vote for, not even through a third party or fiduciary company, more than one list. Each candidate may be included in only one list, and will otherwise be considered ineligible.

The candidates included in the lists must be listed with progressive numbers and possess the requisites of integrity and professionalism established by law. The candidate indicated with number one in the progressive order must also meet the requirements of independence demanded by law.

The lists presented must be deposited at the company headquarters at least fifteen days before the date of the first call for the shareholders' meeting and this will be reported in the notice calling the meeting.

Together with each list, by the deadline indicated above, the certification is deposited of the shareholder's right to participation, detailed information on the candidates'

personal and professional qualities, as well as the declarations in which the individual candidates accept the candidature and state, under their own responsibility, that they possess the requisites demanded. The candidates for whom the rules above have not been respected are ineligible.

The number of directors to be elected is decided by the meeting, and the procedure is as follows:

1. all the directors to be elected except one are elected from the list that has obtained most votes, on the basis of the progressive order of the list;
2. in observance of the law, one director is elected from the second list that has obtained the highest number of votes, on the basis of the progressive order of the list.

No account is taken of the lists that obtain at the meeting a percentage of votes less than half of the amount demanded in paragraph three of this article.

The above rules for the appointment of the board of directors are not applied when at least two lists have not been presented or voted nor in the meetings that must substitute directors during the course of their mandate. In these cases, the meeting decides with a relative majority vote.

If in the course of the financial year one or more Directors were to leave office, the Board shall replace the Directors in accordance with the civil code. If, due to resignation or other causes, the majority of Directors should leave office, the whole Board shall be deemed to be resigning and the Directors still in office should urgently call a Meeting for the new appointments.

Directors shall hold office for three financial years and their term of office expires concurrently with the Shareholders' Meeting called for the approval of the financial statements for the third financial year; these Directors can be re-elected. The term of office of any Director appointed by the Meeting in the course of a three-year term shall expire on expiry of the term of office of Directors in office at the time of the appointment.

Directors who receive definitive convictions in the courts entailing additional sentences incompatible with their position are suspended from their position for the period established by the sentence.

Directors who are subjected to disciplinary measures by the bodies of the FIGC that entail the permanent exclusion from any level and category of the FIGC must leave office and cannot fill or be nominated or elected to other Company positions.

#### Article 14 – OFFICERS

The Board of Directors, where this has not been decided by the Shareholders' Meeting, shall appoint a Chairman from among its members. It may also appoint one or more Vice-Chairmen and one or more Chief Executive Officers. The Board can also appoint a Secretary who may not necessarily be a member of the Board.

#### Article 15 - MEETINGS OF THE BOARD

The Board of Directors shall meet either at the registered office or elsewhere, provided that it is in a European country, usually at least every three months, whenever the Chairman or a Vice Chairman or upon request of the persons duly qualified according to the law deems it necessary, or every time the same considers it in the best interests of the Company, or whenever a meeting has been requested by at least three Directors or at least two acting Statutory Auditors or bodies with delegated powers. The meetings shall be presided over by the Chairman, or in his absence, by the Vice-Chairman nominated by the Board. In the event of his absence, the chair will be taken by another director nominated by the Board. The meeting shall

be called by letter telegram, fax, e-mail or similar at least three days before the date fixed for the meeting, except in the case of extreme urgency.

The disclosure required by art. 150 of Legislative Decree 59/98 and by art. 2381 of the Italian Civil Code shall be supplied by the Directors to the Board of Statutory Auditors and by the bodies with delegated powers (Executive Directors) to the Board of Directors and the Board of Statutory Auditors during the meetings of the Board of Directors, to be held at least quarterly, as stated in the previous paragraph.

Meetings of the Board of Directors may be held via means of telecommunications. In that case the meeting is considered to be held in the location where the Chairman of the meeting is and where the Secretary also shall be; furthermore, all the Directors present must be able to be identified and follow the discussion, take part in real time in the discussion of the matters and receive, send and consult documents.

#### Article 16 - RESOLUTIONS OF THE BOARD

The resolutions of the Board of Directors shall be valid if at least the majority of the members holding office is present. Resolutions shall be taken by absolute majority of votes of the Directors present. In the event of an equal number of votes, the vote of the Chairman of the meeting shall prevail. All resolutions taken at the meeting shall be recorded in minutes signed by the Chairman of the meeting and the Secretary.

#### Article 17 - POWERS OF THE BOARD

The Board of Directors is vested with all and every power for the ordinary and extraordinary management of the Company. The Board is therefore empowered to take such action as it shall deem proper to attain the Company's business purpose save only such action as is reserved by law to the Shareholders' Meeting.

The Board of Directors can issue non-convertible bonds and also pass resolutions regarding transactions as provided by article 2365, second paragraph, of the Italian Civil Code as well as decide for the spin-off of companies according to the provisions of the law.

#### Article 18 - EXECUTIVE COMMITTEE

The Board can appoint an Executive Committee from among its members, fixing the number of members and delegating all or a part of its powers, save those powers expressly reserved by law to the Board. The same provisions of Articles 15 and 16 for the Board of Directors apply with respect to the meetings and the resolutions of the Executive Committee. The Secretary to the Board is also the Secretary to the Executive Committee.

#### Article 19 - GENERAL MANAGER – MANAGER RESPONSIBLE FOR PREPARING THE FINANCIAL REPORTS

The Board of Directors can, as provided for by law, appoint a General Manager, fixing the powers, attributions and any remuneration.

The Board of Directors shall, after hearing the opinion of the Board of Auditors, appoint a manager responsible for preparing the financial reports; the person appointed must have several years of experience in administrative and financial matters in companies of significant size.

#### Article 20 - EMOLUMENTS

The Board is entitled to an annual emolument which shall be voted by the Shareholders' Meeting; the manner in which the emolument shall be divided among the Board members shall be decided respectively by resolution of the Board and the Executive Committee. The Directors who have been delegated special assignments or powers, after approval by the Board of Statutory Auditors, can be assigned special



fees, also in the form of profit sharing. All these amounts shall be recorded under general expenses.

#### Article 21 - LEGAL REPRESENTATION

Legal representation of the Company vis-à-vis third parties and in court proceedings shall be the duty of the Chairman and, if appointed, Vice Chairmen and Chief Executive Officers within the limits of the powers granted to them by the Board of Directors and also for the execution of the resolutions of the Board and in legal proceedings.

In addition, the Board of Directors may, as provided by law, attribute powers to other Directors, nominees or managers who will exercise such power within the limits set by the Board.

### **BOARD OF STATUTORY AUDITORS AND AUDITS**

#### Article 22 - AUDITORS

The Board of Statutory Auditors shall consist of 3 acting Statutory Auditors and 2 alternate Statutory Auditors. Minority shareholders may appoint one standing Statutory Auditor and one alternate Statutory Auditor.

Statutory Auditors shall be nominated by a list presented by the shareholders in which the candidates are listed by a progressive number. The list is made up of two sections: one is for candidates for the post of acting Auditor and the other is for candidates for deputy auditors, in a number no higher than the number of auditors to be elected.

Lists can only be presented by shareholders which, alone or together with other shareholders, own voting stock representing the percentage specified in the third paragraph of Article 13; this percentage must be indicated in the notice of call for the meeting.

No shareholder may present or vote for more than one list, not even through a third party or fiduciary company. Shareholders belonging to the same group and shareholders who enter into a shareholding agreement regarding shares in the company may not present or vote for more than one list, not even through a third party or fiduciary company. Each candidate may be included in only one list, and will otherwise be considered ineligible.

The only candidates who can be included in the lists are those who have respected the limits on positions held set by the applicable regulations and who meet the requirements set by the regulations and by the By-laws. For the purposes envisaged by Article 1, section 2, paragraphs b) and c) and section 3 of Ministerial Decree no. 162 of 30 March 2000 on the professional requirements of members of the Statutory Board of Auditors of listed companies, topics closely relevant to the company's activities mean commercial law, industrial law, sports law, business economics and financial sciences as well as the other similar or comparable subjects, even if denominated differently, while sectors strictly related to the activities in which the company operates mean the sectors regarding sports and professional sports.

Outgoing Auditors may be re-elected. The lists must be delivered to the Company's registered offices at least fifteen days before the first date fixed for meeting and reference to this will be made in the notice of the meeting, complete with:

a) information regarding the identity of the shareholders that have presented lists, with the indication of the percentage of the overall shareholding and certification that demonstrates the right to this shareholding;

b) a declaration of shareholders other than those that hold, even jointly, a controlling share or relative majority, certifying the absence of related links with the latter covered by the regulations in force;

c) full information on the personal and professional characteristics of the candidates, as well as a declaration by them of possessing the prerequisites required by law and the Company By-laws and their acceptance of the candidature;

d) the list of directorship and control positions occupied by candidates in other companies, with the undertaking to update this list at the date of the meeting.

Any candidates who do not comply with the aforesaid provisions shall be considered ineligible.

In the event that at the date of the above deadline only a single list has been deposited, i.e. only lists presented by shareholders who, on the basis of the above, are connected with each other in the sense of the regulations in force, lists may be presented up to the fifth day following that date. In this case, the threshold specified above is reduced by half.

If no minority lists are presented, the later deadline for presentation and the reduction in the threshold must be notified promptly pursuant to the regulations in force.

The election of the members of the Board of Statutory Auditors is conducted as follows:

1. two acting statutory members and one alternate member are elected from the list which has obtained the highest number of votes, in the progressive order in which they are listed thereon;
2. the remaining acting statutory member and the other alternate member are elected from the list which has obtained the second highest number of votes from the Meeting and which are not connected to the reference shareholders on the basis of the progressive order in the sections of the list; in the event of parity between a number of lists, the candidates elected are those of the list presented by shareholders holding the largest shareholding, or, secondarily, by the highest number of shareholders.

The first candidate on the list under point 2 above is appointed to the chairmanship of the Board of Statutory Auditors.

If it is not possible to make the appointment with the above method, the meeting shall decide by a simple majority.

In the event the requisites demanded by law and by-laws are no longer met, the Statutory Auditor shall be relieved of office.

In the event of the replacement of a Statutory Auditor, including the position of Chairman, the alternate belonging to the same list as the resigned auditor shall take the place of the same, when the Statutory Auditors have been nominated through lists.

The terms in the preceding paragraphs shall not be applied in Shareholders' Meetings which, according to the law, must appoint acting and/or deputy Auditors and the Chairman needed to complete the Board of Statutory Auditors in the event of replacement or resignation. In these cases, the appointment is made by the simple majority vote of the shareholders, respecting the principle of the necessary representation of minorities.

The members of the board of auditors are subject to the same conditions and constraints as specified for Directors in Art 13.

#### Article 23 - EMOLUMENTS

The emolument of the Statutory Auditors shall be determined by the Shareholders' Meeting according to law.

#### Article 24 – AUDITS

The financial statements shall be audited by independent auditors who are listed in the corresponding register according to the provisions of laws.

### **FINANCIAL STATEMENTS**

#### Article 25 – FINANCIAL YEAR

The financial year shall terminate on 30 June each year.

#### Article 26 – DISTRIBUTION OF PROFITS

The net profit, less any losses from prior years, shall be distributed as follows:

- 5% to the legal reserve, until the same reaches one-fifth of the Company's capital stock;
- at least 10% to the technical-sports youth training and education schools;
- the remaining profit shall be distributed to the shareholders as dividends, unless otherwise voted by the Shareholders' Meeting.

#### Article 27 – INTERIM DIVIDENDS

During the course of the year, and if the Board of Directors so deems it and it is feasible in consideration of the results of the year, the Board of Directors can resolve to pay interim dividends for the year, in conformity with the provisions of the law.

#### Article 28 – PAYMENT OF DIVIDENDS

Dividends shall become payable at the registered office of the Company and in other locations designated by the Board of Directors.

All and any dividends not collected within five years from the date when they become payable shall be allocated to the Extraordinary Reserve of the Company and the related coupons shall be cancelled.

### **FINAL PROVISIONS**

#### Article 29 – TERRITORIAL JURISDICTION

The Company shall be under the jurisdiction of the Court of Turin.

#### Article 30 - DOMICILE OF SHAREHOLDERS

The domicile of the shareholder, for all relations with the Company, is that shown in the shareholders' register.

#### Article 31 - LIQUIDATION

In the event of the dissolution of the Company, the wind-up will take place in the manner established by law.

The liquidator or liquidators shall be appointed, in compliance with the law, by the Shareholders' Meeting, fixing their powers and compensation.

The state of liquidation or closure entails the revocation of affiliation by the FIGC which may allow activity to continue until the end of the season in progress.

#### Article 32 - MATTERS GOVERNED BY LAW

All matters not provided for in the present Company By-laws shall be governed by the provisions of law.