

NBL Salary and Contracting Rules

Section 1 – Registration of Players

1. Player Eligibility

- 1.1. No Player is eligible to play with an NBL Club during an NBL Season until registered in accordance with these rules to play with that NBL Club.
- 1.2. Player registration must be completed in respect of each Player annually, even if the Player is playing consecutive seasons with the same NBL Club.
- 1.3. A Player may only be registered with one NBL Club at any time and cannot be registered with that NBL Club until obtaining a clearance from the last club (in Australia or overseas) that they were registered with.
- 1.4. Players may be registered as either a:
 - 1.4.1. Restricted Player on the Team Roster;
 - 1.4.2. Non Restricted Player on the Team Roster;
 - 1.4.3. Marquee Player on the Team Roster;
 - 1.4.4. Asian Player on the Team Roster; or
 - 1.4.5. Development Player.

each as defined under **Section 2 – Player Designations**.

2. Registration Process

- 2.1. Applications for registration of a Player must:
 - 2.1.1. Be in the approved form (**Appendix 1 Registration Form & Appendix 2 Proposed Player Payments Form**);
 - 2.1.2. Be accompanied by a signed Standard Player Contract (**Appendix 3**);
 - 2.1.3. If the Player is currently registered with another club (in Australia or overseas) be accompanied by a duly completed Domestic Clearance Form (**Appendix 5**) or International Clearance Form (**Appendix 6**) as applicable; and;
 - 2.1.4. Be accompanied by duly completed immigration documentation and a Foreign Player Licence (**Appendix 7**) if the Player is a restricted player or is not otherwise authorised and entitled to be employed as a professional basketballer in Australia or New Zealand as the case may be.

- 2.2. Failure to provide all documentation required under **Rule 2.1** when seeking to register a Player will delay the registration. A Player cannot be registered until all required documentation is provided, and a Club must not publicly announce the signing of a Player until Registration has been completed.
- 2.3. NBL shall register the Player with the NBL Club once satisfied that registration complies with these rules.

3. Deadline for Registration of Players

- 3.1. An NBL Club shall not register a new Player if it has played equal to or more than 75% of its Regular Season games. A request to register a Player outside of this deadline may be made in exceptional circumstances. The NBL General Manager may decide in his or her absolute discretion as to whether or not to allow such registration..
- 3.2. Subject to **Rule 3.1** and meeting other requirements in these Rules, a Player whose contract has been terminated by a Club during an NBL Season may be registered with a different NBL Club in the same NBL Season.
- 3.3. For the purpose of this document:
 - 3.3.1. an **NBL Season** will be based on the fiscal year calendar, commencing July 1 and concluding June 30, for each year;
 - 3.3.2. the **Regular Season** commences at the beginning of the first game of round one, and concludes at the end of the last game prior to the Finals Series;
 - 3.3.3. the **Finals Series** commences at the beginning of the first game of the first semi final, and concludes at the end of the Grand Final Series; and
 - 3.3.4. the **Grand Final Series** commences at the beginning of the first game of the grand final playoff, and concludes at the end of the deciding game of the grand final playoff.

Section 2 – Player Designations

4. Restricted Player

- 4.1. Subject to **Rule 7**, a Restricted Player, or Import, is a Player who is not of Australian or New Zealand birth or naturalisation.

5. Non Restricted Player

- 5.1. A Non Restricted Player is any Player who is not a Restricted Player.

6. Marquee Player

- 6.1. A Marquee Player is a Non Restricted Player who is validly nominated as a Marquee Player by an NBL Club in accordance with this document.

7. Asian Player

- 7.1. An Asian Player is any Restricted Player who was born in a country forming part of Asia or Oceania (as defined by FIBA from time to time) and is eligible to play for the National Team of their country of birth.
- 7.2. An NBL Club may apply to the NBL for permission to replace one (1) of its Non Restricted Player places in its Team Roster with that Asian Player, in which case that Asian Player shall be deemed a Non Restricted Player for the duration of that Player's contract.
- 7.3. Each NBL Club may only rely on **Rule 7.2** in respect of a single Asian Player at any one time.

8. Development Player

- 8.1. A Development Player is a Player who:
- 8.1.1. is of either Australian or New Zealand birth or naturalisation;
 - 8.1.2. is under 25 years of age as at April 30 of the year of conclusion of the relevant NBL Season;
 - 8.1.3. has never been contracted by an NBL Club pursuant to an NBL Standard Player Contract, unless otherwise approved by the NBL General Manager; and
 - 8.1.4. is validly registered as a Development Player by an NBL Club pursuant to **Rule 11.2**.

Section 3 – Team Rosters

9. Team Roster Rules

- 9.1. Subject to the rules contained in Sections 4, 5, 6 and 7, each NBL Club will register and contract a Team Roster of eleven (11) Players at all times during the NBL Regular Season and Finals.
- 9.2. A NBL Club may have:
 - 9.2.1. A maximum of three (3) Restricted Players on its Team Roster.
 - 9.2.2. A maximum of four (4) Marquee Players on its Team Roster.
 - 9.2.3. An aggregate of no more than four (4) Restricted Players and Marquee Players on its Team Roster.
 - 9.2.4. A minimum of one (1) Development Player on its Development Squad.
 - 9.2.5. A maximum of four (4) Development Players on its Development Squad.
- 9.3. Subject to the requirements of **Rules 9.1** and **9.2**, an NBL Club may supplement its Team Roster with a replacement Player in order to replace a Player that has been placed on injury waiver under **Rule 13** for the duration of that waiver.
- 9.4. With the exception of a Player placed on injury waiver under **Rule 13**, a Player who is removed from the Team Roster may not be returned to that NBL Club's Team Roster in that NBL season, unless he is replacing a Player who has suffered a season ending injury or illness. The Club must provide to the NBL medical documentation in accordance with **Clause 13.2**, and all such replacements are to be made subject at all times to the requirements of **Rules 9.1** and **9.2**.
- 9.5. Notwithstanding **Rule 9.4**, the NBL General Manager may approve a Player being used as a replacement Player for the same NBL Club more than once during the course of an NBL Season for reasons other than the occurrence of a season ending injury or illness.
- 9.6. An NBL Club must notify the NBL before releasing a Player from its Team Roster.
- 9.7. A maximum of twelve (12) Players from each Club may play in any game during an NBL Season. These Players must be named on the NBL Club's Team Roster, or its Development Squad (**Rule 11**) or be Replacement Players (subject to **Rule 13**).

10. Restricted Players

- 10.1. Each Club must demonstrate to the reasonable satisfaction of the NBL that each

of its Restricted Players holds a current Foreign Player License prior to being eligible to play for that NBL Club during an NBL Season.

- 10.2. Restricted Players must meet all the requirements under any applicable FIBA and Basketball Australia regulations prior to being eligible to play for an NBL Club during an NBL Season.
- 10.3. Playing an ineligible Restricted Player will result in the forfeiture of the game in which that Player played and a fine shall be imposed on the NBL Club by the NBL.

11. Development Squad

- 11.1. Each NBL Club must have a Development Squad of no less than one (1) and no more than four (4) Development Players, and must register their entire Development Squad with the NBL prior to the commencement of the Regular Season.
- 11.2. Development Players must be registered with the NBL using the NBL Development Squad Registration Form (**Appendix 2**).
- 11.3. Clubs may nominate four of their Development Players to be the Nominated Replacement Players for injured Players from the Team Roster for the purpose of **Rule 13.4.2**, no later than the Club's first game during the Regular Season. Each Nominated Replacement Player shall remain a Nominated Replacement Player for the entirety of that Regular Season and Final Series unless a season ending injury or illness occurs, in which case **Rule 11.4** shall apply.
- 11.4. If a Development Player suffers a season ending injury or illness or has been released by his NBL Club, he can be replaced as a Development Player, and as a Nominated Replacement Player (if applicable), by another Development Player.
- 11.5. A Development Player must not be paid more than the minimum salary as determined in accordance with **Rule 28.6**.
- 11.6. Once a Development Squad Player plays more than half of the Club's NBL Regular Season Away Games he loses his eligibility as a Development Squad Player.
- 11.7. Player Payments for Development Players, unless otherwise provided in these NBL Salary and Contracting Rules, will not be included in the calculation of an NBL Club's Salary Cap.

12. Penalty for Playing Ineligible Players

- 12.1. An NBL Club who fields an ineligible Player shall forfeit any game in which that Player participated and may be fined, at the discretion of the NBL General Manager, up to a maximum of \$5,000 for each game the ineligible Player played.

- 12.2. In addition to any penalty imposed under **Rule 12.1**, an NBL Club may be fined, at the discretion of the NBL General Manager, up to \$10,000 for failing to comply with **Rule 11** (Restricted Players) or **Rule 12** (Development Squads).
- 12.3. Any penalty paid under **Rule 12.1** or **Rule 12.2** will be paid into the Salary Equalisation Subsidy Account within 14 days after written notice of the fine has been issued to the NBL Club by the NBL.

13. Injury Waivers and Waivers

- 13.1. A Club may make a request to the NBL General Manager that a Player on its Team Roster be placed on injury waiver because of an injury or illness.
- 13.2. When making a request under **Rule 13.1** the NBL Club must provide a **Waiver Notification Form (Appendix 9)** providing evidence supporting the request, including medical reports. If there is a dispute as to the severity of the injury or illness the NBL General Manager may seek independent medical advice.
- 13.3. The NBL General Manager's decision regarding an application under **Rule 13.1** is final and not subject to any appeal.
- 13.4. If an application under **Rule 13.1** is granted:
- 13.4.1. The NBL Club may contract (subject to meeting all other eligibility requirements under these NBL Salary and Contracting Rules) another Player in addition to the eleven (11) Players on the Team Roster until the waived Player returns to active service on the Team Roster; or
- 13.4.2. The NBL Club may choose to use one of its Nominated Replacement Players as a replacement player for the Waivered Player.
- 13.4.3. The NBL General Manager must be notified in writing of all waivers and replacements.
- 13.5. A Player on injury waiver, who is not replaced by a Club's Nominated Replacement Player, may not return to the Team Roster until twenty one (21) days or four (4) subsequent games (whichever is earlier) have expired from the date the waiver was granted.
- 13.6. A Player on injury waiver, who is replaced by a Club's Nominated Replacement Player is not required to serve any minimum period out of active service on the Team's.
- 13.7. A Club may request that a Player on its Team Roster be placed on waiver for reasons apart from injury or illness, which request may be granted or denied by the NBL General Manager in his or her absolute discretion. Such Player may

only be replaced by one of that NBL Club's Nominated Replacement Players. A Player placed on waiver and replaced by a Club's Nominated Replacement Players may return to the Team Roster at any time.

14. National Team Waivers

- 14.1. In the case where an NBL Club has a Player who will miss an NBL game because of absence due to National Team duties under the new FIBA International Schedule, that NBL Club may replace each of those Players on the Team Roster until such time as their National Team commitments have ceased and the Player would otherwise be able to represent the NBL Club.
- 14.2. A Player replacing a Player on National Team Waiver must be contracted and registered by the NBL Club in accordance with **Rule 13.4.1** above. Once a replacement Player is removed from the Team Roster he may be contracted again during that same NBL Season by the same NBL Club if required.
- 14.3. The NBL Club must notify the NBL in writing prior to a Player participating in an NBL game as replacement for a Player on National Team Waiver.

Section 4 – Contracting Players

15. Proposed Player Payments (PPP)/Contract Submission Process

- 15.1. A Club must, upon request by the NBL Contract Review Committee, provide to the NBL Contract Review Committee independent submissions as to the value of each and every NBL Player, including their own Players. These submissions are strictly confidential and for scrutiny by the NBL Contract Review Committee only, and the assessed value of each Player will only be disclosed to that NBL Club which successfully contracts the relevant Player, after the Contract has been approved by the NBL.
- 15.2. A Club must provide to the NBL for review a Proposed Player Payments Form (**PPP**) (in the form set out in **Appendix 2**) and NBL Standard Player Contract (in the form set out in **Appendix 3**) for each Player it proposes to contract. Each of these documents are to be validly executed by each of the Player and the NBL Club and will be held in escrow by the NBL until approved. A PPP or contract must only be submitted to the NBL Contract Review Committee for review and determination once both the Club and Player are prepared to enter into a binding contract on the terms set out in the PPP. The NBL Standard Player Contract between a Club and Player, once submitted to the NBL, reviewed, evaluated, determined and approved by the NBL or the NBL Contract Review Committee (as applicable), is binding on both Club and Player.
- 15.3. The NBL Contract Review Committee will receive and review the submissions, as prescribed under **Rule 15.1** and **Rule 15.2**, and determine a Player Value to be ascribed each individual NBL Player. The NBL Contract Review Committee may utilise the submissions given under **Rule 15.1**, but is not limited to such information and may have regard to any other such factors and information as it considers necessary or desirable in its absolute discretion.
- 15.4. The actual value ascribed to a Player for the purpose of determining each NBL Club's Salary Cap Valuation for each NBL Season will be the greater of the Player Value determined by the NBL Contract Review Committee or the Player Payments outlined in the relevant PPP and Standard Player Contract. Where the Player Payment is, at the commencement of the NBL Season, less than the Player Value, but during the course of an NBL Season increases (e.g. by virtue of the payment of bonuses or other matters contemplated by **Rule 28**) then the Player Value for the purpose of Determining the NBL Club's Salary Cap Valuation shall be that greater value, and its contribution to the Subsidy Account shall be varied accordingly and notified to the NBL Club by the NBL.
- 15.5. An NBL Club may appeal a decision of the NBL Contract Review Committee by written application, providing reasons as to why it believes that a lower Player Payment submitted in a PPP or NBL Standard Player Contract is a more appropriate valuation of a Player than the Player Value determined by the NBL Contract Review Committee.

- 15.6. The NBL Contract Review Committee may make a decision based on the written submissions made pursuant to **Rule 15.5**, or it may request the NBL Club to either provide further information, or appear before the NBL Contract Review Committee for further deliberation.
- 15.7. Any Appeal considered by the NBL Contract Review Committee pursuant to **Rules 15.5 and 15.6** will be decided at the sole and absolute discretion of the NBL Contract Review Committee. The decision made under this **Rule 15.7** is final and may not be further appealed by an NBL Club.

16. Player Contracts

- 16.1. All Player contracts must be in the form of the NBL Standard Player Contract (**Appendix 3**) and comply with the National Basketball League Players Agreement 2016-2019 and these NBL Salary and Contracting Rules (a **Player Contract**).
- 16.2. A Player Contract must be signed not more than 14 days after the Player signed the Proposed Player Payments Form.
- 16.3. A copy of each Player Contract must be lodged with NBL at least seven (7) working days before the Player intends to play in an NBL game.
- 16.4. NBL may at its discretion reduce the time period in **Rule 16.3** in the event of exceptional circumstances.

16.5. Option Clause

- 16.5.1. An Option Clause may be included in an NBL Standard Player Contract. The Option Clause must include the amount of the Player Payment for the Option Year, including all Bonuses and Benefits.
- 16.5.2. An Option Clause must expressly state that it is able to be exercised by either the Player, the NBL Club, or both.
- 16.5.3. A party must exercise its option pursuant to an Option Clause prior to the release of the Free Agents list in respect of an upcoming NBL Season, otherwise the Player will be deemed to be a Free Agent at the commencement of the Free Agent Period.
- 16.5.4. The Option Clause must be noted in Item 7 of the NBL Standard Player Contract
- 16.6. The NBL Standard Player Contract may not be supplemented, waived or amended except as provided by the NBL Standard Player Contract and National Basketball League Players Agreement 2016-2019.

17. Approaches to Players

- 17.1. No NBL Club or any affiliate of any NBL Club may approach a Player or an associate or agent of a Player who is at that time contracted by another NBL Club except in the manner provided in these Rules.
- 17.2. The term "approach" in **Rule 17.1** shall be interpreted so as to be broad and inclusive in its application.
- 17.3. The intent of this **Rule 17** is to place a complete prohibition on any action, however preliminary, that is directly or indirectly related to attempts to cause a Player to move to another NBL Club.
- 17.4. A Player who is currently contracted to an NBL Club may not be approached unless:
 - 17.4.1. They are a free agent under **Rule 18**; or
 - 17.4.2. Their Club has consented to the approach under **Rule 19**.

18. Free Agents

- 18.1. A Free Agent is a Player:
 - 18.1.1. whose NBL Club has advised the NBL in writing that it releases the Player from any remaining period of his Contract; or
 - 18.1.2. who is declared by the NBL in accordance with **Rule 18.2** to have completed his Contractual obligation to his NBL Club prior to the commencement of the next NBL Season; or
 - 18.1.3. whose NBL Club has not exercised its option to extend his Player Contract by the release date of the Free Agents List; or
 - 18.1.4. who is not currently contracted to a NBL Club.
- 18.2. The final Free Agents list will be released two weeks (14 days) following the last Grand Final game.

19. Request to Approach Contracted Players

- 19.1. A Player may request in writing to his NBL Club to be granted permission to approach a specified NBL Club.
- 19.2. An NBL Club may request in writing permission from another NBL Club to approach one of its Players.
- 19.3. Where an NBL Club receives a request under either **Rule 19.1** or **Rule 19.2**, it

shall reply to the request in writing within 7 days.

19.4. An NBL Club may grant or refuse a request made under **Rule 19.1** or **Rule 19.2** in its absolute discretion and there is no appeal from their decision.

19.5. An NBL Club may make more than one request under **Rule 19** regarding approaching a particular Player.

20. Information When Approaching Players

20.1. Before making an approach to a Free Agent under **Rule 19** an NBL Club must give notice in writing to the Player's current NBL Club prior to contact being made.

20.2. A notice given under **Rule 20** does not need to give any detail other than that the NBL Club intends to approach the nominated Free Agent.

Section 6 – Salary and Subsidy System

21. Salary Cap

21.1. The NBL will determine a Salary Cap in respect of each NBL Season. The Salary Cap in respect of each NBL Season (other than the 2016/17 season) will be equal to the average of aggregate Player Payments made by each NBL Club in respect of the previous season.

21.2. As an interim measure, the 2016/17 NBL Season Salary Cap will be set at \$1,100,000.

22. Five (5) Player Salary Maximum

22.1. The aggregate Player Values of at least 5 of each NBL Club's eleven (11) Team Roster Players must be no more than 40% of the Salary Floor for each NBL Season other than the 2016/17 season. For the 2016/17 NBL Season this amount will be \$400,000.

22.2. This is an interim arrangement to be reviewed by the NBL Contract Review Committee from time to time with a view to altering or removing this restriction if and when the market is in equilibrium and the objectives of this Player Salary and Contracting System are likely to be met notwithstanding the removal of that limitation.

23. Salary Floor

23.1. Each NBL Club must contract its eleven (11) contracted Players for an aggregate contract value no less than the Salary Floor applicable to each NBL Season.

23.2. The Salary Floor in respect of each NBL Season is set at the greater of:

23.2.1. 90% of the Salary Cap for that NBL Season; or

23.2.2. any amount distributed evenly by NBL to each of the NBL Clubs for the purpose of being allocated to Player Payments in respect of that NBL Season.

23.3. As an interim measure, the Salary Floor will be set at \$990,000 for NBL Season 2016/17.

24. Salary Equalisation Subsidy

24.1. To the extent that an NBL Club's aggregate Player Values in respect of an NBL Season exceed the Salary Cap applicable to that NBL Season, that NBL Club is, subject to the provisions of this **Rule 24**, required to make a contribution to the NBL Salary Equalisation Subsidy Account (**Subsidy Account**).

24.2. The amount an NBL Club must contribute to the Subsidy Account will be determined according to a marginal rate, based on the percentage by which the NBL Club's aggregate Player Values exceed the Salary Cap for a relevant NBL

Season. The applicable marginal rates are set out below in **Table 1 – Marginal Equalisation Subsidy Rates**.

- 24.3. All subsidy payments are payable immediately prior to the start of the relevant Regular Season.
- 24.4. If an NBL Club contracts a Player after the start of the Regular Season, any contribution required under this **Rule 23** must be made within twenty-one (21) days of the NBL Contract Review Committee reviewing and determining the relevant Player’s Player Value.
- 24.5. The contributions received under this Rule 23 will be paid directly in the NBL Salary Equalisation Subsidy Account (**Subsidy Account**) to be held on trust and applied at the discretion of the Independent Trustees of the Subsidy Account subject to and in accordance with **Rule 25**.

Table 1. Marginal Equalisation Subsidy Rates

% Spend over ‘Salary Cap’	Subsidy:
1-15%	25c / \$1
16-30%	50c / \$1
31-50%	\$1 / \$1
Over 50%	\$1.50 / \$1

25. Salary Equalisation Subsidy Account

25.1. Independent Trustees

The Independent Trustees of the Subsidy Account will be nominated and selected by the NBL Commission and will not be less than three (3) or more than five (5).

25.2. Subsidy Account Purposes

The funds in the Subsidy Account are to be applied for the following purposes collectively entitled ‘**Special Assistance**’, and in the following order of priority:

25.2.1. First, be applied toward Player Payments at those Clubs which have not been able to generate sufficient commercial revenues to be able to pay up to the value of the Salary Floor plus the travel pool levy for that NBL Season (if any);

25.2.2. Second, be applied toward Player Payments at those Clubs which have not been able to generate sufficient commercial revenues to be able to pay up to the

value of the Salary Cap plus the travel pool levy for that NBL Season (if any);

25.2.3. Third, be applied as financial assistance to a Player, or Players, who are enduring individual or collective financial difficulty because of a market failure associated with the NBL or an NBL Club (e.g. the administration or liquidation of an NBL Club);

25.2.4. Fourth, may be applied at the discretion of the Independent Trustees of the Subsidy Account to programming which is for the benefit of the Players as a whole (e.g. NBL Player Welfare Program); and

25.2.5. Fifth, may be applied at the discretion of the Independent Trustees of the Subsidy Account to an NBL Club for the purpose of investment in other aspects of that NBL Club's development or the development of the NBL (eg. applications may be considered for assistance in retaining a Marquee Player, or for hiring of minimum required Club resources etc).

25.3. Application of Subsidy Account

25.3.1. The Independent Trustees of the Subsidy Account will only be asked to consider application of the funds on occasions where a Club or Player applies to the Independent Trustees for Special Assistance.

25.3.2. All decisions of the Independent Trustees of the Subsidy Account will be at the absolute discretion of the Independent Trustees and are not subject to Appeal.

25.3.3. Unless the NBL agrees otherwise, a Club may only apply to the Independent Trustees for Special Assistance where it can reasonably demonstrate to the Independent Trustees that:

- (a) It has in all respects complied with the terms of its then current License Agreement and the rules, regulations and standards of the NBL;
- (b) It is of the informed opinion that it will not have sufficient financial resources to meet the Salary Floor or Salary Cap (as the case may be) in respect of any NBL Season;
- (c) It has made all reasonable efforts to procure or attract funding sufficient to meet the Salary Floor or Salary Cap (as the case may be) in respect of that NBL Season; and
- (d) It has in place a sustainable business model that indicates that it should be in a financial position to meet the Salary Floor in future NBL Seasons.

26. Independent Contract Review Committee

26.1. An Independent NBL Contract Review Committee will be established to administer the process outlined in Rule 15.

26.2. The NBL Contract Review Committee will be made up of no less than three (3) and no more than five (5) Independent Committee Members to be nominated and elected by the NBL Commission. The Committee Members must be independent from the NBL and NBL Clubs.

26.3. The NBL Contract Review Committee will enact the process as defined in **Rule 15**.

26.4. Specifically, the NBL Contract Review Committee will:

26.4.1. Review any PPP/Player Contract submitted to it by the NBL or NBL Club.

26.4.2. After such review, the NBL Contract Review Committee must either:

- (a) recommend to the NBL that the PPP/Player Contract be approved and that the Player Value be the proposed Player Payments as set out in the PPP/Player Contract for the purpose of the Salary Cap;
- (b) recommend to the NBL that the PPP/Player Contract be approved but to retain the Player Value as initially determined by the NBL Contract Review Committee for the purpose of the Salary Cap (or such other value determined by the NBL Contract Review Committee in respect of a current or new Player to the NBL); or
- (c) recommend to the NBL that the NBL Club be requested to provide further information to justify the Player Payment disclosed in the PPP/Player Contract – after consideration of which the Committee may make any of the recommendations provided in **Rule 26.4.2(a)** and **Rule 26.4.2(b)**.

26.4.3. If the NBL Contract Review Committee makes a recommendation to approve a PPP/Player Contract but retain its Player Value in respect of the relevant player, then the NBL must disclose the Player Value to the relevant Club and the Club may either:

- (a) if the Contracted Salary is below the Player Value, proceed to contract the Player for the agreed Player Payment set out in the PPP/Player Contract, on the understanding that the greater Player Value will be applied for the purpose of the Salary Cap; or
- (b) appear before, or make a submission to, the NBL Contract Review Committee to appeal the Player Value, and put its case as to why the Player Value should be amended.

26.4.4. If a Club Appeals a Player Value under **Rule 26.4.3**, the NBL Contract Review Committee may, after hearing or reviewing such appeal, in its absolute discretion:

- (a) maintain its initial Player Value; or

(b) apply an amended Player Value.

26.4.5. Once an Appeal has been heard and a final Player Value determined under **Rule 26.4.4**, that final Player Value will be applied for the purpose of the Salary Cap for the NBL Club.

26.5. If a Club submits a PPP/Player Contract to the NBL Contract Review Committee for review, and the PPP/Player Contract Salary to be paid to the Player exceeds the Player Value ascribed by the NBL Contract Review Committee, then the actual Player Payment will be deemed the Player Value for the relevant NBL Season.

26.6. If a Player has a contract period of more than one year his Player Value will apply for the remaining years of the contract, unless otherwise determined by the NBL Contract Review Committee in its sole and absolute discretion.

26.7. The value of all individual Player Payments will be publicly disclosed by the NBL.

26.8. Any Player contracted as a Replacement Player during an NBL Season will be subject to valuation by the NBL Contract Review Committee, and the provisions of this **Rule 26** shall apply in respect of that Replacement Player, except that at all times the greater Player Value of either the Replacement Player or the Player on waiver or otherwise being replaced shall apply for the purpose of any Salary Equalisation Subsidy contribution if the relevant NBL Club's Salary Cap is exceeded.

26.9. The NBL Contract Review Committee may submit to the NBL that an audit of an NBL Club or Player be undertaken. The NBL may audit, or not, a NBL Club or Player at its discretion.

Section 7 - Player Payments Limits and Marquee Players

27. Marquee Players

- 27.1. Each team may elect to nominate up to four Marquee Player on its Team Roster at any time during the NBL Season, in accordance with the following rules:
- 27.1.1. If a Club contracts three Restricted Players, then it may only contract one Marquee Player (the First Marquee).
- 27.1.2. If a Club contracts two Restricted Players, then it may contract two Marquee Players (the First Marquee and the Second Marquee).
- 27.1.3. If a Club contracts one Restricted Player, then it may contract three Marquee Players (the First Marquee, the Second Marquee and the Third Marquee).
- 27.1.4. If a Club does not contract any Restricted Players, then it may contract four Marquee Players (the First Marquee, the Second Marquee, the Third Marquee and the Fourth Marquee).
- 27.2. A Club may agree to make Player Payments to a Marquee Player of any amount it chooses, however, the Player Value ascribed to that Marquee Player will be determined by reference to **Table 2 – Prescribed Salary Cap Value** for the purpose of the calculation of the Club's aggregate Player Values.

Marquee Player Position	Prescribed Player Value
First Marquee	\$150,000
Second Marquee	\$200,000
Third Marquee	\$250,000
Fourth Marquee	\$300,000

28. Player Payments Definition

- 28.1. Player Payments include such payments (whether made by money or otherwise) as the NBL Contract Review Committee deems in its discretion to be made in consideration of the Player's services to the NBL Club as a member of its basketball team. Any payments made by the NBL Club or NBL Club affiliate to the Player or an associate of the Player will be considered a Player Payment.
- 28.2. For the purposes of this **Rule 28** an affiliate of an NBL Club shall have an inclusive definition, including any sponsor, member or related body corporate of that NBL Club, or any party to a Player Contract that is not at NBL Club or a Player.
- 28.3. For the purposes of this **Rule 28** an associate of a Player shall have an inclusive definition, including any family member or related body corporate of that Player.

28.4. Without limiting the discretion of the NBL Contract Review Committee under **Rule 28.1**, the following Rules deal with specific aspects of the meaning of the term Player Payments.

28.5. **Payments in Foreign Currency**

28.5.1. The conversion rate of the AUD cf. USD for the purposes of all calculations pursuant to this regime shall be the average of the AUD : USD for the twelve (12) months immediately prior to the commencement of the Free Agency Period in each year. As an interim measure for 2016/17, the conversion rate of AUD : USD will be 92c.

28.5.2. The conversion rate of the AUD cf. NZD for the purposes of all calculations pursuant to this regime shall be the average of the AUD : NZD for the twelve (12) months immediately prior to the commencement of the Free Agency Period in each year. As an interim measure for 2016/17, the conversion rate of AUD : USD will be 87c.

28.5.3. If a Player requests that a Player Contract be denominated in Net USD or any other foreign currency, then to ensure consistency and adherence to Australian/New Zealand Taxation and Superannuation rules the NBL Club will provide (using an approved calculation) the appropriate Gross AUD amount to the NBL Contract Review Committee to be used for NBL Contract Review Committee purposes.

28.6. **Minimum Salary**

28.6.1. For the 2016/17 NBL Season, the minimum annual salary of a Player other than a Development Player is \$40,000 inclusive of superannuation.

28.6.2. For the 2017/18 NBL Season, the minimum annual salary of a Player other than a Development Player is \$45,000 inclusive of superannuation.

28.6.3. For each subsequent NBL Season, the minimum annual salary of a Player other than a Development Player shall be determined by reference to the following formula:

$$MS = MS_{-1} \left(\frac{SC_{-1}}{SC_{-2}} \right)$$

Where:

MS means the minimum salary for that NBL Season;

MS₋₁ means the minimum salary for the immediately prior NBL Season;

SC₋₁ means the Salary Cap for the immediately prior NBL Season; and

SC₋₂ means the Salary Cap for the NBL Season immediately prior to SC₋₁.

28.7. Sign-On Payment

28.7.1. A Player Payment which is made as a sign-on fee, a special one-off signing bonus, or a payment made for a similar purpose may, at the election of the NBL Club be either:

(a) averaged out over the number of years of a Player's contract and the average amount thereof may be included in the NBL Club's Player Payments for each year of the contract whether or not the Player continues to play for the NBL Club during each year of the contract; or

(b) included in total in the year in which the payment is made.

28.7.2. Payments made to a Player by an NBL Club or NBL Club affiliate prior to the Player signing a contract with that NBL Club, shall be deemed to be a sign-on payment if, in the opinion of the NBL Contract Review Committee, such payment was made to reserve that NBL Club's right to the Player's services.

28.7.3. Where a Player who received a sign-on payment is no longer on the NBL Club's Team Roster, the NBL Club may apply to the NBL Contract Review Committee to have an amount that would otherwise be included as a Player Payment under this **Rule 28**, excluded from its Player Payments. The NBL Contract Review Committee shall exclude such a payment if satisfied that the original payment was not made in order to place the NBL Club in a more favourable position in relation to these Rules than would have resulted had the NBL Club made normal, annual contractual payments. In particular, a long-term contract with a Player close to retirement is not to be the subject of exclusion by the NBL Contract Review Committee.

28.8. End-of-Contract Fees

28.8.1. A Player Contract may stipulate that at the expiration of the term of a contract, the Player or an associate of the Player is to receive a lump sum payment or a specified asset or benefit (**End of Contract Fee**).

28.8.2. A Player Contract may not stipulate that upon termination of the contract by either party by reason other than expiration that the Player or an associate of the Player is to receive a lump sum payment or a specified asset or benefit.

28.8.3. In respect of any End of Contract Fee, the amount paid or the value of the asset or benefit given may be, at the election of the NBL Club:

(a) averaged over the term of the contract and the average amount is to be included as a payment for each year of the contract whether or not the Player continues to play for the NBL Club during each year of the contract; or

- (b) included in total in the first year of the contract.

28.9. Dual Contracts

If a Player from an NBL Club is contracted to play basketball for any affiliate of the NBL Club (whether or not a NBL Club itself) in another competition, any payment over \$10,000 to those NBL Players are to be regarded as Player Payments made by that NBL Club.

28.10. Testimonials

28.10.1. A Player may not have more than one testimonial year, and not more than one testimonial game.

28.10.2. Subject to the following conditions, proceeds of testimonial events are not treated as a Player Payment:

- (a) No part of any testimonial can be guaranteed by an NBL Club or NBL Club affiliate.
- (b) Testimonials must be paid from special events advertised and promoted as testimonial fundraising events for a particular Player or Players.
- (c) Where a Player's contract includes a legal obligation to pay the player or his associate a specified amount for a testimonial, the payment shall be included as a Player Payment in the year in which it is paid.
- (d) Any payment made to a Player or Player associate not related to a testimonial event shall be treated as a Player Payment in the year in which the payment is made.

28.11. Educational Expenses

Educational expenses for bona fide reimbursement for fees and books for attendance at a tertiary course are not considered Player Payments.

28.12. Cost of Living

No allowance shall be made to account for variations in the cost of living between cities.

28.13. Superannuation

All contributions made by an NBL Club to a Player for the purpose of superannuation are included as a Player Payment.

28.14. Motor Vehicles

A value of AUD \$10,000 will be applied to all motor vehicles provided to a Player or Player associate for their use, and will be included as a Player Payment.

28.15. Accommodation

The entire amount of any accommodation costs will be included as a Player Payment.

28.16. Player Associates

Payments made by an NBL Club to any associate of a Player for recruitment of the Player to the NBL Club is included as a Player Payment.

28.17. Individual Player Awards and Other Club Performance Incentives

All individual Player awards and performance based bonuses or incentives that are offered to Players or their associates as part of a Player Contract, whether to be paid by an NBL Club or its affiliates will be included in Player Payments.

28.18. Incentives for Final Games

NBL Clubs participating in Finals Series games may pay Players incentives for their appearances during the Finals Series. Payments made for such purposes are Player Payments.

28.19. Accounting Period / Contract Payment Period

For the purposes of calculating an NBL Club's Player Payments, all payments made by the NBL Club or an affiliate of an NBL Club relevant to contracting a Player for a particular NBL Season shall be included in Player Payments for that NBL Season.

28.20. Non NBL Games

28.21. Payment made to a Player or an associate of a Player by an NBL Club or an affiliate of an NBL Club for playing games for the NBL Club outside the NBL Season shall be regarded as a Player Payment.

28.22. Reasonable out-of-pocket expenses are exempted, provided satisfactory supporting documentation is made available by the NBL Club.

29. NBL Audit and Investigation

29.1. The NBL retains the right to audit any NBL Club; NBL Club employee; affiliate of an NBL Club, NBL Club Owner or other relevant party; NBL Player; or associate of an NBL Player at its sole discretion.

29.2. The NBL may receive referrals from the NBL Contract Review Committee for auditing. It is the sole discretion of the NBL to audit, or not, based on the referrals of the Contract Review Committee.

- 29.3. The NBL may make a determination that an NBL Club, affiliate of an NBL Club, Player or associate of a Player has failed to comply with any provision of these NBL Salary and Contracting Rules and determine a penalty.
- 29.4. Before making a determination under **Rule 29.3** the NBL must provide an opportunity for all relevant parties to make a submission in regards to the matter.
- 29.5. An appeal against a determination made under **Rule 29.3** must be lodged with NBL within 7 days of the determination being made and shall be heard by the NBL Board.

30. Laying and Hearing of Charges

- 30.1. If, in the opinion of the NBL, there is a prima facie case of a breach of the NBL Salary and Contracting Rules by any relevant party, the NBL shall cause a charge to be laid against such person or persons as he considers to be appropriate.
- 30.2. The charge shall contain particulars of the alleged breach of these Rules.
- 30.3. The charge shall be heard by the NBL Board in such manner as it considers appropriate and the committee is not obliged to publish reasons for its decision.
- 30.4. The NBL, or nominated delegate, shall be entitled to attend the hearing, address the NBL Board and call such evidence as he or she considers appropriate.
- 30.5. The charged party shall bear the onus of proving on the balance of probabilities that the alleged breach did not occur.

31. Player Payments Investigator

- 31.1. The NBL Board may appoint an Investigator with such powers in addition to the powers set forth in this Rule as it believes is necessary for them to carry out investigations under these Rules.
- 31.2. An Investigator appointed under **Rule 31.1** shall be independent of the NBL and all of the NBL Clubs and Players. In the event that the Investigator is unable to carry out his duties, the NBL shall appoint an alternate Investigator.
- 31.3. The NBL Board shall allocate such funds as are required from time to time to remunerate the Investigator.
- 31.4. The principal functions of the Investigator shall be to carry out investigations, examinations and audits of the accounts of NBL Clubs at the direction of the NBL Board, or NBL Contract Review Committee if applicable, and to report to them whether breaches of the NBL Salary and Contracting Rules have occurred. In addition, the Investigator may perform such other functions of an investigative nature as he is directed to do by the NBL.

32. Provision of information to Player Payments Investigator

32.1. Each NBL Club, affiliate of an NBL Club, Player and associate of any Player and every director, officer and employee thereof shall upon request by the Investigator:

32.1.1. Co-operate with the Investigator in the course of any investigation;

32.1.2. Answer truthfully any question asked of him by the Investigator in the course of an investigation; and

32.1.3. Provide to the Investigator any contract, receipt, invoice, account, cheque, book of account, or other document in his or its possession or under its control which is in the opinion of the Investigator relevant to the investigation.

33. Breach

33.1. If an NBL Club breaches the NBL Salary and Contracting Rules it may:

33.1.1. Lose the right to compete in the next NBL Finals series (in either the current NBL Season or the next NBL Season);

33.1.2. Pay to NBL a fine of up to \$250,000 to be determined at the discretion of the NBL Commission;

33.1.3. Be suspended from the remainder of an NBL Season; and/or

33.1.4. Be subject to any other sanction at the discretion of the NBL Board.

34. Time for Payment

34.1. Where a fine is imposed under these Rules, and there is no time specified in these Rules for payment of the fine, a reasonable period of time shall be specified by the NBL.

34.2. In the case of a fine imposed on a NBL Club, any amount unpaid shall bear interest at the Penalty Interest Rate from the due date and NBL may deduct the amount of the fine (including interest) from any monies due from the NBL to the NBL Club.

34.3. Fines paid under this Rule shall be paid directly into the Subsidy Account.

35. Procedure for Appeals

35.1. Notice of intention to Appeal any assessment, ruling, fine or penalty (other than in relation to the determination of Player Values by the NBL Independent Salary Review Committee) imposed under these Rules shall be served on the NBL Board

within 28 days of notification of the assessment, ruling, fine or penalty. The Notice of Intention to appeal shall contain full details of the matters which form the basis of the Appeal.

- 35.2. The Chairman of NBL Board shall convene the NBL Board to hear Appeals at a central venue and shall notify all interested parties of the date, time and place of the hearing which shall be heard within 21 days of receipt of notice of intention to Appeal.
- 35.3. The NBL Board may meet by telephone or video conference if in the opinion of the Chairman it is appropriate to do so.
- 35.4. The NBL General Manager shall be entitled to make a submission to the NBL Board as to the manner in which assessments, rulings, fines or penalties were calculated or the basis for them.
- 35.5. The NBL Board may confirm, reverse, modify, increase or decrease any act, decision, assessment, ruling, fine or penalty and may remedy any omission the subject of any appeal brought before it and make such orders and give such directions in the matter as it thinks fit.
- 35.6. The decision of the NBL Board in respect of any issue brought before it on Appeal shall be final and binding on all parties.
- 35.7. In any such Appeal proceedings before the NBL Board, the party appealing shall bear the onus of proving that assessments, rulings, penalties or fines should not have been imposed or were erroneous.
- 35.8. The NBL Board may, in its absolute discretion, direct that the NBL pay the reasonable accommodation expenses, economy class airfares of and incidental to an Appeal in the event that an Appeal is successful.