

Circular no. 21 of 2022

issued by

the Board of Directors

of the Danish League

Contract License in Connection with the Acquisition of Significant Influence of Clubs in the Men's National Championship and Mutual Independence of Division Clubs

The following is hereby announced:

§ 1 Introduction and Definitions

- 1.1 This circular applies to division clubs in the Men's National Championship and to any natural or legal person who directly or indirectly acquires significant influence over a club in the Men's national Championship.
- 1.2 "Significant influence" exists when the acquiror or persons acting in understanding with the acquiror, directly or indirectly occupies at least one third of the voting rights in a club, except in certain cases where it may clearly be established that such an ownership does not constitute significant influence.

"Significant influence" also exists when the acquiror or persons acting in understanding with the acquiror, who do not occupy at least one-third of the voting rights in a club, pursuant to an agreement holds the right of disposal of at least one-third of the voting rights in the club or is authorised to select or remove the majority of the members of the club central management.

When calculating the voting rights, any voting rights attached to shares owned by the club itself or the club's subsidiaries, must be included.

If acquisition of ownership is a result of inheritance, creditor enforcement actions or acquisition within the same concern, there can be no significant influence under the scope of this circular.

In relation to listed clubs, the definition in the circular of "significant influence" holds the same meaning as the definition of "control" in the Danish Capital Market Act § 44. However, the term "significant influence" in this circular encompasses both listed and un-listed clubs.

As regards listed clubs in which the acquiror can prove to be exempted pursuant to the Danish Capital Market Act § 46.1, no. 1 or 2 or when the Danish Financial Supervisory Authority has granted an exemption pursuant to the Capital Market Act § 42.2, this is noted in the assessment by the Danish League on whether the provisions of the circular regarding acquisition applies to the transaction, and in such case there can be no significant influence.

1.3 The term “contract club” is used as the overall name for the following legal entities in Men’s National Championship:

- a) Clubs conducting contract football activities on the basis of a license to sign professional football players (henceforth referred to as a contract license) granted pursuant to § 17.4, no. 1 of the by-laws of the DBU, and
- b) Third-parties conducting contract football activities on the basis of a contract license provided pursuant to § 17.4, no. 2 of the by-laws of the DBU.

1.4 The term “division club” or “club” is used as an overall name for contract clubs and other clubs in Men’s National Championship.

1.5 The term “real owner” applies within the meaning of the Danish Companies’ Act.

1.6 Upon acquisition of significant influence, cf. § 1.2, the club’s contract license is automatically revoked without warning, however cf. to § 1.7 of this circular.

All existing contract with the club remain in effect.

1.7 The club may retain or re-gain its contract license if the acquiror documents the fulfilment of the provisions in this circular either at the moment in which significant influence is acquired, cf. § 1.2 of this circular, prior to that moment or afterwards.

§ 2 Obligation to Disclose Information

2.1 The club must immediately inform the Danish League of any acquisition of significant influence, as defined in § 1.2 of this circular, after the adoption of this circular.

2.2 Upon the acquisition of significant influence as defined in § 1.2, after the adoption of this circular, the club must submit the following information to the administration of Danish League:

- a) Name and identification number of the real owner of the acquiror as well as the legal company name and company number.
- b) A list of all the real owner’s ownerships of more than 5 % in other companies.
- c) A list of access to verification of the information above or the verified information itself, including a copy of the passport/driver’s license. For Danish

activities, a reference to the CVR register shall be sufficient, but a list of the real owner's global activities must additionally be submitted.

- d) Irrespective of any legal requirements in the real owner's jurisdiction: Financial reports for the last three years, owner information and anything else giving a fair representation of the real owner's activities. The acquiror must ensure that the accuracy of the information has been verified by a certified lawyer or an auditor in accordance with EU rules for certified auditors and the rules of the jurisdiction of the acquiror corresponding to the EU rules. The acquiror must bear his own costs.

Information must be submitted to the Danish League in Danish or English. Information submitted in any other language shall not be accepted.

- 2.3 Upon request from the administration of the Danish League, the acquiror must provide more detailed information if this is deemed necessary by the administration for the fulfillment of § 3 of this circular.

§ 3 Safeguarding the Integrity of Football and the Competitions

- 3.1 After having reviewed the information in § 2, the administration of the Danish League assesses whether a contract license may be granted again.

A decision shall be made within a period for the handling of the case of up to 3 weeks from the time the administration of the Danish League has received all necessary information, cf. § 2 of the circular. However, a final granting of a contract license is conditional upon the acquiror also complying with § 4 of the circular.

- 3.2 The administration of the Danish League performs an overall assessment of whether a contract license may be retained or granted again. The purpose of the assessment is to safeguard the integrity and reputation of football and the competitions. A contract license is generally granted unless the acquiror or his real owner meets one or more of the following conditions:

- Has previously been punished for an economic crime, including tax evasion and money laundering, cf. the provisions of the Consolidation Act on Measures to Prevent Money Laundering and terrorism Financing, or any other serious offences;
- Is placed under bankruptcy quarantine or else has a significant and extensive history of bankruptcies;
- Has activities in countries ranked high on indexes for corruption and or money laundering or financing of terrorism;
- Has significant influence in a betting company;
- Owns a football agent company or is registered as a football agent (intermediary);

- Is subject to ultimate control by a national state.

Factors other than those listed above, which create a significant risk for the integrity and reputation of football and the competitions, may also result in a refusal. Similarly, for the first three conditions listed above, a specific assessment of the information and activities is performed.

§ 4 Ensuring the Knowledge of Danish Football

- 4.1 Upon acquisition of significant influence, cf. § 1.2 of this circular, after the entry into force of the circular, the acquiror or a professional representative of the acquiror, must submit a sworn statement declaring that the acquiror is aware of a series of regulations and agreements.

The statement includes the applicable regulations of the Danish League, the Collective Bargaining Agreement with the Player's Union and the Danish League Employer's Confederation as well as parts of the licensing system for the relevant league in which the acquiror wishes to acquire significant influence in a football club.

All acquirors are offered a run-through of the statement by the administration of the Danish League.

The administration may, based on specific factors with the acquiror, request that the acquiror or a professional representative of the acquiror participates in a meeting in which the statement is reviewed, in which case the administration is obliged to be available for such meeting within a deadline of maximum 3 weekdays.

§ 5 Requirements Pertaining to the Mutual Independence of Division Clubs

- 5.1 No club in the Men's National Championship may be affiliated with another club in the Men's National Championship.

- 5.2 If a person or group of persons has significant influence over more than one club in the Men's National Championship, the person/persons may not directly or indirectly own more than 20% of the shares or voting rights, or have any corresponding influence, in another club in the Men's National Championship.

If two clubs participate in the same league, this person or group of persons may not directly or indirectly own more than 10 % of the shares or voting rights, or have any corresponding influence, in another club in the Men's National Championship.

- 5.3 No person may be a board member or registered CEO of more than one club in the Men's National Championship.

- 5.4 Upon violation of the prohibitions of §§ 5.1-5.3 of the circular, the Disciplinary Body of DBU may revoke the contract license of one or more of the involved clubs, in accordance with § 21.4, no. 4 of the by-laws of the DBU, cf. also § 8.3 of this circular.

§ 6 Procedures

- 6.1 The administration of the Danish League only initiates procedures based on specific requests by the clubs regarding the acquisition of significant influence, cf. § 1.2.

The procedure and approval may take place prior to a transaction.

- 6.2 The information submitted to the administration of the Danish League related to the administrative procedures regarding a transaction under the scope of this circular, including documentation that the acquiror meets the requirements in § 3 of this circular, are processed strictly confidentially by the administration and in accordance with applicable data protection regulations and the provisions of the Market Abuse Regulations as regards listed clubs.

Following the decision, a statement will be published on whether or not a specific club has gained a contract license. As regards listed clubs, such statement will be coordinated with the clubs in a way that ensures compliance with the clubs' duty of disclosure pursuant to the Market Abuse Regulations.

- 6.3 For handling the case in connection with an (intended) transaction, cf. § 1.2, and the assessment on whether to retain or grant a contract license, the club will be charged with an administration fee of 7.500 DKKR.

The fee covers the financing of administrative resources necessary to monitor and communicate the conditions for compliance with the requirements stipulated in this circular and must be paid prior to commencement of the procedures.

- 6.4 In case the club has not submitted the requested information, cf. to § 2.2, for the purpose of the assessment by the administration of the Danish League, resulting in the request for additional information, an additional fee of 5.000 DKKR must be paid by the acquiror.

§ 7 Ongoing Obligations

- 7.1 After approval, the club is obliged to ensure that the acquiror complies with the provisions in this circular throughout the ownership.

If the conditions for a contract license change, the club is obliged to inform the administration of the Danish league without undue delay after itself being aware of the this.

If the conditions for a contract license disappear, the contract license of the club is revoked and the acquiror must document again the compliance with the provisions in this circular, before a new contract license may be granted.

§ 8 Violation of the Circular

- 8.1 The administration of the Danish League may refuse to grant a contract license if the provisions of this circular are not complied with.

8.2 Additionally, the administration may revoke an already granted contract license with a 2 months' notice, if the provisions of this circular are no longer complied with.

8.3 Violations of this circular are sanctioned by the Disciplinary Body, cf. § 30.1, litra a) - d) of the by-laws of the DBU.

§ 9 Exemptions

9.1 The administration of the Danish League may, upon request and when deemed necessary, dispense from the provisions of this circular.

§ 10 Right to Appeal

10. The decisions and assessment of the administration of the Danish League may be
1 appealed in writing to the Disciplinary Body within 2 weeks, cf. § 17.6 of the by-laws of the DBU.

§ 11 Entry Into Force

11. The circular has been adopted by the Board of the Danish League on 16 June 2022
1 and enters into force on 1 July 2022.

11. Simultaneously, the DBU Circular no. 59 (2010) Mutual Independence of Division
2 Clubs is dissolved as regards Men's National Championship.

Brøndby, 16 June 2022

On behalf of the Board of Directors
Thomas Christensen

This circular has been forwarded to:

- All clubs in the Men's National Championship and the Men's Cup Competition
- The Women's League, Kvindedivisionsforeningen
- The Player's Union
- The Association of Local Unions
- The Local Unions
- The Board of the Danish League
- The Board of the Danish Football Association
- The administration of the Danish Football Association

Note: This document is a unofficial and uncertified translation of the circular, *Cirkulære nr. 21 af 2022 Kontrakttiladelse i forbindelse med overdragelse af væsentlig indflydelse over klubber i Herre-DM og divisionsklubbers indbyrdes uafhængighed.*

In case of any discrepancy between the two circulars, the Danish version is authoritative and shall prevail.