

**Redacted version of the Settlement Agreement with
F.C. Internazionale Milano S.p.A ("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 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 CLFFPR in the near future;
- The Club's financial projections show a positive trend of improvement, indicating that the Club will be able to comply with the CLFFPR in the near future;
- The Club has already taken steps to bring itself into compliance with the CLFFPR; and
- The Club has presented a reasonable and realistic financial and business plan which should lead the Club to comply with the CLFFPR by no later than 2018.

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 bringing the Club into compliance with

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

the CLFFPR in the near future, thereby pursuing the objectives of the 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, limit the aggregate cost of its employee benefits expenses and limit the costs of acquiring player registrations, meaning that, provided other factors remain constant, the Club will no longer be in breach of the break-even requirement by the monitoring period covering the reporting periods ending in 2016, 2017 and 2018. These obligations are individually tailored to the situation of the Club;
- Further, certain obligations set out in the Settlement Agreement limit the Club's ability to register newly signed players in UEFA club competitions, thereby keeping down the Club's expenditure and leading the Club into compliance with the CLFFPR;
- 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 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 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 CLFFPR 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 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, the number of players that the Club may register on the List A and the Club's ability to register newly signed players in UEFA club competitions, put the Club at a disadvantage to those clubs participating in UEFA club competitions that have complied with the 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 CLFFPR in the future; and
- In particular, the obligations contained in the Settlement Agreement (including the limit on the Club's ability to register newly signed players in 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 the Settlement Agreement

- The Settlement Agreement covers the four sporting seasons 2015/16, 2016/17, 2017/18 and 2018/19. 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 CLFFPR at the latest in the monitoring period 2018/19; i.e. its aggregate break-even result for the reporting periods 2016, 2017 and 2018 must be a surplus or a deficit within the acceptable deviation in accordance with Article 63 of the 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

- The Club undertakes to have a maximum Break-even deficit of EUR 30 Mio for the Reporting Period ending in 2016 and of EUR 0 Mio for the Reporting Period ending in 2017.
- Additionally, the Club agrees that for the Reporting Period ending 2016 and for the Reporting Period ending 2017 the employee benefit expenses to revenue ratio is restricted and that the amortisation and impairment of the costs of acquiring players’ registrations is limited.
- The auditor’s report on the Club’s annual financial statements must always contain a favourable opinion with regard to going concern.

4. Financial Contribution and Withholding of Prize Money

- The Club agrees to pay an amount of up to EUR 20 Mio which will be withheld from the revenues it earns from participating in UEFA competitions commencing in season 2014/15.
 - Of the above-mentioned amount, EUR 6 Mio shall be paid in full, irrespective of any early exit from the settlement regime, and will be withheld in three equal instalments.

- Payment of the remaining EUR 14 Mio is conditional. Such amount may be withheld in certain circumstances depending on the Club's compliance with the operational and financial measures imposed in the Settlement Agreement.
- For the purposes of the Break-even calculation, the amounts effectively withheld by 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 to limitations on the total number of players that it may include on the "A" list for the purposes of participation in UEFA club competitions.
 - Specifically, for seasons 2015/16 and 2016/17, the Club may only register a maximum of 21 and 22 players respectively on the "A" list, instead of the maximum of 25 as foreseen in the relevant competition regulations.
 - For seasons 2017/18 and 2018/19 the restriction is conditional and will only apply if the Club does not comply with the operational and financial measures imposed in the Settlement Agreement.
- Furthermore, the Club agrees to significantly limit its spending in the transfer market.
 - In particular for each of the seasons 2015/16 and 2016/17 the Club accepts a calculated restriction on the number of new registrations it may include within its "A" List for the purposes of participation in UEFA club competitions. This calculation is based on the club's net transfer position in each respective registration period covered by the settlement.
 - For seasons 2017/18 and 2018/19 the limitation is conditional and will only apply if the Club does not comply with the operational and financial measures in the Settlement Agreement.

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.