

### III. FINANCIAL

#### 3.01 Composition of Commitment

Each tournament's financial commitment is composed of on-site prize money and tournament fee obligations unless otherwise approved by ATP.

#### 3.02 Currency

All references to money are expressed in United States Dollars (USD) and Euros (EUR), unless otherwise designated. Tournament fees, fines and other amounts payable to ATP are payable in USD or EUR.

#### 3.03 Default of Prize Money Payments

Any ATP Tour or ATP Challenger Tour tournament that defaults in payment of prize money, tournament fee or any other payments due to ATP may have its membership status (sanction status if ATP Challenger Tour tournament) changed subject to ATP Bylaws.

#### 3.04 Fee Obligation

A. ATP Tour and ATP Challenger Tour tournaments must pay to ATP as part of their total financial commitment the following fees based on prize money level and tournament classification, unless otherwise determined by ATP:

ATP Tour Masters 1000

- Service Fee
- Category Protection Fee
- Extra Week Fee

ATP Tour 500

- Service Fee
- Category Protection Fee

ATP Tour 250

- Service Fee

ATP Challenger Tour

- Tournament fees shall be 5% of total prize money.

B. All fees shall be due and payable as follows:

**1) ATP Masters 1000 and ATP 500 Tournaments:**

a) Six (6) months prior to the first day of the tournament, the Advance Fee is due:

ATP Tour Masters 1000	\$60,000/€51,000
ATP Tour 500	\$50,000/€42,500

b) On the first day of the tournament, the balance of unpaid fees is due and payable.

**2) ATP 250 Tournaments:**

On the first day of the tournament, the total fee is due and payable.

**3) ATP Challenger Tour Tournaments.** The full fee is due with the tournament application.

**4) Late Payments.** Fee payments not received by due dates are subject to an initial 2% late fee, followed by a subsequent 2% late fee every 30 days.

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#### **3.05 Fees/Other Payments**

**A.** All fees and monies due to ATP are to be sent by wire in USD or EUR.

**1)** U.S. Dollar payment by wire

Bank: Wells Fargo Bank, NA  
420 Montgomery Street  
San Francisco, CA 94163  
United States of America  
Swift/BIC Code: WFBIUS6S  
Account Number: 2130600027348  
Routing Number (Domestic Banks): 121000248  
Beneficiary: ATP TOUR INC.  
Reference: Tournament Name & Invoice Number

**2)** Euro payment by wire

Bank: Wells Fargo Bank, NA - London  
One Plantation Place  
30 Fenchurch Street  
London, EC3M 3BD  
Swift/BIC Code: PNBPG2L  
IBAN: GB31 PNB2 1656 7121 4741 66  
Account: 21474166  
Beneficiary: ATP TOUR INC.  
Intermediary Bank: ING BELGIUM SA  
BBRUBEBB010  
Reference: Tournament Name & Invoice Number

**B.** Any amounts (e.g. player fines, non-member service fees, air-tickets) collected or owed by the tournament to ATP must be remitted to ATP.

#### **3.06 Insurance**

**A.** Each ATP Tour and ATP Challenger Tour tournament shall obtain and maintain general liability insurance or the equivalent thereof, with an insurance carrier maintaining a financial rating of "A" by AM Best and acceptable to ATP.

- 1)** Masters 1000 events shall maintain a minimum limit of \$10,000,000 USD.
- 2)** ATP Tour 500 and ATP Tour 250 events shall maintain limits of not less than \$5,000,000 USD.
- 3)** ATP Challenger Tour events offering prize money of \$100,000 and above shall maintain limits of not less than \$€1,000,000 in coverage.
- 4)** ATP Challenger Tour events offering prize money less than \$100,000 shall maintain limits of not less than \$€500,000 in coverage.
- 5)** The liability insurance shall include bodily injury and property damage liability, personal injury, participant legal liability, hired and non-owned auto and contractual liability coverage.
- 6)** The tournament liability insurance shall name ATP Tour, Inc. (a United States Corporation), its director and officers, employees, agents as additional named insureds with respect to any claim or suits brought against ATP, its officials, employ-

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ees, agents, regardless of the court of jurisdiction, arising out of the negligence of the tennis tournament, its directors or representatives.

7) Coverage will include volunteers, on-court officials and ball persons as “named insureds” under the policy.

**B.** Each ATP Tour and ATP Challenger Tour tournament is responsible for determining whether applicable worker’s compensation statutes apply to injuries sustained by volunteers, sub-contractors, on-court officials or ball persons. In the absence of a worker’s compensation coverage requirement, it is recommended that the tournament purchase excess medical insurance for the event to provide medical payments coverage to injured volunteers, on-court officials or ball persons involved in the event.

**C.** All such insurance shall provide, not less than thirty (30) days, prior written notice to ATP of cancellation.

**D.** Each ATP Tour and ATP Challenger Tour tournament shall furnish to ATP no later than sixty (60) days prior to such tournament a certificate of insurance from such insurance carrier certifying compliance with the above requirements.

#### 3.07 Letter of Credit - New/Conditional Tournaments

Unless otherwise determined by ATP, each ATP Tour tournament with conditional membership status must submit to ATP within the time period required, an approved irrevocable Letter of Credit, in form and substance, satisfactory to ATP, from an ATP approved bank in the amount of the on-site prize money. Such Letter of Credit must have an expiration date no earlier than one (1) month after the last scheduled day of ATP event.

#### 3.08 Prize Money

**A.** All prize money due to ATP is to be sent by wire in USD or EUR.

1) U.S. Dollar payment by wire

Bank: BNP PARIBAS  
1 boulevard des Moulins  
98000 Monaco  
Swift/BIC Code: BNPAMCM1XXX  
IBAN Number: MC58 3000 4091 7000 0140 0573 253  
Account Number: 00014005732  
Beneficiary: ATP TOUR PRIZE MONEY  
201 ATP Tour Boulevard  
Ponte Vedra Beach, FL 32082

Intermediary Bank: BNP PARIBAS USA – NEW YORK  
787 Seventh Avenue  
New York, NY 10109  
Swift/BIC Code: BNPAUS3N

Reference: Tournament Name & Invoice Number

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#### 2) Euro payment by wire

Bank: BNP PARIBAS  
1 boulevard des Moulins  
98000 Monaco  
Swift/BIC Code: BNPAMCM1XXX  
IBAN Number: MC58 3000 4091 7000 0101 1541 076  
Account Number: 00010115410  
Beneficiary: ATP TOUR PRIZE MONEY  
201 ATP Tour Boulevard  
Ponte Vedra Beach, FL 32082  
Reference: Tournament Name & Invoice Number

#### B. General

##### 1) ATP Tour

- a) Prize money at all ATP Tour events shall be paid through ATP or its designated agent at the conclusion of the tournament, unless otherwise approved by ATP. Prize money shall be distributed based on breakdowns established by ATP. ATP must approve any changes in prize money, including from year to year.
- b) ATP must receive the electronically completed ATP prize money excel spreadsheet no later than the end of the business day on the Monday following the conclusion of the tournament. The spreadsheet must be emailed to [accounting@atptour.com](mailto:accounting@atptour.com).
- c) Tournaments are required to wire net prize money to the designated bank trust account to ensure receipt by the Wednesday following the conclusion of their respective events.

##### 2) ATP Challenger Tour

- a) Prize money at all ATP Challenger Tour events shall be paid through ATP or its designated agent at the conclusion of the tournament, unless otherwise approved by ATP.
  - b) ATP must receive 100% of the prize money as follows:
    - New applicants – prize money must be deposited in ATP account six (6) weeks prior to the first day of the tournament.
    - Existing Events – prize money must be deposited in ATP account four (4) weeks prior to the first day of the tournament.
  - c) ATP must receive the electronically completed ATP prize money excel spreadsheet no later than the end of the business day on the Monday following the conclusion of the tournament. Spreadsheet must be emailed to [accounting@atptour.com](mailto:accounting@atptour.com).
  - d) ATP reserves the right to seek assurances of a tournament's financial viability in the form of a letter of credit, advance payment of prize money or any other means ATP deems necessary.
- 3) Prize money shall be paid only for matches played. If a final cannot be played, then each finalist shall be paid runner-up prize money. For purposes of this section, a match is played when it is won as a result of a retirement, default, walkover or no show. (See "Exhibit K - Glossary" )

##### Singles:

- a) A player who withdraws prior to his first match from the singles qualifying (after the Friday 10AM freeze deadline) or from the main draw singles competition at an ATP Tour or ATP Challenger Tour event (after the start of the

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qualifying and prior to his first match) shall receive first round prize money (second round in the case of a Bye) if the following conditions are met:

- i) The player must be on-site at the time of the withdrawal and must be declared unfit to compete by the tournament doctor.
  - ii) Each player is limited to two (2) tournaments\*, non-consecutive, in a calendar year where he may receive prize money for the on-site withdrawal.
    - \* There are no limits to the number of events a player may receive prize money for the on-site withdrawal due to Covid-19 reasons as long as the events are not in back to back weeks.
  - iii) Players who have been out of competition due to long term injuries (30 days or more) and withdraw on-site become eligible for the provision to receive prize money only after they have returned to competition and competed in their first event.
  - iv) Players who have been out of competition, for any reason, 60 days or more and withdraw on-site become eligible for the provision to receive prize money only after they have returned to competition and competed in their first event.
- b) The Lucky Loser replacing a player who has withdrawn on-site shall receive qualifying prize money earned plus money earned in the main draw minus the prize money paid to the withdrawing player.

**Case:** *A player withdraws on-site from singles before his first singles match but is still in doubles. Is he eligible for first round prize money compensation if all other conditions are met?*

**Decision: Yes.** *The player may collect the on-site prize money if he is still competing in the doubles of that tournament as long as he receives medical clearance prior to the doubles match. The doubles match cannot be on the same day as his withdrawal or on the day of his scheduled singles match.*

**Case:** *A player withdraws from singles before his first singles match and collects on site prize money. Can he play a special event or another tennis event that week?*

**Decision: No.** *Once a player withdraws he cannot continue or participate in any other event that week; whether he collects the on-site prize money compensation or not.*

**Case:** *A player withdraws on site and collects prize money. Is he allowed to do the same at the next tournament he's entered in.*

**Decision: No.** *A player is not allowed to collect prize money when withdrawing on-site at two consecutive tournaments. A player must compete in a tournament where ATP points are awarded or Davis Cup or Olympics before being allowed to collect prize money at another event.*

**Case:** *A player withdraws on site and receives prize money at an ATP Challenger Tour tournament. Subsequently, he withdraws on site and receives prize money at an ATP Tour tournament. Is the player allowed to withdraw on site and receive prize money at another ATP Challenger Tour or ATP Tour tournament?*

**Decision: No.** *Once the player has withdrawn on site and received prize money at any two, non-consecutive ATP Tour or ATP Challenger Tour tournaments, he has used his 2 tournament limit for the year and is not eligible to receive prize money for any future on-site*

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*withdrawal at an ATP Tour or ATP Challenger Tour tournament in that calendar year.*

**Case:** *A player is out of competition for 30 days after retiring or withdrawing due to injury. Is he eligible to receive prize money if he withdraws on-site after being out the 30 consecutive days since his retirement/withdrawal?*

**Decision: No:** *The player is only eligible for the provision to receive prize money for an on-site withdrawal after he has returned to competition and competed in his first event.*

**Case:** *A player using a protected ranking for entry withdraws on site and collects prize money. Does this tournament count towards the total number of tournaments the player has used with his protected ranking?*

**Decision: Yes.**

**Case:** *If a player qualifies, accepts a special exempt or accepts a wild card and becomes a main draw player, can he receive on-site prize money if otherwise eligible?*

**Decision: Yes.** *Once he is accepted into the main draw as a qualifier, special exempt or wild card, he can receive on-site prize money compensation if otherwise eligible.*

**Case:** *A player who is not on-site withdraws after the 10 AM, Friday deadline and comes on-site to do promotional activity or to be medically examined (Challengers) in order to avoid the applicable penalties. Is he eligible for first round prize money compensation?*

**Decision: No.** *The player must be on-site at the time of the withdrawal in order to be eligible for first round prize money compensation under the rule.*

**Case:** *May a player who withdraws on-site and otherwise qualifies, decline the first round prize money?*

**Decision: Yes,** *the player may decline to accept the money and then it becomes a normal on-site withdrawal.*

**Case:** *A player is an on-site withdrawal and wants to wait to decide whether or not to accept the first round prize money if otherwise eligible. Is the player allowed to wait?*

**Decision: No.** *The player must declare his intent at the time of the on-site withdrawal.*

**Case:** *A main draw player that would have been seeded with a bye withdraws on-site after the Qualifying started but before the main draw was done. He is eligible for compensation. Does he get 1st or 2nd round PM compensation?*

**Decision:** *The player receives 1st round PM compensation. Seeding is not official until the draw is made.*

**Case:** *A main draw player withdraws late after the Qualifying has started and travels to the tournament site to perform Promotional Activities to avoid the LW fine. Is he eligible for prize money compensation?*

**Decision:** *The player is not eligible for compensation as he was not on-site when the withdrawal was done.*

**Case:** *During Qualifying, two players withdraw from the main draw*

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*list. One player was on-site and eligible for compensation while the other player was not on-site or otherwise ineligible to receive prize money. Neither player was seeded with a Bye. How is it decided what PM will the LL's be receiving?*

**Decision:**

**1.** *The lucky loser who was drawn as the number 1 LL is eligible to receive first round prize money or whatever money he earns in the main draw. He does not keep qualifying prize money.*

**2.** *The lucky loser who was drawn as number 2 LL receives qualifying money earned plus money earned in main draw, less the amount paid to the withdrawing player.*

**3.** *The same principle applies if there were more than two withdrawing players prior to the completion of the qualifying or the qualifiers being placed in the draw.*

**Case:** *A seeded main draw player with a Bye withdraws on-site after the Qualifying started, the main draw has been made and the player is eligible to collect 2nd round prize money compensation. The order of play for the first day has not been released and the next seeded player who did not receive a Bye moves into that position. How is the prize money distributed?*

**Decision:** *The seeded player moving to the bye position will receive first round prize money if he loses and first round prize money plus the difference between 2nd round and the round reached if he wins. The LL inserted in the draw receives qualifying prize money earned plus prize money earned in main draw less the 1st round prize money.*

**Case:** *Same situation as above, however the order of play for the first day has been released.*

**Decision:** *If a qualifier is drawn into the bye position he will receive first round prize money if he loses and first round prize money plus the difference between 2nd round and the round reached if he wins. The lucky loser who was drawn into the 1st round position receives qualifying prize money earned plus money earned in main draw, less the 1st round money paid to the qualifier drawn into the bye position.*

**Case:** *Two main draw players withdraw overnight after the Qualifying has finished. The Qualifiers were drawn into their respective positions in the draw. The Order of Play for the first day of main draw is released. One of the withdrawing players was seeded with a bye. The LL's are drawn into the vacant position in the draw. The second LL is drawn to replace the seeded player with the bye. How is the prize money decided if the withdrawing players have received compensation?*

**Decision:** *The LL's receive PM dependent on which player they were drawn to replace in the draw. This is a different procedure than the cases when the WD's happen before the Q is finished and the Q/LL's inserted into the draw.*

**Case:** *After the withdrawal deadline on Friday, two players/ teams withdraw from the Qualifying/Main Draw Doubles list. One player/ team was on-site and eligible for compensation while the other*

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*player/team was ineligible to receive prize money. How is it decided what PM the Alternates will be receiving?*

**Decision:**

1. *The highest ranked Alternate player/team who was accepted in the drawn is eligible to receive first round prize money or whatever money he/they earn in the tournament.*
2. *The second ranked Alternate player/team who was accepted in the draw will receive the prize money earned in the tournament, less the amount paid to the withdrawing player/team.*
3. *The same principle applies if there were more than two withdrawing players/teams eligible for substitution by Alternates in the singles qualifying/main draw doubles.*

**Doubles - Prior to First Match:**

A player/team accepted into the doubles main draw of an ATP Tour or ATP Challenger Tour event that withdraws prior to their first match from the main draw doubles after the doubles online on-site alternate deadline (Tour events) or the doubles on-site entry deadline (Challengers) for medical reasons shall receive first round prize money (second round in the case of a Bye) if the following conditions are met:

- a) The withdrawal was after the withdrawal deadline
- b) The withdrawing player (and his partner) must be on-site at the time of the withdrawal and the withdrawing player must be declared unfit to compete by the tournament doctor
- c) Both players used or could have used their doubles ranking for acceptance into the doubles draw.
- d) Players who have been out of competition due to long term injuries (30 days or more) and withdraw on-site become eligible for the provision to receive prize money only after they have returned to competition and competed in their first event.
- e) Players who have been out of competition, for any reason, 60 days or more and withdraw on-site become eligible for the provision to receive prize money only after they have returned to competition and competed in their first event.
- f) Each player is limited to two (2) tournaments\*, non-consecutive, in a calendar year where he may receive prize money for doubles on-site withdrawal.

\*There are no limits to the number of events a player may receive prize money for the on-site withdrawal due to Covid-19 reasons as long as the events are not in back to back weeks.

The alternate team replacing a team withdrawn on-site shall receive money earned in the main draw minus the prize money paid to the withdrawing player/team.

**Doubles - After First Round:**

Should a doubles match in an ATP Tour or ATP Challenger Tour event be uncontested\* or fail to be completed, the losing team shall only receive points and prize money from the previous round unless one of the following exceptions is applicable:

- \* A team withdrawing from the first round will not receive prize money whether there is or is not an alternate/lucky loser team, except if the team qualifies for compensation as defined above.



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- a) Neither player was in the singles main draw;
- b) Both players used, or could have used\*\*, their doubles ranking for entry into the doubles draw (does not apply to wild card teams).
- c) The retiring/withdrawing player is still in the singles competition and at the time of the medical examination is declared unfit to play in the singles of that event or, if no longer involved in the singles competition of that event, is forced to withdraw from the singles or doubles\*\*\* of the next tournament in which he is entered.
  - i) For ATP Tour events if the retiring/withdrawing player was not in the singles draw of that event and is forced to withdraw from the next event in which he is accepted in the main draw (singles or doubles).
  - ii) For ATP Challenger events if the retiring/withdrawing player was not in the singles draw of that event and is forced to withdraw from the following week's event (single or doubles) after the withdrawal deadline.
- d) The retiring/withdrawing player was not involved in the singles draw of that event and:
  - i) For ATP Tour events is forced to withdraw from the next event in which he is entered (singles or doubles).
  - ii) For ATP Challenger events is forced to withdraw from the following week's event (singles or doubles\*\*\*).
- e) The retiring/withdrawing player had withdrawn/retired from his singles match, which was scheduled the same day; or, if the doubles match is scheduled for a following day the player is examined by the tournament Doctor and is declared unfit for competition in the doubles event.

\*\* Example: Player A is not in the singles draw and his doubles ranking is 20; his partner, Player B, is in the singles draw with a ranking of 15. Player B's doubles ranking is 30. The cutoff for their method of entry is 60. Using player B's doubles ranking would have kept them as a direct acceptance so they qualify for exception b) above.

\*\*\* For ATP Challenger events the withdrawal for doubles must be after the withdrawal deadline.

- 4) A player who receives a "bye" and loses in the second round shall receive second round loser's prize money.
- 5) Players affected by the entries or seedings not in accordance with ATP Rules and Regulations shall not be entitled to compensation. Such entry or seeding variances shall be resolved at the sole discretion of the Senior Vice President - Rules & Competition.
- 6) A tournament must send to ATP any prize money not paid to a player who is defaulted for improper conduct.

#### 3.09 On-Site Prize Money

Each ATP Tour and ATP Challenger Tour tournament is required to offer and pay as part of its financial commitment the on-site prize money shown in "Exhibit J" plus hotel accommodations, unless otherwise determined by ATP. The minimum prize money for ATP Challenger Tour Tournaments is \$41,000/€36,900.

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### A. ATP Tour Tournaments

Prize money and fee payments by all ATP Tour level tournaments shall be determined as follows:

- 1) **U.S. Tournaments:** All prize money, fees etc. must be paid in USD.
- 2) **European Region Tournaments:** All prize money, fees etc. must be paid in EUR.
- 3) **All Other Tournaments:** All prize money, fees etc. must be paid in USD. Any change from USD payment must be approved by the ATP Board.

### B. ATP Challenger Tour Tournaments

Prize money and fee payments by all ATP Challenger Tour tournaments shall be determined as follows:

- 1) **U.S. Challengers:** All prize money and fees must be paid in USD.
- 2) **European Region Challengers:** All prize money and fees must be paid in EUR.
- 3) **All Other ATP Challenger Tour Events:** Prize money and fees must be paid in USD.

## 3.10 On-Site Prize Money Adjustment

### A. Exchange Rate Adjustment Rule

There will be no prize money adjustment for tournaments in the U.S. and tournaments in ATP's European Group, except for those in non-euro based countries. For all other tournaments, the on-site prize money will be increased or decreased from approved prize money levels when there are significant exchange rate changes between USD or EUR / local currency. The amount of the prize money adjustment shall be determined as follows:

- 1) As of March 31, June 30, September 30 and December 31 of each year, ATP will compare the current market exchange (ratio of local currency to USD or EUR) with the 5-year average of the same currency exchange rate for each non-U.S./ non-European group and calculate the change between the current rate and average rate as a percentage of the average rate. Prize money amounts for tournaments in countries where more than a 10% change occurs will be adjusted by one-half of the percentage change subject to a maximum adjustment of 15%.

The calculations will apply to tournaments in the following year on the dates as follows:

- a) March 31 calculation-tournaments that begin from January 1 through March 31
  - b) June 30 calculation-tournaments that begin from April 1 through June 30
  - c) September 30 calculation-tournaments that begin from July 1 through September 30
  - d) December 31 calculation-tournaments that begin from October 1 through December 31
- 2) PIF ATP Rankings points will be based on approved prize money levels prior to any adjustment pursuant to this section. This section will not apply to tournaments in countries where currencies are not actively traded.

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- 3) The Exchange Rate Adjustment rule will not apply to: new ATP Tour tournaments who have run their event for less than 5 years, existing tournaments that relocate to a country with different currency for the first 5 years in the new location, existing tournaments who previously elected to opt out of this rule and ATP Challenger Tour events. New ATP tournaments may not opt out of this rule.

#### **3.11 Late Payment**

Prize money payments not received by the due dates specified herein are subject to an initial 2% late fee, followed by a subsequent 2% late fee every 30 days.

#### **3.12 Taxes-Notice of Withholdings**

Each ATP Tour and ATP Challenger Tour tournament is required to give at least ninety (90) days notice to ATP of the percentage of the applicable player income tax deduction. No other tax deduction(s) will be permitted from the on-site prize money paid to a player. Tournaments are responsible for any additional taxes imposed. Each tournament is responsible for withholding required income taxes from each player's prize money payment and remitting such amounts to the applicable taxing authorities on a timely basis.

#### **3.13 Withholding From Prize Money**

- A. Each ATP Tour and ATP Challenger Tour tournament shall withhold from prize money only a player's applicable income tax deduction, non-member service fee, fines, advances and other ATP designated expenses.
- B. Each ATP Tour and ATP Challenger Tour tournament shall document the player income tax deduction, if any, and provide players on-site with a withholding income tax receipt.
- C. When a fine is deducted from a player's prize money paid in a currency other than the assessed currency, the exchange rate used (on the day the fine is deducted) by ATP Tour and ATP Challenger Tour tournament for the payment of prize money shall be applicable to the payment of the fine.

#### **3.14 Prizes and Non-Cash Awards**

- A. In addition to on-site prize money, each ATP Tour tournament may give to each singles and doubles winner during the on-site awards presentation one (1) non-cash award or prize plus a trophy. Non-cash awards or prizes valued over \$5,000 must be approved by the ATP CEO no later than forty-two (42) days prior to the tournament and can be offered for results in that tournament only.
- B. All non-cash awards or prizes must be the product of, or service provided by, a principal tournament sponsor.
- C. Pre-existing tournament sponsorship agreements made before 1993 for non-cash awards or prizes are exempt until the expiration of such agreements. The tournament must notify the appropriate ATP Regional Office of such non-cash awards or prizes forty-two (42) days prior to the tournament.

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D. Tournaments may not pay travel expenses without special written permission from ATP.

#### 3.15 Release from Financial Commitment

A. Each ATP Tour tournament is required to pay its financial commitment for each calendar year tournament.

B. No refund shall be made for any sums paid whether or not the event is actually held, unless ATP in its sole discretion determines that extraordinary circumstances exist justifying such action.

#### 3.16 ATP Masters 1000 Tournament Financial Information

A. Each Masters 1000 tournament member is required to annually submit to the M1000 PM Committee Auditor an independently audited tournament income statement and related footnotes, along with other information as requested by the M1000 PM Committee and the M1000 PM Committee Auditor. This income statement must be a complete and accurate determination of actual net income and net income before income taxes. In connection with the foregoing, each Masters 1000 tournament member shall provide its full cooperation to the M1000 PM Committee Auditor, who will examine and verify the accuracy of such information.

B. The following terms shall have the meanings set forth below:

**“M1000 Prize Money Committee (M1000 PM Committee)”** means the committee appointed by the ATP Board of Directors and authorized to act in accordance with this rule, which shall be comprised of the ATP Chairman or his designee, an M1000 Independent Member (as defined below) and an equal number of tournament and player representatives, with only one (1) tournament representative and one (1) player representative serving on such M1000 PM Committee being designated by the class of ATP Board Directors that appointed such representatives with the right to vote on any M1000 PM Committee matters, regardless of the number of tournament and player representatives appointed to serve on the M1000 PM Committee. The player representative and the tournament representative designated with the right to vote on M1000 PM Committee matters shall be collectively referred to herein as the “M1000 Voting Members”. If appointed voting member is unable to attend meeting, provided that proper notice has taken place for such meeting, a vote would automatically proxy to the non-voting member.

**“M1000 PM Committee Auditor”** means an independent accounting firm appointed by the M1000 PM Committee to (i) receive and evaluate each tournament member’s M1000 Submissions and tournament financials, (ii) perform agreed upon procedures regarding financial information included in each M1000 Submission, and (iii) prepare reports to be provided to the M1000 PM Committee and to the ATP Board of Directors in accordance with this rule summarizing the M1000 Submissions. The M1000 PM Committee Auditor will also act as advisor to the M1000 PM Committee on financial and accounting related matters and GAAP reporting issues and questions. The M1000 PM Committee Auditor will be instructed not to provide to any party, including the M1000 PM Committee, any of its members, the ATP Board of Directors, ATP or its staff, except for the M1000 Player Auditor, the ATP Chairman, CEO and CFO, individual tournament information or any information that could reasonably lead to the

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calculation of individual tournament information and the matching of the information to a particular tournament. The M1000 PM Committee Auditor will be required to execute and deliver to the M1000 PM Committee a statement of confidentiality and non-disclosure prohibiting the M1000 PM Committee Auditor from making any such disclosure.

**“M1000 Independent Auditor”** means a highly qualified independent certified public accounting firm selected by each 1000 tournament member and approved by ATP to perform a full scope independent audit of the M1000 Tournament Income Statement and perform certain other agreed upon procedures and to provide results of such procedures to the M1000 PM Committee Auditor.

**“M1000 Independent Member”** means the independent member of the M1000 PM Committee appointed by the ATP Board of Directors by the affirmative vote of a super majority vote of the Board to serve on the M1000 PM Committee for a 3-year term. The Independent Member will serve as Chair of M1000 PM Committee. The Independent Member is subject to removal at any time by the ATP Board of Directors by the affirmative vote of a super majority vote of the Board.

**“M1000 Player Auditor”** means an independent certified public accountant and/or financial advisor selected by the player member(s) of the M1000 PM Committee and approved by the M1000 PM Committee in accordance with Section C below, who meets the appropriate level of expertise and experience to evaluate the accuracy of the M1000 Submissions. The M1000 Player Auditor will act as advisor to the player member(s) of M1000 PM Committee. The M1000 Player Auditor may also review items and information related to the application of the Masters 1000 Player Compensation Rule to the extent requested by the player member(s) of the M1000 PM Committee and shall provide comfort to such member(s) as to the accuracy of the M1000 Submissions to confirm the reasonableness of the M1000 PM Committee Auditor's evaluation thereof. M1000 Player Auditor will be instructed not to provide to any party, including the M1000 PM Committee, any of its members, ATP or its staff, except for the ATP Chairman, CEO and CFO, individual tournament information or any information that could reasonably lead to the calculation of individual tournament information and the matching of the information to a particular tournament. The M1000 Player Auditor will be required to execute and deliver to the M1000 PM Committee a statement of confidentiality and non-disclosure prohibiting the M1000 Player Auditor from making any such disclosure.

**“Related Party”** means a person or company that has control, joint control or significant influence over the tournament or a tournament entity, either by ownership, by agreement, or by power to manage, govern or influence the tournament's finances and/or operations. Also, a person or company is considered to be a related party to the tournament if the tournament has control, joint control or significant influence over the person or company, either by ownership, by agreement, or by power to manage, govern or influence the person or company's finances and/or operations.

**“M1000 Submission”** means the prescribed, mandatory annual financial information report required to be submitted to the M1000 PM Committee Auditor by each Masters 1000 tournament member (or its M1000 Independent Auditor) hereunder, which, for the avoidance of doubt, shall include a M1000 Tournament Income Statement and further information reasonably requested by the M1000 PM Committee Auditor similar in detail to the previous Tournament Financial Review process, but also

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including full disclosure and armslength fair valuation of related party transactions for both income and expenses and owner transactions. M1000 Submission must reconcile (with a schedule and explanation of any reconciling differences provided) to the audited M1000 Tournament Income Statement. M1000 Submission may also include any other information reasonably requested by the

M1000 PM Committee. The M1000 Submission must be completed in full as determined by the M1000 PM Committee Auditor to be considered in compliance with this rule.

**“M1000 Tournament Income Statement”** means the independently audited income statement which includes all revenues, costs and expenses and provides both net income and net income before income taxes related to the tournament. Such M1000 Tournament Income Statement will be reported in accordance with Generally Accepted Accounting Principles in the United States (“US GAAP”), the International Financial Reporting Standards (“IFRS”) for small and medium size businesses or the applicable General Accepted Accounting Principles (“local GAAP”) in the country in which the tournament operates. These reporting standards must be consistently applied over a period of five years at least. Each M1000 Tournament Income Statement shall include all revenues, costs and expenses related to the tournament’s event operations regardless of which entity affiliated with the tournament event receives, or accounts for, such revenues, costs or expenses or which jurisdiction such items are reported. All such amounts shall be reported in the tournament’s domestic reporting currency. The M1000 PM Committee has the authority to create additional rules for such reporting. Consistent with local GAAP, US GAAP and IFRS, tournaments will report estimated revenues, costs and expenses where final amounts are not determinable by the deadline for completing the M1000 Submission. Subsequent adjustments of these estimates to actual will be included in the M1000 Tournament Income Statement in the subsequent M1000 Submission when such final amounts are known.

C. The M1000 PM Committee will administer, implement and enforce this rule, including, but not limited to (i) determining procedures for audits for purposes of financial disclosures in accordance with the terms of this rule; (ii) determining the process of receiving financial information from tournament members and audits with respect to such information (iii) evaluating and resolving questions and issues that may arise in respect of any audit, M1000 Submission or violation of this rule; (iv) enforcing this rule pursuant to Section G below; and (v) implementing any other aspect of this rule. All actions, approvals and determinations of the M1000 PM Committee shall require a unanimous vote of the M1000 Voting Members, unless otherwise expressly provided in this rule (including as set forth in Sections D, E, F and G). The ATP Chairman shall have no right to vote on M1000 PM Committee matters; provided, however, that in the event that the M1000 Voting Members are unable to unanimously agree on the appointment of the M1000 Player Auditor, the ATP Chairman acting reasonably shall have the right to vote on whether approval of the proposed M1000 Player Auditor should be granted. If any such vote by the ATP Chairman occurs and the ATP Chairman votes against the approval of any proposed M1000 Player Auditor, then the ATP Chairman will provide a brief description of his or her reason for such decision to the M1000 PM Committee. The M1000 PM Committee will meet regularly as deemed necessary by the M1000 PM Committee to properly administer, implement and enforce this rule. The ATP Board of Directors will make reasonable and adequate

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funding available to enable to the M1000 PM Committee to administer, implement and enforce this rule in accordance with the terms herein.

- D. Each Masters 1000 tournament member is required to provide a complete and accurate M1000 Submission annually to the M1000 PM Committee Auditor no later than 120 days following the conclusion of tournament's fiscal year-end. Each M1000 Submission must be certified by the applicable tournament member as complete and accurate and in compliance with this rule in all material respects.
- E. Each year, the M1000 PM Committee Auditor will perform agreed upon audit procedures (as directed by the M1000 PM Committee) of each tournament member M1000 Submission, and report to the M1000 PM Committee any issues that it may identify as a result of these procedures for which the M1000 PM Committee Auditor is unable to resolve with the respective tournament. Once this process is complete, the M1000 PM Committee Auditor will provide the results of its procedures and the supporting audit work papers to the M1000 Player Auditor. Such information will be provided to the M1000 Player Auditor without identifying individual tournament names. The M1000 Player Auditor will undertake a review of the provided information and results. After completing this review, if the M1000 Player Auditor has any outstanding issues or questions, the M1000 Player Auditor will work with the M1000 PM Committee Auditor to resolve such issues and questions. In the event that the M1000 PM Committee Auditor and the M1000 Player Auditor are unable to resolve any such issues or questions, the M1000 PM Committee Auditor and the M1000 Player Auditor will inform the M1000 PM Committee and may jointly conduct an on-site audit at the offices of the relevant tournament or Related Party to review and evaluate the books and records of such tournament or Related Party that are reasonably necessary to resolve such issue or question; provided, that any such joint on-site audit must be conducted during regular business hours. If after any joint on-site audit, the M1000 PM Committee Auditor and the M1000 Player Auditor are still unable to resolve any such issues or questions (or in the event the M1000 PM Committee Auditor and the M1000 Player Auditor elect not to conduct an on-site audit and such issues or questions remain), the M1000 PM Committee Auditor and the M1000 Player Auditor will inform the M1000 PM Committee and the M1000 PM Committee will evaluate the information presented and make a determination on the issue(s) or question(s), and then issue a determination as to whether the unresolved issue(s) or question(s) is due to an act or omission of a tournament member. In the event that the M1000 Voting Members are unable to unanimously agree on such determination, then the M1000 Independent Member will make such determination in his or her sole discretion. If it is determined that the unresolved issue(s) or questions(s) are due to an act or omission of a tournament member, then the M1000 PM Committee will determine the implications for the purpose of the prize money formula calculation and/or that tournament may be subject to a fine pursuant to Section G below.
- F. Any tournament member that (i) fails to provide a M1000 Submission to the M1000 PM Committee Auditor as required under this rule (including with respect to the timing, accuracy and/ or completeness thereof), (ii) submits a report or document that contains a material misstatement or omits material information, (iii) does not fully cooperate with the M1000 PM Committee Auditor and M1000 Player Auditor as required hereunder, or (iv) otherwise fails to comply with this rule, may request from the M1000 PM Committee a 10 day extension in order to comply with its submission failure. Following any such extension the tournament in each case, may be subject to a fine in a maximum amount of \$250,000. This maximum fine amount will increase by

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100% for each consecutive year submission failure by a tournament. The M1000 PM Committee shall evaluate the circumstances that led to the failure of such tournament member to comply with the terms of this rule and assess an appropriate fine taking into consideration the guidelines set forth in Section G below or as otherwise provided by the ATP Board of Directors from time to time. For clarity, any such guidelines will be for guidance purposes only and the M1000 PM Committee will have the right to determine an appropriate fine in its sole discretion. In the event that the M1000 Voting Members are unable to unanimously agree on a fine, the M1000 Independent Member will make such determination in his or her sole discretion taking into account the circumstances that led to the failure of the tournament member to comply with the terms of this rule. All fines assessed under this rule will be contributed to player programs as determined by the Player Board Representatives.

G. The following guidelines are fines that may be imposed for violations of this rule (subject to the discretion of M1000 PM Committee as set forth in this rule):

Violation	Fine*
Failure to meet 120-day deadline to provide a M1000 Submission in accordance with this rule	\$20,000
Prolonged failure to meet 120-day deadline to provide a M1000 Submission in accordance with this rule (over a month late)	\$60,000
M1000 Submission contains a material misstatement or material omission of information	\$60,000 (up to a maximum of \$250,000)
Willful non-compliance with this rule (e.g., failure to provide a M1000 Submission)	Up to a maximum of \$250,000

\* Specific amounts should depend on the severity of the violation and issue(s) presented.

#### 3.17 ATP Tournament 500 Financial Information

A. Each ATP 500 tournament member is required to annually submit to the 500 PM Committee Auditor an independently audited tournament income statement and related footnotes, along with other information as requested by the 500 PM Committee and the 500 PM Committee Auditor. This income statement must be a complete and accurate determination of actual net income and net income before income taxes. In connection with the foregoing, each 500 tournament member shall provide its full cooperation to the 500 PM Committee Auditor, who will examine and verify the accuracy of such information.

B. The following terms shall have the meanings set forth below:

**“500 Prize Money Committee (500 PM Committee)”** means the committee appointed by the ATP Board of Directors and authorized to act in accordance with this rule, which shall be comprised of the ATP Chairman or his designee, a 500 Independent Member (as defined below) and an equal number of tournament and player



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representatives, with only one (1) tournament representative and one (1) player representative serving on such 500 PM Committee being designated by the class of ATP Board Directors that appointed such representatives with the right to vote on any 500 PM Committee matters, regardless of the number of tournament and player representatives appointed to serve on the 500 PM Committee. The player representative and the tournament representative designated with the right to vote on 500 PM Committee matters shall be collectively referred to herein as the “500 Voting Members”. If appointed voting member is unable to attend meeting, provided that proper notice has taken place for such meeting, a vote would automatically proxy to the non-voting member.

**“500 PM Committee Auditor”** means an independent accounting firm appointed by the 500 PM Committee to (i) receive and evaluate each tournament member’s 500 Submissions and tournament financials, (ii) perform agreed upon procedures regarding financial information included in each 500 Submission, and (iii) prepare reports to be provided to the 500 PM Committee and to the ATP Board of Directors in accordance with this rule summarizing the 500 Submissions. The 500 PM Committee Auditor will also act as advisor to the 500 PM Committee on financial and accounting related matters and GAAP reporting issues and questions. The 500 PM Committee Auditor will be instructed not to provide to any party, including the 500 PM Committee, any of its members, the ATP Board of Directors, ATP or its staff, except for the 500 Player Auditor, the ATP Chairman, CEO and CFO (or their respective reasonably appointed designees), individual tournament information or any information that could reasonably lead to the calculation of individual tournament information and the matching of the information to a particular tournament. The 500 PM Committee Auditor will be required to execute and deliver to the 500 PM Committee a statement of confidentiality and non-disclosure prohibiting the 500 PM Committee Auditor from making any such disclosure. Notwithstanding the foregoing, the 500 PM Committee Auditor, the 500 Player Auditor, the ATP Chairman, CEO and CFO (or their respective reasonably appointed designees) may share individual tournament information or documentation across the 500 category tournament members in an anonymized fashion.

**“500 Independent Auditor”** means a highly qualified independent certified public accounting firm selected by each 500 tournament member and approved by ATP to perform a full scope independent audit of the 500 Tournament Income Statement and perform certain other agreed upon procedures and to provide results of such procedures to the 500 PM Committee Auditor.

**“500 Independent Member”** means the independent member of the 500 PM Committee appointed by the ATP Board of Directors by the affirmative vote of a super majority vote of the Board to serve on the 500 PM Committee for a 3-year term. The Independent Member will serve as Chair of the 500 PM Committee. The Independent Member is subject to removal at any time by the ATP Board of Directors by the affirmative vote of a super majority vote of the Board.

**“500 Player Auditor”** means an independent certified public accountant and/or financial advisor selected by the player member(s) of the 500 PM Committee and approved by the 500 PM Committee in accordance with Section C below, who meets the appropriate level of expertise and experience to evaluate the accuracy of the 500 Submissions. The 500 Player Auditor will act as advisor to the player member(s) of 500 PM Committee. The 500 Player Auditor may also review items and information

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related to the application of the 500 Prize Money Formula Rule to the extent requested by the player member(s) of the 500 PM Committee and shall provide comfort to such member(s) as to the accuracy of the 500 Submissions to confirm the reasonableness of the 500 PM Committee Auditor's evaluation thereof. 500 Player Auditor will be instructed not to provide to any party, including the 500 PM Committee, any of its members, ATP or its staff, except for the ATP Chairman, CEO and CFO (or their respective reasonably appointed designees), individual tournament information or any information that could reasonably lead to the calculation of individual tournament information and the matching of the information to a particular tournament. The 500 Player Auditor will be required to execute and deliver to the 500 PM Committee a statement of confidentiality and non-disclosure prohibiting the 500 Player Auditor from making any such disclosure.

**"Gross Revenues"** means the total amount of gross revenues related to a tournament determined on the basis of local GAAP, US GAAP or the IFRS (depending on the applicable accounting rules in the country in which the tournament operates), in each case, as in effect on such date of determination and consistently applied, which shall include all revenues related to the tournament's operations regardless of which entity affiliated with the tournament receives, or accounts for, such revenues or in which jurisdiction such revenues are reported. All such revenues shall be reported in the tournament's domestic reporting currency. For men's and women's combined tournaments, total Gross Revenues should be broken out by tournament and categorized by those identifiable only to the men's tournament, those identifiable only to the women's tournament, and all other revenues. The 500 PM Committee has the power to create additional rules for reporting Gross Revenues. Consistent with local GAAP, US GAAP and IFRS, tournaments will report estimated revenues for those revenue sources where final revenue amounts are not determinable by the deadline for completing the 500 Submission. Subsequent adjustments of these estimates to actual will be included in Gross Revenues in the subsequent 500 Submission when such final revenue amounts are known.

**"Barter"** a description of each Barter transaction must be included as part of each 500 Submission. Barter transactions as defined below for each revenue category are required to be included in Gross Revenues. Barter for this purpose is non-cash transactions (for example advertising) where value is exchanged (for example, when cars are provided as part of a car sponsor deal the value of the cars provided must be included in sponsor revenues. Another example is tickets given to a local club or charity for no consideration would not be valued or included in ticketing revenues). Barter valuations should be in accordance with local GAAP, US GAAP or IFRS applicable to each tournament. The 500 PM Committee will work with the 500 PM Committee Auditor and include a comprehensive definition of barter transactions and their valuation for Gross Revenue purposes and include such comprehensive definition as part of the 500 Submission.

The following Barter transactions are excluded from Gross Revenues:

- (a) Media commitments for promotional time or space that are not for resale and are used solely (i) to promote the tournament, (ii) to promote the ATP or any related event or activity of the tournament that generates Gross Revenues, (iii) to promote charitable or not for profit organizations or agencies that are unrelated to the tournament or tournament affiliates, or (iv) for public service announcements.

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- (b) Any barter transaction that is both used to satisfy tournament standards and is for the direct benefit of the players. Such direct player benefits include, but are not limited to, hotel accommodations; player transportation, player food, meals and beverages; lounge for players; internet access for players; and gifting and on-court supplies for players.
- (c) De Minimus barter transactions are defined as individual transactions with valuations under \$20,000 for 500 tournaments. De Minimus transactions are not required to be reported individually in the 500 Submission as long as the total of such individual transactions is 5% or less of Gross Revenues. In the event such total exceeds 5% of Gross Revenues, tournaments must individually report the highest valued barter transactions included in the total such that the total excluding those transactions is 5% or less of Gross Revenues. A summary written description of each De Minimus transaction is required to be included in the Submission.

**“500 Submission”** means the prescribed, mandatory annual financial information report required to be submitted to the 500 PM Committee Auditor by each 500 tournament member (or its 500 Independent Auditor) hereunder, which, for the avoidance of doubt, shall include a 500 Tournament Income Statement and further information reasonably requested by the 500 PM Committee Auditor similar in detail to the previous Tournament Financial Review process, but also including full disclosure and arms-length fair valuation of related party transactions for both income and expenses and owner transactions. 500 Submission must reconcile (with a schedule and explanation of any reconciling differences provided) to the audited 500 Tournament Income Statement. 500 Submission may also include any other information reasonably requested by the 500 PM Committee. The 500 Submission must be completed in full as determined by the 500 PM Committee Auditor to be considered in compliance with this rule.

**“500 Tournament Income Statement”** means the independently audited income statement which includes all revenues, costs and expenses and provides both net income and net income before income taxes related to the tournament. Such 500 Tournament Income Statement will be reported in accordance with local GAAP, US GAAP, the IFRS for small and medium size businesses, in each case consistently applied. Each 500 Tournament Income Statement shall include all revenues, costs and expenses related to the tournament’s event operations regardless of which entity affiliated with the tournament event receives, or accounts for, such revenues, costs or expenses or which jurisdiction such items are reported. All such amounts shall be reported in the tournament’s domestic reporting currency. The 500 PM Committee has the authority to create additional rules for such reporting. Consistent with both GAAP, the IFRS for small and medium size businesses, or Local GAAP, tournaments will report estimated revenues, costs and expenses where final amounts are not determinable by the deadline for completing the 500 Submission. Subsequent adjustments of these estimates to actual will be included in the 500 Tournament Income Statement in the subsequent 500 Submission when such final amounts are known.

- C. The 500 PM Committee will administer, implement and enforce this rule, but not limited to (i) determining procedures for audits for purposes of financial disclosures in accordance with the terms of this rule; (ii) determining the process of receiving financial information from tournament members and audits with respect to such information (iii) evaluating and resolving questions and issues that may arise in respect

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of any audit, 500 Submission or violation of this rule; (iv) enforcing this rule pursuant to Section G below; and (v) implementing any other aspect of this rule. All actions, approvals and determinations of the 500 PM Committee shall require a unanimous vote of the 500 Voting Members, unless otherwise expressly provided in this rule (including as set forth in Sections D, E, F and G). The ATP Chairman shall have no right to vote on 500 PM Committee matters; provided, however, that in the event that the 500 Voting Members are unable to unanimously agree on the appointment of the 500 Player Auditor, the ATP Chairman acting reasonably shall have the right to vote on whether approval of the proposed 500 Player Auditor should be granted. If any such vote by the ATP Chairman occurs and the ATP Chairman votes against the approval of any proposed 500 Player Auditor, then the ATP Chairman will provide a brief description of his or her reason for such decision to the 500 PM Committee. The 500 PM Committee will meet regularly as deemed necessary by the 500 PM Committee to properly administer, implement and enforce this rule. The ATP Board of Directors will make reasonable and adequate funding available to enable the 500 PM Committee to administer, implement and enforce this rule in accordance with the terms herein.

- D. Each 500 tournament member is required to provide a complete and accurate 500 Submission annually to the 500 PM Committee Auditor no later than 120 days following the conclusion of its tournament for such year. Independently audited financial information is to be provided no later than 120 days following the conclusion of tournament's fiscal year-end. Each 500 Submission must be certified by the applicable tournament member as complete and accurate and in compliance with this rule in all material respects.
- E. Each year, the 500 PM Committee Auditor will perform agreed upon audit procedures (as directed by the 500 PM Committee) of each tournament member 500 Submission, and report to the 500 PM Committee any issues that it may identify as a result of these procedures for which the 500 PM Committee Auditor is unable to resolve with the respective tournament. Once this process is complete, the 500 PM Committee Auditor will provide the results of its procedures and the supporting audit work papers to the 500 Player Auditor. Such information will be provided to the 500 Player Auditor without identifying individual tournament names. The 500 Player Auditor will undertake a review of the provided information and results. After completing this review, if the 500 Player Auditor has any outstanding issues or questions, the 500 Player Auditor will work with the 500 PM Committee Auditor to resolve such issues and questions. In the event that the 500 PM Committee Auditor and the 500 Player Auditor are unable to resolve any such issues or questions, the 500 PM Committee Auditor and the 500 Player Auditor will inform the 500 PM Committee and may jointly conduct an on-site audit at the offices of the relevant tournament or Related Party to review and evaluate the books and records of such tournament or Related Party that are reasonably necessary to resolve such issue or question; provided, that any such joint on-site audit must be conducted during regular business hours. If after any joint on-site audit, the 500 PM Committee Auditor and the 500 Player Auditor are still unable to resolve any such issues or questions (or in the event the 500 PM Committee Auditor and the 500 Player Auditor elect not to conduct an on-site audit and such issues or questions remain), the 500 PM Committee Auditor and the 500 Player Auditor will inform the 500 PM Committee and the 500 PM Committee will evaluate the information presented and make a determination on the issue(s) or question(s), and then issue a determination as to whether the unresolved issue(s) or question(s)

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is due to an act or omission of a tournament member. In the event that the 500 Voting Members are unable to unanimously agree on such determination, then the 500 Independent Member will make such determination in his or her sole discretion. If it is determined that the unresolved issue(s) or questions(s) are due to an act or omission of a tournament member, then the 500 PM Committee will determine the implications for the purpose of the prize money formula calculation and/or that tournament may be subject to a fine pursuant to Section G below.

F. Any tournament member that (i) fails to provide a 500 Submission to the 500 PM Committee Auditor as required under this rule (including with respect to the timing, accuracy and/ or completeness thereof), (ii) submits a report or document that contains a material misstatement or omits material information, (iii) does not fully cooperate with the 500 PM Committee Auditor and 500 Player Auditor as required hereunder, or (iv) otherwise fails to comply with this rule, may request from the 500 PM Committee a 10 day extension in order to comply with its submission failure. Following any such extension the tournament in each case, may be subject to a fine in a maximum amount of \$250,000. This maximum fine amount will increase by 100% for each consecutive year submission failure by a tournament. The 500 PM Committee shall evaluate the circumstances that led to the failure of such tournament member to comply with the terms of this rule and assess an appropriate fine taking into consideration the guidelines set forth in Section G below or as otherwise provided by the ATP Board of Directors from time to time. For clarity, any such guidelines will be for guidance purposes only and the 500 PM Committee will have the right to determine an appropriate fine in its sole discretion. In the event that the 500 Voting Members are unable to unanimously agree on a fine, the 500 Independent Member will make such determination in his or her sole discretion taking into account the circumstances that led to the failure of the tournament member to comply with the terms of this rule. All fines assessed under this rule will be contributed to player programs as determined by the Player Board Representatives.

G. The following guidelines are fines that may be imposed for violations of this rule (subject to the discretion of 500 PM Committee as set forth in this rule):

Violation	Fine*
Failure to meet 120-day deadline to provide a 500 Submission in accordance with this rule	\$10,000
Prolonged failure to meet 120-day deadline to provide a 500 Submission in accordance with this rule (over a month late)	\$30,000
500 Submission contains a material misstatement or material omission of information	\$30,000 (up to a maximum of \$250,000)
Willful non-compliance with this rule (e.g., failure to provide a 500 Submission)	Up to a maximum of \$250,000

\* Specific amounts should depend on the severity of the violation and issue(s) presented.

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### 3.18 ATP 250 Tournament Financial Information

A. Each 250 category tournament member is required to annually provide to the 250 PM Committee Auditor (as defined below) a complete and accurate determination and calculation of its actual tournament Gross Revenues (as defined below), costs, expenses and net income and all other financial information and supporting documentation relating thereto, in each case, as requested by the 250 PM Committee Auditor and in accordance with the terms of this rule. In connection with the foregoing, each 250 category tournament member shall provide its full cooperation to the 250 PM Committee Auditor, who will examine and verify the accuracy of such information.

B. The following terms shall have the meanings set forth below:

**“250 Prize Money Committee (250 PM Committee)”** means the committee appointed by the ATP Board of Directors and authorized to act in accordance with this rule, which shall be comprised of the ATP Chairman or his designee, an Independent Member (as defined below) and an equal number of tournament and player representatives, with only one (1) tournament representative and one (1) player representative serving on such 250 PM Committee, being designated by the class of ATP Board Directors that appointed such representatives, with the right to vote on any 250 PM Committee matters, regardless of the number of tournament and player representatives appointed to serve on the 250 PM Committee. The player representative and the tournament representative designated with the right to vote on 250 PM Committee matters shall be collectively referred to herein as the “250 Voting Members”.

**“250 PM Committee Auditor”** means an independent accounting firm appointed by the 250 PM Committee to (i) receive and evaluate each tournament member’s 250 Submissions and projected tournament financials, (ii) perform agreed upon procedures regarding financial information included in each 250 Submission, and (iii) prepare reports to be provided to the 250 PM Committee and to the ATP Board of Directors in accordance with this rule summarizing the 250 Submissions. The 250 PM Committee Auditor will also act as advisor to the 250 PM Committee on financial and accounting related matters and Gross Revenue, costs, expenses and net income reporting issues and questions.

**“Independent Member”** means the independent member of the 250 PM Committee appointed by the ATP Board of Directors, by the affirmative vote of a super majority of the Board, to serve on the 250 PM Committee for a 3-year term. The Independent Member is subject to removal at any time by the ATP Board of Directors by the same vote required for appointment.

**“250 Player Auditor”** means an independent certified public accountant and/or financial advisor selected by the player member(s) of the 250 PM Committee and approved by the 250 PM Committee in accordance with Section C below, who meets the appropriate level of expertise and experience to evaluate the accuracy of the 250 Submissions. The 250 Player Auditor will act as advisor to the player member(s) of 250 PM Committee.

**“250 Submission”** means the prescribed, mandatory annual financial information report required to be submitted hereunder to the 250 PM Committee Auditor by each 250 category tournament which, for the avoidance of doubt, shall include a determination and calculation of Gross Revenues, costs, expenses and net income, similar

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in detail to the prior Tournament Financial review process and any other information required or reasonably requested by the 250 PM Committee. The 250 Submission must be completed in full as determined by the 250 PM Committee Auditor to be considered in compliance with this rule.

- C. The 250 PM Committee will administer, implement and enforce this rule, including, but not limited to (i) determining procedures for audits for purposes of financial disclosures in accordance with the terms of this rule; (ii) determining the process of receiving financial information from tournament members and audits with respect to such information; (iii) evaluating and resolving questions and issues that may arise in respect of any audit, 250 Submission or violation of this rule; (iv) enforcing this rule pursuant to Section H below; and (v) implementing any other aspect of this rule. All actions, approvals and determinations of the 250 PM Committee shall require a unanimous vote of the 250 Voting Members, unless otherwise expressly provided in this rule (including as set forth in Sections D, E, F, G and H below). The ATP Chairman shall have no right to vote on 250 PM Committee matters; provided, however, that in the event that the 250 Voting Members are unable to unanimously agree on the appointment of the 250 Player Auditor, the ATP Chairman acting reasonably shall have the right to vote on whether approval of the proposed 250 Player Auditor should be granted. If any such vote by the ATP Chairman votes against the approval of any proposed 250 Player Auditor, then the ATP Chairman will provide a brief description of his or her reason for such decision to the 250 PM Committee. The 250 PM Committee will meet regularly as deemed necessary by the 250 PM Committee to properly administer, implement and enforce this rule. The ATP Board of Directors will make reasonable and adequate funding available to enable to the 250 PM Committee to administer, implement and enforce this rule in accordance with the terms herein.
- D. Each 250 category tournament member is required to provide a complete and accurate 250 Submission annually to the 250 PM Committee Auditor no later than 120 days following the conclusion of its tournament for such year. Each 250 Submission must be certified by the applicable tournament member as complete and accurate and in compliance with this rule in all material respects. The financial information included in each 250 Submission shall be construed and prepared in accordance with GAAP or IFRS, unless a different basis is legally mandated by the country in which the tournament operates. In such case, differences between any such other basis and GAAP or IFRS, as applicable, must be identified and resolved by such tournament member as part of its 250 Submission. Upon appointment by the 250 PM Committee, each of the 250 PM Committee Auditor and the 250 Player Auditor will be instructed not to disclose any individual tournament information or documentation that it receives to any party, including the 250 PM Committee, any of its members, the ATP Board of Directors, ATP or its staff, except for the ATP Chairman, CEO and CFO (or their respective reasonably appointed designees). The 250 PM Committee Auditor and 250 Player Auditor will be required to execute and deliver to the 250 PM Committee a statement of confidentiality and non-disclosure prohibiting either the 250 PM Committee Auditor or 250 Player Auditor from making any such disclosure.
- E. Each year, the 250 PM Committee Auditor will perform an agreed upon desk-based procedures audit (as directed by the 250 PM Committee) of each tournament's Gross Revenues included in the 250 Submission and report to the 250 PM Committee any issues that it may identify as a result of these procedures for which the 250 PM Committee Auditor is unable to resolve with the respective tournament. Once this process is complete, the 250 PM Committee Auditor will provide the results of its procedures

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and the supporting audit work papers to the 250 Player Auditor. The 250 Player Auditor will undertake a review of the provided information and results. After completing this review, if the 250 Player Auditor has any outstanding issues or questions, the 250 Player Auditor will work with the 250 PM Committee Auditor to resolve such issues and questions. In the event that the 250 PM Committee Auditor and the 250 Player Auditor are unable to resolve any such issues or questions, the 250 Committee Auditor and the 250 Player Auditor will inform the 250 PM Committee and may jointly conduct an on-site audit at the offices of the relevant tournament or Related Party to review and evaluate the books and records of such tournament or Related Party that are reasonably necessary to resolve such issue or question; provided, that any such joint on-site audit must be conducted during regular business hours and no more than three (3) joint on-site audits may be conducted during any consecutive twelve (12) month period. If after any joint on-site audit, the 250 PM Committee Auditor and the 250 Player Auditor are still unable to resolve any such issues or questions (or in the event the 250 PM Committee Auditor and the 250 Player Auditor elect not to conduct an on-site audit and such issues or questions remain), the 250 PM Committee Auditor and the 250 Player Auditor will inform the 250 PM Committee and the 250 PM Committee will evaluate the information presented and then issue a determination as to whether the unresolved issue(s) or question(s) is due to an act or omission of a tournament member. In the event that the 250 Voting Members are unable to unanimously agree on such determination, then the 250 Independent Member will make such determination in his or her sole discretion.

F. Any tournament member that (i) fails to provide a 250 Submission to the 250 PM Committee Auditor as required under this rule (including with respect to the timing, accuracy and/ or completeness thereof), (ii) submits a report or document that contains a material misstatement or omits material information, (iii) does not fully cooperate with the 250 PM Committee Auditor and 250 Player Auditor as required hereunder, or (iv) otherwise fails to comply with this rule, may request from the 250 PM Committee a 10 day extension in order to comply with its submission failure. Following any such extension the tournament in each case, may be subject to a fine in a maximum amount of \$250,000. This maximum fine amount will increase by 100% for each consecutive year submission failure by a tournament. The 250 PM Committee shall evaluate the circumstances that led to the failure of such tournament member to comply with the terms of this rule and assess an appropriate fine taking into consideration the guidelines set forth in Section G below or as otherwise provided by the ATP Board of Directors from time to time. For clarity, any such guidelines will be for guidance purposes only and the 250 PM Committee will have the right to determine an appropriate fine in its sole discretion. In the event that the 250 Voting Members are unable to unanimously agree on a fine, the 250 Independent Member will make such determination in his or her sole discretion taking into account the circumstances that led to the failure of the tournament member to comply with the terms of this rule. All fines assessed under this rule will be contributed to player programs as determined by the Player Board Representatives.

G. The following guidelines set forth fines that may be imposed for violations of this rule (subject to the discretion of 250 Committee as set forth in this rule):



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Violation	Fine* 250
Failure to meet 120-day deadline to provide a 250 Submission in accordance with this rule	\$5,000
Prolonged failure to meet 120-day deadline to provide a 250 Submission in accordance with this rule (over a month late)	\$15,000
250 Submission contains a material misstatement or material omission of information	\$15,000 (up to a maximum of \$250,000)
Willful non-compliance with this rule (e.g., failure to provide a 250 Submission)	Up to a maximum of \$250,000

\*Specific amounts should depend on the severity of the violation and issue(s) presented.

#### 3.19 ATP Masters 1000 Player Compensation & ATP Variable Bonus Pool

A. On-site prize money for 2023 was the amount approved by the ATP Board for each tournament. The yearly aggregated on-site prize money for all Masters 1000 tournaments (Base Prize Money or “BPM”) increases by 2.5% annually beginning in 2023. The 2.5% annual increase in BPM will be divided as determined by the tournaments.

B. VBP (as defined below) is an additional annual amount that will vary with the calculation for each year and the amounts are not cumulative (don’t carry over year to year). VBP is calculated using current year ANI, as defined below, compared to the BPM of the then current year. 50% of any excess of ANI over BPM will be contributed to VBP and paid to players based on participation and performances at the Masters 1000 and ATP Finals tournaments during the respective calendar year. The M1000 PM Committee Auditor will be responsible for making these calculations and reporting such results to the M1000 PM Committee for approval by the end of September each year. Any VBP contribution approved for payment will be shared as determined by the tournaments and will be paid to ATP for distribution to players at the end of each respective calendar year in conjunction with the payment of the ATP Fixed Bonus Pool. Allocation to players of both ATP Fixed Bonus Pool and Variable Bonus Pool as determined by the ATP Board.

C. The following terms used in this Rule shall have the meanings set forth below:

**Tournament Financial Information Rule for Masters 1000 Tournaments (“1000s Audit Rule”)** – The ATP rule which, among other provisions, specifies the required annual independently audited reporting by each Masters 1000 tournament of its revenues, costs and expenses, net income, net income before taxes and other financial information, and specifies the audit procedures to be applied to submitted information. Definitions within the 1000s Audit Rule are incorporated herein by reference. Implementation of this Masters 1000 Player Compensation Rule will be the responsibility of the M1000 PM Committee (as defined in the 1000s Audit Rule).

### III. FINANCIAL

**Aggregated Net Income (“ANI”)** - Total of annual audited net income before income taxes for each of the Masters 1000 tournaments as calculated by M1000 PM Committee Auditor and approved by the M1000 PM Committee. Level 1 data revenues and any fines assessed under the Tournament Financial Information Rule for Masters 1000 Tournaments will be excluded from each tournament’s audited net income. For combined men/women tournaments, ANI will be determined with a direct allocation method where revenues and expenses/costs directly attributable to men or women will be allocated 100% to men or women. Remaining revenues and expenses will be allocated equally. The resulting men’s net income before income taxes will be included in ANI.

**VBP** - 50% of the excess of current year ANI over current year BPM.

#### 3.20 ATP 500 Prize Money Formula Rule

The formula within this rule will be used to determine increases in on-site prize money for the 500 category tournaments (as this category is currently composed) for the years 2023 through 2037. In the event Net Income before taxes equals aggregated on-site prize money then this formula and the related reporting rule will be replaced with a 50/50 prize money formula similar to the Masters 1000’s Prize Money Formula Rule. In the event this category is materially changed during this period, the 500 PM Committee will determine what effect such material changes have on applying this rule for the remainder of the term. The formula will be based on a 2-year Average Growth Percentage (“AGP”) in Defined Revenues (“DR”) for all tournaments in the category. The 500 PM Committee Auditor will calculate AGP and submit such calculations to the 500 PM Committee for review and approval. Such AGP will be applied to current year category total on-site prize money as follows:

AGP up to 2.5%	On-site prize money increases by 2.5%
AGP over 2.5% to 6%	On-site prize money increases by AGP
AGP over 6%	On-site prize money increases by AGP times 1.167

The resulting overall on-site prize money increase will be allocated equally to each of the thirteen 500 tournaments, regardless of their current on-site prize money level.

#### Definitions:

##### **Tournament Financial Information Rule for 500 Tournaments (“500 Audit Rule”)**

– The ATP rule which, among other provisions, specifies the required annual independently audited reporting by each 500 tournament of its revenues, costs and expenses, net income, net income before taxes and other financial information, and specifies the audit procedures to be applied to submitted information. Definitions within the 500s Audit Rule are incorporated herein by reference. Implementation of this 500 Prize Money Formula Rule will be the responsibility of the 500 PM Committee (as defined in the 500 Audit Rule).

**Average Growth Percentage (“AGP”)** - AGP is the 2-year average growth in the most recent actual years DR as reported to and calculated by the 500 PM Committee Auditor. The annual period for purposes of AGP will be the 12-month periods ending in April each year immediately following the Barcelona tournament.

### III. FINANCIAL

**Defined Revenues (“DR”)** - Defined revenues are the basis for the AGP calculations and include the following four broad revenue categories as long as the 2-year average of these revenues exceed 92% of average gross revenues as reported to the 500 PM Committee Auditor:

1. Sponsorships
2. Ticketing and on-site hospitality
3. Media and television revenues
4. Government funding and/or government subsidies

**Other Revenues (“OR”)** - OR includes all tournament revenues not otherwise included in DR.

Revenues within each of these categories must include all amounts earned in connection with each category. For example, if a sponsor agreement, in addition to sponsor signage and benefits, provides for on-site parking or event merchandise, total sponsor payments must be included within this category and not allocated to another revenue category. Similarly, if food and beverage and/or parking are included in a ticketing/hospitality package, the total package proceeds will be included in the ticketing/hospitality category as DR and not allocated to another revenue category.

Consistent with the 500 Audit Rule, where applicable, Gross Revenues and DR include tournament revenues received by related parties. A person/company is considered to be a Related Party to the tournament if that person/company has control, joint control or significant influence over the tournament or a tournament entity, either via ownership, via agreement, or via power to manage/govern/influence the tournament’s finances and/or operations. Also, a person/company is considered to be a Related Party to the tournament if the tournament has control, joint control or significant influence over the person/company, either via ownership, via agreement, or via power to manage/govern/influence the person/company’s finances and/or operations.

If two-year average DR are less than 92% of average gross revenues, the next largest revenue category as determined by the 500 Committee Auditor and approved by the 500 Committee will be added to DR so that the 92% minimum is achieved.

For purposes of DR, barter transactions for each category are required to be included.

ATP payments to tournaments for rebates and prize money subsidy are not included in DR or OR. Data distribution revenues shall be included in OR and subject to reclassification within DR as provided above.

For purposes of DR, the following will also apply:

- For men’s and women’s combined tournaments, direct men only revenues will be included in DR at 100%. Direct women only revenues will be excluded.
- A 70% factor will be applied to combined tournaments revenues which are not directly men or women tournament revenues.

### **III. FINANCIAL**

- Exchange rates to USD for formula calculation purposes and for equal prize money allocation among tournaments will be based on a 2-year average exchange rate.
- Complimentary tickets where no value is received will not be included in revenues. Complimentary tickets provided to Related Parties will be valued and included in DR.
- Taxes and fees required to be paid on tickets sales will be excluded from revenues.

Insurance proceeds which replace lost revenues will be included as revenues in the category for which the proceeds relate.

Agreed Upon Procedures as defined in the 500 Audit Rule will only be applied to DR of the 500s tournaments. Remaining OR as reported under the 500 Audit Rule will be subject only to overall fluctuation reviews and resulting inquiries by the 500 PM Committee and 500 Player Auditor necessary to understand significant changes.

#### **3.21 ATP 250 Tournament Prize Money**

On-site prize money for 2023 was the amount approved by the ATP Board for each tournament.

On site prize money for the 250 category tournaments increases annually by 2.5% for the period 2023 through 2030. Such 2.5% annual increases in on site prize money will be calculated using the total of on-site prize money for all 250 tournaments and then divided equally among the tournaments.

#### **3.22 Challenger Tournament Prize Money**

On site prize money for the Challenger Tour tournaments will increase annually by 2.5% per each tournament category.