

Circular no. 42 of 2024

issued by

the Board of Directors

of the Danish League

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

Upon request, the following is hereby announced:

§ 1 Introduction and Definitions

1.1 This circular applies to division clubs in the Men's National Championship as well as 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 acquirer or the persons acting in understanding with the acquirer directly or indirectly holds at least one third of the voting rights in a club, unless it in particular cases can be demonstrated that such an ownership does not constitute significant influence.

"Significant influence" also exists when the acquirer or the persons acting in understanding with the acquirer who does not hold at least one-third of the voting rights in a club holds at least one-third of the voting rights in a club by virtue of an agreement or is authorised to appoint or remove the majority of the members of the central management body of the club.

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

If the acquisition of ownership interests in a club is a result of inheritance, creditor enforcement actions or acquisition within the same group, there is no significant influence within the meaning of this circular.

The definition in the circular of "significant influence" holds the same meaning as the definition of "control" in section 44 of the Danish Capital Markets Act in relation to listed clubs. However, in this circular, the term "significant influence" encompasses both listed and unlisted clubs.

With respect to listed clubs in which the acquirer can prove to be covered by one of the exceptions in the Danish Capital Markets Act, section 46, subsection 1, no. 2 or 3, or if the Danish Financial Supervisory Authority has ruled on an exemption pursuant to section 46, subsection 2 of the Capital Markets Act, this is to be presumed 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 is no significant influence.

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

- a) Clubs conducting contract football activities on the basis of a license to sign professional football players 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 license which has been made available to them pursuant to section 17, subsection 4, no. 2 of the by-laws of the DBU.

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

1.5 The term “beneficial owner” is used in the sense set out in the rules of the Danish Companies Act. However, according to this circular, in such case where an acquirer has no beneficial owners, all members of the management of the acquirer, cf. the Danish Companies Act, § 5, no. 20 (or equivalent governing bodies in foreign companies), shall be considered to be beneficial owners.

1.6 Upon acquisition of significant influence, cf. section 1.2 of the circular, the club’s contract license lapses automatically and without notice, cf., however section 1.7

All existing players’ contracts remain in effect.

1.7 A contract license may be retained or re-gained if the acquirer documents the fulfilment of the provisions in this circular, either at the time in which significant influence is acquired, cf. section 1.2 of this circular, prior to this, 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 section 1.2 of this circular.

2.2 Upon the acquisition of significant influence as defined in section 1.2, the club must submit the following information to the administration of the Danish League:

- a) Name and identification number of the beneficial owner of the acquirer as well as the company name, company number, by-laws and ownership chart.
- b) A list of all the beneficial owner's or owners' total ownerships of other companies of more than 5 %.
- 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 company register (CVR register) is sufficient, but a list of the beneficial owner's or owners' global activities must be submitted additionally.
- d) Irrespective of the legal requirements in the jurisdiction of the beneficial owner or owners in question: Financial reports for the last three years, information on ownership and the like which provide an accurate insight of the beneficial owner's activities. The acquirer must ensure that the accuracy of the information has been verified by a lawyer or an auditor in accordance with EU rules for statutory auditors, or equivalent, in the jurisdiction of the acquirer. The acquirer must bear the costs for this.
- e) Information on where the funds included in the transaction derive from as well as documentation of the source of financing for the transaction.

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

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

§ 3 Safeguarding the Integrity of Football and the Competitions

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

A decision shall be made within a case processing time of up to 3 weeks from the time the administration of the Danish League has received all necessary information, cf. section 2 of the circular. However, the final grant of a contract license is conditional on the acquirer also complying with section 4 of the circular.

- 3.2 The administration of the Danish League conducts an overall assessment of whether a contract license can 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 acquirer or the acquirer's beneficial owners meet 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-related disqualification or else has a significant and extensive history of bankruptcies;
- Has activities in countries ranked high on indices 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;
- Is subject to ultimate control by a national state.

Circumstances other than those listed above which entail a significant risk for the integrity and reputation of football and the competitions, can specifically form the basis for 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. section 1.2 of this circular, the acquirer or a professional representative of the acquirer must submit a solemn declaration that the acquirer is aware of a number 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 acquirer wishes to acquire significant influence in a football club.

All acquirers are offered a review of the statement by the administration of the Danish League. The administration of the Danish League may, based on specific factors with the acquirer, demand that the acquirer, or a representative of the acquirer, participates in a meeting in which the statement is reviewed, in which case the administration of the Danish League is obliged to be available for such a meeting within a deadline of maximum 3 working days.

§ 5 Requirements Pertaining to the Mutual Independence of Division Clubs

- 5.1 No club in the Men's Nation Championship may be affiliated or under joint control with another club in the Men's National Championship.
- 5.2 If a person or group of persons has significant influence in one club in the Men's National Championship, the person or group of 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 the other club in the Men's National Championship.

- 5.3 No person may be a board member or registered manager of more than one club in the Men's National Championship.
- 5.4 Upon violation of the prohibitions of section 5.1 to 5.3 of this circular, the Disciplinary Body of DBU may revoke the contract license of one or more of the involved clubs, in accordance with section 21, subsection 4, no. 4 of the by-laws of the DBU, cf. also section 8.3 of this circular.

§ 6 Procedures

- 6.1 The administration of the Danish League only initiates approval procedures based on specific requests from the clubs regarding the acquisition of significant influence, cf. section 1.2 of this circular.

The procedure and approval can 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 covered by this circular, including documentation that the acquirer meets the requirements in section 3 of this circular, are processed strictly confidentially by the administration of the Danish League and in accordance with applicable data protection regulations and the provisions of the Market Abuse Regulation with regards to the listed clubs.

In connection with the decision, only a public announcement is made as to whether or not a given club has a contract license. In relation to listed clubs, such public announcement 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 case processing in connection with an (intended) transaction, cf. section 1.2 of this circular, and the assessment on whether to maintain or regain a contract license, the club will be charged with an administration fee determined by the Board of the Danish League.

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 If the club has not initially submitted the required information as stipulated in section 2.2 of this circular needed for the assessment by the administration of the Danish League, and this results in the request for additional information, an additional fee of DKK 5.000 per acquirer will be charged.

§ 7 Ongoing Obligations

7.1 After approval, the club is obliged to ensure that the acquirer complies with the provisions set out in this circular during the period of ownership.

If the conditions for a contract license change, the club is obliged to inform the administration of the Danish league without undue delay once the club becomes aware hereof.

If the conditions for a contract license lapse, the contract license of the club is revoked and the acquirer must once again document the compliance with the provisions set out in this circular, before the contract license can be regained.

§ 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 set out in this circular are no longer complied with.

8.3 Violations of this circular are sanctioned by the Disciplinary Body, cf. section 30, subsection 1, schedule 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

10.1 The decisions and assessment of the administration of the Danish League may be appealed against in writing to the Disciplinary Body within 2 weeks, cf. section 17, subsection 6 of the by-laws of the DBU.

§ 11 Entry Into Force

11.1 The circular has been adopted by the Board of the Danish League on 11 December 2024 with entry into force on 1 January 2025.

11.2 The Danish League's Circular no. 21 of 2024 has been dissolved simultaneously with the entry into force of this circular.

Brøndby, 11 December 2024

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 an unofficial and uncertified translation of the circular, *Cirkulære nr. 42 af 2024 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.