

**Redacted version of the Settlement Agreement with
GNK Dinamo ("the Club")¹**

During the 2015/16 monitoring process the Chief Investigator of the UEFA Club Financial Control Body (CFCB) assessed the Club's compliance with the provisions of the *UEFA Club Licensing and Financial Fair Play Regulations - Edition 2015* (the "UEFA CLFFPR"). His assessment concluded that the Club had failed to comply with the monitoring requirements set out in Articles 53 to 68 of the UEFA CLFFPR and, in particular, the break-even requirement set out in Articles 58 to 64 of the UEFA CLFFPR.

On 20 May 2016, in accordance with Articles 14 (1) (b) and 15 of the Procedural rules governing the UEFA Club Financial Control Body (Edition 2015) (the "Procedural Rules"), the CFCB Chief Investigator and the Club agreed to enter into a Settlement Agreement.

With regard to Article 15 (1) of the Procedural Rules, the Chief Investigator, having consulted with the other members of the Investigatory Chamber of the UEFA Club Financial Control Body (the "CFCB") and taking into account the factors referred to in Annex XI of the UEFA CLFFPR, considers that the circumstances of the present case justify the conclusion of a settlement because:

- Requirements and obligations can be included in a settlement that will bring the Club into compliance with the UEFA CLFFPR in the near future;
- The Club has already taken steps to bring itself into compliance with the UEFA CLFFPR; and
- The Club has presented a reasonable and realistic projected Break-even information which should lead the Club to comply with the UEFA CLFFPR by the end of the 2016 financial year.

¹ Pursuant to Article 14 (5) of the Procedural rules governing the UEFA Club Financial Control Body – Edition 2015

Further, in light of these circumstances, the Chief Investigator considers the Settlement Agreement to be effective, equitable and dissuasive for the purposes of Article 15 (1) of the Procedural Rules because:

- The Club's satisfaction of the requirements and obligations voluntarily accepted by it in the Settlement Agreement will be "effective" in bringing the Club into compliance with the UEFA CLFFPR in the near future, thereby pursuing the objectives of the UEFA CLFFPR without referring the case to the CFCB Adjudicatory Chamber;
- In particular, certain obligations set out in the Settlement Agreement require the Club to achieve defined break-even results, meaning that, provided other factors remain constant, the Club will no longer be in breach of the break-even requirement by the Monitoring Period 2016/2017;
- Moreover the obligation set out in the Settlement Agreement which requires the Club to submit progress reports allows UEFA to regularly monitor the Club's performance;
- Further, the Club remains subject to the monitoring requirements set out in Articles 53 to 68 of the UEFA CLFFPR throughout the Settlement Period and must comply with the operational and financial measure under the Settlement Agreement even if it does not qualify for UEFA club competitions;
- The obligations and requirements set out in the Settlement Agreement are "equitable" and consistent with the objectives of the UEFA CLFFPR;
- In particular, the Settlement Agreement gives the Club the opportunity, within an acceptable timeframe and without the need for more severe measures, to voluntarily comply with the UEFA CLFFPR by following a structured set of operational, financial and sporting obligations which have been individually tailored to the situation of the Club and which will be monitored by UEFA;
- Further, the Settlement Agreement recognises that the Club has not complied with the UEFA CLFFPR, in contrast to most of the other clubs participating in UEFA club competitions. In this regard, the obligation set out in the Settlement Agreement requires the Club to make a financial contribution, meaning that the Club will not get the full benefit of its participation in UEFA club competitions. In addition, the obligation set out in the Settlement Agreement, which limits the number of players that the Club may register in its List A for UEFA club competitions, puts the Club at a disadvantage to those clubs participating in UEFA club competitions that have complied with the UEFA CLFFPR;
- The Settlement Agreement is "dissuasive" in that it can reasonably be expected to definitively deter the Club from failing to comply with the UEFA CLFFPR in the future; and

- In particular, the obligations contained in the Settlement Agreement (including the limit on the number of players that the Club may register in its list A for UEFA club competitions set out in the Settlement Agreement) require the Club to adapt its behaviour in a significant and meaningful way.

1. Subject and Purpose of this Settlement Agreement

- The Settlement Regime covers the sporting season 2016/17. For the duration of the Settlement Agreement, the Club will be subject to on-going restrictions which have been agreed by it and which are summarised further below.
- The primary purpose of the Settlement Agreement is to ensure that the Club is break-even compliant within the meaning of the UEFA CLFFPR at the latest in the Monitoring Period 2016/17, i.e. the Club's aggregate Break-Even Result for the Reporting Periods ending in 2014, 2015 and 2016 must be a surplus or a deficit within the acceptable deviation in accordance with Article 63 of the UEFA CLFFPR.

2. Break-even Status Today

- After taking into account the "acceptable deviation" (as defined in Article 61 of the UEFA CLFFPR), the Club acknowledges that it has an aggregate Break-even deficit – in excess of the acceptable deviation – and therefore it has failed to fulfil the break-even requirement for the Monitoring Period 2015/16.

3. Operational and Financial Measure

- The Club undertakes to have a maximum aggregate Break-even deficit of EUR 5 Mio for the Reporting Periods ending in 2014, 2015 and 2016.
- If the Club reports an aggregate Break-even deficit for the Reporting Periods ending in 2014, 2015 and 2016 that is above EUR 5 Mio but below EUR 30 Mio, the difference must be covered by contributions from equity participants and/or related parties, in accordance with Article 61 UEFA CLFFPR.

4. Financial Contribution

- The Club agrees to pay an unconditional financial contribution of EUR 200,000 to UEFA.
- For the purposes of the Break-even calculation, the amount paid as financial contribution will not be considered as a relevant cost for the purpose of the Break-even calculation of the respective year.

5. Sporting Measure

- The Club agrees to a limitation on the total number of players that it may include on the "A" list for the purposes of participation in UEFA club competitions.
 - For the season 2016/17, the Club may only register a maximum of 23 players on the "A" list, instead of the maximum of 25 as foreseen in the relevant competition regulations.

6. Progress Reports

- Compliance with the Settlement Agreement will be subject to on-going and in-depth monitoring, in accordance with the applicable rules. In this regards, the Club also undertakes to provide the CFCB with progress reports evidencing its compliance with all relevant conditions agreed.

7. Consequence of Coming into Compliance with the Break-even Requirement

- If the Club fulfils the primary purpose of the Settlement Agreement and becomes Break-even compliant, then the Club shall exit the Settlement Regime.

8. Consequences of Non-compliance with the Settlement Agreement

- If the Club fails to comply with any provision of the Settlement Agreement, the Chief Investigator shall refer the case to the CFCB Adjudicatory Chamber in accordance with Article 15 (4) of the Procedural Rules.
- The CFCB Adjudicatory Chamber may take any of the decisions and measures indicated in Article 27 of the Procedural Rules, including imposing disciplinary measures as foreseen in Article 29 (1) of the Procedural Rules.

9. Varia

- For the avoidance of doubt, the Club remains under monitoring of the Settlement Agreement even if it fails to qualify for a UEFA club competition during the Settlement Regime.
- All terms used in the Settlement Agreement shall have the same meaning as defined in the applicable UEFA rules, in particular the UEFA CLFFPR. All calculations and all reporting measures under the Settlement Agreement shall be made in accordance with the applicable UEFA rules, in particular the UEFA CLFFPR. For the avoidance of doubt, this includes for instance the calculation of the Break-even results.

- The Settlement Agreement shall expire at the end of the Settlement Regime, unless the Club has reached full compliance with the Break-even requirement at an earlier stage or UEFA has taken new measures because of a breach by the Club of the Settlement Agreement.
- The Club is aware that the decision of the Chief Investigator to conclude the Settlement Agreement may be reviewed by the CFCB Adjudicatory Chamber in accordance with Article 16 of the Procedural Rules.
- The Club is further aware that final decisions of the CFCB may only be appealed before the Court of Arbitration for Sport ("CAS"), with seat in Lausanne, Switzerland, in accordance with the relevant provisions of the UEFA Statutes, pursuant to Article 34 (2) of the Procedural Rules.
- Any dispute relating to the Settlement Agreement, including to its validity, its compliance and its interpretation shall be decided by the CFCB. When all legal remedies within UEFA have been exhausted, CAS has exclusive jurisdiction to decide.
- Publication of the Settlement Agreement is regulated in accordance with the Procedural Rules with due respect for confidentiality of information.