

**Redacted version of the Settlement Agreement with
Football Club CSKA AD ("the Club")¹**

An investigation was opened by the acting Chief Investigator of the UEFA Club Financial Control Body (CFCB) into the Club's compliance with the provisions of the *UEFA Club Licensing and Financial Fair Play Regulations - Edition 2012* (the "CLFFPR") in accordance with Article 12 (2) of the *Procedural rules governing the UEFA Club Financial Control Body - Edition 2014* (the "Procedural Rules"). This investigation 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 63 of the UEFA CLFFPR.

On 8th May 2015 the acting Chief Investigator and the Club agreed to enter into a Settlement Agreement in accordance with Article 14 (1)(b) and Article 15 of the Procedural Rules.

With regard to Article 15 (1) of the Procedural Rules, the acting Chief Investigator, having consulted with the other members of the CFCB Investigatory Chamber 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 quickly bring the Club into compliance with the UEFA CLFFPR for the 2015/2016 season;
- Although the Club has breached the break-even requirement because its aggregate break-even result for the Monitoring Period 2014/2015 exceeds the EUR 5 Mio acceptable deviation provided for in Article 61 (2) UEFA CLFFPR, it is possible for the Club to entirely cover this excess with contributions from equity participants and/or related parties in accordance with Article 61 UEFA CLFFPR.

Further, in light of these circumstances, the acting 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 quickly bringing the Club into compliance with the UEFA CLFFPR for the 2015/2016 season, thereby pursuing the

¹ pursuant to Article 14(4) of the *Procedural rules governing the UEFA Club Financial Control Body - Edition 2014*

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 2015/2016.
- In addition, 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 measures 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 financial and sporting obligations 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 obligations set out in the Settlement Agreement, which limit the aggregate employee benefits expenses, put 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 deter the Club and other clubs from failing to comply with the UEFA CLFFPR in the future; and
- In particular, the obligations contained in the Settlement Agreement, which limit the Club's aggregate employee benefits expenses, require the Club to adapt its behaviour in a significant and meaningful way.

1. Subject and Purpose of the Settlement Agreement

- The Settlement Agreement covers the sporting season 2015/16. 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 main objective of the Settlement Agreement is to ensure that the Club becomes break-even compliant within the meaning of the UEFA CLFFPR at the latest in the

monitoring period 2015/16; i.e. its aggregate break-even result for the reporting periods 2013, 2014 and 2015 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 2014/15.

3. Operational and Financial Measures

- If the Club reports an aggregate Break-even deficit for the reporting periods 2013, 2014 and 2015 that is above EUR 5 million but below the maximum threshold of the acceptable deviation, the difference must be covered by contributions from equity participants, in accordance with Article 61 of the UEFA CLFFPR, by no later than 15 March 2016.

4. Financial Contribution and Withholding of Prize Money

- The Club agrees to pay an amount of up to EUR 200,000 which has to be paid to UEFA by 30 June 2015 at the latest.
- For the purposes of the Break-even calculation, the amounts effectively paid to UEFA will not be considered as a relevant cost for the purpose of the Break-even calculation of the respective year.

5. Sporting Measures

- The Club agrees that for the Reporting Period ending in 2015, the total amount of the Club's aggregate cost of employee benefits expenses is limited.

6. Progress Report

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

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

- If the Club fulfils the primary objective of the Settlement Agreement and reaches an aggregate Break-even result in full compliance with the UEFA CLFFPR, the Club shall exit the Settlement Regime and all the operational and financial as well as sporting measures shall cease to apply.

8. Consequences of Non-compliance with the Settlement Agreement

- If the Club fails to comply with any provision of the Settlement Agreement and the Settlement Agreement does not already expressly provide for the consequence of such failure to comply, the acting 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 a disciplinary measure as foreseen in Article 29 (1) of the Procedural Rules.

9. Varia

- 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 had to initiate 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 competent UEFA body. When all legal remedies within UEFA have been exhausted, the 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.