

**Redacted version of the Settlement Agreement with Wolverhampton Wanderers
Football Club (1986) Limited (the "Club")¹**

During the 2019/20 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* (hereinafter: "CL&FFP"). His assessment concluded that the Club failed to comply with monitoring requirements set out in the CL&FFP and, in particular, the break-even requirement set out in Articles 58 to 64 and 68 of the CL&FFP.

On 9 July 2020, the CFCB Chief Investigator and the Club agreed to enter into a Settlement Agreement, in accordance with Articles 14 (1) (b) and 15 of the *Procedural Rules governing the UEFA Club Financial Control Body* (the "Procedural Rules"). The signed Settlement Agreement was notified to the Club on 30 July 2020.

With regard to Article 15 (1) of the Procedural Rules, the CFCB 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 CL&FFP, considers that the circumstances of the case justify the conclusion of a settlement because:

- Requirements and obligations can be included in a settlement that will lead the Club to achieve an aggregate break-even surplus or deficit within the acceptable deviation in accordance with Article 61 (2) of the CL&FFP on the basis of the reporting periods ending in 2019, 2020 and 2021.
- The Club has presented a reasonable and realistic projected break-even information which should lead the Club to have a break-even surplus or deficit within the acceptable deviation on the basis of the reporting periods ending in 2019, 2020 and 2021.

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

¹ pursuant to Article 14 (5) of the *Procedural rules governing the UEFA Club Financial Control Body*

- The Club's satisfaction of the requirements and obligations voluntarily accepted by it in the Settlement Agreement will be "effective" in leading the Club to achieve a break-even surplus or a deficit within the acceptable deviation on the basis of the reporting periods ending in 2019, 2020 and 2021 as from the 2021/22 season, thereby pursuing the objectives of the CL&FFP without referring the case to the CFCB Adjudicatory Chamber.
- In particular, 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 under monitoring of the Settlement Agreement throughout the Settlement Regime and must comply with the terms of the Settlement Agreement even if it is not admitted to a UEFA club competition.
- The obligations and requirements set out in the Settlement Agreement are "equitable" and consistent with the objectives of the CL&FFP.
- 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 break-even requirement by following a structured set of 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 CL&FFP, in contrast to most of the other clubs participating in UEFA club competitions. In this regard, one of the obligations 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 imposes limitations on the number of players that the Club may register on its List A in UEFA club competitions, puts the Club at a disadvantage to those clubs participating in UEFA club competitions that have complied with the CL&FFP.
- The Settlement Agreement is "dissuasive" in that it can reasonably be expected to deter the Club from failing to comply with the CL&FFP in the future.
- 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) 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 two sporting seasons 2020/21 and 2021/22. 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 achieves an aggregate break-even surplus or a deficit within the acceptable deviation in accordance with Article 61 (2) of the CL&FFP for the reporting periods ending in 2019, 2020 and 2021 at the latest in the 2021/22 season.

2. Break-even Status Today

- The Club acknowledges that it has an aggregate break-even deficit in excess of the acceptable deviation and has therefore failed to fulfil the break-even requirement for the current monitoring period 2019/20.

3. Operational and Financial Measures

- The Club undertakes to have a maximum break-even deficit of €30 million for the reporting period ending in 2020. In line with Annex X (G) of the CL&FFP, if the Club's break-even deficit for the reporting period ending in 2020 is above EUR 30 million, then such deficit can be reduced by appropriate adjustments to address the Covid-19 adverse financial impact.
- Additionally, the Club agrees that for the reporting period ending in 2020, its employee benefit expenses are restricted.

4. Financial Contribution

- The Club agrees that a financial contribution of up to EUR 0.6 million may be withheld by UEFA from any money due to the Club from participating in UEFA competitions commencing in the 2019/20 season in the manner set out below:
 - The Club agrees that an unconditional amount of EUR 0.2 million is withheld by UEFA in one instalment from any prize money due to the Club.
 - Furthermore, the Club agrees that a conditional amount totalling EUR 0.4 million may be withheld by UEFA from any prize money due to the Club in certain circumstances depending on the Club's compliance with the operational and financial measures of the Settlement Agreement.

- For the purposes of the break-even calculation, the amounts paid or effectively withheld by UEFA will not be considered as relevant expenses for the purpose of the break-even calculation of the respective year.

5. Sporting Measures

- The Club agrees to limitations on the total number of players that it may include on the List A for the purpose of participation in UEFA club competitions:
 - For the season 2020/21 the Club may only register a maximum of 23 players on the List A, instead of 25 foreseen in the relevant competitions regulations.
 - For the season 2021/22, the restriction to 23 players will continue to apply unless the Club complies with the operational and financial measures agreed in the Settlement Agreement for the reporting period ending in 2020.

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 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, i.e. the Club's aggregate break-even result for the reporting periods ending in 2019, 2020 and 2021 (each of them being taken individually) must be a surplus or a deficit within the acceptable deviation, then the Club shall exit the Settlement Regime.

8. Consequence of non-compliance with the Settlement Agreement

- If the Club fails to comply with the provisions of the Settlement Agreement and the Settlement Agreement does not already expressly provide for the consequence of such failure to comply, the CFCB Chief Investigator shall refer the case to the CFCB Adjudicatory Chamber in accordance with Article 15 (5) 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

- For the avoidance of doubt, the Club remains under monitoring of the Settlement Agreement even if it is not admitted to a UEFA club competition during the Settlement Regime.
- If any of the terms used in the Settlement Agreement are not defined in the Articles above, then they shall have the same meaning as defined in the applicable UEFA rules, in particular the CL&FFP. All calculations and all reporting measures under the Settlement Agreement shall be made in accordance with the applicable UEFA rules, in particular the CL&FFP. For the avoidance of doubt, this includes the calculation of the break-even results.
- The Settlement Agreement shall expire either at the end of the Settlement Regime when the CFCB Chief Investigator confirms that the Club has fulfilled the primary purpose of the Settlement Agreement or if the CFCB Adjudicatory Chamber specifically decides to terminate the Settlement Regime because of a breach by the Club of the Settlement Agreement.
- The Club is aware that the decision of the CFCB 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, 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.