

# CBA 101

**Highlights of the 2011  
Collective Bargaining Agreement  
Between the  
National Basketball  
Association (NBA)  
and the  
National Basketball  
Players Association (NBPA)**



**Prepared by the NBA  
(September 2012)**

## 2012-13 NATIONAL BASKETBALL ASSOCIATION KEY DATES

September 28	2012 NBA Team Media Days for teams competing in international preseason contests
September 29	2012 NBA Training Camps open for practice for teams competing in international preseason contests
October 1	2012 NBA Team Media Days
October 2	2012 NBA Training Camps open for practice
October 5	NBA Europe Live 2012 (Boston Celtics @ Ulker Fenerbahce in Istanbul, Turkey at Ulker Sports Arena)
October 6	NBA Europe Live 2012 (Dallas Mavericks @ Alba Berlin in Berlin, Germany at O2 World)
October 7	NBA Europe Live 2012 (Boston Celtics @ EA7 Emporio Armani in Milan, Italy at Mediolanum Forum)
October 7	NBA Mexico Games 2012 (New Orleans Hornets vs. Orlando Magic in Mexico City, Mexico at Mexico City Arena)
October 9	NBA Europe Live 2012 (Dallas Mavericks @ FC Barcelona in Barcelona, Spain at Palau Sant Jordi)
October 11	NBA China Games 2012 (Miami Heat vs. L.A. Clippers in Beijing, China at MasterCard Arena)
October 14	NBA China Games 2012 (Miami Heat vs. L.A. Clippers in Shanghai, China at Mercedes-Benz Arena)
October 19	NBA Canada Series (Toronto Raptors vs. New York Knicks in Montreal, Canada)
October 24	NBA Canada Series (Minnesota Timberwolves vs. Detroit Pistons in Winnipeg, Canada)
October 29	Roster set for Opening Day (5 p.m. ET)
October 30	2012-13 Season Tips Off
January 7	10-day Contracts can now be signed
January 10	All Contracts are guaranteed for remainder of the season
January 17	NBA London Live 2013 (New York Knicks vs. Detroit Pistons at The O2)
February 15-17	2013 NBA All-Star (Houston)
February 21	2013 NBA Trade Deadline (3 p.m. ET)
April 10-13	Portsmouth Invitational Tournament (Portsmouth, VA)
April 17	Regular Season ends
April 20	2013 NBA Playoffs begin
April 28	NBA Draft Early Entry Eligibility Deadline (11:59 p.m. ET)
May 7	Conference Semifinals begin (possible move-up to May 6)
May 21	2013 NBA Draft Lottery
May 22	Conference Finals begin (possibly move-up to May 21)
June 6	The Finals begin (possible move-up to June 4)
June 17	NBA Draft Early Entry Withdrawal Deadline (5 p.m. ET)
June 20	Last possible date for 2013 NBA Finals (possible move-up to June 18)
June 27	2013 NBA Draft
July 1-9	2013-14 Moratorium Period

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### **EXHIBIT A (Rookie Salary Scales)**

### **EXHIBIT B (Minimum Annual Salary Scale)**

**NOTE:** This document sets forth a summary of various provisions of the Collective Bargaining Agreement, including some of the more frequently applied Salary Cap rules. This summary is intended only as a reference and is not meant to define the full meaning or scope of any provision in the agreement.

## I. SALARY CAP AND RELATED RULES

### A. Term of Agreement

This Collective Bargaining Agreement (CBA) began effective with the 2011-12 season (December 8, 2011) and runs through the 2020-21 season (June 30, 2021). The NBA and NBPA each have an option to terminate the CBA after its sixth season (i.e., on June 30, 2017) by notifying the other party on or before December 15, 2016.

### B. Calculating the Salary Cap and Minimum Team Salary

Under the CBA, all teams are subject to a Salary Cap and Minimum Team Salary for each season. The "Salary Cap" places a limit on the total salaries each team can pay its players during the season, subject to certain "Exceptions" (refer to Section I.E. below).

The Salary Cap for 2012-13 is \$58.044 million (the same as the 2011-12 Salary Cap). The Salary Cap for each future season, subject to certain adjustments, will be calculated by multiplying projected "Basketball Related Income" (a defined term that generally includes all income received by teams as a result of basketball operations) by 44.74%, subtracting projected player benefits, and then dividing the result by 30.

The Salary Cap Year goes into effect in early July and continues in effect until early July the following year.

The "Minimum Team Salary" is the minimum Team Salary that a team must have for a Salary Cap Year. The Minimum Team Salary for 2012-13 is \$49.337 million (85% of the Salary Cap). The Minimum Team Salary for each remaining season of the CBA will equal 90% of the applicable Salary Cap.

### C. Room

A team may sign players to the extent it has "Room." Room is either: (i) the amount by which a team's Team Salary is less than the Salary Cap; or (ii) the amount of an "Exception" to the Salary Cap.

#### Examples:

(1) Salary Cap = \$58.044 million; Team Salary = \$50 million  
Team has Room of \$8.044 million and may sign player(s) for up to \$8.044 million.

(2) Salary Cap = \$58.044 million; Team Salary = \$65 million  
Team has \$5 million Non-Taxpayer Mid-Level Salary Exception. Team has Room of \$5 million and may sign player(s) for up to \$5 million.

## D. Length of Contracts

The maximum lengths of contracts are:

- (a) Contracts between a team and its Bird free agents: five years
- (b) Extensions of Rookie Scale Contracts: four new years (five new years for maximum-salary Designated Player rookie extension – see Section I.J. below)
- (c) Contracts signed using the Minimum Salary Exception or the Bi-Annual Exception: two years
- (d) Rookie Scale Contracts: required term: two years, plus two one-year team options for a third and fourth year, respectively
- (e) All other contracts, including veteran extensions: four years (in the case of extensions, includes years remaining in the original term when the extension is signed)

## E. Salary Cap Exceptions

The Exceptions to the Salary Cap (i.e., the rules that allow teams to exceed the Cap) are as follows:

**(1) *Qualifying Veteran Free Agent (“Bird”) Exception.*** A team may re-sign its own free agent to a first-year salary of up to the maximum player salary if he played for the team for some or all of each of the prior three consecutive seasons (or, if he changed teams, he did so by trade or by assignment via the NBA’s amnesty waiver procedure).

**(2) *Early Qualifying Veteran Free Agent (“Early Bird”) Exception.*** A team may re-sign its own free agent to a first-year salary of up to the greater of (a) 175% of the player’s salary in the last season of his prior contract, or (b) 104.5% of the average player salary for the prior season, if he played for the team for some or all of each of the prior two consecutive seasons (or, if he changed teams, he did so by trade or by assignment via the NBA’s waiver procedures, including the NBA’s amnesty waiver procedure). A contract signed using the Early Bird Exception must be for at least two seasons.

**(3) *Non-Qualifying Veteran Free Agent (“Non-Bird”) Exception.*** A team may re-sign its own free agent who is neither a “Bird” nor an “Early Bird” player to a first-year salary of up to the greater of (a) 120% of the player’s salary in the last season of his prior contract, (b) 120% of the player’s applicable minimum salary for the current season, or (c) if the player is a Restricted Free Agent, his Qualifying Offer amount.

#### **(4) *Bi-Annual Exception***

(a) Subject to the restrictions on the use of the Bi-Annual Exception set forth in Section I.F.3. below, a team may use the Bi-Annual Exception to sign one or more players to contracts with first-year salaries that, in the aggregate, provide for a total up to \$1.957 million in 2012-13 (the Exception amount grows annually by 3% during the term of the CBA).

(b) Teams cannot use the Bi-Annual Exception in consecutive years. For example, if a team used the Bi-Annual Exception in 2011-12, it cannot use the Bi-Annual Exception in 2012-13.

(c) Contracts signed using the Bi-Annual Exception can cover no more than two seasons.

(d) A team can use the Bi-Annual Exception to re-sign its own free agent (as well as to sign another team's free agent), but cannot use this Exception to acquire a player by assignment.

#### **(5) *Non-Taxpayer Mid-Level Salary Exception***

(a) Subject to the restrictions on the use of the Non-Taxpayer Mid-Level Salary Exception set forth in Section I.F.3. below, a team may use the Non-Taxpayer Mid-Level Salary Exception to sign one or more players to contracts with first-year salaries that, in the aggregate, provide for a total up to \$5 million in 2012-13 (the Exception amount grows annually thereafter by 3%).

(b) Contracts signed under the Non-Taxpayer Mid-Level Salary Exception can cover up to four seasons.

(c) A team can use the Non-Taxpayer Mid-Level Salary Exception to re-sign its own free agent (as well as to sign another team's free agent), but cannot use this Exception to acquire a player by assignment.

#### **(6) *Taxpayer Mid-Level Salary Exception***

(a) Subject to the restrictions on the use of the Taxpayer Mid-Level Salary Exception set forth in Section I.F.3. below, a team may use the Taxpayer Mid-Level Salary Exception to sign one or more players to contracts with first-year salaries that, in the aggregate, provide for a total up to \$3.09 million in 2012-13 (the Exception amount grows annually by 3% during the term of the CBA).

(b) Contracts signed under the Taxpayer Mid-Level Salary Exception can cover up to three seasons.

(c) A team can use the Taxpayer Mid-Level Salary Exception to re-sign its own free agent (as well as to sign another team's free agent), but cannot use this Exception to acquire a player by assignment.

## **(7) *Mid-Level Salary Exception for Room Teams***

**(a)** Subject to the restrictions on the use of the Mid-Level Salary Exception for Room Teams set forth in Section I.F.3. below, a team with Salary Cap room may use the Mid-Level Salary Exception for Room Teams to sign one or more players to contracts with first-year salaries that, in the aggregate, provide for a total up to \$2.575 million in 2012-13 (the Exception amount grows annually by 3% during the term of the CBA).

**(b)** Contracts signed under the Mid-Level Salary Exception for Room Teams can cover up to two seasons.

**(c)** A team can use the Mid-Level Salary Exception for Room Teams to re-sign its own free agent (as well as to sign another team's free agent), but cannot use this Exception to acquire a player by assignment.

**(8) *Rookie Exception.*** A team may sign its first-round draft pick for up to 120% of his Rookie Salary Scale amount. (See Exhibit A for Rookie Salary Scales through 2020-21.)

**(9) *Minimum Salary Exception.*** A team may sign a player to a one-year or two-year contract at the applicable minimum player salary (prorated as appropriate for a 10-Day or Rest-of-Season contract). This Exception may also be used to acquire a player who is making the minimum by assignment. (See Exhibit B for Minimum Salary Scales through 2020-21.)

**(10) *Disabled Player Exception.*** A team may replace a player who suffers a season-ending injury or illness with one player making up to 50% of the disabled player's current salary, up to a maximum of the amount of the Non-Taxpayer Mid-Level Exception for the season in which the Disabled Player Exception is used. The following rules apply with respect to the Disabled Player Exception:

**(a)** An application can be made with respect to a Salary Cap Year at any time from July 1 through January 15 of such Salary Cap Year, regardless of when the injury or illness occurred.

**(b)** The disabling injury or illness must make it substantially more likely than not, in the judgment of an NBA-appointed physician, that the disabled player would be unable to play through the following June 15.

**(c)** A contract signed pursuant to the Disabled Player Exception may be for one season, or if the Exception is used to acquire a player by assignment, then the acquired player must be in the final season of his contract.

**(d)** A Disabled Player Exception expires on the March 10 following the date on which the Exception is granted.

**(11) Traded Player Exception.** For a period of one year following the date of the trade of a player contract to another team, a team may replace the traded player with one or more players acquired by assignment.

(a) For teams whose post-assignment Team Salary would be equal to or less than the Tax Level for the then-current Salary Cap Year (for purposes of this rule, a “non-taxpaying” team), a traded player may be simultaneously replaced (i.e., in the same transaction) by one or more players acquired by assignment whose salaries in the aggregate do not exceed the greater of (i) the lesser of (A) 150% of the salaries of the players being traded plus \$100,000, or (B) the salaries of the players being traded plus \$5 million, or (ii) 125% of the salaries of the players being traded plus \$100,000. Non-taxpaying teams that are trading two or more players may elect between applying the Exception separately to each of the players it is trading or (where permitted by the CBA) aggregating the salaries of multiple players it is trading and then applying the Exception (see Section I.F.1. below).

(b) For teams whose post-assignment Team Salary would exceed the Tax Level for the then-current Salary Cap Year (for purposes of this rule, a “taxpaying” team), a traded player may be simultaneously replaced by one or more players acquired by assignment whose salaries in the aggregate do not exceed 125% of the salaries of the players being traded plus \$100,000.

(c) A traded player may be replaced in a non-simultaneous transaction by one or more players acquired by assignment whose salaries in the aggregate do not exceed 100% of the salary of the player being traded, plus \$100,000.

(d) A team with a team salary below the Salary Cap may simultaneously acquire one or more players by assignment whose post-trade salaries, in the aggregate, are no more than an amount equal to the team’s salary cap room plus \$100,000.

(e) The Base Year Compensation rules applicable under the prior CBA continue to apply with respect to sign-and-trades.

*Examples:*

(i) Salary Cap = \$58.044 million; Team Salary = \$65 million;  
Tax Level = \$70.307 million

Team seeks to trade a \$4 million player. Team could replace that player in a simultaneous trade with a player or players making \$6.1 million (150% x \$4.0 million plus \$100,000).

(ii) Salary Cap = \$58.044 million; Team Salary = \$76 million;  
Tax Level = \$70.307 million

Team seeks to trade a \$4 million player. Team could replace that player in a simultaneous trade with a player or players making \$5.1 million (125% x \$4.0 million plus \$100,000).

(iii) Salary Cap = \$58.044 million; Team Salary = \$65 million;  
Tax Level = \$70.307 million

Team previously traded a \$4 million player for a draft pick and therefore has a \$4 million Traded Player Exception. Team could trade a draft pick for a player or players making \$4.1 million (\$4.0 million plus \$100,000).



**(iv)** Salary Cap = \$58.044 million; Team Salary = \$50 million;  
Tax Level = \$70.307 million

Team seeks to trade a \$4 million player. Team could replace that player in a simultaneous trade with a player or players making \$12.144 million. (\$58.044 million minus \$50 million plus \$4 million plus \$100,000).

## **F. Rules Relating to Exceptions**

**(1)** Exceptions may not be added together (“aggregated”) to sign or acquire a player, except that a team may aggregate two or more Traded Player Exceptions for the purpose of acquiring, in the same transaction, one or more replacement players, subject to the following rules:

**(a)** The salary of the replacement player, or the combined salaries of the replacement players, may not exceed:

-in the case of non-taxpayers, the greater of (i) the lesser of (A) 150% of the sum of the aggregated salaries of the players being traded plus \$100,000, or (B) the sum of the aggregated salaries of the players being traded plus \$5 million, or (ii) 125% of the sum of the aggregated salaries of the players being traded plus \$100,000;

-in the case of taxpayers, 125% of the sum of the aggregated salaries of the players being traded plus \$100,000.

### *Example:*

Salary Cap = \$58.044 million; Team Salary = \$65 million; Tax Level = \$70.307 million

Team seeks to trade two players, each earning \$2.0 million. Team can aggregate these players and replace them with a player or players earning \$6.1 million (\$4.0 million x 150% plus \$100,000).

**(b)** No player contract acquired pursuant to an Exception may be aggregated for a period of two months from the date the player contract is acquired.

**(2)** The Non-Taxpayer Mid-Level, Taxpayer Mid-Level, Mid-Level for Room Teams, Bi-Annual, Bird, Early Bird, Non-Bird, and Rookie Exceptions are prorated beginning on January 10 of each season. The Minimum Player Salary Exception is prorated after the first day of the season.

**(3)** A team’s use of the Bi-Annual Exception, Non-Taxpayer Mid-Level Salary Exception, Taxpayer Mid-Level Salary Exception, Mid-Level Salary Exception for Room Teams, and, in year 3 of the CBA and after, its ability to acquire a free agent in a sign-and-trade transaction during a season will be restricted as follows:

- A team may use either the Bi-Annual or Non-Taxpayer Mid-Level Salary Exception only if (i) the team’s Team Salary at the time the Exception is used and at all times thereafter during such Salary Cap Year does not exceed the Tax Level for the then-current Salary Cap Year plus \$4 million, and (ii) at the time the Exception is used, the team has not already used either the Taxpayer Mid-Level Salary Exception or the Mid-Level Salary Exception for Room Teams in that Salary Cap Year.

- A team may use the Taxpayer Mid-Level Salary Exception only if (i) the team's Team Salary immediately following the team's use of the Exception exceeds the Tax Level for such Salary Cap Year plus \$4 million, and (ii) the team has not already used the Bi-Annual Exception, Non-Taxpayer Mid-Level Salary Exception, or Mid-Level Salary Exception for Room Teams in that Salary Cap Year, or commencing with 2013-14, acquired a player pursuant to a sign-and-trade in that Salary Cap Year.

- A team may use the Mid-Level Salary Exception for Room Teams only if (i) the team's Team Salary previously was below the Salary Cap in the applicable Salary Cap Year such that the team lost its Exceptions, and (ii) at the time the Mid-Level Salary Exception for Room Teams is used, the team has not already used the Bi-annual Exception, Non-Taxpayer Mid-Level Salary Exception, or Taxpayer Mid-Level Salary Exception in that Salary Cap Year.

- If (i) a team uses the Non-Taxpayer Mid-Level Salary Exception to sign one or more player contracts not exceeding three seasons in length and providing aggregate first-year salaries and unlikely bonuses not exceeding the amounts that can be paid using the Taxpayer Mid-Level Salary Exception, and (ii) the team does not engage in any other transaction (i.e., using the Bi-Annual Exception or, beginning in 2013-14, acquiring a free agent via sign-and-trade) that would otherwise prevent the team from spending above the Tax Level plus \$4 million, then the team will be permitted to exceed the Tax Level plus \$4 million (for example, by signing its Bird free agent or by using the Minimum Salary Exception), whereupon the team will automatically be deemed to have used the Taxpayer Mid-Level Salary Exception instead of the Non-Taxpayer Mid-Level Salary Exception, and the team's ability to use the Non-Taxpayer Mid-Level Salary Exception will be extinguished.

- A description of the general definition of Team Salary is set forth in Section I.L. below. For purposes of the foregoing rules (i.e., to determine if Team Salary is above or below the Tax Level plus \$4 million), a team's Team Salary is subject to certain adjustments as set forth in the CBA.

## **G. Additional Trade Rules**

**(1) *Sign-and-Trades.*** Teams are prohibited from signing a free agent pursuant to an agreement that the player will later be traded to another team unless the free agent being signed is the team's own free agent. In addition, these "sign-and-trades" are permitted only if (i) the contract is for three or four years, (ii) the first year of the contract is fully guaranteed, (iii) the contract is entered into prior to the first day of the regular season, and (iv) the player finished the prior season on his prior team's roster. The maximum annual salary increases for a sign-and-trade are 4.5% of the salary in the first year of the contract. Beginning in 2013-14, a team may only acquire a free agent via a sign-and-trade if the team's Team Salary post-transaction and at all times thereafter during that Salary Cap Year does not exceed the Tax Level plus \$4 million (see Section I.F.3 above).

**(2) Extension-and-Trades.** Extension-and-trades are permitted, except that the maximum length of any such extended contract is three years (including the years remaining in the original term when the extension is signed). The maximum salary in the first year of the extended term is 104.5% of the salary in the last year of the original term. The maximum annual increases under an extension-and-trade are 4.5% of the salary in the first year of the extended term. If a player signs a contract extension for a longer period, a higher amount, or higher annual increases than would be permitted for an extension-and-trade, then the team is prohibited from trading the player for a period of six months following the date of the extension. If a team acquires a player in a trade, then for a period of six months following the date of the trade, the team is prohibited from signing the player to a contract extension for a longer period, higher amount, or higher annual increases than would have been permitted for an extension-and-trade.

**(3) Cash Transfers.** Cash paid or received in trades occurring during a Salary Cap Year (including cash received as a salary reimbursement) is limited to an aggregate of \$3.1 million per team for the 2012-13 Salary Cap Year, increasing by \$100,000 per year during the term of the CBA. Cash received by a team in one or more trades will not be netted against cash paid in the same or other trades, and vice versa, for purposes of applying this rule.

Example:

Team A pays \$3.1 million in connection with one trade during the 2012-13 Salary Cap Year and receives \$3.1 million from another team in connection with a subsequent trade occurring during the same Salary Cap Year. Team A would be unable to either pay or receive any cash in connection with any subsequent trades during that Salary Cap Year.

**(4) One-Year Contracts.** A player who signs a one-year contract and who will be a Bird or Early Bird free agent at the end of the contract cannot be traded without the player's consent. If the player consents and is traded, he will lose whatever "Bird" rights he has acquired (i.e., he will be considered to have moved to the new team as a free agent.)

**(5) Waiting Period for New Contracts.**

**(a)** A draft rookie who signs a player contract may not be traded until 30 days following the date on which he signed his contract.

**(b)** A free agent who signs a contract cannot be traded for three months following the date the contract is signed or until December 15, whichever is later. For sign-and-trade transactions, the foregoing rule does not apply to the initial trade but rather applies if the contract is traded a second time. In addition, if a team is over the Salary Cap and enters into a new contract with a Bird or Early Bird free agent using the Bird or Early Bird Exception that provides for a salary in the first year of the contract in excess of 120% of the player's salary in the prior season, then the foregoing rule shall not apply and the player cannot be traded for three months following the date the contract is signed or until January 15, whichever is later.

(c) If a team trades a player and the player is subsequently waived by the new team, the prior team will not be permitted to claim the player off of waivers or sign the player to a new contract until the earlier of (i) one year from the date the trade was completed, or (ii) the July 1 following the last season of the player's contract (excluding any unexercised option years).

## H. Annual Salary Increases and Decreases

Salary in contracts between a team and its Bird or Early Bird players may increase or decrease after the first year of the contract by up to 7.5% of the salary in the first year of the contract. For all other contracts, salary may increase or decrease after the first year of the contract by up to 4.5% of the first year's salary.

### Examples:

(a) Team signs its Bird player to a four-year contract beginning at \$5.0 million.

Maximum permissible salary increase in each year is 7.5% of \$5.0 million (\$375,000):

Year 1 — \$5.0 million  
Year 2 — \$5.375 million  
Year 3 — \$5.750 million  
Year 4 — \$6.125 million

(b) Team uses \$5.0 million of Room to sign another team's free agent to a four-year contract.

Maximum permissible salary increase in each year is 4.5% of \$5.0 million (\$225,000):

Year 1 — \$5.0 million  
Year 2 — \$5.225 million  
Year 3 — \$5.450 million  
Year 4 — \$5.675 million

## I. Renegotiations

Generally speaking, renegotiations are amendments increasing a player's salary during the existing term of the contract.

(1) A team under the Salary Cap may increase a player's salary for the current season by up to the amount of its Room under the Salary Cap. In subsequent seasons of the contract, the team may increase the player's salary (over the salary originally provided for) by the sum of (i) the amount his salary was increased in the preceding season, and (ii) 7.5% of the increase in salary in the first season that was renegotiated. (Refer to Section I.K. below for an example.)

(2) A renegotiation may not provide for a decrease in salary in any season.

(3) Player contracts may be renegotiated beginning on the third anniversary of the signing of the contract, or the third anniversary of any subsequent extension of the contract.

**(4)** A player contract may not be renegotiated from March 1 through June 30.

**(5)** If a player contract is extended and renegotiated simultaneously, then the amount of the player's salary in the first season of the extended term may decrease by no more than 40% of the player's salary (as renegotiated) in the last season covered by the original term.

## **J. Rookie Scale Extensions**

**(1)** Rookie Scale Contracts with first round picks may be extended from the day following the last day of the Moratorium Period that precedes the fourth year of the contract through October 31 of such year.

**(2)** Rookie Scale Contract extensions (other than "Designated Player" Rookie Scale Extensions) may add up to four new years to the player's contract (5 total years including the year remaining on the Rookie Scale Contract when the extension is signed) and may provide for a salary in the first year of the extension of any amount up to the maximum player salary (Refer to Section I.Q. below). Salary may increase or decrease in subsequent years by up to 7.5% of the salary in the first year of the extension.

**(3)** "Designated Player" Rookie Scale Extensions

**(a)** A "Designated Player" Rookie Scale Extension is an extension that provides for five new years (6 total years including the year remaining on the Rookie Scale Contract when the extension is signed).

**(b)** The extension must provide for the maximum salary, which for this purpose means that the extension must provide: (i) a first-year salary of at least 25% of the Salary Cap (can be higher if player meets criteria set forth in Section I.Q.4. below but it is not required to be higher); and (ii) full 7.5% annual increases for each season following the first season of the extended term.

**(c)** A team may not, at any point in time, in respect of any current or future Salary Cap Year, have Salary included in its Team Salary for more than one Designated Player that was signed by the team and more than one Designated Player that was acquired by the team by assignment.

## **K. Veteran Extensions**

Extensions are amendments that add seasons to the existing term of the contract.

**(1)** An extension may provide for a salary in the first season of the extension of up to 107.5% of the salary in the last year of the original contract. Salary may increase or decrease in subsequent seasons by up to 7.5% of the salary in the first year of the extended term.

**(2)** Contracts covering three or fewer seasons cannot be extended. Contracts covering a term of four or more years may be extended beginning on the third anniversary of the signing of the contract.

### Example of renegotiation and extension:

Team under the Salary Cap by \$2.0 million seeks to renegotiate and extend its player. Player has three years left on his original six-year contract:

Year 4 — \$6.0 million

Year 5 — \$6.5 million

Year 6 — \$7.0 million

Maximum permissible renegotiation of existing term of contract:

Year 4 — \$8.0 million (\$6.0 million + \$2.0 million)

Year 5 — \$8.65 million (\$6.5 million + \$2.0 million + \$150,000 (7.5% of \$2.0 million))

Year 6 — \$9.30 million (\$7.0 million + \$2.15 million + \$150,000 (7.5% of \$2.0 million))

Maximum permissible increase in extended term (assuming a two-year veteran extension):

Extension Year 1 — \$9.998 million (107.5% of \$9.30 million)

Extension Year 2 — \$10.748 million (increase is \$9.998 million x 7.5%)

## **L. Team Salary Rules**

(1) A team's Team Salary is the amount that is measured against the Salary Cap to determine if a team is under or over the Cap and by how much.

(2) The principal components of Team Salary are the salary amounts owed to players under contract and to players who have been waived but are still being paid guaranteed money by the team. Free agents are also included in Team Salary, at a multiple of the player's prior salary. The specific multiple depends on several factors, including the player's "Bird" status, whether he is a first round draft pick who just finished his Rookie Scale Contract, and the amount he was paid under his previous contract. For example, a Bird free agent (other than a first round pick finishing his Rookie Scale Contract) is included at 150% of his prior salary if it was equal to or greater than the average player salary, or at 190% of his prior salary if it was less than the average player salary. A team may remove a free agent's "multiple" from its Team Salary by "renouncing" him. At that point, the team may no longer sign the player using the Bird-related Exceptions; it may only use its Room under the Cap or another Exception, if available.

(3) From the day after the Moratorium Period ends until the first day of the next season, a team can enter into "Summer Contracts" that will not be included in Team Salary. Summer Contracts are the same as ordinary contracts, except that they cannot provide for compensation of any kind, including any bonus or advance, that is to be paid prior to the start of the next season, or salary guarantees of any kind. Before the first day of a regular season, a team that has entered into a Summer Contract must terminate it unless it has Room to keep it. All Summer Contracts that are not terminated will subsequently be counted in Team Salary.

## M. Certain Player Salary Rules

The following are some of the principal rules relating to the calculation of a player's salary for Cap purposes:

**(1) *Right of Set-Off.*** When a team terminates a player contract with remaining guaranteed salary, the team's liability for such compensation shall be reduced by a portion of the compensation earned by the player from any other professional basketball team or teams during each season covered by the first contract. The reduction in the first team's liability is calculated for each season as follows:

**(a)** Calculate the total compensation earned by the player from the subsequent team(s) during the Salary Cap Year.

**(b)** Subtract from the result in Step a (i) if the player had zero years of service at the time the first contract was terminated, the Minimum Salary applicable to such player for the season in which the first contract was terminated, or (ii) if the player had one or more years of service at the time the first contract was terminated, the minimum salary applicable to a player with one year of service for the season in which the first contract was terminated.

**(c)** If the result in Step b is a negative amount, there is no reduction in the first team's liability. If the result in Step b is a positive amount, the reduction in the first team's liability for the relevant season shall equal 50% of such amount.

### Example:

Assume Player A is a second-year player and is waived by Team Z during the 2012-13 season with two guaranteed years remaining on his contract and then signs a contract with Team Y after clearing waivers. Assume also that Player A was owed from Team Z \$10 million for the first of the remaining years and \$11 million for the second and signed a two-year deal with Team Y for \$3 million for year one and \$3.135 million for year two. The setoff for each year would be calculated as below:

Set-off = (New Salary – Applicable Minimum Salary) x 50%

Year One – (\$3 million - \$762,195) x 50% = \$1,118,902.50

Year Two – (\$3.135 million - \$762,195) x 50% = \$1,186,402.50

**(2) *Over 36 Rules.*** In certain cases involving contracts of four years or more, salary payable for seasons beginning after the player turns 36 is treated as deferred compensation in the seasons before the player turns 36 (and is therefore counted against the Cap in those seasons).

**(3) *Signing Bonuses.*** Signing bonuses are allocated over the number of seasons covered by the contract in proportion to the percentage of compensation in each season that is protected for lack of skill. If a contract allows the player to opt-out at any point, the signing bonus will be allocated only over the years prior to the season(s) covered by the opt-out. A signing bonus may not exceed 15% of the total amount of the contract – or 10% in the case of an offer sheet (including the signing bonus but excluding incentive compensation). Minimum salary contracts may not contain signing bonuses.

#### **(4) Performance Bonuses.**

(a) In order for a contract to be approved, a team must have Room for every bonus that the player may earn in the first year of the contract.

(b) After a contract is approved, the amount of the bonus will be included in the Team Salary if the bonus would have been earned based on the prior season's performance, or if the bonus is otherwise determined by an independent expert to be "very likely to be earned."

(c) No contract may contain "Unlikely Bonuses" in any season (that is, bonuses that would not have been earned based on the player's or team's performance in the season prior to the first season covered by the contract) that exceed 15% of the player's base salary for the season.

(5) **Loans.** A loan must bear interest at a minimum of prime rate plus 1% (but no less than 7% or greater than 9%) or interest will be imputed and included in the player's salary.

#### **N. One-Year Minimum Contracts**

Teams will be reimbursed from a league-wide fund for a portion of salaries paid to players with three or more years of service who sign one-year minimum contracts. The reimbursement amount equals the amount by which the player's minimum salary exceeds the minimum salary that a player with two years of service would be paid (\$854,389 for 2012-13). Only the amounts that are not reimbursed are included in the player's salary for Cap purposes.

#### **O. July Moratorium**

Each season, the NBA has a Moratorium Period in which teams may hold negotiations but cannot sign contracts. Limited exceptions to this rule apply to Rookie Scale Contracts with first round draft picks, minimum contracts of one or two seasons (with draft picks and free agents) and acceptance of Qualifying Offers by Restricted Free Agents. The Moratorium Period for the remainder of the term of the CBA will be as follows:

2013-14	July 1, 2013 through July 9, 2013
2014-15	July 1, 2014 through July 9, 2014
2015-16	July 1, 2015 through July 8, 2015
2016-17	July 1, 2016 through July 11, 2016
2017-18	July 1, 2017 through July 11, 2017
2018-19	July 1, 2018 through July 10, 2018
2019-20	July 1, 2019 through July 9, 2019
2020-21	July 1, 2020 through July 8, 2020

#### **P. Minimum Player Salary**

All contracts must provide the player with at least the minimum salary that corresponds to the player's years of service in the NBA (prorated as appropriate for a 10-day or rest-of-season contract). (See Exhibit B for the Minimum Annual Salary Scale.)



## **Q. Maximum Player Salary**

The CBA places maximum limits on the salary players can earn in any one season. The limits are based on a player's years of service, and apply to the first season covered by any contract, renegotiation, or extension. (Subsequent seasons of the contract are governed by the 7.5% and 4.5% annual salary increases/decreases rules.)

Generally, the limits are as follows:

**(1)** For any player who has completed fewer than seven (7) years of service, the greater of (x) 25% of the Salary Cap\* in effect in the first season of the contract, renegotiation, or extension, (y) 105% of the player's salary for the prior season.

**(2)** For any player who has completed at least seven but fewer than 10 years of service, the greater of (x) 30% of the Salary Cap\* in effect in the first season of the contract, renegotiation, or extension, or (y) 105% of the player's salary for the prior season.

**(3)** For any player who has completed 10 or more years of service, the greater of (x) 35% of the Salary Cap\* in effect in the first season of the contract, renegotiation, or extension, or (y) 105% of the player's salary for the prior season.

**(4)** A rookie scale player who has four years of service at the end of his Rookie Scale Contract, or a second-round pick or undrafted player who has four years of service as of the June 30 following the end of the last season of his contract, who meets any one of the "30% Max Criteria" (as set forth below) and re-signs with his current team (either a Rookie Scale Extension or as a free agent) may receive a starting salary of up to 30% of the Salary Cap.\*

**(a)** If it is not known at the time a Rookie Scale Extension is signed whether the player will ultimately (i.e., based on his performance in the 4th year of his Rookie Scale Contract) qualify for the 30% maximum, the Rookie Scale Extension may state that the player will receive more than 25% (i.e., a percentage of the Salary Cap up to 30%) if he qualifies for the 30% maximum or, alternatively, 25% if he does not qualify. The contract also may provide for different annual increase percentages based on whether the player ends up receiving the 25% maximum or a higher maximum; however, full 7.5% annual increases are required if the extension is a "Designated Player" Rookie Scale Extension (refer to Section I.J.3. above).

**(b)** The 30% Max Criteria are as follows: during the player's first four seasons, he was (i) named to the All-NBA first, second, or third team at least two times, (ii) voted an All-Star starter at least two times, or (iii) named NBA MVP at least once.

**(c)** Any player who receives a starting salary of greater than 25% of the Salary Cap pursuant to the 30% Max Criteria rules must sign for a minimum of 4 years excluding any option year (4 new years in the case of a Rookie Scale Extension).

\* In general, the maximum player salaries are based on a 42.14% of Basketball Related Income (BRI) Salary Cap (not on the 44.74% Salary Cap). For the 2012-13 season, the Salary Cap used for purposes of calculating maximum player salaries is \$54.675 million.

## **R. Rookie Salary Scale**

All rookie contracts signed with first round picks have a term of two guaranteed years with two separate one-year team options for seasons three and four. If the team wants to exercise the first team option, it must do so during the period from the day following the end of the player's first season through the immediately following October 31. If the team wants to exercise the second team option, it must do so during the period from the day following the end of the player's second season through the immediately following October 31. See Exhibit A for the Rookie Salary Scales through 2020-21.

## **S. Early Termination Options**

A five-year contract may contain an option allowing the player to terminate the contract before it expires. However, this type of option can be exercised no earlier than following the fourth season of the contract.

## **T. Automatic Stretch**

(1) For contracts signed on or after December 9, 2011, the salary of waived players will be "stretched" for cash purposes such that the player's remaining protected compensation would be paid over twice the number of remaining contract years plus one year. However, if a request for waivers is made on or after September 1, the player's salary for the current season will continue to be paid in accordance with the payment schedule set forth in his contract, and salary for future seasons will be stretched.

(2) Instead of the usual Salary Cap treatment, the waiving team may elect to have the waived player's salary follow the stretched cash allocation, except that a team may not stretch a waived player's salary for Salary Cap purposes if the portion of total team salary attributable to all of the team's waived players in any future season would exceed 15% of the Salary Cap in effect during the season in which the player is waived.

## **U. One Season, Non-Guaranteed Training Camp Contracts**

Player contracts may include a provision for players 15 through 20 on a team's roster that would eliminate a team's salary continuation obligation for training camp injuries after termination of the contract. This applies to one-year non-guaranteed contracts. An injured player would receive a flat \$6,000 termination fee (which would be excluded from Team Salary) instead of continued salary. A team must have at least 14 players under contract without such a contractual provision prior to signing a contract that includes such a provision.

## **II. ESCROW AND TAX ARRANGEMENT**

### **A. Escrow**

(1) The escrow level will be set at the players' agreed-upon share of Basketball Related Income ("BRI") for each year of the CBA. This percentage will be guaranteed to the players so that if total player costs are less than the agreed-upon share of BRI, the difference will be paid by the league to the players. The agreed-upon share of BRI equals (i) for the 2011-12 season, 51.15% of BRI, with no further adjustments; and (ii) for each subsequent season, 50% of BRI, except that (A) to the extent BRI exceeds or falls short of projections for a season, the agreed-upon share will be increased or decreased respectively (i.e., above or below 50% of projected BRI for the season) by 60.5% of incremental BRI in excess of or below projected BRI for the season, and (B) the players' resulting overall share of BRI for the season will be no less than 49% and no greater than 51%.

(2) The maximum amount that can be withheld from the players for purposes of escrow is 10% of salaries and benefits plus 1% of B R I . Specifically, if a 10% reduction via the escrow system is insufficient to reduce aggregate player salaries and benefits to the agreed-upon share of BRI, then the overage will further be reduced or eliminated through a reduction of the new benefits pool that is funded with 1% of BRI each season.

(3) Escrow proceeds for each season may be distributed to all teams in equal shares or used in such other manner (not payroll-based) as may be determined by the NBA (e.g., to fund a league program).

(4) The CBA includes a formula to adjust annual Salary Cap and Tax Levels to help reduce the likelihood that total player salaries and benefits for a season will exceed the agreed-upon share of BRI by more than the maximum escrow withholding; the formula also helps to reduce the likelihood that total player salaries and benefits will fall short of the agreed-upon share of BRI (thus triggering the guarantee).

### **B. Tax**

(1) A team tax trigger (the "Tax Level") is set each season before free agent signings begin at 53.51% of projected BRI. The tax in each season applies to any team with a payroll that exceeds the Tax Level. For the 2012-13 season, the Tax Level is \$70.307 million (the same as the 2011-12 Tax Level).

(2) The amount of tax paid by teams with Team Salary in excess of the Tax Level is calculated as follows:

- (a) For the 2012-13 season, any team with a Team Salary over the Tax Level would pay a \$1 tax for each \$1 by which it exceeds the Tax Level. Thus, for example, a team with a Team Salary of \$75.307 million at the conclusion of the 2012-13 regular season would pay a \$5 million tax (\$75.307 million less the 2012-13 Tax Level of \$70.307 million).

(b) Starting with the 2013-14 season, the tax rates for teams with Team Salary above the Tax Level will be as follows:

Incremental Team Salary Above Tax Level	Tax Rate for Increment
\$0 – 4.99M	\$1.50-for-\$1
\$5M – 9.99M	\$1.75-for-\$1
\$10M – 14.99M	\$2.50-for-\$1
\$15M – 19.99M	\$3.25-for-\$1

Tax rates increase by \$0.50 for each additional \$5 million increment above the Tax Level (e.g., for Team Salary \$20 million to \$24.99 million above the Tax Level, the tax rate is \$3.75-for-\$1 for that increment).

Tax rates for teams that are taxpayers in at least 4 out of any 5 seasons (starting in 2011-12) increase by \$1.00 at each increment (e.g., for Team Salary \$5 million to \$9.99 million above the Tax Level, the tax rate for a repeat taxpayer is \$2.75-for-\$1 instead of \$1.75-for-\$1).

(3) Up to 50% of Tax proceeds for each season may be distributed to teams based in whole or in part on whether such teams did not owe a tax for such season (e.g., the NBA could elect to distribute 50% of such amounts in equal shares to all non-taxpayers in such season). The balance of Tax proceeds for each season may be distributed to teams or used in such other manner (not payroll-based) as may be determined by the NBA (e.g., to fund a league program).

### **C. Amnesty**

(1) Each team will be permitted to waive one “amnesty” player prior to any one of the first five seasons of the CBA (only for contracts in place at the inception of the CBA) and have 100% of the player’s salary removed from Team Salary for Salary Cap and tax purposes. (Alternatively, a team that previously waived a player prior to the inception of the CBA whose guaranteed salary continues to be included in the team’s payroll for future seasons is permitted to designate that player’s salary for removal from its Team Salary for Salary Cap and tax purposes.)

(2) Salary of amnestied players is included for purposes of calculating the players’ agreed-upon share of BRI.

(3) A modified waiver process is utilized for players waived pursuant to the amnesty rule, under which teams with room under the Salary Cap can submit competing offers to assume some but not all of the player’s remaining salary. If a player’s contract is claimed in this manner, the remaining portion of the player’s salary will continue to be paid by the team that waived him.

(4) The waiving team will not be permitted to re-sign or re-acquire the waived player prior to the end of the term of his terminated contract.

(5) Teams cannot designate for amnesty treatment any player traded after the inception of the CBA or any player whose contract has been extended, renegotiated or otherwise amended after July 1, 2011.

### **III. FREE AGENCY**

#### **A. Definition of Free Agent Status**

(1) **First Round Picks.** A first round pick will be a Restricted Free Agent (that is, will be subject to a right of first refusal in favor of his prior team) following the expiration of his Rookie Scale Contract if the team exercises its third and fourth year option and makes a Qualifying Offer to the player.

(2) **Other Players.** Any other player (other than a first round pick whose third or fourth year option was not exercised) will be a Restricted Free Agent at the conclusion of any player contract that expires after any of the first three seasons that the player is in the NBA, provided that the team makes a Qualifying Offer to the player.

#### **B. Qualifying Offers**

(1) For first round picks, a Qualifying Offer is an offer of a one year contract that provides for a salary equal to the player's fourth year salary, increased by the percentage called for in the player's applicable Rookie Salary Scale. For all other Restricted Free Agents, the contract must provide for a salary equal to the greater of (a) 125% of the player's prior year's salary, or (b) the minimum annual salary applicable to the player (for the season covered by the Qualifying Offer) plus \$200,000.

(2) Notwithstanding the above rules, any first round pick selected 10-30 in the Draft who meets one of the "starter criteria" during his fourth season or averages one of the starter criteria over his third and fourth seasons will receive the same Qualifying Offer amount as the player who was the 9th pick in the Draft (for purposes of such Qualifying Offer amount, the fourth year salary of the ninth player shall be deemed to equal 120% of the rookie scale amount applicable to the ninth player). Any second round pick or undrafted player with two or three years of service who meets one of the starter criteria during his prior season or averages one of the starter criteria over his prior two seasons will receive the same Qualifying Offer amount as the player who was the 21st pick in the Draft (for purposes of such Qualifying Offer amount, the fourth year salary of the twenty-first player shall be deemed to equal 100% of the rookie scale amount applicable to the twenty-first player). Any first round pick selected in the first 14 picks in the Draft who fails to meet the starter criteria will receive the lesser of (x) the player's fourth year salary increased by the percentage called for in the player's applicable Rookie Salary Scale, or (y) same Qualifying Offer amount as the 15th pick in the Draft (for purposes of such Qualifying Offer amount, the fourth year salary of the fifteenth player shall be deemed to equal 120% of the rookie scale amount applicable to the fifteenth player). The "starter criteria" for a season are: (i) starting 41 Regular Season games, and (ii) 2,000 or more minutes of playing time in a Regular Season.

(3) All Qualifying Offers must (a) be fully guaranteed for lack of skill and injury and illness with no other types of protection (e.g., death or mental disability) and (b) provide for the player's salary to be paid in accordance with paragraph 3 of the player's contract.

## C. Right of First Refusal Rules

**(1) Offer Sheets.** If a Restricted Free Agent receives an offer from a new team that he wants to accept, the player and the new team must provide the terms of the proposed deal to the player's prior team in the form of an Offer Sheet.

**(a)** Offer Sheets for players with one or two years of service must comply with the following:

i. The first year salary may not exceed the amount of the Non-Taxpayer Mid-Level Salary Exception for that year and the second year salary may not increase or decrease by more than 4.5%.

ii. If the Offer Sheet provides for salary in the first year equal to the amount of the Non-Taxpayer Mid-Level Salary Exception with a 4.5% increase for the second year, then the Offer Sheet may provide for salary in the third year up to the amount that the player would have been eligible to receive in that year had his salary in the first year been for any amount up to the "maximum" salary allowable for that player (e.g., first year at the player's maximum allowable salary with annual increases of 4.5% of the first-year salary). The player's salary for the fourth year may increase or decrease by no more than 4.1% of the third-year salary.

In order to determine whether a team has room to extend such an Offer Sheet, the first year salary will be deemed to equal the average of the aggregate salaries for each year covered by the Offer Sheet.

iii. If the player's prior team does not exercise its Right of First Refusal, the averaged salary amount will be included in the new team's Team Salary for each year of the contract. However, if the player's prior team does exercise its Right of First Refusal, the amount included in Team Salary for each year shall be the salary set forth in the contract.

**(b)** Offer Sheets must be for a minimum of two seasons (not including any option year), except that if a player's prior team tenders him both a standard one-year Qualifying Offer and an alternative offer of a "maximum" salary, five-year contract, then the Offer Sheet must be for a minimum of three seasons (not including any option year).

**(2) Matching.** The player's prior team has three days from when it receives the Offer Sheet to "match" the Offer Sheet by agreeing to its terms. If the prior team does not match within three days, its Right of First Refusal expires and the player's agreement with the new team becomes binding.

## **IV. ANTI-DRUG AGREEMENT**

### **A. Prohibited Substances**

The following substances are Prohibited Substances under the Program: amphetamine and its analogs, benzodiazepines, cocaine, GHB, ketamine, LSD, opiates, and PCP (collectively, "Drugs of Abuse"); marijuana and synthetic cannabinoids; steroids, performance-enhancing drugs and masking agents (collectively, "SPEDs"); and diuretics. Any performance-enhancing substance that is subsequently declared illegal will be automatically added to the Program. In addition, other substances can be added to the Program by the Prohibited Substances Committee (see Paragraph B below).

### **B. The Administration of the Program**

The NBA and NBPA have jointly selected a Medical Director to manage and oversee the Program, select and supervise Program counselors and other Program personnel, and evaluate and treat the NBA players in the Program. The NBA and NBPA have also selected an Independent Expert to issue authorizations for Reasonable Cause Testing under the Program.

The NBA and NBPA have also created a Prohibited Substances Committee, comprised of one representative from both the NBA and NBPA, and three experts in the field of drug abuse jointly selected by the parties. Upon application by the NBA or NBPA, the Prohibited Substances Committee may determine to add a substance to the list of Prohibited Substances if such substance is or is reasonably likely to be physically harmful to players and is or is reasonably likely to be improperly performance-enhancing.

### **C. Confidentiality**

The NBA, NBA teams, and the NBPA are prohibited from publicly disclosing information regarding the testing or treatment of any NBA player in the Program, except as required by the suspension or dismissal of a player in the Program.

### **D. Coming Forward Voluntarily**

A player may come forward voluntarily regarding his use of a Prohibited Substance and seek treatment in the Program. There is no penalty to a player coming forward voluntarily the first time.

A player may not come forward voluntarily until he has been selected in an NBA Draft or invited to an NBA training camp. He also may not come forward voluntarily: (a) during a period in which he is subject to reasonable cause testing under the Program; (b) during a period in which he is subject to in-patient or aftercare treatment in the Program; or (c) if he has already reached Stage 2 of the Drugs of Abuse Program.

In order to come forward voluntarily, a player must directly communicate his desire to enter the Anti-Drug Program and seek treatment for a problem involving the use of a Prohibited Substance, and he must communicate this to the Medical Director of the Anti-Drug Program or a designated representative of the NBA League Office or the Executive Office of the Players Association. A player is not permitted to come forward voluntarily to a representative of a team. Therefore, any player who tells an owner or other team employee that he is having a drug problem has not come forward voluntarily within the meaning of the Anti-Drug Program and remains subject to all Program penalties.

Upon voluntary entry into the Anti-Drug Program, the player will be evaluated by the Medical Director and a treatment program (usually including counseling and testing) will be designed specifically for that player. If the player fails to comply with his in-patient treatment or with his aftercare, as prescribed by the Program's counselors, he is subject to substantial fines and suspensions.

## **E. Testing**

**(1) *Laboratories and Testing.*** All drug tests will be analyzed by certified laboratories selected by the NBA and NBPA and approved by the Medical Director.

A player will test "positive" for a Prohibited Substance at the concentration levels set forth in the 2011 CBA, if the player fails or refuses to submit to a drug test, or if the player attempts to substitute, dilute or adulterate his urine sample. A player notified of a positive result has five business days to request a re-test from the NBA and NBPA. The re-test will be performed at a laboratory different from the laboratory used for the first test.

**(2) *Random Testing.*** All players are subject to four random tests each season (from October 1 to June 30). All players are also subject to two random tests each off-season (from July 1 to September 30). All such tests are scheduled and conducted by an independent, third-party entity and are without prior notice to the player. The NBA and the NBPA are not involved in the scheduling of any tests or the selection of players for testing.

**(3) *Reasonable Cause Testing.*** If the NBA or NBPA receives information that provides reasonable cause of a player's use, possession or distribution of a Prohibited Substance, the NBA or NBPA may request a hearing with the other party and the Independent Expert within 24 hours of the receipt of that information. At that hearing, the Independent Expert will decide whether reasonable cause exists, and if it does exist, will issue an authorization for testing. After an authorization for testing is issued, the NBA will arrange for testing of the player four times during the next six weeks.

**(4) *Adjudication without Testing.*** If the NBA or NBPA believe that there is sufficient evidence of a player's use, possession or distribution of a Prohibited Substance, or of his treatment outside the Program for the use of a Prohibited Substance, the matter may be taken directly to the Grievance Arbitrator. If the Grievance Arbitrator determines that the player has used or possessed a Drug of Abuse, or has distributed any Prohibited Substance, he will be dismissed and disqualified from the NBA



## F. Discipline

(1) **Drugs of Abuse.** If a player tests positive for a Drug of Abuse during Random Testing or Reasonable Cause Testing, he will be dismissed and disqualified from the NBA. A player will also be dismissed and disqualified from the NBA if he is convicted of, or pleads guilty, no contest or nolo contendere to, a crime involving the use, possession or distribution of a Drug of Abuse.

(2) **SPEDs.** If a player tests positive the first time for SPEDs during Random Testing or Reasonable Cause Testing, the player will be suspended for twenty games and will be required to enter the SPEDs Program. A second positive test for SPEDs will result in a 45-game suspension and the player's re-entry into the SPEDs Program. A third positive test for SPEDs will result in the player being dismissed and disqualified from the NBA. A player will also be dismissed and disqualified from the NBA if he is convicted of, or pleads guilty, no contest or nolo contendere to, a crime involving the use, possession or distribution of a SPED.

(3) **Marijuana.** If a player tests positive for marijuana during Random Testing or Reasonable Cause Testing, or he is convicted of, or pleads guilty, nolo contendere or no contest to, the use or possession of marijuana in violation of the law, he will be required to enter the Marijuana Program. A second violation involving marijuana will result in a \$25,000 fine and the player's re-entry into the Marijuana Program. A third violation involving marijuana will result in a five-game suspension and the player's re-entry into the Marijuana Program. A fourth (or any subsequent) violation involving marijuana will result in a suspension that is five games longer than the player's immediately-preceding suspension.

A player will be dismissed and disqualified from the NBA if he is convicted of, or pleads guilty, no contest or nolo contendere to, a crime involving the felony distribution of marijuana.

(4) **Diuretics.** If a player tests positive for a diuretic during Random Testing, he will be subject to the penalties for a positive test result for SPEDs. If a player tests positive for a diuretic during Reasonable Cause Testing, he will be subject to the penalties for a positive test result for the Prohibited Substance for which the authorization for Reasonable Cause Testing was issued.

## G. Treatment

Any player that enters the Program must comply with the in-patient and/or aftercare ordered by the Medical Director, including, but not limited to, random testing on a frequent basis for Prohibited Substances and alcohol.

A player's failure to comply with his in-patient or aftercare treatment while in the Program will result in substantial fines and suspensions, which will be imposed until that player fully complies with the requirements of the Program. If the player is in the Drugs of Abuse Program, his failure to comply with the Program's requirements can also lead to the termination of his player contract or his dismissal and disqualification from the NBA.

During Stage 2 of the Drugs of Abuse Program, a player will automatically be suspended during his period of in-patient treatment and for at least six months of his aftercare. Any later use, possession or distribution of

a Drug of Abuse by a Stage 2 player (even if voluntarily disclosed) will result in his dismissal and disqualification from the NBA.

If a player seeks treatment outside the Program, he may be required to be tested without notice. If the player tests positive for a Drug of Abuse during this testing, or does not voluntarily come forward for testing within 60 days of the NBA's request, the player will advance two stages in the Drugs of Abuse Program. If he was previously in the Drugs of Abuse Program, he will be dismissed and disqualified from the NBA.

#### **H. Reinstatement**

Any First-Year Player who is dismissed and disqualified from the NBA pursuant to Random Testing will be disqualified for a period of not less than one year. Any other player who is dismissed and disqualified from the NBA under the terms of the Program will be disqualified for a period of not less than two years. There is no right to reinstatement, and reinstatement will only be granted with the approval of both the NBA and the Players Association. The approval of the NBA and the Players Association is in their absolute and sole discretion, and such approval may be conditioned on random testing and other terms. Any player who has already been reinstated once will be ineligible for reinstatement if he is dismissed and disqualified from the NBA pursuant to the Program for a second time.

### **V. NBA DEVELOPMENT LEAGUE**

(1) Beginning with the 2012-13 season, an NBA player may be assigned by his NBA team to the NBA Development League if he is in his first, second, or third season in the league. An NBA player who does not meet the foregoing years of service requirements may also be assigned by his NBA team to its NBA Development League affiliate with the consent of the player and NBPA.

(2) Beginning with the 2012-13 season, there is no limit on the number of times a player may be assigned to the NBA Development League.

(3) A player assigned to the NBA Development League will continue to be paid his NBA salary and will continue to be included on his NBA team's roster (on the inactive list) while playing in the NBA Development League.

### **VI. MISCELLANEOUS**

#### **A. NBA Draft**

(1) The Draft consists of two rounds.

(2) The age limit for entering the Draft is 19 years of age. U.S. players must also be at least one year removed from high school. A player will meet the 19-year old requirement so long as he turns 19 during the calendar year of the Draft.

## **B. Rosters**

(1) Each team is required to carry 12 or 13 players on its active list. A team with 12 players on its active list may carry between one and three players on its inactive list. A team with 13 players on its active list may carry between zero and two players on its inactive list. Players sent to the NBA Development League will continue to count on a team's inactive list.

(2) The league guarantees that, on a league-wide basis, teams will maintain an average roster size of 14 players over the course of the season.

## **C. Training Camp**

On the first reporting day, teams can require players to report by 11 a.m. (local time). Rookies may be required to report up to 10 days prior to the date veterans are required to report.

## **D. Waiver Period**

The time period for a player to clear waivers is 48 hours.

## **E. Per Diem**

For the 2012-13 season, the player per diem will be \$122, which reflects a cost of living adjustment from the prior season.

## **F. All-Star Game Player Payments**

(1) Player payments for the All-Star Game for the 2012-13 season will be \$50,000 (winners) and \$25,000 (losers).

(2) Player payments for the Rookie-Sophomore Game for the 2012-13 season will be \$25,000 (winners) and \$10,000 (losers).

(3) Player Payments for an All-Star Skills Competition are listed below:

### Slam Dunk

1st Place	\$100,000
2nd Place	\$50,000
3rd Place	\$20,000
4th Place	\$20,000
5th Place	\$10,000
6th Place	\$10,000

### Three-Point Shootout

1st Place	\$50,000
2nd Place	\$35,000
3rd Place	\$25,000
4th Place	\$10,000

### Skills

1st Place	\$50,000
2nd Place	\$35,000
3rd Place	\$15,000
4th Place	\$15,000

### Shooting Stars

Winning Team	\$60,000
2nd Place Team	\$45,000
3rd Place Team	\$24,000
4th Place Team	\$24,000

## **G. Conduct and Discipline**

(1) Missed Practices: \$2,500 for the first offense; \$5,000 for the second offense; \$7,500 for the third offense; for the fourth or any subsequent offense, reasonable discipline (including suspension). However, any time a player intentionally misses a practice without a reasonable excuse, he will be subject to such discipline as is reasonable under the circumstances.

(2) Missed Exhibition, Regular Season or Playoff Game: 1/110th of salary

(3) Missed Promotional Appearance: \$20,000

(4) A player's failure to report for a trade is "conduct detrimental to the NBA," which (in addition to any discipline imposed the team) will subject the player to fines and suspensions by the Commissioner.

(5) Suspensions by the Commissioner in excess of 12 games for on-court misconduct are subject to review by an independent arbitrator. For this purpose, "on-court" generally includes anything that occurs anywhere in the arena during, before or after a game.

(6) Players convicted of DUI/DWI will be subject to a mandatory evaluation by the Medical Director of the Anti-Drug Program.

## **H. Player Appearances**

Upon request, players are obligated to make at least 12 promotional appearances for their team or the NBA each year.

## **I. International Player Buyout Payments**

The limit on payments to international teams (for the purpose of securing the right to enter into a contract with a player) that will be excluded from Team Salary is \$550,000 for the 2012-13 season, increasing by \$25,000 each season thereafter.

## **J. Benefits**

A new benefits pool is funded with 1% of BRI for post-career annuity and welfare benefits. This 1% of BRI benefits pool is included in (and is not in addition to) the players' share of BRI.

## **K. Days Off**

Beginning with the 2012-13 season, teams will provide players with 16 days off during each Regular Season. A "day off" is defined to mean a day when a player is neither required nor permitted to engage in any team directed activity (including, e.g., promotional appearances). Days off can also include days "on the road." Players are permitted to voluntarily participate in individual basketball-related activities at team facilities or elsewhere during days off.

## **L. Disclosure Rules**

No financial terms of any player contract may be disclosed to the public by the NBA, NBPA, a team or its employees, the player or the player's employee, agent or representative.

**EXHIBIT A**  
**2011-12 NBA Rookie Scale**  
**(\$000's)**

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Salary</u>	4th Year Option; Percentage Increase Over 3rd Year Salary	Qualifying Offer: Percentage Increase Over 4th Year Salary
1	4,286.9	4,479.8	4,672.7	26.1%	30.0%
2	3,835.6	4,008.2	4,180.8	26.2%	30.5%
3	3,444.4	3,599.4	3,754.4	26.4%	31.2%
4	3,105.5	3,245.2	3,385.0	26.5%	31.9%
5	2,812.2	2,938.7	3,065.3	26.7%	32.6%
6	2,554.2	2,669.1	2,784.1	26.8%	33.4%
7	2,331.7	2,436.6	2,541.6	27.0%	34.1%
8	2,136.1	2,232.2	2,328.3	27.2%	34.8%
9	1,963.6	2,052.0	2,140.3	27.4%	35.5%
10	1,865.3	1,949.2	2,033.2	27.5%	36.2%
11	1,772.1	1,851.8	1,931.6	32.7%	36.9%
12	1,683.5	1,759.3	1,835.0	37.8%	37.6%
13	1,599.3	1,671.3	1,743.2	42.9%	38.3%
14	1,519.4	1,587.8	1,656.1	48.1%	39.1%
15	1,443.3	1,508.2	1,573.2	53.3%	39.8%
16	1,371.2	1,432.9	1,494.6	53.4%	40.5%
17	1,302.6	1,361.2	1,419.8	53.6%	41.2%
18	1,237.5	1,293.2	1,348.9	53.8%	41.9%
19	1,181.8	1,235.0	1,288.2	54.0%	42.6%
20	1,134.5	1,185.6	1,236.6	54.2%	43.3%
21	1,089.1	1,138.1	1,187.1	59.3%	44.1%
22	1,045.6	1,092.7	1,139.7	64.5%	44.8%
23	1,003.8	1,049.0	1,094.1	69.7%	45.5%
24	963.6	1,007.0	1,050.3	74.9%	46.2%
25	925.1	966.7	1,008.4	80.1%	46.9%
26	894.4	934.6	974.9	80.3%	47.6%
27	868.6	907.7	946.8	80.4%	48.3%
28	863.3	902.1	941.0	80.5%	49.0%
29	857.0	895.6	934.1	80.5%	50.0%
30	850.8	889.1	927.4	80.5%	50.0%

**2012-13 NBA Rookie Scale**  
**(\$000's)**

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Salary</u>	4th Year Option; Percentage Increase Over 3rd Year Salary	Qualifying Offer: Percentage Increase Over 4th Year Salary
1	4,286.9	4,479.8	4,672.7	26.1%	30.0%
2	3,835.6	4,008.2	4,180.8	26.2%	30.5%
3	3,444.4	3,599.4	3,754.4	26.4%	31.2%
4	3,105.5	3,245.2	3,385.0	26.5%	31.9%
5	2,812.2	2,938.7	3,065.3	26.7%	32.6%
6	2,554.2	2,669.1	2,784.1	26.8%	33.4%
7	2,331.7	2,436.6	2,541.6	27.0%	34.1%
8	2,136.1	2,232.2	2,328.3	27.2%	34.8%
9	1,963.6	2,052.0	2,140.3	27.4%	35.5%
10	1,865.3	1,949.2	2,033.2	27.5%	36.2%
11	1,772.1	1,851.8	1,931.6	32.7%	36.9%
12	1,683.5	1,759.3	1,835.0	37.8%	37.6%
13	1,599.3	1,671.3	1,743.2	42.9%	38.3%
14	1,519.4	1,587.8	1,656.1	48.1%	39.1%
15	1,443.3	1,508.2	1,573.2	53.3%	39.8%
16	1,371.2	1,432.9	1,494.6	53.4%	40.5%
17	1,302.6	1,361.2	1,419.8	53.6%	41.2%
18	1,237.5	1,293.2	1,348.9	53.8%	41.9%
19	1,181.8	1,235.0	1,288.2	54.0%	42.6%
20	1,134.5	1,185.6	1,236.6	54.2%	43.3%
21	1,089.1	1,138.1	1,187.1	59.3%	44.1%
22	1,045.6	1,092.7	1,139.7	64.5%	44.8%
23	1,003.8	1,049.0	1,094.1	69.7%	45.5%
24	963.6	1,007.0	1,050.3	74.9%	46.2%
25	925.1	966.7	1,008.4	80.1%	46.9%
26	894.4	934.6	974.9	80.3%	47.6%
27	868.6	907.7	946.8	80.4%	48.3%
28	863.3	902.1	941.0	80.5%	49.0%
29	857.0	895.6	934.1	80.5%	50.0%
30	850.8	889.1	927.4	80.5%	50.0%

## 2013-14 NBA Rookie Scale (\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Salary</u>	4th Year Option; Percentage Increase Over <u>3rd Year Salary</u>	Qualifying Offer: Percentage Increase Over <u>4th Year Salary</u>
1	4,436.9	4,636.6	4,836.3	26.1%	30.0%
2	3,969.8	4,148.5	4,327.1	26.2%	30.5%
3	3,565.0	3,725.4	3,885.8	26.4%	31.2%
4	3,214.2	3,358.8	3,503.5	26.5%	31.9%
5	2,910.6	3,041.6	3,172.6	26.7%	32.6%
6	2,643.6	2,762.6	2,881.5	26.8%	33.4%
7	2,413.3	2,521.9	2,630.5	27.0%	34.1%
8	2,210.9	2,310.4	2,409.8	27.2%	34.8%
9	2,032.3	2,123.8	2,215.2	27.4%	35.5%
10	1,930.6	2,017.5	2,104.3	27.5%	36.2%
11	1,834.1	1,916.7	1,999.2	32.7%	36.9%
12	1,742.4	1,820.8	1,899.2	37.8%	37.6%
13	1,655.3	1,729.8	1,804.3	42.9%	38.3%
14	1,572.6	1,643.3	1,714.1	48.1%	39.1%
15	1,493.8	1,561.0	1,628.3	53.3%	39.8%
16	1,419.2	1,483.1	1,546.9	53.4%	40.5%
17	1,348.2	1,408.9	1,469.5	53.6%	41.2%
18	1,280.8	1,338.4	1,396.1	53.8%	41.9%
19	1,223.2	1,278.2	1,333.2	54.0%	42.6%
20	1,174.2	1,227.0	1,279.9	54.2%	43.3%
21	1,127.2	1,177.9	1,228.7	59.3%	44.1%
22	1,082.2	1,130.9	1,179.6	64.5%	44.8%
23	1,038.9	1,085.7	1,132.4	69.7%	45.5%
24	997.3	1,042.2	1,087.1	74.9%	46.2%
25	957.5	1,000.6	1,043.7	80.1%	46.9%
26	925.7	967.4	1,009.0	80.3%	47.6%
27	899.0	939.5	979.9	80.4%	48.3%
28	893.5	933.7	973.9	80.5%	49.0%
29	887.0	926.9	966.8	80.5%	50.0%
30	880.6	920.2	959.8	80.5%	50.0%

## 2014-15 NBA Rookie Scale (\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Salary</u>	4th Year Option; Percentage Increase Over <u>3rd Year Salary</u>	Qualifying Offer: Percentage Increase Over <u>4th Year Salary</u>
1	4,592.2	4,798.9	5,005.5	26.1%	30.0%
2	4,108.8	4,293.7	4,478.6	26.2%	30.5%
3	3,689.7	3,855.8	4,021.8	26.4%	31.2%
4	3,326.7	3,476.4	3,626.1	26.5%	31.9%
5	3,012.5	3,148.1	3,283.6	26.7%	32.6%
6	2,736.1	2,859.2	2,982.4	26.8%	33.4%
7	2,497.8	2,610.2	2,722.6	27.0%	34.1%
8	2,288.2	2,391.2	2,494.2	27.2%	34.8%
9	2,103.5	2,198.1	2,292.8	27.4%	35.5%
10	1,998.2	2,088.1	2,178.0	27.5%	36.2%
11	1,898.3	1,983.7	2,069.2	32.7%	36.9%
12	1,803.4	1,884.6	1,965.7	37.8%	37.6%
13	1,713.2	1,790.3	1,867.4	42.9%	38.3%
14	1,627.6	1,700.9	1,774.1	48.1%	39.1%
15	1,546.1	1,615.7	1,685.2	53.3%	39.8%
16	1,468.9	1,535.0	1,601.1	53.4%	40.5%
17	1,395.4	1,458.2	1,521.0	53.6%	41.2%
18	1,325.6	1,385.3	1,444.9	53.8%	41.9%
19	1,266.0	1,322.9	1,379.9	54.0%	42.6%
20	1,215.3	1,270.0	1,324.7	54.2%	43.3%
21	1,166.7	1,219.2	1,271.7	59.3%	44.1%
22	1,120.1	1,170.5	1,220.9	64.5%	44.8%
23	1,075.3	1,123.7	1,172.1	69.7%	45.5%
24	1,032.2	1,078.7	1,125.1	74.9%	46.2%
25	991.0	1,035.6	1,080.2	80.1%	46.9%
26	958.1	1,001.2	1,044.3	80.3%	47.6%
27	930.5	972.3	1,014.2	80.4%	48.3%
28	924.8	966.4	1,008.0	80.5%	49.0%
29	918.0	959.4	1,000.7	80.5%	50.0%
30	911.4	952.4	993.4	80.5%	50.0%

## 2015-16 NBA Rookie Scale (\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Salary</u>	4th Year Option; Percentage Increase Over 3rd Year <u>Salary</u>	Qualifying Offer: Percentage Increase Over 4th Year Salary
1	4,753.0	4,966.8	5,180.7	26.1%	30.0%
2	4,252.6	4,444.0	4,635.3	26.2%	30.5%
3	3,818.9	3,990.7	4,162.6	26.4%	31.2%
4	3,443.1	3,598.1	3,753.0	26.5%	31.9%
5	3,117.9	3,258.2	3,398.6	26.7%	32.6%
6	2,831.9	2,959.3	3,086.8	26.8%	33.4%
7	2,585.2	2,701.5	2,817.9	27.0%	34.1%
8	2,368.3	2,474.9	2,581.5	27.2%	34.8%
9	2,177.1	2,275.0	2,373.0	27.4%	35.5%
10	2,068.1	2,161.2	2,254.2	27.5%	36.2%
11	1,964.8	2,053.2	2,141.6	32.7%	36.9%
12	1,866.5	1,950.5	2,034.5	37.8%	37.6%
13	1,773.2	1,853.0	1,932.8	42.9%	38.3%
14	1,684.6	1,760.4	1,836.2	48.1%	39.1%
15	1,600.2	1,672.2	1,744.2	53.3%	39.8%
16	1,520.3	1,588.7	1,657.1	53.4%	40.5%
17	1,444.2	1,509.2	1,574.2	53.6%	41.2%
18	1,372.0	1,433.8	1,495.5	53.8%	41.9%
19	1,310.3	1,369.2	1,428.2	54.0%	42.6%
20	1,257.8	1,314.4	1,371.0	54.2%	43.3%
21	1,207.5	1,261.8	1,316.2	59.3%	44.1%
22	1,159.3	1,211.4	1,263.6	64.5%	44.8%
23	1,112.9	1,163.0	1,213.1	69.7%	45.5%
24	1,068.4	1,116.4	1,164.5	74.9%	46.2%
25	1,025.7	1,071.8	1,118.0	80.1%	46.9%
26	991.6	1,036.3	1,080.9	80.3%	47.6%
27	963.0	1,006.4	1,049.7	80.4%	48.3%
28	957.2	1,000.2	1,043.3	80.5%	49.0%
29	950.2	992.9	1,035.7	80.5%	50.0%
30	943.3	985.7	1,028.2	80.5%	50.0%

## 2016-17 NBA Rookie Scale (\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Salary</u>	4th Year Option; Percentage Increase Over 3rd Year <u>Salary</u>	Qualifying Offer: Percentage Increase Over 4th Year Salary
1	4,919.3	5,140.7	5,362.1	26.1%	30.0%
2	4,401.4	4,599.5	4,797.6	26.2%	30.5%
3	3,952.5	4,130.4	4,308.3	26.4%	31.2%
4	3,563.6	3,724.0	3,884.4	26.5%	31.9%
5	3,227.1	3,372.3	3,517.5	26.7%	32.6%
6	2,931.0	3,062.9	3,194.8	26.8%	33.4%
7	2,675.7	2,796.1	2,916.5	27.0%	34.1%
8	2,451.2	2,561.5	2,671.8	27.2%	34.8%
9	2,253.3	2,354.7	2,456.1	27.4%	35.5%
10	2,140.5	2,236.8	2,333.1	27.5%	36.2%
11	2,033.5	2,125.0	2,216.5	32.7%	36.9%
12	1,931.9	2,018.8	2,105.7	37.8%	37.6%
13	1,835.2	1,917.8	2,000.4	42.9%	38.3%
14	1,743.5	1,822.0	1,900.5	48.1%	39.1%
15	1,656.2	1,730.7	1,805.3	53.3%	39.8%
16	1,573.5	1,644.3	1,715.1	53.4%	40.5%
17	1,494.8	1,562.0	1,629.3	53.6%	41.2%
18	1,420.1	1,484.0	1,547.9	53.8%	41.9%
19	1,356.1	1,417.2	1,478.2	54.0%	42.6%
20	1,301.9	1,360.4	1,419.0	54.2%	43.3%
21	1,249.8	1,306.0	1,362.2	59.3%	44.1%
22	1,199.9	1,253.8	1,307.8	64.5%	44.8%
23	1,151.9	1,203.7	1,255.6	69.7%	45.5%
24	1,105.8	1,155.5	1,205.3	74.9%	46.2%
25	1,061.6	1,109.3	1,157.1	80.1%	46.9%
26	1,026.3	1,072.5	1,118.7	80.3%	47.6%
27	996.7	1,041.6	1,086.4	80.4%	48.3%
28	990.7	1,035.2	1,079.8	80.5%	49.0%
29	983.4	1,027.7	1,071.9	80.5%	50.0%
30	976.3	1,020.2	1,064.2	80.5%	50.0%

**2017-18 NBA Rookie Scale  
(\$000's)**

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Salary</u>	4th Year Option; Percentage Increase Over <u>3rd Year Salary</u>	Qualifying Offer: Percentage Increase Over <u>4th Year Salary</u>
1	5,091.5	5,320.6	5,549.7	26.1%	30.0%
2	4,555.5	4,760.5	4,965.5	26.2%	30.5%
3	4,090.9	4,275.0	4,459.0	26.4%	31.2%
4	3,688.4	3,854.3	4,020.3	26.5%	31.9%
5	3,340.0	3,490.3	3,640.6	26.7%	32.6%
6	3,033.6	3,170.1	3,306.6	26.8%	33.4%
7	2,769.3	2,893.9	3,018.6	27.0%	34.1%
8	2,537.0	2,651.2	2,765.3	27.2%	34.8%
9	2,332.1	2,437.1	2,542.0	27.4%	35.5%
10	2,215.4	2,315.1	2,414.8	27.5%	36.2%
11	2,104.7	2,199.4	2,294.1	32.7%	36.9%
12	1,999.5	2,089.4	2,179.4	37.8%	37.6%
13	1,899.5	1,984.9	2,070.4	42.9%	38.3%
14	1,804.6	1,885.8	1,967.0	48.1%	39.1%
15	1,714.2	1,791.3	1,868.5	53.3%	39.8%
16	1,628.6	1,701.8	1,775.1	53.4%	40.5%
17	1,547.1	1,616.7	1,686.3	53.6%	41.2%
18	1,469.8	1,535.9	1,602.0	53.8%	41.9%
19	1,403.6	1,466.8	1,529.9	54.0%	42.6%
20	1,347.4	1,408.1	1,468.7	54.2%	43.3%
21	1,293.5	1,351.7	1,409.9	59.3%	44.1%
22	1,241.8	1,297.7	1,353.6	64.5%	44.8%
23	1,192.2	1,245.8	1,299.5	69.7%	45.5%
24	1,144.5	1,196.0	1,247.5	74.9%	46.2%
25	1,098.7	1,148.2	1,197.6	80.1%	46.9%
26	1,062.3	1,110.1	1,157.9	80.3%	47.6%
27	1,031.6	1,078.0	1,124.5	80.4%	48.3%
28	1,025.3	1,071.5	1,117.6	80.5%	49.0%
29	1,017.8	1,063.7	1,109.5	80.5%	50.0%
30	1,010.5	1,056.0	1,101.4	80.5%	50.0%

**2018-19 NBA Rookie Scale  
(\$000's)**

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Salary</u>	4th Year Option; Percentage Increase Over <u>3rd Year Salary</u>	Qualifying Offer: Percentage Increase Over <u>4th Year Salary</u>
1	5,269.7	5,506.8	5,744.0	26.1%	30.0%
2	4,714.9	4,927.1	5,139.3	26.2%	30.5%
3	4,234.0	4,424.6	4,615.1	26.4%	31.2%
4	3,817.5	3,989.2	4,161.0	26.5%	31.9%
5	3,456.9	3,612.5	3,768.0	26.7%	32.6%
6	3,139.8	3,281.1	3,422.3	26.8%	33.4%
7	2,866.3	2,995.2	3,124.2	27.0%	34.1%
8	2,625.8	2,744.0	2,862.1	27.2%	34.8%
9	2,413.8	2,522.4	2,631.0	27.4%	35.5%
10	2,292.9	2,396.1	2,499.3	27.5%	36.2%
11	2,178.4	2,276.4	2,374.4	32.7%	36.9%
12	2,069.5	2,162.6	2,255.7	37.8%	37.6%
13	1,965.9	2,054.4	2,142.9	42.9%	38.3%
14	1,867.7	1,951.8	2,035.8	48.1%	39.1%
15	1,774.2	1,854.0	1,933.9	53.3%	39.8%
16	1,685.6	1,761.4	1,837.3	53.4%	40.5%
17	1,601.2	1,673.3	1,745.3	53.6%	41.2%
18	1,521.2	1,589.7	1,658.1	53.8%	41.9%
19	1,452.7	1,518.1	1,583.5	54.0%	42.6%
20	1,394.6	1,457.3	1,520.1	54.2%	43.3%
21	1,338.8	1,399.0	1,459.3	59.3%	44.1%
22	1,285.3	1,343.1	1,401.0	64.5%	44.8%
23	1,233.9	1,289.5	1,345.0	69.7%	45.5%
24	1,184.5	1,237.8	1,291.1	74.9%	46.2%
25	1,137.2	1,188.4	1,239.5	80.1%	46.9%
26	1,099.4	1,148.9	1,198.4	80.3%	47.6%
27	1,067.7	1,115.8	1,163.8	80.4%	48.3%
28	1,061.2	1,109.0	1,156.7	80.5%	49.0%
29	1,053.5	1,100.9	1,148.3	80.5%	50.0%
30	1,045.9	1,092.9	1,140.0	80.5%	50.0%



## 2019-20 NBA Rookie Scale (\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Salary</u>	4th Year Option; Percentage Increase Over 3rd Year Salary	Qualifying Offer: Percentage Increase Over 4th Year Salary
1	5,454.1	5,699.6	5,945.0	26.1%	30.0%
2	4,880.0	5,099.6	5,319.2	26.2%	30.5%
3	4,382.2	4,579.4	4,776.6	26.4%	31.2%
4	3,951.1	4,128.9	4,306.7	26.5%	31.9%
5	3,577.9	3,738.9	3,899.9	26.7%	32.6%
6	3,249.7	3,395.9	3,542.1	26.8%	33.4%
7	2,966.6	3,100.1	3,233.6	27.0%	34.1%
8	2,717.7	2,840.0	2,962.3	27.2%	34.8%
9	2,498.2	2,610.7	2,723.1	27.4%	35.5%
10	2,373.2	2,480.0	2,586.8	27.5%	36.2%
11	2,254.6	2,356.1	2,457.5	32.7%	36.9%
12	2,141.9	2,238.3	2,334.7	37.8%	37.6%
13	2,034.8	2,126.3	2,217.9	42.9%	38.3%
14	1,933.1	2,020.1	2,107.1	48.1%	39.1%
15	1,836.3	1,918.9	2,001.5	53.3%	39.8%
16	1,744.5	1,823.1	1,901.6	53.4%	40.5%
17	1,657.3	1,731.8	1,806.4	53.6%	41.2%
18	1,574.4	1,645.3	1,716.1	53.8%	41.9%
19	1,503.6	1,571.2	1,638.9	54.0%	42.6%
20	1,443.4	1,508.4	1,573.3	54.2%	43.3%
21	1,385.6	1,448.0	1,510.3	59.3%	44.1%
22	1,330.3	1,390.2	1,450.0	64.5%	44.8%
23	1,277.1	1,334.6	1,392.1	69.7%	45.5%
24	1,226.0	1,281.1	1,336.3	74.9%	46.2%
25	1,177.0	1,229.9	1,282.9	80.1%	46.9%
26	1,137.9	1,189.1	1,240.3	80.3%	47.6%
27	1,105.1	1,154.8	1,204.6	80.4%	48.3%
28	1,098.4	1,147.8	1,197.2	80.5%	49.0%
29	1,090.3	1,139.4	1,188.5	80.5%	50.0%
30	1,082.5	1,131.2	1,179.9	80.5%	50.0%

## 2020-21 NBA Rookie Scale (\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Salary</u>	4th Year Option; Percentage Increase Over 3rd Year Salary	Qualifying Offer: Percentage Increase Over 4th Year Salary
1	5,645.0	5,899.1	6,153.1	26.1%	30.0%
2	5,050.8	5,278.0	5,505.3	26.2%	30.5%
3	4,535.6	4,739.7	4,943.8	26.4%	31.2%
4	4,089.4	4,273.4	4,457.4	26.5%	31.9%
5	3,703.1	3,869.8	4,036.4	26.7%	32.6%
6	3,363.4	3,514.7	3,666.1	26.8%	33.4%
7	3,070.4	3,208.6	3,346.7	27.0%	34.1%
8	2,812.8	2,939.4	3,066.0	27.2%	34.8%
9	2,585.7	2,702.0	2,818.4	27.4%	35.5%
10	2,456.2	2,566.8	2,677.3	27.5%	36.2%
11	2,333.5	2,438.5	2,543.5	32.7%	36.9%
12	2,216.8	2,316.6	2,416.4	37.8%	37.6%
13	2,106.0	2,200.7	2,295.5	42.9%	38.3%
14	2,000.8	2,090.8	2,180.8	48.1%	39.1%
15	1,900.6	1,986.1	2,071.6	53.3%	39.8%
16	1,805.6	1,886.9	1,968.1	53.4%	40.5%
17	1,715.3	1,792.5	1,869.7	53.6%	41.2%
18	1,629.6	1,702.9	1,776.2	53.8%	41.9%
19	1,556.2	1,626.2	1,696.3	54.0%	42.6%
20	1,493.9	1,561.1	1,628.4	54.2%	43.3%
21	1,434.1	1,498.7	1,563.2	59.3%	44.1%
22	1,376.9	1,438.8	1,500.8	64.5%	44.8%
23	1,321.8	1,381.3	1,440.8	69.7%	45.5%
24	1,268.9	1,326.0	1,383.1	74.9%	46.2%
25	1,218.2	1,273.0	1,327.8	80.1%	46.9%
26	1,177.8	1,230.8	1,283.8	80.3%	47.6%
27	1,143.8	1,195.3	1,246.7	80.4%	48.3%
28	1,136.8	1,188.0	1,239.1	80.5%	49.0%
29	1,128.5	1,179.3	1,230.1	80.5%	50.0%
30	1,120.3	1,170.8	1,221.2	80.5%	50.0%

**EXHIBIT B**  
**Minimum Annual Salary Scale**

Years Service	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
0	473,604	473,604	490,180	507,336	525,093	543,471	562,493	582,180	602,557	623,646
1	762,195	762,195	788,872	816,482	845,059	874,636	905,249	936,932	969,725	1,003,665
2	854,389	854,389	884,293	915,243	947,276	980,431	1,014,746	1,050,262	1,087,021	1,125,067
3	885,120	885,120	916,099	948,163	981,348	1,015,696	1,051,245	1,088,038	1,126,120	1,165,534
4	915,852	915,852	947,907	981,084	1,015,421	1,050,961	1,087,745	1,125,816	1,165,220	1,206,002
5	992,680	992,680	1,027,424	1,063,384	1,100,602	1,139,123	1,178,992	1,220,257	1,262,966	1,307,170
6	1,069,509	1,069,509	1,106,942	1,145,685	1,185,784	1,227,286	1,270,241	1,314,700	1,360,714	1,408,339
7	1,146,337	1,146,337	1,186,459	1,227,985	1,270,964	1,315,448	1,361,489	1,409,141	1,458,461	1,509,507
8	1,223,166	1,223,166	1,265,977	1,310,286	1,356,146	1,403,611	1,452,738	1,503,583	1,556,209	1,610,676
9	1,229,255	1,229,255	1,272,279	1,316,809	1,362,897	1,410,598	1,459,969	1,511,068	1,563,956	1,618,694
10+	1,352,181	1,352,181	1,399,507	1,448,490	1,499,187	1,551,659	1,605,967	1,662,176	1,720,352	1,780,564

## NOTES