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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 the 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 the ATP are payable in USD or EUR.

3.03 Default of Prize Money Payments

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

3.04 Fee Obligation

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

ATP World Tour Masters 1000

- 6.5% Tour Fee
- 5% Marketing Fee
- 7% Bonus Pool Contribution
- Sanction protection fee, where applicable

ATP World Tour 500

- 6.5% Tour Fee
- 5% Marketing Fee
- Other agreed fees, where applicable
 - o sanction protection
 - o remaining bid premium
 - o 500's escrow account

ATP World Tour 250

- 6.5% Tour Fee
- 5% Marketing Fee

ATP Challenger Tour 15% of the Prize money

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

1) ATP World Tour Tournaments:

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

ATP World Tour Masters 1000	\$60,000 / €51,000
ATP World Tour 500	\$50,000 / €42,500
ATP World Tour 250	\$12,500 / €10,625

b) The first day of the tournament, the balance is due and payable.

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- 2) **ATP Challenger Tour Tournaments.** The full fee is due with the tournament application.
- 3) **Late Payments.** Fee payments not received by due dates are subject to a late charge of 2% per month.

3.05 Fees/Other Payments

- A. All fees and monies due to the ATP are to be sent by wire or check in USD or EUR.
- B. Any amounts (e.g. player fines, non-member service fees, air-tickets) collected or owed by the tournament to the ATP must be remitted to the ATP.

3.06 Insurance

- A. Each ATP World Tour tournament shall obtain and maintain general liability insurance or the equivalent thereof. Masters 1000 events shall maintain a minimum limit of \$10,000,000 US dollars and all other events shall maintain limits of not less than \$5,000,000 US dollars with an insurance carrier maintaining a financial rating of "A" by AM Best and acceptable to the ATP
 - 1) 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.
 - 2) The tournament liability insurance shall name the ATP Tour, Inc. (a United States Corporation), its director and officers, employees, agents as additional named insured's with respect to any claim or suits brought against the ATP, its officials, employees, agents, regardless of the court of jurisdiction, arising out of the negligence of the tennis tournament, its directors or representatives.
 - 3) Coverage will include volunteers, on-court officials and ball persons as "named insured's" under the policy.
- B. Each ATP World 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 the ATP of cancellation.
- D. Each ATP World Tour tournament shall furnish to the 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 the ATP, each ATP World Tour tournament with conditional membership status must submit to the ATP within the time period required, an approved irrevocable Letter of Credit, in form and substance, satisfactory to the 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 the ATP event.

3.08 Prize Money

- A. **General**
 - 1) **ATP World Tour**
 - a) Prize money at all ATP World Tour events shall be paid through the ATP or its designated agent at the conclusion of the tournament, unless otherwise

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approved by the ATP. Prize money shall be distributed based on breakdowns established by the ATP. ATP must approve any changes in prize money, including from year to year.

- b) The 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@atpworldtour.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 the ATP or its designated agent at the conclusion of the tournament, unless otherwise approved by the ATP.
 - b) The ATP must receive 100% of the prize money no later than the Friday prior to the start of the tournament.
 - c) The 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@atpworldtour.com.
- 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 O)**
- Doubles:** Should a doubles match in an ATP World 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 is applicable:
- a) Neither player was in the singles main draw;
 - b) 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.
*For ATP Challenger events the withdrawal for doubles must be after the withdrawal deadline.
 - c) The retiring/withdrawing player had retired/withdrawn 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 to play.
 - i) A team withdrawing from the first round will not receive prize money even if there is not an alternate team.
- 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 Executive Vice President - Rules & Competition.
 - 6) A tournament must send to the ATP any prize money not paid to a player who is defaulted for improper conduct.

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3.09 On-Site Prize Money

Each ATP World Tour and ATP Challenger Tour tournament is required to offer and pay as part of its financial commitment not less than the on-site prize money shown in Exhibit J plus hotel accommodations, unless otherwise determined by the ATP. The minimum prize money for the ATP Challenger Tour Tournaments is \$35,000/€30,000.

3.10 Prize Money / Fee Payments

A. ATP World Tour Tournaments.

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

- 1) U.S. tournaments: all prize money, fees etc. must be paid in USD.
- 2) All 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.

3.11 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 the 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 and September 30 of each year, ATP will compare the current market exchange rate (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 country in which tournaments are played, and calculate the change between the current rate and average rate as a percentage of the average rate. Prize money amounts in USD for tournaments in countries where more than 10% change occurs will be adjusted by one-half of the percentage change subject to a maximum adjustment of 15%. The March 31 calculation will apply to tournaments that begin on dates from January 1 through June 30 of the following year. The September 30 calculation will apply to tournaments that begin on dates from July 1 through December 31 of the following year.
- 2) When prize money is adjusted under this rule, prize money must be paid in USD or EUR. Ranking 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.
- 3) The Exchange Rate Adjustment rule does not apply to ATP Challenger Tour events.

3.12 Payment

- A. For non-U.S. and non-euro based events, on-site prize money may be paid in USD or in a non-U.S. currency if approved by the ATP. A non-U.S./non-European Group tournament that has not had a prize money adjustment under the preceding section may

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elect on or before four (4) months prior to the tournament to pay on-site prize money in local currency. If on-site prize money is paid in a specific non-U.S. currency, then it shall be paid on the basis of the Official ATP Exchange Rate. The Official ATP Exchange Rate is established six (6) months before the tournament and is based on the average of the preceding six (6) months. The ATP shall provide each tournament paying on-site prize money in a specific non-U.S. currency the appropriate Official ATP Exchange Rate.

The ATP will determine to what extent, if any, there is a fluctuation in the local currency exchange rate compared with the Official ATP Exchange Rate. There will be no adjustment in the Official ATP Exchange Rate if the local currency exchange rate determined by the ATP on the entry deadline of the tournament has changed from the Official ATP Exchange Rate by an amount that is less than five percent (5%). An adjustment will be made to the Official ATP Exchange Rate if there is a fluctuation of five percent (5%) or more, up or down. In such case, the adjusted Official ATP Exchange Rate will be one-half of the difference above/below the original Official ATP Exchange Rate.

B. The local currency election option does not apply to ATP Challenger Tour events.

3.13 Late Payment

Prize money payments not received by the due dates specified herein are subject to a late charge of 2% per month.

3.14 Taxes-Notice of Withholdings

Each ATP World Tour and ATP Challenger Tour tournament is required to give at least ninety (90) days notice to the 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 remitting withholding tax.

3.15 Withholding From Prize Money

- A.** Each ATP World 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 World 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 non-USD/non-EUR currency, the exchange rate used by the ATP World Tour and ATP Challenger Tour tournament for the payment of prize money shall be applicable to the payment of the fine.

3.16 Prizes and Non-Cash Awards

- A.** In addition to on-site prize money, each ATP World 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 President 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

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must notify the appropriate ATP Regional Office of such non-cash awards or prizes forty-two (42) days prior to the tournament.

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

3.17 Release from Financial Commitment

- A. Each ATP World 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 the ATP in its sole discretion determines that extraordinary circumstances exist justifying such action.

3.18 Tournament Financial Information

- A. All ATP World Tour tournaments are required to provide every two years accurate and complete actual and projected (two succeeding years) financial and other relevant information as requested by an independent consultant appointed by the ATP Board of Directors (Consultant), and otherwise provide reasonable cooperation to Consultant, including, if requested, permitting Consultant to undertake reasonable steps to verify the accuracy of tournament financial data, for the sole purpose of enabling Consultant to provide group tournament data and its evaluation of such data to the ATP Board of Directors.
- B. Consultant will be instructed not to provide to ATP or its staff, except for the CFO and President, 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.
- C. Any tournament that fails to comply with this rule shall be subject to an annual fine in an amount up to a maximum of one half of a respective tournament's Fee Obligation for that year not to exceed \$50,000. The President shall recommend any such fine after completion of an investigation into the circumstances that lead to the failure to comply. All fines shall be subject to approval by the ATP Board of Directors.
- D. A tournament may petition the ATP Board for an exemption from complying with this rule. The ATP Board will consider such petitions that demonstrate clearly that a particular tournament's organization/financial structure is such that it is not permitted to provide the information, or the requested financial information, when combined with other tournaments, will result in incorrect or misleading implications.