

PREMIERSHIP RUGBY

SALARY CAPPING REGULATIONS

SALARY CAP YEAR 2015-2016

PREMIER RUGBY LIMITED

Index

Clause No.		Page No.
1	Definitions and Interpretation	3
2	General Principles of the Regulations	10
3	Senior and Academy Ceilings	12
4	Clubs' Obligations	14
5	Injury dispensation	19
6	Role of Salary Cap Manager	23
7	Role of the Sub-Committee and Amending the Regulations	24
8	Role of Accountants	25
9	Role of Solicitors	26
10	Breaches of the Regulations	26
11	The Disciplinary Panel	30
12	Arbitration	32
13	Penalties for Breach of the Regulations	33
14	Promoted Club	37
15	Confidentiality	37
16	Severance	37
SCHEDULE 1	Amounts that constitute Salary	38
SCHEDULE 2	Declaration	47
SCHEDULE 3	Certification	48
SCHEDULE 4	Injury Certificate	49
SCHEDULE 5	Board Minutes	50
SCHEDULE 6	Declaration Spreadsheet	51
SCHEDULE 7	Certification Spreadsheet	52
SCHEDULE 8	Plea Bargaining	53
SCHEDULE 9	Investigator Undertaking	56

PREMIER RUGBY LIMITED
SALARY CAPPING REGULATIONS

1. Definitions and Interpretation

1.1 For the purpose of the Regulations the following definitions shall apply:

"**Academy Ceiling**" means the maximum total Salary permitted to be paid directly or indirectly by or on behalf of each Club during or in respect of a Salary Cap Year in connection with all of its Academy Players who are not Home Grown Academy Players. Subject to Regulation 5.5 and paragraph 2(j) of Schedule 1, all Salary paid during a Salary Cap Year by a Club to an Academy Player during that Salary Cap Year, will count for the purposes of the Academy Ceiling and must be accounted for in the Club's Certification for that Salary Cap Year;

"**Academy Player**" means any Player who, as at 1 September 2015, is between 16 and 24 years of age (inclusive) and whose total Salary for the Salary Cap Year 2015-16 or any previous Salary Cap Year does not exceed or has not exceeded £30,000 at that Club. For the avoidance of doubt, if total Salary paid to an Academy Player is, in any Salary Cap Year, in excess of £30,000, the Academy Player shall be treated as a Senior Player for the purposes of the Regulations. With effect from 1 July 2015, where any Player of a Club ceases to be an Academy Player of that Club and becomes a Senior Player of that Club, or where any Player of a Club was first employed by that Club as a Senior Player, in either case that Player will at all times be treated as a Senior Player of that Club and shall not at any stage be capable of being or becoming an Academy Player of that Club;

"**Accountants**" means such firm of chartered accountants as may be appointed from time to time by PRL for the purposes of the Regulations;

"**Authorised Parties**" means the Salary Cap Manager, Rugby Director, CEO, the Solicitors and the Accountants;

"**Benefit Year**" means any Salary Cap Year during which a Senior Player of a Club is in addition to his normal remuneration rewarded with a benefit in the form of a single event or series of events, organised by an independent testimonial committee for completing a number of years' service as a rugby player of that Club at senior level;

"**Board**" means the board of directors for the time being of PRL;

"**CEO**" means the Chief Executive Officer of PRL from time to time;

"**Certification**" means the form attached at Schedule 3 to the Regulations;

"**Charge**" has the meaning given to it in Regulation 11.1;

"**Club**" means any rugby football club that during the 2015-16 Salary Cap Year plays or played in the Aviva Premiership, being the top professional rugby union league in England;

"**Competition**" means any game in the Aviva Premiership, Aviva A League, Premiership Rugby 7s Series, LV= Cup, European Rugby Champions Cup or European Rugby Challenge Cup (as such rugby competitions may be renamed or replaced), which involves any of the Clubs;

"Connected Party" means:

- (a) in relation to a Club:
 - (i) any Director, officer or employee (excluding Players) of that Club;
 - (ii) any family member of any Director, officer or employee (excluding Players) of that Club, where family member shall mean in relation to that Director, officer or employee:
 - (A) a spouse or civil partner or any other person living with that Director, officer or employee in an enduring family relationship;
 - (B) children or step-children;
 - (C) siblings; and
 - (D) parents;
 - (iii) any agent or representative acting on behalf of that Club, excluding a Scouting Agent;
 - (iv) any shareholder of that Club that is:
 - (A) interested in shares comprised in the equity share capital of that Club of a nominal value equal to at least 5% of that share capital; or
 - (B) entitled to exercise or control the exercise of more than 5% of the voting power at any general meeting of that Club;
 - (v) a body corporate in relation to which any of the categories of person referred to sub-paragraphs (i) to (iv) above is:
 - (A) interested in shares comprised in the equity share capital of that body corporate of a nominal value equal to at least 10% of that share capital; or
 - (B) entitled to exercise or control the exercise of more than 10% of the voting power at any general meeting of that body,
 - (vi) any sponsor of that Club; and
 - (vii) any company, trust, partnership, or other body, organisation or mechanism established or operating directly or indirectly in whole or in part for the benefit of or in respect of any or all of the categories of person referred to in this sub-paragraph (a).
- (b) in relation to a Player:
 - (i) any family member, dependent, civil partner or cohabitee of that Player, where family member shall mean, in relation to that Player:
 - (A) a spouse or civil partner or any other person living with that Player in an enduring family relationship;
 - (B) children or step-children;
 - (C) siblings; and
 - (D) parents;

- (ii) any agent or representative acting on behalf of that Player, including a Player Agent;
- (iii) any body corporate in relation to which any of the categories of person referred to sub-paragraphs (i) and (ii) above is:
 - (A) interested in shares comprised in the equity share capital of that body corporate of a nominal value equal to at least 10% of that share capital; or
 - (B) entitled to exercise or control the exercise of more than 10% of the voting power at any general meeting of that body; and
- (iv) any company, trust, partnership, or other body, organisation or mechanism established or operating directly or indirectly in whole or in part for the benefit of or in respect of any or all of the categories of person referred to in this sub-paragraph (b);

"Contract" means any oral or written contract;

"Costs" means all costs and disbursements of the Disciplinary Panel, the Solicitors, the Accountants, the Investigators, PRL and the Salary Cap Manager (where relevant) incurred in connection with the Disciplinary Process;

"Costs Expert" means a QC or other legal costs expert appointed by Sports Resolution UK to determine the reasonableness of any costs ordered to be payable by a Club as result of any decision by the Disciplinary Panel under these Regulations;

"Declaration" means the form attached at Schedule 2 to the Regulations;

"Deliberate" and **"Deliberately"** means intentionally and neither accidentally nor inadvertently;

"Disciplinary Panel" means the panel appointed by the Executive Director of Sports Resolutions UK in accordance with Regulation 11;

"Disciplinary Process" means the process beginning with the Salary Cap Manager investigating a breach and ending with the Disciplinary Panel making a decision;

"DPA" means the Data Protection Act 1998, together with any statute or statutory instruments amending or replacing it, and any other relevant data protection legislation applicable in the UK;

"Director" means any director or shadow director, each as defined in the Companies Act 2006;

"England Rugby Academy" means that element of the Club's academy and development programme commonly known as the Elite Player Development Group and the Club Academy including any players who are nominated England Academy Scholars contained therein, or any players provided into the Club's academy and development programme through the Club's School of Rugby;

"Employment Benefit Trust" means any discretionary trust established by a Club or by any third party, in relation to which any Club or any Connected Party of that Club makes any payment;

"Ex-Player" means a person who was previously a Player of a Club in any Salary Cap Year;

"Excluded Player" means a Senior Player whose Salary shall be excluded from the Senior Ceiling for the Salary Cap Year in which he has been nominated as the Club's excluded player;

"False Declaration" has the meaning given to it in Regulation 10.2(a);

"Failure to Co-operate" has the meaning given to it in Regulation 10.3(a);

"Group" has the meaning given to it in Section 474 of the Companies Act 2006;

"Home Grown Academy Player" means an Academy Player who, as demonstrated by his Club to the Salary Cap Manager by 1st September in the relevant Salary Cap Year, either:

- (a) became a Player of the Club before reaching his 18th Birthday and who has never been a member of any other Club's England Rugby Academy; or
- (b) became a Player of the Club before reaching his 18th Birthday having previously been a member of another Club's England Rugby Academy and has been a member of his current Club's England Rugby Academy for at least two complete calendar years prior to the current Salary Cap Year;

"Home Grown Senior EPS Player" means a Home Grown Senior Player nominated by the RFU to be a member of its senior elite player squad on or around 1 January 2015 or on an alternative date as agreed between the PRL and the RFU;

"Home Grown Senior Player" means a Senior Player who has been a Player of the Club since prior to his 18th birthday and for at least two complete Salary Cap Years prior to the current Salary Cap Year;

"Independent Expert" means an expert appointed from the Panel of Independent Experts in accordance with Regulation 10.2(d) and in accordance with the Independent Expert Terms of Reference;

"Independent Expert Terms of Reference" means the terms of references approved from time to time by the PRL Board for the functioning of Independent Experts and the Panel of Independent Experts in accordance with Regulation 10.2(d);

"Injured Player" means any Senior Player of a Club who sustains an injury which has prevented or is anticipated to prevent him playing rugby

- (a) for a minimum continuous period of twelve weeks within a Season; or
- (b) where the same injury spans two Salary Cap Years the injury is for a minimum of eight weeks within the Season of the Salary Cap Year in relation to which the injury dispensation is being sought,

subject in each case to the requirement that once an injured player is selected in a match squad in any Competition fixture he will cease being an injured player;

"Injury Certificate" means a certificate signed by a Club's doctor in the form set out in Schedule 4 of the Regulations;

“Investigator Undertaking” means the undertaking to be given by the Investigators to a Club subject to an Investigatory Audit in the form set out in Schedule 9;

“Investigators” means any person or persons (including the Solicitors and the Accountants) nominated by the Salary Cap Manager to carry out an Investigatory Audit under Regulation 4.9, other than an employee of any Club or PRL;

“Investigatory Audit” means an audit carried out by the Investigators on behalf of the Salary Cap Manager in connection with a suspected breach of the Regulations or False Declaration pursuant to Regulation 4.9;

“Loan Player” means a Player who is on loan to a club other than the Club for whom he is a Player who satisfies the criteria set out in paragraphs 2(j)(i), 2(j)(ii) and 2(j)(iii) of Schedule 1;

“Negligent” and **“Negligently”** means failing to exercise the level of care that a reasonably prudent Club/person would exercise in such circumstances;

“Panel of Independent Experts” means the panel of experts established from time to time by PRL in order to carry out the function under Regulation 10.2(d) and in accordance with the Independent Expert Terms of Reference;

“Penalty” means a fine in the sum of £100, as may be escalated according to the procedure set out in Regulation 10.4(c);

“Player” means, in relation to any Club, any individual (including an Excluded Player) in the relevant Salary Cap Year:

- (a) who is employed by that Club to play rugby including without limitation any individual employed under the Standard Form Player Contract;
- (b) with whom that Club has entered into any agreement, understanding or other arrangement (in each case whether written or unwritten) to play rugby;
- (c) who either plays rugby for that Club or is or who has been available to play rugby for that Club at any point in the relevant Salary Cap Year;
- (d) who is or has been on a rugby trial with that Club regardless of whether the Club has entered into a formal agreement with that individual;
- (e) who is a member of the Club’s England Rugby Academy; or
- (f) any individual as described in sub-paragraphs (a) to (e) above who has been loaned to another Club or club, regardless of whether the player appears in any fixture for the loaning Club in the Salary Cap Year;

“Player Agent” means any person, company or other entity representing a Player;

“PRL” means Premier Rugby Limited (company number 3096937);

“PRL Bonus Pool” means:

- (a) the pool of money that PRL distributes to Clubs based on their performance in any Salary Cap Year for onward distribution to Players; and

- (b) the pool of money that PRL distributes to Clubs based on their performance in the JP Morgan Asset Management Premiership Rugby 7s for onward distribution to Players;

"Promoted Club" means any rugby union football club who in the 2015-16 Salary Cap Year wins promotion from the Championship, being the league in the English Clubs' championship operating immediately under the Aviva Premiership;

"Reckless" and **"Recklessly"** means either:

- (a) failing to give any significant thought as to the risk or possibility of breaching the Regulations; or
- (b) having recognised that there is some risk or possibility, nonetheless deliberately taking a risk of breaching the Regulations;

"Regulations" means:

- (a) in relation to the Salary Cap Year commencing on 1 July 2015, these Salary Capping Regulations, as set out in this document and may be amended from time to time by the Board; and
- (b) in relation to any Salary Cap Years prior to 30 June 2015, the Salary Capping Regulations then in force;

"Relegated Club" means the Club which, in the 2015-16 Salary Cap Year, is relegated from the Aviva Premiership;

"Relevant Records" means the following records, documents and other information held by or under the control of a Club and which are reasonably considered by the Salary Cap Manager to be relevant to a suspected breach of the Regulations or False Declaration: Contracts, financial records, bank records, tax returns and other tax records, insurance records, email records, and telephone records;

"Rugby Director" means the individual notified by PRL from time to time to the Clubs as holding that position;

"Rugby Pool" means a pool of individuals selected by the Board of PRL who have extensive experience of professional club rugby at the highest level;

"RWC 2015" means the Rugby World Cup Finals 2015 to be held in September and October 2015;

"RWC Player" means any Player who:

- (a) has signed a Contract with a Club with a commencement date earlier than the date of commencement of RWC 2015, which has been lodged with the Salary Cap Manager prior to the date of commencement of RWC 2015; and
- (b) is included (at any time) within the declared national playing squad of any country participating in RWC 2015. For the avoidance of doubt, this includes any Player officially added to his nation's declared national RWC 2015 playing squad after its initial announcement, (e.g. due to injuries to initial squad members);

"Salary" means the total of all amounts referred to in Schedule 1, which are paid or payable, provided or to be provided within the relevant Salary Cap Year, as determined by the Accountants acting as experts;

"Salary Cap Year" means the period between 1 July of one year and 30 June of the following year;

"Salary Cap Manager" means the individual notified by PRL from time to time to the Clubs as the principal point of contact at PRL regarding the operation of the Regulations;

"Scouting Agent" means any person, company or other entity other than a Player Agent who or which has entered into an exclusive written arrangement with a Club and is paid by a Club to identify or contact players that a Club may wish to sign and who does not act on behalf of or represent any rugby player or any other Club;

"Season" means the period from 1 August to 31 May (inclusive) in any Salary Cap Year;

"Senior Ceiling" means the maximum total Salary permitted to be paid directly or indirectly by or on behalf of each Club during or in respect of a Salary Cap Year in connection with all of its Senior Players. Subject to paragraphs 2(j), (l) or (q) of Schedule 1, all Salary paid during a Salary Cap Year by a Club to a Senior Player will count for the purposes of the Senior Ceiling and must be accounted for in the Club's Certification for that Salary Cap Year;

"Senior Player" means any Player who does not fall within the definition of an Academy Player;

"Sevens Guest Player" means a Player contracted to a Club solely for the World Club 7s, the Premiership Rugby 7s and/or any other seven-a-side rugby tournament organised or sanctioned by Premiership Rugby; and who does not play rugby in any Competition or any other fixture for the Club during that Salary Cap Year;

"Solicitors" means such firm of solicitors as may be appointed from time to time by PRL for the purposes of the Regulations;

"Standard Form Player Contract" means the standard form player contract agreed between PRL and the Professional Player's Association, as approved by the Board in April 2006 and circulated to Clubs on 3 May 2006, as varied from time to time;

"Sub-Committee" comprises the following individuals:

- (a) at least four representatives in total chosen from the Clubs and appointed by the Board. Each representative shall have the right to one vote at all meetings of the Sub-Committee. These representatives will be appointed for a fixed term of no more than two years. The terms of each member will start and end at the September Board meeting when the resolution appointing new members is made. Following expiry of the fixed term a representative may be reappointed with the consent of the Board. The Board can remove or replace any representative during their term;
- (b) the Rugby Director who will chair all meetings of the Sub-Committee and who shall have the right to vote at such meetings; and
- (c) the Salary Cap Manager, who will attend all meetings in order to report to the Sub-Committee but who shall not have the right to vote at such meetings,

who shall meet from time to time and as set out in the Regulations to consider various matters in accordance with the Regulations;

"Third Party" means any person, company, trust, partnership or other body or organisation, other than a Club or a Connected Party; and

"Tribunal" means an arbitral tribunal convened pursuant to Regulation 12.1.

1.2 In the Regulations reference to the singular includes a reference to the plural and vice-versa.

1.3 The terms "Aviva Premiership", "Premiership Rugby 7s", "LV= Cup", "European Rugby Champions Cup" or "European Rugby Challenge Cup" shall be taken to include any competitions that rename or replace them.

2 General Principles of the Regulations

2.1 Scope of the Regulations

All Clubs shall be subject to the Regulations and each Club agrees to be bound by and comply with the Regulations.

2.2 Objectives of the Regulations

The Regulations were introduced, and are maintained, by PRL to achieve the following objectives in an appropriate and proportionate manner:

- (a) ensuring the financial viability of all Clubs and of the Aviva Premiership competition;
- (b) controlling inflationary pressures on Clubs' costs;
- (c) providing a level playing field for Clubs; and
- (d) ensuring a competitive Aviva Premiership competition.

2.3 Operation of the Regulations

- (a) To ensure the proper observance and enforcement of the Regulations, each Club agrees during the operation of the Regulations to notify in writing to the Salary Cap Manager details of:
 - (i) any potential or actual loopholes, lacunae or errors in the Regulations;
 - (ii) any breach of the Regulations by any Club of which the Club or their staff or agents become aware; and
 - (iii) any suspicions or complaints that they, their staff or agents may have concerning the observance by any Club of the Regulations. The Club shall keep such suspicions or complaints confidential (save for notifying them to the Salary Cap Manager), and shall not announce or leak them (even on a "no-names" or anonymous basis) to the press or public, except with the prior written consent of the Board.

- (b) Any payment or benefit in kind which falls within the definition of Salary under the Regulations shall be deemed, for the purposes of the Regulations, to be made in the Salary Cap Year in which the payment is contracted to be paid or in which the service is provided. For the avoidance of doubt and unless it is specifically addressed elsewhere in the Regulations:
 - (i) any payment amounting to Salary in respect of a Player's signing-on or contract renewal fee shall be included in the Salary Cap Year in which the first day of the Player's contract commences and not spread over the term of the Contract;
 - (ii) payments to any employee benefit scheme, including without limitation any payments by the Club or Connected Party of the Club to an Employee Benefit Trust, Employer Funded Retirement Benefit Scheme or any equivalent entity shall be included in the Salary Cap Year in which they are charged by the Club in its statutory accounts or when paid by the Club, whichever is the earlier;
 - (iii) payments made to a Player Agent shall be included in the Salary Cap Year(s) to which the services for which the Player Agent is being remunerated relate, save that payments made to a Player Agent prior to the commencement of a Contract of the Player but relating to that new or extended Contract shall be included in the Salary Cap Year(s) to which the contract relates; and
 - (iv) payments made in respect of flights will be deemed to be included in the Salary Cap Year in which the service is actually provided and where this crosses two Salary Cap years, will be equally divided across both years.
- (c) In respect of the Salary Cap Year 2015-16, the issue of whether or not a breach has occurred and the potential consequences of such breach are determined by reference to the Regulations as set out in this document. With regards to the Salary Cap Year 2014-2015, the issue of whether or not a breach has occurred and the potential consequences of such breach are determined by reference to the Regulations that were in force in the Salary Cap Year 2014-2015 and not by reference to the Regulations as set out in this document.
- (d) For all breaches of the Regulations that:
 - (i) occurred before 30 June 2008, any such breach will automatically be excused as a result of the Board resolution dated 9 December 2008 to grant an amnesty to all Clubs in respect of any such breach; and
 - (ii) occur or which are continuing after 1 July 2008, in order for such breach to be punishable, a Charge relating to that breach must be served on the relevant Club within five years of the end of the Salary Cap Year in which the breach arose. By way of illustration only, if a breach relates to the Salary Cap Year 2009-2010 a Charge relating to that breach must be served on the relevant Club by no later than 30 June 2015.

2.4 Standard of proof

The standard of proof in all matters under these Regulations shall be the balance of probabilities. Where these Regulations place the burden of proof upon a Club to rebut a presumption or establish facts or circumstances, the standard of proof shall also be the balance of probabilities.

2.5 Registration of Offers

To assist the Salary Cap Manager in monitoring compliance with these Regulations, Clubs are encouraged to register with the Salary Cap Manager any contractual offer that is made (in whatever form) to a Player or his representatives.

The terms of any contractual offer which is registered with the Salary Cap Manager under Regulation 2.5 shall be kept confidential save that the Salary Cap Manager may disclose the contractual offer to the Authorised Parties or to any other party for the purpose of investigating or taking action with regard to any actual or potential instance of non-compliance with the Regulations.

2.6 Whistle Blowing

To assist the Salary Cap Manager in monitoring compliance with these Regulations, individuals (whether players, coaches, administrators, agents or others) are encouraged to approach the Salary Cap Manager with any information relevant to any actual or potential instance of non-compliance with the Regulations by another party. The identity of the individual providing the information will not be disclosed beyond the Salary Cap Manager without such individual's prior approval.

3 Senior and Academy Ceilings

- 3.1 (a) The Clubs have agreed to the following Senior and Academy Ceilings as set out below for the following Salary Cap Years:

SENIOR CEILINGS

- | | |
|------------------------------|------------|
| • 1 July 2013 – 30 June 2014 | £4,260,000 |
| • 1 July 2014 – 30 June 2015 | £4,760,000 |
| • 1 July 2015 – 30 June 2016 | £5,100,000 |

ACADEMY CEILINGS

- | | |
|------------------------------|----------|
| • 1 July 2013 – 30 June 2014 | £200,000 |
| • 1 July 2014 – 30 June 2015 | £200,000 |
| • 1 July 2015 – 30 June 2016 | £100,000 |

3.2 Senior Ceiling credits

- (a) Home Grown Senior Player Credits

- (i) In respect of the Senior Ceiling for the 2015-16 Salary Cap Year, a Club shall be entitled to Home Grown Senior Player Credits of up to £400,000 as follows:

- (A) £70,000 for each of its Home Grown Senior EPS Players, and
(B) £50,000 for each of its other Home Grown Senior Players,

in each case, excluding any Players to whom paragraphs 2 (j), (l) or (q) of Schedule 1 apply during the 2015-16 Salary Cap Year.

- (b) RWC Credits

- (i) In respect of the Senior Ceiling for the 2015-16 Salary Cap Year, a Club shall be entitled to a RWC Credit of £35,000 in respect of each of that Club's RWC Players.

3.3 Excluded Players

- (a) For the Salary Cap Year a Club shall be entitled to nominate up to two Excluded Players.
- (b) A Club shall nominate in writing to the Salary Cap Manager the name of their Excluded Player(s). The nominations must be received by the Salary Cap Manager prior to the end of the Salary Cap Year in which the Excluded Players are nominated and any exclusion from the Senior ceiling will only be effective from the date of receipt of that nomination.
- (c) A Club shall only be entitled to nominate a Player as their first Excluded Player who:
 - (i) has been a Player of the Club for at least two full Salary Cap Years prior to the Salary Cap Year in which he is nominated as the Excluded Player; or
 - (ii) has not been a Player of any Club during the previous Salary Cap Year, other than a Player who (A) qualifies under Regulation 3.3(c)(i) or (B) has only been a Player of a Club during the previous Salary Cap Year as a replacement for an Injured Player following dispensation under Regulation 5; or
 - (iii) has been a Player (but not an Excluded Player) for the Club in the previous Salary Cap Year and was not a Player for any other Club for at least one Salary Cap Year immediately prior to joining the Club.
- (d) A Club shall only be entitled to nominate a Player as a second Excluded Player who:
 - (i) has not been a Player of any Club during the previous Salary Cap Year; or
 - (ii) was that Club's second Excluded Player in the previous Salary Cap Year.
- (e) Where the status of a Club's Excluded Player changes i.e. from a Player of the Club to an Excluded Player or vice versa; the Salary of that Player or Excluded Player shall be deemed to be as follows:-
 - (i) where an Excluded Player ceases to be nominated as an Excluded Player, his Salary in each subsequent Salary Cap Year when he is no longer an Excluded Player shall be the average of his Salary for all Salary Cap Years from the 2012/2013 Salary Cap Year onwards; and
 - (ii) where a Player is nominated as an Excluded Player the amount of Salary which may be excluded from the Senior Ceiling during his time as the Excluded Player shall be limited to the average of his Salary from the 2012/13 Salary Cap Year onwards.

By way of illustration only:

If an Excluded Player's Salary in Salary Cap Year 2012/2013 (his first Salary Cap Year at the Club) was £500,000 and in Salary Cap Years 2013/14 and 2014/15 when he was not an Excluded Player his Salaries were £50,000, then in 2013/14 the average of £550,000 worth of Salary (i.e. £275,000) would be included in the Senior Ceiling as the Player's Salary and in 2014/15 the average of £600,000 worth of Salary (i.e. £200,000) would be included in the Senior Ceiling as the Player's Salary; and

If in Salary Cap Years 2012/13 and 2013/14 the Player's Salaries were £50,000 and in Salary Cap Year 2014/15, as an Excluded Player, his Salary was £500,000, the Club would only be entitled to exclude from the Senior Ceiling in Salary Cap Year 2014/15 the average of those Salaries i.e. £200,000 and £300,000 worth of Salary would be included in the Senior Ceiling.

- (f) The Salary Cap Manager shall keep the name(s) of the Excluded Player(s) confidential save for (i) notifying the Accountants and the Solicitors for the purpose of managing the Regulations and/or (ii) notifying the CEO and Rugby Director as reasonably required during a Disciplinary Process.

4 Clubs' Obligations

4.1 The responsibility to fulfil the obligations set out below rests with the Chief Executive Officer of each Club. In the event that any Club does not, whether temporarily or permanently, have a Chief Executive Officer, the responsibility to fulfil the obligations set out below will fall to the chairman of the Club's board of directors or such other designated representative of the Club as notified in writing and agreed between the Club and the Salary Cap Manager prior to 1 July of the Salary Cap Year in question.

4.2 Declaration for 2015-16 Salary Cap Year

Between 1 September 2015 and by no later than 4.00pm on 30 September 2015, each Club, with the exception of the Relegated Club, will provide to the Salary Cap Manager (with a copy to the Accountants), in respect of the 2015-16 Salary Cap Year, a copy of:

- (b) a Declaration in the form set out in Schedule 2 signed on behalf of the Club by the Chairman, the Chief Executive Officer and the Financial Director of the Club. The Declaration certifies the sums which the Chairman, the Chief Executive Officer and the Financial Director, having made full and proper enquiries, expect the Club to pay during that Salary Cap Year by way of Salary in respect of the Club's Senior Players and Academy Players;
- (c) the total amounts paid or payable provided or to be provided as Salary in that Salary Cap Year by or on behalf of a Club or a Connected Party of the Club in respect of its Senior Players and Academy Players or any Connected Party of those Players in the form of the spreadsheet at Schedule 6; and
- (d) minutes in the form set out in Schedule 5, of the meeting of the board of directors of the Club at which the Declaration was formally approved on behalf of the Club, including details of the directors in attendance or absent at that meeting.

4.3 Certification for 2014-15 Salary Cap Year

- (a) Between 1 September 2015 and by no later than 4.00pm on 30 September 2015, each Club will provide to the Salary Cap Manager (with a copy to the Accountants), in respect of the 2014-15 Salary Cap Year, a copy of:
 - (i) a Certification in the form set out in Schedule 3, signed on behalf of each Club by the Chairman, the Chief Executive Officer and Financial Director of the Club;
 - (ii) minutes in the form set out in Schedule 5 of the meeting of the board of directors of the Club at which the Certification was formally approved on behalf of the Club, including details of the directors in attendance or absent at that meeting;
 - (iii) to the extent that it has not already done so pursuant to Regulation 4.4, full copies of all written contracts the Club has entered into with its Players and with any companies or other entities which agree to provide or procure the

provision of non-playing services by a Player to the Club (e.g. image rights and promotional services contracts); and

- (iv) details of the residential address or addresses of all Players.; and
- (v) details of each Club's Group including names and address of the legal and, to the extent reasonably practicable, beneficial owners of shares in each company within the Group;
- (vi) to the extent reasonably practicable, details of each body corporate in relation to which any Director and/or shareholder of the Club is:
 - (A) interested in shares comprised in the equity share capital of that body corporate of a nominal value equal to at least 10% of that share capital; or
 - (B) entitled to exercise or control the exercise of more than 10% of the voting power at any general meeting of that body.

(b) Such Certification must include:

- (i) the total amounts paid or payable provided or to be provided as Salary in the preceding Salary Cap Year by or on behalf of a Club or a Connected Party of the Club in respect of its Senior Players and Academy Players or any Connected Party of those Players in the form of the spreadsheet at Schedule 7;
- (ii) the name of any Third Parties or Connected Parties that have provided payments or benefits in kind to Players of that Club or to Connected Parties of those Players or a statement that the Club is not aware of any such payments or benefits;
- (iii) lists of related parties of the Club as identified by the board of directors of the Club and of all transactions between the Club and those related parties both as required and defined by International Auditing Standards (IAS 550) and as would have been identified by the Club to establish the statutory disclosures included in the Club's annual statutory accounts. For the purposes of the Regulations, all transactions in this respect are deemed to be material; and
- (iv) a statement that the Club has or has not complied with the Senior and Academy Ceilings for that Salary Cap Year.

4.4 Contracts and documents to be provided

- (a) Within twenty-eight days of the date when they are entered into (for Contracts) or otherwise created (for all other documents), each Club will provide to the Salary Cap Manager:
 - (i) full copies of all Contracts and arrangements which the Club enters into with any Player;
 - (ii) full copies of all Contracts and arrangements it enters into with any companies or other entities which agree to provide or procure the provision of non-playing services by a Player to the Club (e.g. image rights and promotional services contracts);

- (iii) all documentation relating to loans between the Club and a Player;
 - (iv) full copies of all Contracts with Scouting Agents;
 - (v) copies of any Contracts and any written documentation evidencing payments to Player Agents;
 - (vi) copies of Injury Certificates; and
 - (vii) if a Club employs any Player who was formerly a professional rugby league player employed by a rugby league club, a copy of that Player's Contract with the rugby league club.
- (b) Within twenty-eight days of the date when they are made, each Club will provide to the Salary Cap Manager full written details of any amendments to the Contracts referred to above.
 - (c) For the purposes of compliance with this Regulation 4.4 all Contracts will be deemed entered into on the earlier of:
 - (i) the date on which the Contracts are signed by the relevant parties; and
 - (ii) the date on which any payment or benefit is paid provided to or on behalf of a Player under a Contract.
 - (d) The Salary Cap Manager, in his absolute discretion, will only waive the requirements under this Regulation in limited, exceptional circumstances.
 - (e) All Contracts and all documents provided in accordance with Regulation 4.4(a) and (b) must be dated to indicate the date on which they were entered into or created, as applicable.

4.5 Form of documents to be provided

- (a) All Contracts entered into between a Club and a Player for the provision of playing services by a Player to the Club must be in the form of the Standard Form Player Contract.
- (b) All of the documents referred to in Regulation 4.4 above should be provided in electronic form. Copies of all paper documents (including copies of all Contracts) should be scanned and provided in PDF format. Files should be named according to the following file conventions:

- (i) CLUB_SURNAME_INITIAL_TYPE OF AGREEMENT_START DATE – END DATE.

For example a copy of the Standard Form Player Contract entered into in 2009 for John Doe with a term of 1 September 2009 to 30 May 2011 would be named:

CLUB_DOE_J_EMP_01.09.09-30.05.11

- (ii) The following abbreviations should be used in the "TYPE OF AGREEMENT" field:

(A) EMP - Standard Form Player Contract

- (B) IMG – image rights agreement
- (C) COM – Compromise/redundancy agreement
- (D) OTH – all other agreements entered into by a player

- (iii) In the event that any agreement is subsequently amended after it has been provided to the Salary Cap Manager, the amended version will also need to be provided and should be named accordingly. For example, if the agreement for John Doe referred to above was amended it should be named:

DOE_J_EMP_01.09.09-30.05.11_AM1

(where the number after the letters "AM" refers to whether it is the first or subsequent amendment).

- (c) Copies of the Declaration and Certification spreadsheets in Schedules 6 and 7 should be provided in Microsoft Excel format.
- (d) Provided the written consent of the Salary Cap Manager has been obtained in advance, where it is impractical to scan any document (for example due to the size of the document) a hard copy of the document should be provided instead.
- (e) Electronic copies of documents should be provided:
 - (i) On USB memory stick, CD-ROM, DVD or other form of secure electronic transfer for batch submissions (i.e. where more than 10 documents are being provided); and
 - (ii) By email to arogers@premiershiprugby.com, or such other email address as notified by the Salary Cap Manager, for all other submissions.

4.6 Confidentiality

- (a) The terms of the Contracts will remain confidential and the Salary Cap Manager will not disclose them to any third party other than the Authorised Parties as required by the Regulations.
- (b) No officer or employee of any Club will be permitted to view the terms of the Contracts of another Club without that other Club's prior written permission.
- (c) The terms of any individual Contract (including any Player's Salary) will not be revealed publicly by either the Salary Cap Manager or the Authorised Parties without the prior written permission of the relevant Player and Club.
- (d) Each Club expressly acknowledges that the Salary Cap Manager is authorised to disclose to another Club (on request) details of whether or not a person employed by the Club is within the last six months of his playing contract or will be within one calendar month of the request. No other information will be disclosed to the Club making the request.

4.7 Data Protection

- (a) Each Club shall ensure that they obtain and maintain all necessary data protection registrations and consents so as to enable them to collect and transfer all personal data (as defined in the DPA) contained in the Declarations, Certifications, Contracts

and in any related correspondence, to the Authorised Parties in accordance with the Regulations.

- (b) The Clubs shall ensure that they obtain appropriate legal clearance from all of their Players and any other persons employed, contracted or engaged by the Clubs for playing purposes so that copies of all Declarations, Certifications, Contracts and any related correspondence can be transferred to the Authorised Parties for the purposes of the proper functioning of the Regulations.
- (c) Each Club will indemnify PRL and the Authorised Parties against any loss or damage resulting from a claim that the transfer of Declarations, Certifications, Contracts and any related correspondence, breaches the DPA.
- (d) No Club will have any liability to indemnify PRL or the Authorised Parties if the claim in respect of which indemnity is sought, results from any breach of the DPA by PRL, the Salary Cap Manager or the Authorised Parties.

4.8 Co-operation

The Salary Cap Manager may raise queries with any of the Clubs or Players and may consult with the Authorised Parties in relation to issues relevant to the compliance and operation of the Regulations. Each Club agrees to co-operate fully with the Salary Cap Manager in connection with any such query and in the management, operation and enforcement of the Regulations and to use all reasonable endeavours to procure that their Players co-operate fully with any query raised by the Salary Cap Manager and addressed to or in respect of a Player.

4.9 Open book powers

- (a) Without prejudice to the performance of any audit by the Accountants under Regulation 8.1, if at any time the Salary Cap Manager reasonably suspects a breach of the Regulations, the Salary Cap Manager may instruct the Investigators to carry out an Investigatory Audit. Prior to the commencement of any Investigatory Audit, the Salary Cap Manager shall (i) write to the relevant Club providing brief details of the suspected breach(es) which is/are to be the subject of an Investigatory Audit and (ii) procure that the Investigators have entered into an Investigator Undertaking.
- (b) The Salary Cap Manager shall not be entitled to access the Relevant Records as part of the Investigatory Audit, provided that:
 - (i) this shall not affect the Salary Cap Manager's ability to interview any Club's Players and personnel and otherwise exercise his rights pursuant to Regulation 6; and
 - (ii) the Salary Cap Manager shall be entitled to receive reports from the Investigators on the Relevant Records and copies of any Relevant Record which the Investigators reasonably determine to be relevant to the suspected breach of the Regulations.
- (c) Each Club which is the subject of an Investigatory Audit shall use all reasonable endeavours to provide the following co-operation and assistance to the Investigators as requested by the Salary Cap Manager and the Investigators:

- (i) allowing the Investigators, during normal business hours, to access and take copies of the Relevant Records of the Club held at the Club's premises (or such other location at which they are held);
- (ii) allowing the Investigators, during normal business hours, to access all electronic devices held at the Club's premises or controlled by the Club and paper copies thereof;
- (iii) making available (both electronically via email, CD, DVD, USB memory stick or other form of secure electronic transfer and paper copy) to the Investigators the Relevant Records requested by the Investigators;
- (iv) giving the Investigators full and unfettered access to its Players, directors, officials, employees, shareholders and any other persons contracted or engaged by the Club for playing purposes in order to meet with them and interview them in connection with the suspected breach of the Regulations or False Declaration (at a time which will not unreasonably interfere with their duties to the Club);
- (v) answering fully and honestly all queries of the Investigators related to the Investigatory Audit;
- (vi) so far as reasonably possible making arrangements for the Investigators to meet persons at any Third Party or Connected Party that the Investigators wish to meet for the purposes of carrying out the Investigatory Audit; and
- (vii) a Club shall not be obliged to disclose any Relevant Record if it can demonstrate to the reasonable satisfaction of the Salary Cap Manager with written evidence that the disclosure of any Relevant Record would breach confidentiality obligations owed by the Club which cannot be overcome by the entry into the Investigator Undertaking by the Investigators, by redaction of sensitive terms or by reason of disclosure being required by regulation.

4.10 Retention of records

Clubs shall keep all records and documents relevant to the Certifications, Declarations and Player Contracts, including all documents and records that the Club was required to provide under the Regulations then in force and the categories of documents listed in the Relevant Records, for a period of five years from the end of the Salary Cap Year to which those records or documents relate.

5 Injury dispensation

- 5.1 In the event that, due to a Senior Player becoming an Injured Player, a Club wishes to procure a replacement to provide cover for the Injured Player the Club shall be permitted to exceed the Senior Ceiling by a maximum of £400,000 to replace the Injured Player, provided the Club has applied in writing to the Salary Cap Manager for dispensation and has been granted dispensation by the Salary Cap Manager in accordance with this Regulation 5.

For the avoidance of doubt where a Club's Excluded Player becomes an Injured Player the replacement Player's Salary shall be counted within the £400,000 and shall not be exempt from the provisions set out in Regulation 5.

- 5.2 The Club applying for dispensation shall provide to the Salary Cap Manager:
- (a) the name of the Injured Player, the details of the injury to that Injured Player and the length of time that the Injured Player has been injured or is expected to be injured;
 - (b) injury Certificate(s) signed by the Club's doctor in the form set out at Schedule 4; and
 - (c) details of the proposed replacement and the Salary proposed to be paid to the replacement.
- 5.3 The Salary Cap Manager shall review the information from the Club and shall grant dispensation for the Club to exceed the Senior Ceiling in order to procure the proposed replacement provided that the Club has demonstrated to his satisfaction that:
- (a) the injured Senior Player meets the criteria set out in the definition of Injured Player;
 - (b) the application for dispensation has been made in the period in which the Injured Player is injured and:
 - (i) where the proposed replacement is not a Player, before he becomes a Player; or
 - (ii) where the proposed replacement is an Academy Player, before he becomes a Senior Player; or
 - (iii) where the proposed replacement is a Loan Player, after he has played in a competitive fixture for the club to which he was out on loan in the current Salary Cap Year,
 - (iv) where the proposed replacement was the replacement player authorised by the Salary Cap Manager in the previous Salary Cap Year for the Injured Player and the Injured Player has not played rugby in any Competition or any other fixture for his Club in the intervening period;
 - (c) with the exception of any Loan Player, an Academy Player or a replacement player meeting the criteria in Regulation 5.3(b)(iv), the Club has not entered into a legally binding agreement with the proposed replacement, including any contract (whether written or oral) which is conditional (whether directly or indirectly) upon injury dispensation being granted:
 - (i) for the period in which cover is being sought for the Injured Player;
 - (ii) as at the date at which the injured Senior Player was injured; or
 - (iii) at any point in the 12 months prior to the application or dispensation being made;
 - (d) the proposed replacement is the same position as the Injured Player or could provide cover for the Injured Player;
 - (e) the proposed replacement has either an equivalent level of experience to the Injured Player or has less experience than the Injured Player;
 - (f) the Salary payable to the proposed replacement is either comparable to the Salary of the Injured Player or is lower than the Salary of the Injured Player;

- (g) in considering whether any proposed replacement is of an equivalent level of experience or whether any Salary payable to a proposed replacement is comparable for the purposes of sub-paragraphs (e) and (f) above, the Salary Cap Manager may take into account the following factors:
 - (i) the general state of the market for availability of players of that position;
 - (ii) the timing when cover is required; and
 - (iii) any other relevant factors that may have a bearing on these conditions, as notified by the Club to the Salary Cap Manager,

provided that the onus is on the Club to demonstrate to the reasonable satisfaction of the Salary Cap Manager that there is valid justification for the requirements of sub-paragraphs (e) and (f) not having been met; and

- (h) the Salary payable to the proposed replacement would not cause the Club's total Salary for the Salary Cap Year to exceed £5,500,000. In the event that any dispensation applied for would, when considered in conjunction with the Declaration provided by the Club and any dispensation already granted, appear to cause the Club's total Salary for the Salary Cap Year to exceed £5,500,000, the Salary Cap Manager shall require the Club to justify, to his reasonable satisfaction, why the total Salary for the Salary Cap Year will not exceed £5,500,000.

5.4 The following conditions shall also apply to the grant of any injury dispensation and the Salary Cap Manager has the right to amend the dispensation granted in the following circumstances:

- (a) if the replacement was not a Player prior to replacing an Injured Player in accordance with this Regulation 5 and is a Player for the Club for a period within the Salary Cap Year that is less than that indicated in the Club's application for dispensation, the dispensation shall be pro-rated accordingly;
- (b) if the replacement was an Academy Player prior to replacing an Injured Player in accordance with this Regulation 5 and is a Senior Player for a period within the Salary Cap Year that is less than that indicated in the Club's application for dispensation, the dispensation shall be pro-rated accordingly;
- (c) if the replacement was a Loan Player prior to replacing an Injured Player in accordance with this Regulation 5 and is available for selection for Competitions for the Club for whom he is a Player for a period within the Salary Cap Year that is less than that indicated in the Club's application for dispensation, the dispensation shall be pro-rated accordingly; or
- (d) in the event that the Club terminates the employment of the Injured Player during the Salary Cap Year in which the dispensation applies, the dispensation shall be reduced by the Salary that the Injured Player would have been entitled to in the remainder of the Salary Cap Year less the Salary paid or payable to the Injured Player under any redundancy, termination or compromise agreement.

5.5 If the Salary Cap Manager grants dispensation for the replacement of an Injured Player by an Academy Player, only the amount of the Salary of the Academy Player which was payable in respect of the period within the Salary Cap Year in which he remained an Academy Player shall count for the purposes of the Academy Ceiling.

- 5.6 For the avoidance of doubt any dispensation granted shall, in any event, be linked to the lower of:
- (a) the actual dispensation granted by the Salary Cap Manager; or
 - (b) the actual Salary paid to the replacement.
- 5.7 If the Salary Cap Manager refuses to grant dispensation in accordance with Regulation 5.3, the Club may request an appeal by writing to the Rugby Director within 7 days of the Salary Cap Manager's decision. The Rugby Director, the CEO and the Financial Director of PRL shall meet within 7 days of the Rugby Director receiving the request for an appeal and, having been informed of the background by the Salary Cap Manager and having considered any written submissions made by the Club will decide whether or not dispensation should be granted. The Rugby Director will, as soon as practicable following this meeting, inform the Club in writing of the outcome of the appeal.
- 5.8 If a Club has already been granted dispensation under this Regulation 5 in the current Salary Cap Year, the Club may, provided that the criteria in Regulations 5.1 to 5.3 are met, apply for further dispensation in circumstances where:
- (a) another Senior Player becomes an Injured Player; or
 - (b) a replacement becomes an Injured Player and is also required to be replaced.
- 5.9 For the avoidance of doubt, a Club cannot request further dispensation for a Senior Player where dispensation has already been granted in respect of that Senior Player in the same Salary Cap Year. A maximum of one dispensation can be granted for each Senior Player in each Salary Cap Year even if that Senior Player suffers a number of injuries.
- 5.10 Where dispensation has been granted in respect of an Injured Player, that Injured Player may not play rugby in any Competition or any other fixture for his Club, or for any other club, until:
- (a) where the injury is in a single Salary Cap Year, a period of twelve weeks has elapsed from the date on which the player was certified as having been injured as set out in the Injury Certificate; and
 - (b) where the injury spans two Salary Cap Years, a period of eight weeks has elapsed within the second Season of the two Salary Cap Years.
- 5.11 The Salary Cap Manager shall:
- (a) keep under review any dispensation granted to any Club under this Regulation;
 - (b) monitor and review any documentation provided by a Club, including without limitation any Standard Form Player Agreement and/or Certification, relating to the Injured Player or the replacement Senior Player; and
 - (c) request that the Club or any relevant Player provides any further information reasonably required by the Salary Cap Manager for the purposes of ensuring compliance with this Regulation.
- 5.12 In addition to the conditions set out in Regulation 5.3, the Salary Cap Manager may at any time, revoke or vary any dispensation granted in the event that:

- (a) information, documentation and/or further details of the circumstances relevant to the application for dispensation (collectively "**Further Information**") comes to light;
- (b) that Further Information was or should have been known or available to the Club at the time of the original application for dispensation;
- (c) that Further Information should, in the reasonable opinion of the Salary Cap Manager, have been produced or brought to the attention of the Salary Cap Manager by the Club at the time of the original application for dispensation; and
- (d) that Further Information would, if it had been brought to the attention of the Salary Cap Manager, have resulted in the Salary Cap Manager refusing to grant that dispensation on the basis that the criteria for dispensation set out in this Regulation 5 had not been complied with.

In such circumstances the Salary Cap Manager shall notify the Club concerned of the Further Information in question and of the Salary Cap Manager's decision as to whether to revoke or vary any dispensation granted. The Club shall have a right of appeal against that decision which must be exercised by informing the Rugby Director of its intention to appeal within 14 days of the Salary Cap Manager's decision. If the Club exercises that right of appeal, the process outlined in Regulation 5.7 will be adopted for the appeal save that the issue to be determined will be whether to uphold the Salary Cap Manager's decision to revoke or vary the dispensation.

6 Role of Salary Cap Manager

- 6.1 The Salary Cap Manager shall be responsible for all aspects of the operation of the Regulations, including without limitation, monitoring compliance with the Regulations and overseeing the audit process.
- 6.2 The Salary Cap Manager will answer any questions from Clubs and/or Players in connection with the operation of the Regulations.
- 6.3 The Salary Cap Manager will consider the Contracts received from the Clubs pursuant to Regulation 4.4 and/or 4.3(a)(iii) and compare them with the Declarations and Certifications provided by each of the Clubs for the relevant Salary Cap Year or Years concerned.
- 6.4 In the case of a Declaration and/or Certification, the Salary Cap Manager will review and monitor the Declaration and/or Certification provided for compliance with the Regulations.
- 6.5 The Salary Cap Manager shall investigate any potential breach of the Regulations, any other actual or potential issue of non-compliance with the Regulations and:
 - (a) circumstances which suggest that a Player's Salary is lower than what the Salary Cap Manager considers to be the appropriate commercial terms for that Player; or
 - (b) any arrangement between a Club and any other club, Connected Party or Third Party whereby the Player is made available to that Club on terms that are more favourable than what the Salary Cap Manager considers to be the appropriate commercial terms for that Player.

- 6.6 The Salary Cap Manager will monitor Club and Player activity, including without limitation where:
- (a) a Player is signed by a Club;
 - (b) a Player moves Clubs; and
 - (c) a Player enters into any agreement with a Club, a Connected Party or a Third Party.
- 6.7 The Salary Cap Manager shall obtain further information from any Club or Player as may be reasonably required to ensure compliance with the Regulations, including at any time during the Disciplinary Process. The Club must respond to the Salary Cap Manager's request for further information within 14 days of such a request being made.
- 6.8 The Salary Cap Manager may, at his sole discretion, notify a Club that he wishes to interview a Player to discuss any aspect of that Player's remuneration by the Club or as otherwise may be reasonably required to ensure compliance with the Regulations. The Salary Cap Manager is not obliged to give the Club or the Player concerned advance notice of any such request and the Salary Cap Manager may, at his discretion, arrive at a Club and give notice that he wishes to interview a Player or Players immediately if they are on site. The Club shall use all reasonable efforts to procure that the Player attends such interview, having regard to the Player's training and any unmoveable Club commitments. The Player may, at his sole discretion, be accompanied at such interview.
- 6.9 The Salary Cap Manager will respond to enquiries from Clubs regarding whether or not a Player is within the last six months of his playing contract with that Club or will be within one calendar month of the request.
- 6.10 The Salary Cap Manager may, at his sole discretion, request the assistance of the Solicitors and/or Accountants to perform any of his obligations under the Regulations or may delegate any such responsibilities to the Solicitors and/or Accountants.
- 6.11 The Salary Cap Manager will review the performance of the Solicitors and/or the Accountants and make recommendations to the Sub-Committee regarding the renewal of such appointments.
- 6.12 The Salary Cap Manager will conduct an annual review of the operation of the Regulations and will present this report to the Sub-Committee.
- 6.13 If a Club wishes to clarify the meaning or applicability of any of the Regulations, it shall contact the Salary Cap Manager in writing with its query. The Salary Cap Manager will respond in writing to the request within a reasonable time scale (bearing in mind the importance and complexity of the issues raised by the Club's query). If the Salary Cap Manager concludes (in his reasonable opinion) that the query raises an issue that all Clubs should be made aware of, he will circulate a copy of his written response to all the Clubs and to the Authorised Parties. The written response shall not mention the name of any Player and will not disclose the terms of any individual Contract (including details of a Player's Salary).
- 6.14 The Salary Cap Manager shall have the right to consult the CEO and the Rugby Director regarding all matters arising in relation to a Disciplinary Process.

7 Role of the Sub-Committee and Amending the Regulations

- 7.1 The Sub-Committee shall meet from time to time and as set out in the Regulations.
- 7.2 The role of the Sub-Committee is to:
- (a) discharge the obligations set out in these Regulations; and
 - (b) consider and advise the Board on amendments to the Regulations.
- 7.3 All meetings of the Sub-Committee shall be chaired by the Rugby Director. All members of the Sub-Committee, with the exception of the Salary Cap Manager, shall be entitled to vote at meetings. All decisions of the Sub-Committee shall be by way of majority vote. The Sub-Committee shall have a quorum of three. Proceedings of the Sub-Committee are informal and private. Meetings of the Sub-Committee may take place by telephone. In urgent circumstances, a decision of the Sub-Committee may be reached and communicated via email and copied to all members of the Sub-Committee who would have been entitled to attend a physical meeting.
- 7.4 Any amendment to the Regulations (save the automatic updating of dates) shall require approval as follows:
- (a) by the Chairman/Shareholder Group in relation to the levels of the Senior Ceiling and Academy Ceiling;
 - (b) by a 75% majority of those Board members present and voting (whether in person or by proxy) for any other amendment first proposed at a board meeting before 1 November in the Salary Cap Year preceding the Salary Cap Year in which the amendment is proposed to take effect;
 - (c) by 100% of those Board members present and voting (whether in person or by proxy) for any other amendment first proposed at a board meeting on or after 1 November in the Salary Cap Year preceding the Salary Cap Year in which the amendment is proposed to take effect.
- 7.5 For the avoidance of doubt, the Sub-Committee may recommend, and the Board may approve (in accordance with Regulation 7.4(c)), an amendment to the current Regulations to have immediate effect during the course of the current Salary Cap Year.

8 Role of Accountants

- 8.1 Audit
- (a) All Clubs will be audited by the Accountants from 1 September following the end of each Salary Cap Year.
 - (b) Prior to the date in (a) above, the Accountants will send to each Club a list of documents and information which must be prepared by the Clubs in advance of the Accountants' audit visit. The Accountants shall not be restricted to investigating compliance with the Senior and Academy Ceilings for the Salary Cap Year applying at the date of the audit, but can investigate compliance with the Regulations in force over the previous five Salary Cap Years as calculated from the date of the investigation (even where investigations in respect of previous Salary Cap Years may or may not have already taken place). The Accountants shall also be free to investigate a Club's compliance with the Regulations generally.

- (c) The scope of any audit shall be at the Accountants' sole discretion and determination.
- (d) The Clubs shall show the Accountants all reasonable co-operation and assistance to enable them to carry out their audit comprehensively. In particular, the Clubs shall:
 - (i) answer as fully and honestly as possible all queries of the Accountants;
 - (ii) procure that their Players, Directors, officials, employees, shareholders and any other persons contracted or engaged by the Clubs for playing purposes are made available to the Accountants on reasonable notice and within a reasonable time;
 - (iii) make available (both electronically via email, CD, DVD, USB memory stick or other form of secure electronic transfer and paper copy) to the Accountants on request for the purposes of an audit, full accounting records, copies of all Contracts, the originals of all relevant Club records, books and any other related paperwork; and
 - (iv) so far as reasonably possible make arrangements for the Accountants to meet any Third Party or Connected Party that the Accountants wish to meet for the purposes of carrying out the audit.
- (e) If as a result of any audit the Accountants wish to seek further clarification from a Club, they will contact the Chairman of the relevant Club with their conclusions/queries in writing and the Club shall give a detailed written reply to the Accountants' conclusions/queries within 14 days of the date of the Accountants' letter.
- (f) The Accountants will, where reasonably possible, report to the Salary Cap Manager the results of their audit:
 - (i) of all the Clubs by 31 January following the end of each Salary Cap Year; and
 - (ii) of the Promoted Club within 28 days of the provision by the Promoted Club of the documents specified in Regulation 14.

9 Role of Solicitors

9.1 The role of the Solicitors shall be as follows:

- (a) providing legal support and advice on the content of the Regulations to the Salary Cap Manager to ensure smooth operation of the Regulations;
- (b) responding to all enquiries from the Salary Cap Manager concerning the scope of the Regulations and their interpretation;
- (c) providing legal support to the Salary Cap Manager in relation to (i) the Disciplinary Process and (ii) Arbitrations commenced in accordance with Regulation 12;
- (d) attending and, if requested by the Salary Cap Manager, taking minutes of all Sub-Committee meetings and Disciplinary Panel hearings; and

- (e) ongoing review and annual update of the Regulations as directed by the Salary Cap Manager.

10 Breaches of the Regulations

10.1 Breach of Salary Ceiling

Any breach of the Regulations in relation to Salary exceeding the Senior Ceiling or Academy Ceiling shall be dealt with in accordance with the procedures set out in Regulation 11 unless the alleged breach of the Senior Ceiling or Academy Ceiling does not exceed £20,000 and the Salary Cap Manager is of the view that the breach can be dealt with summarily whereby:

- (a) the Salary Cap Manager shall serve on the relevant Club a written summary charge (the “Summary Charge”) which shall:
 - A. Identify the provision(s) of the Regulations that the Club is alleged to have breached;
 - B. Describe the nature of the alleged misconduct;
 - C. Provide a statement of the facts relied upon;
 - D. Provide copies of all documents or other evidence relied upon or referred to in the Charge; and
 - E. Offer the Club the option to accept an automatic fine in accordance with Regulation 13.3(b), with no further sanction;
- (b) within 10 working days of receiving the Summary Charge, the Club shall respond in writing to either (1) accept the automatic fine pursuant to Regulation 13.3(b) or (2) request that the matter be dealt with subject to the provisions of Regulation 11;
- (c) if the Club accepts the automatic fine, the CEO of PRL will report the breach and sanction to the Board at the next Board meeting (without identifying the name of any Player or details of any identifiable Player's Contract or their Salary);
- (d) if the Club accepts the automatic fine, payment shall be made within 21 days of such acceptance. The provisions of Regulation 13.7(b) to (d) shall apply to any late payment.

10.2 False Declarations

- (a) A “False Declaration” shall arise where a Club Recklessly or Deliberately submits false and/or misleading Salary information to the Salary Cap Manager in breach of the Club’s obligations under Regulations 4.2 – 4.4.
- (b) In monitoring compliance with Regulations 4.2 – 4.4, the Salary Cap Manager shall investigate any circumstances in which:
 - (i) a Player’s declared Salary is materially lower than what the Salary Cap Manager considers to be appropriate commercial terms for that Player;
 - (ii) any arrangement between a Club and any other club, Connected Party or Third Party whereby the Player is made available to that Club on terms that are materially more favourable than what the Salary Cap Manager considers to be the appropriate commercial terms for that Player;

- (c) As part of his investigation, the Salary Cap Manager shall write to the relevant Club giving them the opportunity to explain the circumstances in which the Salary was agreed;
- (d) If, following his investigation, the Salary Cap Manager is of the view that the Club has not provided a satisfactory explanation as to why the relevant terms are materially lower than what the Salary Cap Manager considers to be appropriate commercial terms for that Player, an Independent Expert shall be appointed from the Panel of Independent Experts to determine a range of market value commercial terms for the Player, having taken into account information provided by or on behalf of: (i) the Salary Cap Manager; and (ii) the Club;
- (e) Where a material difference exists between the range of market value commercial terms identified by the Independent Expert and the terms declared by the Club, the Salary Cap Manager shall deem the Club to have committed a breach of the Regulations by submitting a False Declaration.
- (f) Upon the Salary Cap Manager deeming the Club to have submitted a False Declaration the matter shall be determined by the Disciplinary Panel in accordance with Regulation 11.
- (g) The Salary Cap Manager shall have the right to consult the CEO and the Rugby Director regarding all matters arising in relation to a False Declaration case under this Regulation 10.2.

10.3 Failure to Co-operate

- (a) A “Failure to Co-operate” shall arise where a Club fails to provide the level of co-operation and assistance to the Investigators that is required by Regulation 4.9(c).
- (b) Where the Salary Cap Manager is of the reasonable opinion that the Club is guilty of a Failure to Co-operate the matter shall be determined by the Disciplinary Panel in accordance with Regulation 11.

10.4 Other Breaches of Regulations

- (a) If the Salary Cap Manager concludes that a Club has breached the Regulations other than in relation to exceeding the Senior and/or Academy Ceiling, a False Declaration or a Failure to Co-operate then unless expressly stated otherwise in the Regulations a Penalty will be levied on and be payable by the Club to PRL within 21 days of the Club being informed of the breach in writing by the Salary Cap Manager.
- (b) Examples of breaches to which Regulation 10.4(a) above would apply include (by way of illustration only and without limitation) where a Club:
 - (i) fails to supply a Declaration, Certification, copy Contracts or any other documentation required to be provided by a Club under these Regulations by a stated deadline;
 - (ii) fails to supply documentation to the Salary Cap Manager in the correct form or in a complete state;

- (iii) fails to reply properly to any query raised by the Salary Cap Manager or fails to reply within the relevant timeframe; or
- (iv) fails to give the required assistance and co-operation in the carrying out of any audit by the Accountants.

Each instance of failure or breach, including those outlined above, constitutes an individual and separate breach of the Regulations and each breach of the Regulations will attract a Penalty. For example, a failure to provide copies of two Player agreements within the relevant timeframe constitutes two separate breaches of the Regulations and will attract two Penalties.

- (c) Penalties levied on a Club pursuant to Regulation 10.4(a) will escalate according to the number of breaches committed by the Club. For each additional breach over and above the first breach in any Salary Cap Year the Penalty for that additional breach will be doubled, as set out below:

1st breach	£100
2nd breach	£200
3rd breach	£400
4th breach	£800

For each breach over and above the 4th breach the applicable Penalty for such breach will be £800 per breach. The applicable Penalty will be determined by the number of breaches and there is no maximum limit on the Penalties payable by a Club.

By way of example of how Penalties will be applied:

If a Club fails to provide two player contracts within the relevant timeframe the Penalty to be applied will be £300.

If the same Club subsequently within the same Salary Cap Year fails to provide a third player contract within the relevant timeframe the Penalty to be applied to that breach will be £400.

If the same Club subsequently within the same Salary Cap Year provides a copy of a player contract which is incomplete because, for example, it has not been signed by the Player or the Club or has not been dated, the Penalty to be applied to that breach will be £800.

Each additional breach within the same Salary Cap Year will attract an additional Penalty which, in each case, will be £800.

- (d) Where a Club continues to breach the Regulations (other than in relation to Salary exceeding the Senior and/or Academy Ceiling or in relation to a False Declaration or by a Failure to Co-operate) for more than 21 days after a Penalty has been levied on the Club pursuant to Regulation 10.4(a), a further sum shall be automatically payable to PRL equivalent to double the applicable Penalty. Such sum must be paid within 21 days of the Club being informed in writing by the Salary Cap Manager of its continuing breach.
- (e) For every 21 days thereafter that the Club continues to breach the Regulations (other than in relation to Salary exceeding the Senior and/or Academy Ceiling in

relation to a False Declaration or by a Failure to Co-operate) a further sum shall be automatically payable to PRL equivalent to double the Penalty previously payable to PRL for the breach 21 days before as set out in sub-paragraph (d) above. This sum shall be payable within 21 days of the Club being informed in writing by the Salary Cap Manager of its continuing breach.

10.5 Examples of continuing breaches to which Regulations 10.4(d) and (e) would apply include (by way of illustration only and without limitation) where a Club:

- (a) continually fails to supply a Declaration, Certification or copy Contracts (i.e. fails to supply the same within 21 days after a Penalty has been levied on the Club);
- (b) continually fails to supply documentation to the Salary Cap Manager in the correct form or in a complete state (i.e. fails to supply the same within 21 days after a Penalty has been levied on the Club);
- (c) continually fails to reply properly to any query raised by the Salary Cap Manager (i.e. fails to reply properly within 21 days after a Penalty has been levied on the Club); or
- (d) continually fails to give the required assistance and co-operation in the carrying out of any audit by the Accountants (i.e. fails to do so within 21 days after a Penalty has been levied on the Club).

11 The Disciplinary Panel

11.1 If:

- (a) the Salary Cap Manager is of the reasonable opinion that a Club has exceeded the Senior Ceiling or Academy Ceiling; and / or
- (b) the Salary Cap Manager deems the Club to have submitted a False Declaration pursuant to Regulation 10.2(f); and / or
- (c) the Salary Cap Manager is of the reasonable opinion that a Club is guilty of a Failure to Co-operate,

the Salary Cap Manager shall serve on the relevant Club and Sports Resolutions UK a written charge (the “Charge”).

11.2 The Charge shall:

- (a) Identify the provision(s) of the Regulations that the Club is alleged to have breached;
- (b) Describe the nature of the alleged misconduct;
- (c) Provide a statement of the facts relied upon; and
- (d) Provide copies of all documents or other evidence relied upon or referred to in the Charge.

- 11.3 Within 5 working days of receipt of the Charge, the Executive Director of Sports Resolutions UK shall appoint a Disciplinary Panel which shall be comprised of:
- (a) One solicitor or barrister (who shall act as the Chairman of the Disciplinary Panel); and
 - (b) Two individuals from the Rugby Pool (should there be insufficient members of the Rugby Pool available for any reason Sports Resolutions UK shall appoint a solicitor or barrister as a replacement).
- 11.4 The Disciplinary Panel shall within 3 working days of being appointed set down a timetable for the resolution of the Charge. The Disciplinary Panel shall have the discretion to decide all procedural and evidential matters save that the Disciplinary Panel shall have made and communicated its decision within 60 days of being appointed.
- 11.5 The Club shall serve on Sports Resolution UK a written response to the Charge within 14 days of receipt of the Charge (the "Response") which shall include the following:
- (a) An admission or denial of each breach identified in the Charge;
 - (b) A statement describing the reasons for and circumstances of any denial made by the Club; and
 - (c) Copies of all documents or other evidence relied upon or referred to in the Response.
- 11.6 An individual cannot sit on the Disciplinary Panel where a conflict of interest exists. A conflict of interest shall exist for these purposes where at any time an individual was a member of or has been employed by or has any material connection whatsoever with the Club subject to a Charge, or where any other circumstances exist which may materially influence that individual's independence.
- 11.7 Any member of the Disciplinary Panel who believes that they may have a conflict of interest (as described in Regulation 11.6) arising because of the Club, Player or issue concerned shall immediately notify Sports Resolutions UK who shall immediately appoint a replacement member to the Disciplinary Panel.
- 11.8 The Club and the Salary Cap Manager may agree that the matter be dealt with on paper without the need for a hearing before the Disciplinary Panel.
- 11.9 The hearing before the Disciplinary Panel shall take place in private.
- 11.10 Where the case before the Disciplinary Panel concerns whether a False Declaration has been filed contrary to Regulation 10.2, there will be a breach by the Club of the Regulation unless the Club satisfies the Disciplinary Panel that notwithstanding that a material difference exists between the range of market value commercial terms identified by the Independent Expert and the terms declared by the Club, the Salary information that the Club provided to the Salary Cap Manager was accurate, in accordance with its obligations under Regulations 4.2 – 4.4, or that any inaccuracy was neither Reckless nor Deliberate.
- 11.11 The Disciplinary Panel shall determine whether the Club has breached the Regulations as alleged in the Charge and its decision shall:
- (a) be reached by a majority vote with each member of the Disciplinary Panel having one vote;

- (b) be in writing and shall state the reasons for its decision;
 - (c) in the event a breach of the Regulations is found, contain details of any sanction (which shall be determined in accordance with Regulation 13); and
 - (d) be served on the relevant Club and the Authorised Parties as soon as reasonably practicable.
- 11.12 The CEO of PRL will report the Disciplinary Panel's decision to the Board at the next Board meeting (without identifying the name of any Player or details of any identifiable Player's Contract or their Salary).
- 11.13 The cost of administering the Disciplinary Panel (including the fees of those sitting on the Disciplinary Panel and the fees of Sports Resolutions UK) shall be borne by PRL.
- 11.14 In the event that a breach described in a Charge against a Club is denied by the Club and then not upheld by the Disciplinary Panel, PRL shall pay all or a proportion of the Club's reasonable and proportionate legal costs incurred as a result of that breach, such sum to be assessed by the Disciplinary Panel. In the event that PRL disputes the sum of costs awarded it shall be entitled to refer the assessment to the Costs Expert who shall determine the sum of costs payable which are proportionate to the matters in issue and which were reasonably incurred according to the standard basis of assessment as defined under Rule 44 of the Civil Procedure Rules. The decision of the Costs Expert shall be final and binding subject to Regulation 12.9. The Cost Expert shall have the discretion to decide all procedural and evidential matters relating to the assessment.
- 11.15 Where the Disciplinary Panel does find a breach of the Regulations, the costs that relate to that breach shall be dealt with in accordance with Regulations 13.3(a), 13.5(c) and 13.6(c).
- 11.16 Upon receipt of a Charge a Club may attempt to plea bargain in accordance with the procedure contained in Schedule 8 to the Regulations.

12 Arbitration

- 12.1 Any dispute or difference arising out of these Regulations (including any challenge to a decision of the Disciplinary Panel or any other decision made pursuant to the Regulations and any question as to the validity or existence of the Regulations) shall be referred to Sports Resolutions UK for final and binding arbitration in accordance with the Arbitration Act 1996 and Sports Resolution's UK Arbitration Rules (the "Rules"), which rules are deemed to be incorporated by reference to these rules.
- 12.2 Regulation 12.1 shall not operate as an appeal of a decision of the Disciplinary Panel or any other decision made pursuant to the Regulations and shall operate only as a forum and procedure for a challenge to the validity of such a decision under English law on the grounds of ultra vires (including error of law), irrationality or procedural unfairness, with the Tribunal exercising supervisory jurisdiction only.
- 12.3 PRL and the Clubs agree that the powers of the Court under Sections 44, 45 and 69 of the Arbitration Act 1996 are excluded and shall not apply to any arbitration commenced pursuant to these Regulations.
- 12.4 An arbitration may only be commenced in accordance with Regulation 12.1 if all other avenues of appeal under these Regulations have been exhausted.

- 12.5 In the event of any inconsistency between these Regulations and the Rules, these Regulations shall apply.
- 12.6 If a decision is challenged pursuant to Regulation 12.1 within the time limit specified in Regulation 12.8 all penalties (including all Penalties) shall at that stage be suspended pending the decision of the Tribunal (or the withdrawal of the arbitration) and the Salary Cap Manager shall notify the Club and the Authorised Parties accordingly.
- 12.7 The Tribunal shall be appointed by Sports Resolutions UK and, unless the parties to the arbitration agree otherwise, the Tribunal shall consist of three arbitrators each of whom shall be either a solicitor or a barrister and at least one of whom shall be a QC.
- 12.8 Any challenge pursuant to Regulation 12.1 must be brought within 14 days of receipt by the Club of the decision being challenged.
- 12.9 When applying Rule 13.2 the starting point in exercising the Tribunal's discretion shall be that the unsuccessful party shall bear the cost of the arbitration. The Tribunal shall have the power to vary any decision of the Disciplinary Panel in relation to costs.

13 Penalties for Breach of the Regulations

- 13.1 When determining whether a Club has breached the Academy Ceiling or Senior Ceiling for a Salary Cap Year governed by the Regulations, the Disciplinary Panel shall not take into account any valuation provided by an Independent Expert in accordance with Regulation 10.2(d).
- 13.2 Where the Disciplinary Panel concludes that a Club has breached the Senior Ceiling or Academy Ceiling for a Salary Cap Year governed by the Regulations and / or has made a False Declaration and/or is guilty of a Failure to Co-operate, the Disciplinary Panel shall determine the penalty to be imposed on the Club. In determining the appropriate penalty the Disciplinary Panel will apply the penalties set out in Regulation 13.3 - 13.6 below but the Disciplinary Panel shall be entitled to exercise its discretion to impose a penalty which is less than set out in Regulation 13.3 - 13.6 where, in the view of the Disciplinary Panel, such penalty would lead to the Club being unfairly punished or treated under the Regulations or would lead to a result not within the spirit and underlying purpose of the Regulations.

13.3 Breach of Senior Ceiling

Where the Disciplinary Panel concludes that a Club has breached the Senior Ceiling for a Salary Cap Year governed by the Regulations the following penalties shall apply:

- (a) The Club must bear all of the reasonable Costs incurred by PRL in connection with that breach or breaches, such reasonable sum to be assessed by the Disciplinary Panel. In the event that the Club disputes the sum of costs awarded it shall be entitled to refer the assessment to the Costs Expert who shall determine the sum of costs payable which are proportionate to the matters in issue and which were reasonably incurred according to the standard basis of assessment as defined under Rule 44 of the Civil Procedure Rules. The decision of the Costs Expert shall be final and binding subject to Regulation 12.9. The Cost Expert shall have the discretion to decide all procedural and evidential matters relating to the assessment.

- (b) If in the two Salary Cap Years prior to the Salary Cap Year for which there has been a breach, that Club has:
- (i) not breached the Senior Ceiling which applied during either of those two Salary Cap Years (as stated in the Regulations then in force), a fine of £3 is payable by the Club in respect of every £1 by which the Salary exceeds the Senior Ceiling for the Salary Cap Year under investigation;
 - (ii) been found by the Disciplinary Panel to have only once breached the Senior Ceiling which applied during those two Salary Cap Years (as stated in the Regulations then in force), a fine of £5 is payable by the Club in respect of every £1 by which the Salary exceeds the Senior Ceiling for the Salary Cap Year under investigation;
 - (iii) been found by the Disciplinary Panel to have twice breached the Senior Ceiling which applied during those two Salary Cap Years (as stated in the Regulations then in force), a fine of £10 is payable by the Club in respect of every £1 by which the Salary exceeds the Senior Ceiling for the Salary Cap Year under investigation.
- (c) In addition to the financial penalties set out in (a) and (b) above, if the Disciplinary Panel concludes that the breach is such that the Salary paid during any Salary Cap Year governed by the Regulations exceeds the Senior Ceiling by the levels set out below, then subject to Regulation 13.3(d) the Disciplinary Panel shall apply the corresponding points sanction, as set out in the table below, which shall be deducted from the number of league points earned by the Club in respect of games played in the Aviva Premiership, which may result in the Club having a negative points balance:

Level of breach	Points Sanction
£0 to £75,000	4
£75,000.01 to £125,000	10
£125,000.01 to £175,000	20
£175,000.01 to £250,000	30
Over £250,000	40

The Salary Cap Year in which the points penalty will be applied shall be determined as follows:

- (i) If the Disciplinary Panel or, in the event the Disciplinary Panel's decision is challenged in accordance with Regulation 12, the Tribunal reaches its decision prior to the first match of round 22 of the Aviva Premiership in any Season, the points penalty will be applied during that Season with immediate effect; or
- (ii) If the Disciplinary Panel or, in the event the Disciplinary Panel's decision is challenged in accordance with Regulation 12, the Tribunal, reaches its decision during or after round 22 of the Aviva Premiership in any Season, the points penalty will be applied at the commencement of the next Season.

- (d) The points sanctions dictated by Regulation 13.3(c) represent the starting point and the Disciplinary Panel shall have the discretion to increase or decrease (to zero if appropriate) the points sanction taking into account the following factors:
- (i) Whether the Club has admitted the breach identified;
 - (ii) Whether the breach of the Senior Ceiling was Deliberate, Reckless, Negligent or due to a non-Negligent mistake;
 - (iii) Whether the Club has been found to have breached the Regulations before; and
 - (iv) Whether the Club has Deliberately or Recklessly failed to co-operate during the Disciplinary Process.
- (e) For any size of breach of the Senior Ceiling, if the Disciplinary Panel is of the opinion that, on a balance of probabilities, the Club Recklessly or Deliberately breached the Senior Ceiling, the Disciplinary Panel can (as appropriate, and in addition to the fines which are payable under Regulations (a), (b) and (c) above), at its sole discretion:
- (i) impose any financial penalty on the Club; and
 - (ii) decide that the Club will have its Senior Ceiling for the subsequent Salary Cap Year reduced by an amount to be determined by the Disciplinary Panel.

13.4 Breach of Academy Ceiling

Regulation 13.3 shall apply to a breach of the Academy Ceiling as though references in that Regulation to “Senior Ceiling” are to “Academy Ceiling” with the exception that Regulations 13.3(c) and (d) (points penalties) shall not apply.

13.5 False Declarations

- (a) Where the Disciplinary Panel concludes that a Club has submitted a False Declaration the Disciplinary Panel shall have the power to impose one or more of the following penalties on the Club:
- (i) A warning as to future conduct;
 - (ii) A fine of up to £100,000; and/or
 - (iii) A fine of up to 6 points may be deducted from the number of league points earned by the Club in respect of games played in the Aviva Premiership, which may result in the Club having a negative points balance. The Salary Cap Year in which the points penalty will be applied shall be determined as follows:
 - If the Disciplinary Panel or, in the event the Disciplinary Panel’s decision is challenged in accordance with Regulation 12, the Tribunal, reaches its decision prior to the first match of round 22 of the Aviva Premiership in any Season, during that Season with immediate effect; or

- If the Disciplinary Panel or, in the event the Disciplinary Panel's decision is challenged in accordance with Regulation 12, the Tribunal reaches its decision during or after round 22 of the Aviva Premiership in any Season, at the commencement of the next Season.
- (b) Where a Club is found to have made False Declarations in relation to more than one player the Disciplinary Panel shall also have the power to:
- (i) impose a multiple of the penalties provided for under Regulation 13.5(a) in relation to each separate False Declaration;
 - (ii) impose an additional financial penalty on the Club of up to £200,000; and/or
 - (iii) decide that the Club will have its Senior Ceiling for the subsequent Salary Cap Year reduced by an amount to be determined by the Disciplinary Panel.
- (c) The Club must bear all of the reasonable Costs incurred by PRL in connection with that breach or breaches, such reasonable sum to be assessed by the Disciplinary Panel. In the event that the Club disputes the sum of costs awarded it shall be entitled to refer the assessment to the Costs Expert who shall determine the sum of costs payable which are proportionate to the matters in issue and which were reasonably incurred according to the standard basis of assessment as defined under Rule 44 of the Civil Procedure Rules. The decision of the Costs Expert shall be final and binding subject to Regulation 12.9. The Cost Expert shall have the discretion to decide all procedural and evidential matters relating to the assessment.

13.6 Failure to Co-operate

- (a) Where the Disciplinary Panel concludes that a Club has been guilty of a Failure to Co-operate the Disciplinary Panel shall have the power to impose one or more of the following penalties on the Club:
- (i) A warning as to future conduct;
 - (ii) A fine of up to £100,000; and/or
 - (iii) A fine of up to 6 points may be deducted from the number of league points earned by the Club in respect of games played in the Aviva Premiership, which may result in the Club having a negative points balance. The Salary Cap Year in which the points penalty will be applied shall be determined as follows:
 - If the Disciplinary Panel or, in the event the Disciplinary Panel's decision is challenged in accordance with Regulation 12, the Tribunal, reaches its decision prior to the first match of round 22 of the Aviva Premiership in any Season, during that Season with immediate effect; or
 - If the Disciplinary Panel or, in the event the Disciplinary Panel's decision is challenged in accordance with Regulation 12, the Tribunal reaches its decision during or after round 22 of the Aviva Premiership in any Season, at the commencement of the next Season.

- (b) The Club must bear all of the reasonable Costs incurred by PRL in connection with that breach or breaches, such reasonable sum to be assessed by the Disciplinary Panel. In the event that the Club disputes the sum of costs awarded it shall be entitled to refer the assessment to the Costs Expert who shall determine the sum of costs payable which are proportionate to the matters in issue and which were reasonably incurred according to the standard basis of assessment as defined under Rule 44 of the Civil Procedure Rules. The decision of the Costs Expert shall be final and binding subject to Regulation 12.9. The Cost Expert shall have the discretion to decide all procedural and evidential matters relating to the assessment.

13.7 Payment of Fines

- (a) Subject to Regulation 12.6, payment of all fines and or costs levied under this Regulation 13 shall be made within 21 days of the date of the relevant decision.
- (b) If any Penalty or any fine levied under this Regulation 13 and/or costs are not paid to PRL within the stipulated period set out in the Regulations then the Club shall be required to pay interest to PRL, such interest to accrue daily on the amount outstanding, from the date that the same became due until actual payment at a rate of 2% above the base rate from time to time of National Westminster Bank plc.
- (c) If 30 days after the date of due payment, any amount including interest due under (b) above remains unpaid, then the Club shall automatically be deemed ineligible for the following year's European Rugby Champions Cup and European Rugby Challenge Cup competitions and the amount outstanding shall be increased by 100% of the original Penalty, fine and/or Costs.
- (d) For every 30 days thereafter that any amount plus any interest on that amount remains unpaid, the outstanding amount shall be increased by 100% of the original Penalty, fine and/or Costs.

13.8 Individual responsibility for a false Certification or False Declaration

In the event of a breach of the Senior Ceiling or False Declaration, where the Disciplinary Panel is of the opinion that, on a balance of probabilities:

- (a) the Club Recklessly, or Deliberately breached the Senior Ceiling or made a False Declaration; and
- (b) any Chairman, CEO or Finance Director of a Club has signed a false Certification or been otherwise responsible for a False Declaration,

then the Salary Cap Manager shall notify the Board accordingly and the other Clubs may resolve by special resolution that the director be removed from office, whereupon the relevant Club will procure that the director immediately ceases to be a director of that Club and no Club shall thereafter appoint that person as a director.

14 Promoted Club

- 14.1 A Promoted Club shall, within 28 days of receiving confirmation of promotion to the Aviva Premiership from PRL, comply with the requirements of Regulation 4.4 by providing to the Salary Cap Manager the documents listed in Regulation 4.4.
- 14.2 A Promoted Club shall provide copies of its Declaration for the 2015-16 Salary Cap Year and its Certification for the 2014-15 Salary Cap Year as required under Regulations 4.2 and 4.3.

15 Confidentiality

- 15.1 Proceedings under these Regulations are confidential. Subject to Regulations 15.2 - 15.4, the parties to any proceeding under these Regulations shall preserve and respect the confidentiality of the proceedings, including the issues in dispute, the evidence and arguments presented by the parties and any decision reached under these Regulations.
- 15.2 Regulation 15.1 shall not apply to information or documentation that is disclosed between Authorised Parties in accordance with these Regulations.
- 15.3 The CEO shall provide the Board with a copy of any decision reached by a Panel on the condition that the members of the Board shall not disclose that decision to any third party.
- 15.4 PRL shall have the power to publish in the public press, on its website and in any other manner it considers appropriate a summary of any sanction imposed under Regulation 10.1 or any decision reached by a Disciplinary Panel under Regulation 11 or by a Tribunal under Regulation 12.

16 Severance

If any provision of the Regulations shall be found to be illegal, invalid or unenforceable, that shall not affect the legality, validity or enforceability of any other provision of the Regulations.

SCHEDULE 1
Amounts that constitute Salary

1. "Salary" means, for the purposes of compliance with the Senior Ceiling and the Academy Ceiling (as appropriate), the total of all the amounts referred to in this paragraph 1, whether they are paid or payable (or in the case of a benefit in kind, provided or to be provided) directly or indirectly onshore or offshore by or on behalf of a Club or any Connected Party of the Club (or in relation to paragraph 1(t) only, by or on behalf of any Third Party), to or in respect of a Player or any Connected Party of the Player, and shall exclude any amount set out in paragraph 2.
 - (a) any salary, wage, fee, remuneration, compensation, match fee, per diem, royalty, gratuity, profit, perquisite, reward, emolument, earnings, incentive, retainer, loyalty payment, preferred payment or any other sum;
 - (b) subject to paragraph 2(i) below, any match bonus, win bonus, Competition-winning bonus, year end bonus, season end bonus, or any other bonus (including, without limitation, for representing his county, district, state, province, division or league) including any amount paid or payable by an insurance company pursuant to the terms of a bonus insurance scheme;
 - (c) any insurance or assurance premiums (other than premiums purely for the Player's own personal private medical insurance) the benefits of which insurance include the payment of any financial sums or benefit, including premiums for life assurance, permanent health insurance, injury or personal accident insurance;
 - (d) any loan pursuant to which the Player or any Connected Party of the Player is not obliged to repay the full sum advance in the Salary Cap Year in which the loan is made;
 - (e) any payment into an Employment Benefit Trust shall prima facie be deemed to constitute Salary unless the Club proves to the Salary Cap Manager beyond all reasonable doubt that any payments made into an Employment Benefit Trust do not relate to any Player, which shall include providing the Salary Cap Manager with further information and supporting documentation including the following:
 - (i) confirmation as to whether an Employment Benefit Trust has been set up and, if so, whether the Employment Benefit Trust has been set up for the benefit of Players or non-Players;
 - (ii) copies of any notification made to HM Revenue & Customs (or equivalent national body) that an Employment Benefit Trust has been established;
 - (iii) details, including the amounts, of any transfer of money that the Club has made to the Employment Benefit Trust;
 - (iv) where the beneficiaries of the Employment Benefit Trust includes Players and non-Players, the recommended allocation of funds amongst those beneficiaries;
 - (v) any "letter of wishes", recommendation or similar instruction that the Club has issued to the trustees of the Employment Benefit Trust regarding the use of the funds;

- (vi) details, including the amounts, of any sums paid out of the Employment Benefit Trust by the trustees and the identity of the beneficiary, as notified to the Club by the trustees of the Employment Benefit Trust; and
- (vii) any payments or loans to Players from or in connection with the Employment Benefit Trust that have been reported on a Player's form P11D;
- (f) any child support or maintenance payment;
- (g) any accommodation or holiday cost;
- (h) any pension contribution (including without limitation any payment for annuities) other than any such payment made in accordance with Paragraph 2(o);
- (i) subject to 2(c) below any personal expenses or personal travelling expenses;
- (j) any payment in connection with promotional, media, or endorsement work;
- (k) any payment for any off-field activities (including, without limitation, accountancy, legal, medical, marketing or promotional work) a Player carries out for or on behalf of a Club;
- (l) any national insurance contribution or other contribution to national or local government (including without limitation all employer national insurance contributions relating to the employment by a Club of a Player). In the event that there is a change in legislation which increases the level of national insurance payable by a Club in respect of the employment of a Player, which has the effect of taking a Club's total Salary over the Senior Ceiling and/or Academy Ceiling, the Salary Cap Manager shall, on application by that Club, grant that Club dispensation to exceed the Senior Ceiling and/or Academy Ceiling but only by the amount of Salary that the Club has forecasted it will exceed the ceiling by as a direct result of the change in legislation;
- (m) any other financial remuneration (of a form not described above);
- (n) subject to Regulation 2.3(b), any signing-on fee, transfer payment, relocation allowance or expense in connection with the transfer of a Player to any club or any payment in connection with the loan of a Player to any club or any other lump sum or option payment. For the avoidance of doubt:
 - (i) any transfer fees paid by a Club directly to another rugby club or to an official foreign rugby union in connection with the transfer of a Player to the first-mentioned Club shall be disregarded and shall not count as "Salary" for the purpose of the Regulations. However, any payment or arrangement of any kind other than for the direct and sole benefit of the transferring rugby club or to an official foreign rugby union and/or which benefits a Player in any way whatsoever will be deemed "Salary" and shall be counted for the purposes of the Senior Ceiling or Academy Ceiling; and
 - (ii) any development fees that Clubs have to pay to:
 - (A) official foreign rugby unions or their club members under IRB rules or regulations; or
 - (B) English rugby union clubs (who are not members of PRL) pursuant to Rugby Football Union regulations or pursuant to any written arrangements

between PRL and the Rugby Football Union, for out-of-contract players shall not count as "Salary" for the purpose of the Regulations;

- (o) the supply or provision of any accommodation, holidays, car, match tickets (other than up to four per Player for any match of that Player's Club only), clothing (other than training kit, official club blazers and other clubwear, which the particular Club requires each player to wear), travel, membership fees (other than for that Player's Club), food and drink or other goods or services other than those ordinarily and necessarily provided in connection with a Player's appearance for a Club in rugby matches and at training;
- (p) any payment or benefit in kind which the Player would not have received if it were not for his involvement with a Club;
- (q) any payment or benefit in kind paid in respect of a Player in connection with his redundancy or the termination of his playing contract with the Club including all redundancy or termination payments or benefits in kind (whether paid or payable provided or to be provided voluntarily, contractually, pursuant to statute or otherwise). Any such payment or benefit in kind shall count as Salary in the Salary Cap Year in which the player contract terminates, irrespective of whether it is paid, payable, provided, or to be provided before, during or after the Salary Cap Year concerned;
- (r) any fee, commission payment, other remuneration payment or benefit in kind (including any related VAT payments) paid or payable by or on behalf of a Club to or in respect of a Player Agent but excluding, subject to the Club complying with the requirements set out in paragraph 2(f) below, any payment made to a Scouting Agent. For the avoidance of doubt:
 - (i) any VAT paid or payable by or on behalf of a Club to or in respect of a Player Agent will be deemed Salary and must be included in the Club's Certification in full without any apportionment regardless of whether the Club elects to reclaim the VAT from HMRC or not;
 - (ii) national insurance contributions paid or payable by or on behalf of a Club to or in respect of a Player Agent are excluded from the definition of Salary; and
 - (iii) where a Club has not complied with the requirements set out in paragraph 2(f) below, any fee, commission payment, other remuneration payment or benefit in kind (including any related VAT payments) paid or payable by or on behalf of a Club to or in respect of a Scouting Agent will also be subject to the treatment set out in sub-paragraphs (i) and (ii) as set out above.
- (s) any payment or benefit in kind to an Ex-Player (other than the supply to each Ex-Player of a maximum of four match tickets per Club match) which is not a bona fide payment for the provision of off-field services by the Ex-Player to the Club, such services being provided by the Ex-Player to the Club subsequent to the termination or expiry of his playing contract with the Club;
- (t) any payments or benefits in kind in connection with an individual sponsorship, endorsement, merchandising, employment or other individual arrangement between a Player and any Third Party;

- (u) subject to 2(g) below, any payment or benefit in kind to a Senior Player by his Club or any Connected Party of his Club as part of or in connection with that Player's Benefit Year; and
 - (v) any payment or benefit in kind received by a Player or Connected Party of that Player from an Excluded Player (whether current or former) of his Club.
2. For the avoidance of doubt, the following are excluded for the purposes of determining total Salary:
- (a) any payments or benefits in kind in connection with an individual sponsorship, endorsement, merchandising, employment or other individual arrangement between a Player (or any Connected Party of a Player) and any Connected Party of the Club or Third Party which the Salary Cap Manager reasonably concludes on the balance of probabilities should not be considered Salary, having taken into account the following factors:
 - (i) if the arrangement is with a Connected Party, it will be more likely to be considered Salary;
 - (ii) if the arrangement was negotiated and/or intended to be entered into at arm's length from the Player's Club, it will be less likely to be considered Salary;
 - (iii) if the arrangement was negotiated at or around the same time as the Playing Contract for the Player, it will be more likely to be considered Salary;
 - (iv) if the obligations of the Player under the arrangement in question are linked to his Club, it will be more likely to be considered Salary;
 - (v) if the obligations of the Connected Party/Third Party under the arrangement are linked to the Club, it will be more likely to be considered Salary;
 - (vi) if the Player will be obliged to perform his obligations under the arrangement either wholly or partly at the direction of his Club, it will be more likely to be considered Salary;
 - (vii) if the Player will be required to perform his obligations under the arrangement in his Club's playing kit or other Club apparel, it will be more likely to be considered Salary;
 - (viii) if the remuneration under the arrangement will be payable to the as and when services are performed by the Player for the Connected Party/Third Party (as opposed to in a lump sum or), it will be less likely to be considered Salary;
 - (ix) if the arrangement is on terms typical of commercial contracts of that type , it will be less likely to be considered Salary;
 - (x) if the term of the arrangement is different to the term of the Player's player contract with the Club, it will be less likely to be considered Salary;
 - (xi) if a servant or agent of the Player's Club was involved, whether directly or indirectly, in securing for the Player the benefit of the arrangement, it will be more likely to be considered Salary;

- (xii) if the Connected Party/Third Party has entered into similar arrangements with any other Player(s) from the Player's Club, it will be more likely to be considered Salary;
 - (xiii) if the Player is to be promoted by the Connected Party/Third Party as a sportsman who is associated with the Connected Party/Third Party as opposed to being promoted as a Player from his Club, it will be less likely to be considered Salary;
 - (xiv) if the arrangement is with a Connected Party to a Club sponsor, it will be more likely to be considered Salary;
 - (xv) if the remuneration payable to the Player exceeds the market value of the services to be provided by the Player pursuant to the arrangement, it will be more likely to be considered Salary; and
 - (xvi) any other matter that, in the opinion of the Salary Cap Manager in his absolute discretion, ought to be taken into account;
- (b) any payments paid or payable by an international union (and passed on to the Player through his Club) by way of match fees or international win or competition bonus as a result of the Player playing in a full international senior squad, the England Saxons squad, the Barbarians squad or the British Lions squad only. Any similar payments from an international union shall only be excluded with the permission of the Salary Cap Manager;
 - (c) a legitimate, reasonable and proportionate expense of the Club incurred by a Player which is paid or payable or reimbursed by or on behalf of a Club to or in respect of that Player and which is not included within the Player's salary as stated in the Player's contract of employment and is supported by production of relevant receipts or invoices or as evidenced by an expenses form signed by an officer of the Club;
 - (d) any insurance premium paid or payable directly or indirectly by or on behalf of a Club in respect of the personal private medical insurance of a Player, including Rugby Care;
 - (e) any payment a Club receives from the PRL Bonus Pool in respect of a particular Salary Cap Year, provided that the Club passes on such payment to the Club's Players within 28 days of receiving it. Failure to pass the payment on to the Players within this deadline will result in the payment being reclassified as Salary for the purposes of both the Senior Ceiling and the Academy Ceiling. If the total amount paid to the Players is greater than the amount received from the PRL Bonus Pool, such difference will be treated as Salary;
 - (f) any fee, commission payment, other remuneration payment or benefit in kind (including any related VAT payments and national insurance contributions) by or on behalf of a Club to or in respect of a Scouting Agent, **provided that:**
 - (i) the written agreement between the Club and the Scouting Agent has been provided to the Salary Cap Manager pursuant to Regulation 4.4(a)(iv) above;
 - (ii) such payments represent genuine and commercially reasonable commission payable to the Scouting Agent and do not include any element that is intended, directly or indirectly, to be paid or otherwise provided to a Player on behalf of a Club;

- (iii) such payments are not declared on a Player's HM Revenue & Customs form P11D (or equivalent);
 - (iv) the Scouting Agent is not acting on behalf of a Player and receives no remuneration from a Player; and
 - (v) the Scouting Agent has entered into an exclusive written arrangement with the Club and does not act on behalf of or represent any other Club.
- (g) any payment or benefit in kind paid or payable, provided or to be provided directly or indirectly to or in respect of a Senior Player of a Club as part of that Player's Benefit Year by:
- (i) a Third Party or Third Parties; or
 - (ii) a Connected Party of the Club provided that:
 - (A) the event or events in question has not been arranged specifically for a Connected Party. An event will be deemed to have been specifically arranged for a Connected Party if the majority of the attendees are representatives or guests of a Connected Party or Connected Parties;
 - (B) the event or events in question has not been sponsored, hosted by or subsidised by a Connected Party;
 - (C) any such payment or benefit in kind from a Connected Party or a representative of a Connected Party is paid or provided on the same or similar terms and has the same or similar financial value as payments or benefits in kind paid or provided by Third Parties attending the same event. Any such payment or benefit in kind paid or provided by a Connected Party or a representative of a Connected Party which has a financial value over and above what is paid or provided by Third Parties attending the same event will be prima facie deemed to constitute Salary; and
 - (D) any such payment or benefit in kind from a Connected Party or a representative of a Connected Party is, in the reasonable opinion of the Salary Cap Manager, in line with payments or benefits provided by Third Parties at the same or similar events by reference to events held for the benefit of players of similar standing.
- (h) on production of relevant receipts, any fees or associated costs (but not living, travel or subsistence expenses) payable by a Player and reimbursed by the Club or a Club on a Player's behalf to the course provider in connection with any training course or further education course (whether vocational or academic) with a recognised educational institution or organisation (other than a Connected Party of the Club or Player) undertaken by that Player in each Salary Cap Year;
- (i) any match bonus, win bonus or any other bonus resulting from a Player representing his country, which is paid or payable by the Rugby Football Union to a Player either directly or via that Player's Club;
- (j) subject to sub-paragraphs (iv) to (vi) below, Salary in respect of a Player of a Club where that Player has been loaned to another club (excluding a Club) for the entire Season provided that:

- (i) each Club will be permitted to nominate a maximum number of three Players in each Salary Cap Year in relation to whom this exemption shall apply;
- (ii) the Club has provided the Salary Cap Manager with:
 - (A) the names of those nominated Players (which shall be a maximum of three Players); and
 - (B) a copy of the loan agreement detailing the loan arrangements for each of those Players,

in each case within 28 days of the start of the Season in which the Player is loaned;
- (iii) the club to which the Player has been loaned is not a Club (in other words the club in question must not be an Aviva Premiership Club);
- (iv) subject to sub-paragraphs (v) and (vi) below, if the Player is selected in a match squad in any Competition fixture (excluding any Aviva A League fixture, any LV – Cup fixture and any JP Morgan Asset Management Premiership Rugby 7s Series stage) for the loaning Club in the relevant Season all payments or benefits in kind paid or payable, provided or to be provided directly or indirectly by the Club to or in respect of that Player shall be deemed Salary on a pro rata basis which shall be calculated on the following basis:

Total Salary paid to the Player (as Salary is defined in paragraph 1 and paragraph 2, sub-paragraphs (a) to (h) of these Regulations)

$$\begin{array}{r}
 \text{_____} \\
 \times \begin{array}{l} \text{Number of} \\ \text{Competition fixtures} \\ \text{(excluding any} \\ \text{fixtures/stages} \\ \text{excluded above) that} \\ \text{the Player plays for} \\ \text{the loaning Club} \end{array} \\
 \hline
 \end{array} = \text{Salary}$$

Number of weeks in the Salary Cap Year the player in question is a "Player" (as defined in these Regulations) of the loaning Club

By way of illustration only, if the total Salary is £52,000 and the Player is a Player for the entire Salary Cap Year (i.e. 52 weeks) and the Player plays in 4 Competition fixtures for the loaning Club, the pro-rated Salary will be deemed to be £4,000, as follows:

$$\begin{array}{r}
 52,000 \\
 \text{_____} \\
 52
 \end{array}
 \times 4 = \text{£}4,000$$

- (v) if the Player is selected in a match squad in any Competition fixture (excluding any Aviva A League fixture, any LV = Cup fixture and any JP Morgan Premiership Rugby 7s Series stage) for the loaning Club on five or more occasions in the relevant Season all payments or benefits in kind paid or payable, provided or to be provided directly or indirectly by the Club to or in respect of that Player for the entire Salary Cap Year shall be deemed Salary and the loaning Club will **not** be entitled to pro rate that Player's Salary as set out in sub-paragraph (iv) above; and
- (vi) any payment or benefit in kind paid or payable, provided or to be provided directly or indirectly to or in respect of a Player who has been loaned to another club in compliance with this sub-paragraph but which relates to the period before or after the Player has been loaned to that club shall be deemed Salary;
- (k) any sum paid by a Club to Her Majesty's Revenue & Customs ("**HMRC**") in connection with image rights arrangements signed on or before 30 June 2010 which have become payable as a result of a negotiated settlement between the Club and HMRC provided that the Club has made available to the Salary Cap Manager, prior to 1 September 2010 (or where any settlement relating to contracts entered into on or before 30 June 2010 has not been concluded by 1 September 2010, within 28 days of the date on which a settlement has been agreed):
 - (i) full details of all image rights arrangements covered by the settlement, including copies of all relevant image rights agreements and the identifies of the Players whose image rights are the subject of those arrangements;
 - (ii) all correspondence between the Club and HRMC, or where the Club has appointed a professional representative, all correspondence between that professional representative and HMRC, in each case relating to all aspects of HMRC's investigation and the settlement and all related correspondence; and
 - (iii) copies of all correspondence between the Club and any professional representative appointed by the Club to act on its behalf in connection with the HMRC investigation or any other aspect covered by this paragraph (k);
- (l) any Salary (other than payments or benefits caught by paragraph 1(q) of Schedule 1) paid during a Salary Cap Year to a Player who, due to injury, has not played or been a replacement for the Club during that Salary Cap Year in the Aviva Premiership, Amlin Challenge Cup, Heineken Cup, LV= Cup or in more than 3 matches in any other Competition, on condition that:
 - (i) the application made by the Club must include an Injury Certificate certifying that the Player's limited participation has been caused by injury together with all other requested documentation as deemed relevant by the Salary Cap Manager in order to consider the application fully and fairly; and
 - (ii) the Club has not brought in a replacement player under the injury dispensation provisions set out in Regulation 5.

For the purposes of this Regulation, a sevens tournament shall count as one Competition match;

- (m) any payment paid in the Academy Ceiling of up to £1400 to an AASE athlete in respect of the 2013-14 Salary Cap Year on the production of relevant documentation for each AASE athlete to the Salary Cap Manager. Any such fees or cost above this £1400 limit in any Salary Cap Year will be deemed Salary;
- (n) any Salary paid to a Sevens Guest Player;
- (o) any pension contribution made by a Club as a result of its obligations under automatic enrolment into a workplace pension, up to an amount equal to the minimum employer contribution (as defined by the relevant regulations);
- (p) any Salary paid to a Home Grown Academy Player; and
- (q) any Salary paid to an Excluded Player subject to Regulation 3.3.

SCHEDULE 2

[TO BE DRAFTED ON CLUB'S NOTEPAPER]

Declaration

We hereby confirm on behalf of [name of club] that in accordance with the Premier Rugby Limited Salary Capping Regulations (and the definitions set out therein) the following amounts are the total sums expected to be paid as Salary to all of the Senior Players and Academy Players of [name of club] during the Salary Cap Year [] to []:

[Sum to be inserted] for the purposes of the Senior Ceiling

[Sum to be inserted] for the purposes of the Academy Ceiling

We attach for these purposes at Schedules 1 and 2 details of the sums expected to be paid as Salary to each of the Senior Players and Academy Players of [name of Club] for the purposes of the Senior Ceiling and the Academy Ceiling including details of any Connected Party of the Club or any Third Party (including their names and contact details and the relevant amounts) who we believe will pay Salary to Senior Players/Academy Players of [name of club] during the Salary Cap Year [] to [].

Signed by [] Chairman of [Name of Club]
[Name of signatory]
For and on behalf of [Name of Club]

Signed by [] CEO of [Name of Club]
[Name of signatory]
For and on behalf of [Name of Club]

Signed by [] Financial Director of [Name of Club]
[Name of signatory]
For and on behalf of [Name of Club]

SCHEDULE 3

[TO BE DRAFTED ON CLUB'S NOTEPAPER]

Certification

We hereby certify on behalf of [name of club] that to the best of our knowledge and belief in accordance with the Premier Rugby Limited Salary Capping Regulations (the "Regulations") (and the definitions set out therein) the following amounts were the total sums actually paid as Salary to all of the Senior Players and Academy Players of [name of club] during the Salary Cap Year [] to [] less any credits applicable pursuant to Regulation 3 of the Regulations.

[Sum to be inserted] for the purposes of the Senior Ceiling

[Sum to be inserted] for the purposes of the Academy Ceiling

We certify for these purposes at Schedules 1 and 2 details of the amounts actually paid as Salary to each of the Senior Players and Academy Players of [name of club] for the purposes of the Senior Ceiling and the Academy Ceiling including details of any Connected Party of the Club or any Third Party (including their names and contact details and the relevant amounts) who any of us believes have paid Salary to Senior Players/Academy Players of [name of club] or any Connected Party of a Player during the Salary Cap Year [] to [].

We being the Chairman, the Chief Executive Officer and the financial director with the approval of the Board of Directors of [name of Club] hereby certify that to the best of our knowledge and belief:

- 1.1 the total amount of Salary of [name of club] was over/under the Senior Ceiling and was over/under the Academy Ceiling for Salary Cap Year [] to []; and
- 1.2 we are not aware of any payments or benefits in kind paid or payable, provided or to be provided by any Connected Party of the Club or any Third Party to or in respect of a Player or any Connected Party of a Player pursuant to any agreement which has not been made on a proper arms-length negotiation between the Player and the Connected Party of the Club or the Third Party.

Signed by [] Chairman of [Name of Club]
[Name of signatory]
For and on behalf of [Name of Club]

Signed by [] CEO of [Name of Club]
[Name of signatory]
For and on behalf of [Name of Club]

Signed by [] Financial Director of [Name of Club]
[Name of signatory]
For and on behalf of [Name of Club]

SCHEDULE 4

[TO BE DRAFTED ON CLUB'S NOTEPAPER]

[INSERT DATE]

INJURY CERTIFICATE

Name of player	
Nature of Injury and how the Injury arose (e.g. during which game) Please state whether this was an international game	
Date of Injury	
Date player is available for selection	
Signed by Club's Doctor (print name below signature line)

SCHEDULE 6

Declaration Spreadsheet

SCHEDULE 7
Certification Spreadsheet

SCHEDULE 8

Plea Bargaining

Defined Terms

“**Independent QC**” means a QC appointed by Sports Resolutions UK to determine a Plea Bargain Proposal in accordance with this Schedule 8.

“**Plea Bargain Notice**” means a written notice indicating that a Club wishes to commence the Plea Bargain Process.

the “**Plea Bargain Process**” means the process described in this Schedule.

“**Plea Bargain Proposal**” means an agreement between the Salary Cap Manager and the Club as to which of the breaches subject to a Charge the Club is prepared to admit (the “**Admitted Breaches**”) and what the Salary Cap Manager shall recommend to the Independent QC.

“**Statement of Facts**” means in relation to each of the Admitted Breaches a list of relevant facts agreed by the Salary Cap Manager and the Club sufficient to allow a Independent QC to understand the context of each breach.

The Principles

- 1 This Schedule only applies to a breach subject to Regulations 10.1 - 10.3.
- 2 The integrity of the Aviva Premiership is best served if a Club that has been charged pursuant to the Regulations admits a breach as early as possible because an admission avoids the following:
 - 2.1 significant costs for all parties; and
 - 2.2 the time of all those involved, including witnesses and Disciplinary Panel members.
- 3 Upon receipt of a Charge where a Club has been charged with one or more breach of the Regulations, it may be appropriate for the Salary Cap Manager not to proceed with one or more breach, in return for a Club admitting one or more breach, but only if:
 - 3.1 The penalty that is likely to be imposed on a Club for the breaches for which the Club will be or is likely to be penalised is sufficient to protect the interests of rugby; and
 - 3.2 There is no other compelling reason to proceed with the determination of each and every breach.
- 4 The Salary Cap Manager must satisfy himself of the full extent and nature of each breach committed by the Club before consenting to a Plea Bargain Process.
- 5 Whilst the Salary Cap Manager may recommend a penalty to the Independent QC in accordance with this Schedule, the Independent QC is the only body that can impose a penalty and this must be made clear to the Club at the outset of the Plea Bargain Process.

Procedure

- 6 A Club may admit every breach subject to a Charge and should be encouraged to do so by the Salary Cap Manager.
- 7 If a Club wishes to plea bargain, it must serve on the Salary Cap Manager a Plea Bargain Notice. The Club should do so at an early stage and in any event within 28 days of receipt of the relevant Charge.

- 8 Upon receipt of a Plea Bargain Notice, the Salary Cap Manager shall decide whether to consent to a Plea Bargain Process taking place in accordance with this Schedule. In deciding whether to consent the Salary Cap Manager shall consider the following:
- 8.1 Whether a Club has acted reasonably promptly in serving the Plea Bargain Notice and, in particular, whether the time period described in Regulations 11.5 has expired;
 - 8.2 The nature and seriousness of each breach;
 - 8.3 Whether the Club has been found guilty of the same or a similar breach in the past; and
 - 8.4 The Club's conduct in assisting with any investigation to date.
- 9 The Salary Cap Manager shall within 7 days of receipt of the Plea Bargain Notice inform the Club in writing whether consent is given to start the Plea Bargain Process.
- 10 For the avoidance of doubt, if consent is given the Disciplinary Process shall continue in parallel with the Plea Bargain Process and not be suspended or delayed in any way. If consent is given to start the Plea Bargain Process the Salary Cap Manager shall attempt to agree a Plea Bargain Proposal with the Club as soon as reasonably practical.
- 11 The Plea Bargain Proposal must contain a Statement of Facts and a recommended penalty.
- 12 When seeking to agree the recommended penalty in the Plea Bargain Proposal the Salary Cap Manager must consider:
- 12.1 The penalties provided for in the Regulations;
 - 12.2 Any aggravating or mitigating factors;
 - 12.3 The seriousness of each breach;
 - 12.4 Any useful and genuine information provided by the Club that relates to a breach of the Regulations by another Club; and
 - 12.5 Any other relevant factor.
- 13 A Plea Bargain Proposal is subject to the approval of the CEO.
- 14 Until such time as a Plea Bargain Proposal is agreed, the Club or Salary Cap Manager may in their absolute discretion end the Plea Bargain Process and have the matter determined in accordance with the disciplinary process prescribed in Regulation 11. The Salary Cap Manager must ensure that the Plea Bargain Process is dealt with quickly and efficiently and that it is concluded as soon as reasonably practicable.
- 15 Once the Plea Bargain Proposal has been agreed, it shall be put before the Independent QC, who shall either:
- 15.1 approve the recommended penalty; or
 - 15.2 reject the recommended penalty and propose an alternative penalty that it does approve (an "Alternative Penalty").
- 16 If the Independent QC approves the recommended penalty in accordance with paragraph 15.1 the penalty will be final and binding on the Club and the Club shall have no right of appeal and the Disciplinary Process shall terminate.
- 17 Should the Independent QC propose an Alternative Penalty the Club must elect to either accept or reject the Alternative Penalty:
- 17.1 If the Club accepts the Alternative Penalty, the penalty will be final and binding on the Club and the Club shall have no right of appeal and the Disciplinary Process shall terminate.

- 17.2 If the Club rejects the Alternative Penalty the matter will be determined in accordance with Regulation 11.
- 18 If the Plea Bargain Process shall be conducted on a without prejudice basis and if it ceases for any reason other than as a result of a penalty becoming final and binding in accordance with paragraph 16 or 17.1, any document created solely for the purpose of the Plea Bargain Process, including but not limited to the Plea Bargain Proposal or drafts thereof, shall not be shown to the relevant Disciplinary Panel constituted to determine the Charge in accordance with Regulation 11.

SCHEDULE 9

Investigator Undertaking

[TO BE DRAFTED ON HEADED NOTE PAPER OF INVESTIGATORS]

To: [INSERT DETAILS OF CLUB] (“you”)

Pursuant to Regulation 4.9 of the Premier Rugby Limited Salary Capping Regulations (the “**Regulations**”), we have been appointed to audit the Relevant Records and hereby undertake to maintain the confidentiality of such records on the terms set out below.

Capitalised terms not otherwise defined in this undertaking shall have the meaning given to them in the Regulations.

Our engagement is with Premier Rugby Limited. However, we will undertake to you that all information which we receive from you, whether provided orally, in writing, or in any other form, shall be treated as confidential and will not be disclosed to any other party except:

- (a) to the Salary Cap Manager as part of our report(s) on the Relevant Records or where we reasonably determine that any Relevant Record is relevant to the suspected breach of the Regulations or False Declaration in accordance with Regulation 4.9(b);
- (b) to such of our directors, employees, contractors and professional advisers as are required in the course of their duties to receive and consider the same solely in connection with the purpose of carrying out the Investigatory Audit pursuant to Regulation 4.9; or
- (b) as is required to be disclosed by law, by order of any court or by the rules or regulations of any regulatory body or authority binding on us.

This undertaking and any dispute or claim arising out of or in connection with it (including any non-contractual claims or disputes) shall be governed by and construed in accordance with the laws of England and Wales. In relation to any legal action or proceedings (a) arising out of or in connection with this undertaking or its implementation or effect or (b) relating to any non-contractual obligations arising out of or in connection with this undertaking, each of the parties irrevocably submits to the non-exclusive jurisdiction of the English courts.

Signed by []

[Name of signatory]

For and on behalf of [Name of Investigators]