

The 2023 Collective Bargaining Agreement and Operations Manual is a complex set of rules.

To help in the process of learning, we have put together a cliff notes version, the CBA 101 Edition 4.

The CBA 101 is focused on using recent transactions and then applying them to how each rule works.

Enjoy!

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Exhibit 1

SAMPLE CONTRACT

Exhibit 1A

SAMPLE CONTRACT

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SAMPLE CONTRACT

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SAMPLE CONTRACT

THE EMBIID CONTRACT

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EXHIBIT 3

SAMPLE CONTRACT

EXHIBIT 4

SAMPLE CONTRACT

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EXHIBIT 10

SAMPLE CONTRACT

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133. What dates should we pay attention to during the season?

Disclaimer

Some of the information used in the FAQ is from the 2023 NBA Collective Bargaining Agreement, 2023 CBA Term Sheet and NBA Operations Manual.

1. What is the length of the CBA?

The 2023 CBA has a seven-year term covering the 2023-24 through 2029-30 Salary Cap Years; provided, however, that the NBA and Players Association will each have the option to terminate the agreement on June 30, 2029, by serving written notice of its exercise of such option on the other party on or before October 15, 2028.

2. How does Basketball Related Income work?

Basketball Related Income” (“BRI”) for a Salary Cap Year means the aggregate operating revenues (including the value of any property or services received in any barter transactions), received or to be received for or with respect to such Salary Cap Year by the NBA, NBA Properties, Inc., including any of its subsidiaries whether now in existence or created in the future (hereinafter, “Properties”), NBA Media Ventures LLC (“Media Ventures”), any other entity which is controlled, or in which at least fifty percent (50%) of the issued and outstanding ownership interests are owned, by the NBA, Properties, Media Ventures, and/or a group of NBA Teams.

BRI example: Gate receipts and broadcast rights

New in the 2023 CBA

Licensing

For the first time since the inception of the Salary Cap / Revenue Sharing system 40 years ago, team and league licensing revenue from deals where players are not already directly receiving payment as part of the transaction will be included in Basketball Related Income (BRI). This is expected to add approximately \$160M to BRI in 2023-24, growing annually.

BRI Improvements

Revenue sharing formula will be enhanced in multiple ways, including with respect to the treatment of complimentary tickets, team watch parties, barter expenses, plaza naming rights, and treatment of equity transactions. Under the negotiated formula for “Forecasted BRI,” players are again expected to receive 51% of BRI throughout the course of the agreement, resulting in a projected \$250 million collective increase in Salaries and Benefits in the 2023-24 Season. Depending on the success of our business, players are expected to earn between \$45-50 billion in Salaries and Benefits over the full 7-year term of the CBA.

Team Audits

The maximum number of NBPA team audits will increase from 10 per year to an average of 15 per year. A two-year “lookback” effectively allows for the NBPA to adjust each year for all 30 teams. The NBPA also continues to have the right to audit the NBA league office annually. These audits are in addition to the annual joint NBPA/NBA comprehensive audit of all 30 teams by PricewaterhouseCoopers.

3. What percentage of BRI are players guaranteed?

Note: The players’ share of Basketball Related Income (BRI) will remain within a band of 49%-51% (currently at 51%).

NBA players are guaranteed 50% of Basketball Related Income (BRI).

In the event that BRI for a Salary Cap Year exceeds Forecasted BRI for such Salary Cap Year, then the Designated Share for such Salary Cap Year shall equal fifty percent (50%) of Forecasted BRI for such Salary Cap Year, plus sixty and one-half percent (60.5%) of the difference between BRI for such Salary Cap Year and Forecasted BRI for such Salary Cap Year; and

If forecasted BRI for a Salary Cap Year exceeds BRI for such Salary Cap Year, then the Designated Share for such Salary Cap Year shall equal fifty percent (50%) of Forecasted BRI for such Salary Cap Year, less sixty and one-half percent (60.5%) of the difference between Forecasted BRI for such Salary Cap Year and BRI for such Salary Cap Year.

Designated Share” means, with respect to a Salary Cap Year, fifty percent (50%) of BRI for such Salary Cap Year, provided that the Designated Share for a Salary Cap Year shall be increased or decreased in accordance with the following:

Notwithstanding anything to the contrary in the foregoing, in no event shall the Designated Share for any Salary Cap Year be less than forty-nine percent (49%) of BRI for such Salary Cap Year or greater than fifty-one percent (51%) of BRI for such Salary Cap Year.

The players will continue to contribute 10% of their salary that will go into an escrow account.

The escrow payment acts as a safety net for the NBA if the players receive more than 51% of BRI.

If there was an overage in BRI, some portion in the escrow account will go back to the teams.

Below is an example from 2024-25 of the players receiving greater than 51% of BRI and percentage of escrow distributed to the 30 teams:

BRI and Player Costs. BRI and player costs for the 2025-26 Salary Cap Year was:

BRI	\$11.778 billion
Total Salaries	\$5.746 billion
Total Benefits	\$526 million
Total Salaries & Benefits (pre-reduction)	\$6.272 billion
Players' Designated Share of BRI	\$5.995 billion
as a percentage of BRI 51.0%	
Overage	\$317 million

If there is a shortfall (players didn't receive 51% of BRI), the players will receive the full amount of escrow and a shortfall distribution from the NBA.

Teams are entitled to recoup \$317 million (i.e., the amount by which Total Salaries and Benefits exceeded the players' Designated Share of BRI) via a 5.48% reduction to each player's contracted salary.

During the 2025-26 season, 10% of players' salaries were held in an escrow account. The total amount came to \$451 million. Because players received more than 51% of BRI, \$317 million was given back to teams. The \$134 million difference was given back to players.

4. What is escrow and why is it withheld from player salaries?

- Escrow is 10% withholding of player salary.
- A player earning \$10 million for 2025-26 would receive \$9 million throughout the season, with \$1 million withheld in escrow.
- The results of the BRI split will be announced on June 30 at the end of the year. At that point, the player would receive some, all, or none of that \$1 million in escrow.
- The BRI split is roughly 50/50 between the NBA and the players per season. If the players did not get a big enough share collectively, the NBA would send that amount to the NBPA to disburse to the players.

5. What is the maximum the salary can increase/decrease each year?

The Salary Cap and Tax Level will not be permitted to decrease in any Salary Cap Year and will not be permitted to increase by more than 10% in any Salary Cap Year.

The NBA issued a memo last June with salary cap projections for 2026-27:

- Salary cap: \$164,961,000
- Luxury tax: \$200,428,000
- First apron: \$209,015,000
- Second apron: \$221,686,000

The projections are based on a 6.7% increase from 2025-26

The NBA projects the salary cap to increase 6.5% in 2027-28

- Salary cap: \$176,000,000
- Luxury tax: \$213,000,000
- First apron: \$222,000,000
- Second apron: \$236,000,000

6. What are the different methods a team can use to build their roster?

<u>ACQUIRED</u>	<u>EXAMPLE</u>
Draft	Player selected in the first or second round
Draft/Trade	Draft Night Trade
Trade	200%+\$250K, \$9.1M, 125%+\$250K, 100% or with cap space+\$250K
Free Agent	Player that is free to sign with room or an exception
(a) Cap Exception	Own Team: Bird, Early Bird, Non-Bird, 1st round, 2nd round, Minimum
(b) Cap Exception	Non: Full ML, Tax ML, Room ML, Bi-annual, Minimum

Two-Way	A player with 3 years or less of service
Waiver Claim	Player that is claimed based on standings
Traded Player Exception	Credit that Teams have from a prior trade
Sign and Trade	Player signs with his original team and is traded (with consent)

7. What is the system amount in the 2026-27 salary cap?

- Salary Cap: \$164,961,000
- Min Team Salary: \$148,465,000
- Luxury Tax: \$200,428,000
- First Apron: \$209,015,000
- Second Apron: \$221,686,000
- Non-Tax MLE Taxpayer: \$15,044,000
- MLE: \$6,064,000
- Room Team MLE\$ \$9,366,000
- Biannual: \$5,477,000
- Early Bird Exception: \$15,235,500
- Est. Avg. Salary: \$15,163,000
- 0-6 YOS Max: \$41,240,250
- 7-9 YOS Max: \$49,488,300
- 10+ YOS Max: \$57,736,350
- 0 YOS Min: \$1,357,763
- 2 YOS Min: \$2,449,421
- 10+ YOS Min: \$3,876,529
- Two-Way: \$678,882
- Exhibit 10 Bonus \$91,000
- Cash in Trades: \$8,495,000
- International Amount: \$900,000

8. How does the salary cap work and can teams exceed it?

2026-27 Salary Cap

\$164,961,000

Yes, the Salary cap is considered a “soft cap” that teams can exceed by using different exceptions.

- The cap is set by taking 44.74% of BRI* subtract benefits and divide by 30 (teams).
- Basketball Related Income (BRI) is the income that impacts basketball operations.
- The income that has the most impact on BRI is the national TV contract., tickets, sponsorship etc.

9. What counts against the cap?

- Player salaries, including likely bonuses
 - Contracts with \$0 guaranteed money signed in the summer do not count
 - A second-round pick signed does not count until July 31
- Free agent and first-round holdsIncomplete roster charge for fewer than 12 players
- Cap hold for non-tax and biannual exception
- Any amount called for in a retired player’s Player Contract paid or to be paid to the player
- Salaries of a player waived (including stretched amount) or retired
- Players signed to an offer sheet
- 10-Day contracts
- Two-Way contracts do not count
- 2 years’ service amount for a player who signs a 1-year contract with 2+ years of service

Example: Detroit had \$136 million in team salary, \$30 million below the salary cap but were over because of the free agent hold of Jalen Durent.

Free agents count against the cap until they are renounced or sign with another team.

2026 offseason: Los Angeles Lakers

- Austin Reaves agreed to a four-year \$185 million contract.
- Until he signs a new contract, his \$20.9 million free agent hold will count
- Minimum salary adjustment is 0 YOS for every player fewer than 12 on the roster. For example, in this case, Los Angeles will be charged for 3 minimum salaries (0 YOS)
- For the Lakers to use their \$52 million in room, every FA except for Austin Reaves will need to be renounced
- The Lakers will have the \$9.4 million room midlevel exception after cap space is used

	PLAYER	2026-27
1	Luka Doncic	49,488,300
2	Jarred Vanderbilt	12,428,571
3	Deandre Ayton	8,104,000
4	Jake LaRavia	6,000,000
5	Dalton Knecht	4,201,080
6	Cameron Carr	3,336,240
7	Adou Thiero	2,150,917
8	Bronny James	2,296,271
9	Austin Reaves	20,906,361
	MIN PLAYER ADJUSTMENT	4,074,252
	Guaranteed Salary	88,005,379
	Dead Money	0
	Non-Guaranteed	0
	Free Agent Hold	20,906,361
	Tax Variance	0
	Total salaries: Cap	112,985,992
	Total: Salaries: Tax	88,005,379
	SALARY CAP	164,961,000
	TAX LEVEL	200,428,000
	Cap Room	51,975,008
	Tax Room	112,422,621
	Apron 1	209,015,000
	Apron 1 Salaries	88,005,379
	Below A1	121,009,621
	Apron 2	221,686,000
	Apron 2 Salaries	88,005,379
	Below A2	133,680,621

2026 Memphis Grizzlies

- The Grizzlies have \$148.6 million in salary
- They are over the salary cap however because of two large trade exceptions (\$28.9 and \$17 million)
- Trade exceptions and signing exceptions count against the cap

PLAYER	2026-27
1 Jerami Grant	34,206,897
2 Kentavious Caldwell-Pope	21,621,500
3 Isaiah Stewart	15,000,000
4 Cameron Boozer	11,849,760
5 Ty Jerome	9,220,050
6 Taylor Hendricks	7,805,900
7 Zach Edey	6,332,760
8 Cedric Coward	6,001,080
9 Kris Murray	5,315,004
10 Walter Clayton Jr.	4,190,520
11 Karim Lopez	3,746,760
12 AJ Johnson	3,237,120
13 GG Jackson	2,406,205
14 Cam Spencer	2,411,090
15 Scotty Pippen Jr.	2,461,462
16 Taj Gibson	3,815,861
17 Olivier-Max Prosper	2,497,812
18 Jaylen Wells	2,296,271
Mamadi Diakite	464,050
Cole Anthony	3,700,000
MIN PLAYER ADJUSTMENT	0
Guaranteed Salary	136,156,108
Dead Money	4,164,050
Non-Guaranteed	8,309,944
Free Agent Hold	0
Tax Variance	0
Total Salaries: Cap	148,630,102
Total: Salaries: Tax	148,630,102
SALARY CAP	164,961,000
TAX LEVEL	200,428,000
Cap Room	16,330,898
Tax Room	51,797,898
Apron 1	209,015,000
Apron 1 Salaries	149,130,102
Below A1	59,884,898
Apron 2	221,686,000
Apron 2 Salaries	149,130,102
Below A2	72,555,898

2026 offseason: Detroit Pistons

- The Pistons entered the offseason with \$136 million in salary, well below the \$165 million cap
- However, because of the Jalen Duren \$19.5 million free agent hold and their \$15 million non tax midlevel exception, Detroit is over the cap
- All exceptions continue to count against the cap until renounced

	PLAYER	2026-27	
1	Cade Cunningham	50,105,628	
2	Caris LeVert	14,809,200	
3	Ausar Thompson	11,117,925	
4	Isaiah Joe	11,323,006	
5	Ronald Holland II	9,069,600	
6	Marcus Sasser	5,198,983	
7	Ebuka Okorie	4,284,360	
8	Daniss Jenkins	4,000,000	
9	Chaz Lanier	2,150,917	
10	Duncan Robinson	15,992,957	\$2M GTY
11	Paul Reed	5,602,689	\$0 GTY
12	Tolu Smith	2,411,090	\$0 GTY
13	Jalen Duren	19,449,432	RFA Hold
	MIN PLAYER ADJUSTMENT	0	
	Guaranteed Salary	110,059,619	
	Dead Money	0	
	Non-Guaranteed	22,006,736	
	Free Agent Hold	19,449,432	
	Tax Variance	0	
	Total Salaries: Cap	151,515,787	
	Total: Salaries: Tax	132,066,355	
	SALARY CAP	164,961,000	
	TAX LEVEL	200,428,000	
	Cap Room	13,445,213	
	Tax Room	68,361,645	
	Apron 1	209,015,000	
	Apron 1 Salaries	133,066,355	
	Below A1	75,948,645	
	Apron 2	221,686,000	
	Apron 2 Salaries	133,066,355	
	Below A2	145,737,355	

10. How much has the salary cap grown since 2013-14?

<u>Year</u>	<u>Cap</u>	<u>Salaries</u>	<u>Avg. Salary</u>	<u>Teams Under the Cap</u>
13-14	\$58.7m	\$2.02b	\$5.2m	13
14-15	\$63m	\$2.08b	\$5.3m	14
15-16	\$70m	\$2.34b	\$5.8	17

<u>Year</u>	<u>Cap</u>	<u>Salaries</u>	<u>Avg. Salary</u>	<u>Teams Under the Cap</u>
16-17	\$94m	\$2.94b	\$7.5m	27
17-18	\$99m	\$3.35b	\$8.5m	15
18-19	\$102m	\$3.62b	\$9.2m	9
19-20	\$109m	\$3.78b	\$9.6m	14
20-21	\$109m	\$3.9b	\$9.7m	4
21-22	\$112m	\$4.1b	\$10.2m	5
22-23	\$123.7m	\$4.4b	\$10.8m	4
23-24	\$136m	\$4.9b	\$11.9m	8
24-25	\$140.6m	\$5.1b	\$12.6m	7
25-26	\$154.7m	\$5.6b	\$14.1m	3
26-27	\$164.9m	TBD	\$15.1m	3

11. What happens if a player suffers a long-term injury? Does a team get cap relief?

Any player who suffers a career-ending injury or illness, and whose Contract is terminated by the Team in accordance with the NBA waiver procedure, will be excluded from his Team's Team Salary as follows:

A Team may apply to the NBA to have the player's Salary for each remaining Salary Cap Year covered by the Contract excluded from Team Salary beginning on the first anniversary of the date of the last Regular Season, Play-In, or playoff game in which the player played; provided, however, that if the player played in fewer than ten (10) Regular Season, Play-In, and playoff games in the last Season in which he played, then the earliest date upon which a Team may apply to the NBA to have the player's Salary excluded from its Team Salary in accordance with this Section 4(h) shall be the later of (A) sixty (60) days following the date during such Season in which the player last played in a Regular Season, Play-In, or playoff game, and (B) the first anniversary of the date during a prior Season in which the player last played in a Regular Season, Play-In, or playoff game under such Contract.

A Team may not apply to have a player's Salary excluded from Team Salary prior to the first anniversary of the date of the first Regular Season game that the player is on the Team's roster under the Contract in question.

The determination of whether a player has suffered a career-ending injury or illness shall be made by a physician selected jointly by the NBA and the Players Association or, upon agreement of the NBA and the Players Association, a Fitness-to-Play Panel.

A player shall be deemed to have suffered a career-ending injury or illness if it is determined (i) by such a physician or Fitness-to-Play Panel that the player has an injury or illness that (x) prevents him from playing skilled professional basketball at an NBA level for the duration of his career, or (y) substantially impairs his ability to play skilled professional basketball at an NBA level and is of such severity that continuing to play professional basketball at an NBA level would subject the player to medically unacceptable risk of suffering a life-threatening or permanently disabling injury or illness, or (ii) by such Fitness-to-Play Panel that the player has an injury or illness that would create a materially elevated risk of death, paralysis, or other permanent spinal injury for the player.

- Recent example: As a result of the Brandon Clarke death, the NBA and NBPA agreed to remove his salary as of July 3, 2026. Paragraph 16 (a) (iv) of the CBA.

What happens if a player returns to play?

If after a player's Salary is excluded from Team Salary, the player plays in twenty-five (25) NBA Regular Season, Play-In, and playoff games in any Season for any Team, the excluded Salary for the Salary Cap Year covering such Season and each subsequent Salary Cap Year shall thereupon be included in Team Salary of the Team from which the Salary was previously excluded (and if the twenty-fifth (25th) game played is a Play-In or playoff game, then the excluded Salary shall be included in Team Salary retroactively as of the start of the Team's last Regular Season game); provided, however, that the foregoing sentence shall not apply in the event a player is determined to have suffered a career- ending injury or illness.

After a player's Salary for one (1) or more Salary Cap Years has been included in Team Salary, the Team shall be permitted to re-apply to have the player's Salary (for each Salary Cap Year remaining at the time of the re-application) excluded from Team Salary.

Can a team acquire an injured player and remove his salary?

Only the Team with which the player was under Contract at the time his career-ending injury or illness became known or reasonably should have become known shall be permitted to apply to have the player's Salary excluded from Team Salary. **(Ball cannot be traded to Team X and have his new team apply to have his salary removed)**

If a Team applies to have a player's Salary excluded from its Team Salary and such application is granted, the Team will be prohibited from re-signing or re-acquiring that player at any time.

12. Can a team get financial relief if they waive a player?

Yes. A team is allowed to use the stretch provision prior to August 29 if they elect to do so.

If a Team terminates a Player contract and the payment of the player's protected Compensation for one or more Seasons is stretched, then the waiving Team may elect to have the Player's Salary for the then-current and any remaining years stretched. If the salary is stretched, the waiving team cannot re-acquire the player until the end of the original term of the contract.

The calculation is as follows:

From a period of July until August 29 @ 5PM ET, a Team is allowed to aggregate and stretch the guaranteed salary over the number of salary cap years equal to twice the number of seasons plus one. **OPTION YEARS DO NOT COUNT WHEN CALCULATING NUMBER OF YEARS IN A STRETCH PROVISION.**

The Formula:

- Player A has one-year and \$10M left on his contract
- Team A elects to waive and stretch his contract prior to August 29 @ 5PM ET. (the deadline)

The Formula:

Years left on the contract x 2 + 1

The contract for Player A would be stretched over 3 seasons @ \$3,333,333 each year.

1 = 3

2 = 5

3 = 7

4 = 9

5 = 11

Recent example A

- Damian Lillard has two-years and \$112,583,016 left on his contract

- The Milwaukee elected to waive and stretch his remaining salary over the next 5 seasons (2 years remaining multiplied by 2 plus 1)

Recent example B

- Bradley Beal has two-years and \$110,794,880 left on his contract
- The Suns were not allowed to waive and stretch Beal without reducing his salary
- Beal elected to reduce the amount owed by \$13.9M
- Phoenix can elect to waive and stretch his contract prior to August 31 (the deadline)

The Formula:

Years left on the contract (2) multiplied by 2 + 1 = 5

The contract (\$96.9M) for Bradley Beal is stretched over 5 seasons @ \$19.4M each year.

Salary Cap ramifications

The maximum amount of salary stretched cannot exceed 15% of the salary cap- \$23,197,050

Phoenix has \$23.19M in total salary stretched (Nassir Little, EJ Liddell and Beal)

New in the 2023 CBA

Teams will be permitted to make a one-time election by August 31 of any year covered by the term of a terminated Contract to stretch a player's then- remaining future Salary over twice the number of Seasons remaining on the original term of the Contract plus one. (Note that this modification will not apply to Contracts terminated prior to the first day of the 2023-24 Salary Cap Year.)

How the rule works: Team elects to waiver Player A who has two years and \$40 million left on his contract. Under the prior CBA, the team had until August 29 to decide whether the salary owed is stretched over 5 seasons. Under the new CBA, the team can elect to keep the first-year salary of \$20 million counting against the cap and then stretch the last year over three seasons (ex: \$6.6 million).

The Uniform Player Contract (UPC) will be revised such that the \$250,000 minimum threshold to stretch a player's Salary will be (1) increased to \$500,000 for cash purposes for all Contracts or Extensions signed beginning on the first day of the 2023-24 Salary Cap Year, and (2) eliminated for Salary Cap purposes.

13. Do teams receive a reimbursement if a player is waived and signs with a different team?

A team has the right to reduce the amount owed to a player waived if he signs with a new team.

Below is an example:

- Player A is waived and has \$10M owed to him by Team A
- He signs a 1 year \$5M contract with his new team (Team B)
- Team A will now receive a set off

Here is the Formula:

The amount owed by Team B (the new team) minus Minimum 1 Year of Service* x 50%

- \$5M (new contract) minus \$2,185,116 x 50%
- **Set Off** = \$1,407,184

Team A (the former team) is now responsible in paying \$8,592,817 to Player A

*The set-off does not apply until after the regular season

** If the player has 0 years of service and is waived, the set-off formula is Minimum 0 Year of Service (not 1)

14. What happens when a player is stretched and signs with another team?

A team can receive a set-off against a player that is waived and stretched.

This happened with Damian Lillard and the Milwaukee Bucks

The Waive and Stretch:

- Lillard had two years and \$113 million left on his contract with Milwaukee
- He was waived and his remaining salary stretched over 5 seasons
- The 5-year cap hit equaled \$22.5 million

The Set-Off:

- Lillard has agreed to sign a three-year \$42 million contract with Portland
- Because his salary was greater than \$2 million in the first 2 seasons, a set-off would apply to the amount owed to him by Milwaukee
- 2025-26 Set-off formula: \$14.1 million (salary with Portland) minus \$2.0 million (1 year of service) x 50% = \$6.05 million
- 2026-27 Set-off formula: \$13.4 million (salary with Portland) minus \$2.2 million (1 year of service) x 50% = \$5.6 million
- 2027-28: There is not set off because Lillard had 2 years remaining in Milwaukee
- \$11.65 million (set-off amount) divided by 5 (number of years used in the stretch provision)
- Subtract \$2.3 million from the stretched amount each season in Milwaukee (this will happen after the 2025-26 regular season)
- Revised stretch provision: \$20.2 million

15. What is the minimum a team has to spend on player salaries?

Salary cap: \$164.9M

Minimum floor: \$148.5M

- A team is required by the first day of the regular season to spend up to 90% of the salary cap.
- If the team is below the minimum floor, they are required to pay the shortage to the NBA and will also not receive a luxury tax distribution.
- No team will be permitted to engage in any transaction on or following the first day of the Regular Season of a Salary Cap Year that would reduce the team's Team Salary (as calculated ordinarily under the CBA, but excluding Cap holds, and including any amount below the Minimum Team Salary for such Salary Cap Year.
- If a team during the regular season falls below the minimum floor, they have until the end of the next day to meet the criteria.

- Recent example: The Pistons waived Paul Reed on December 14. After the waiver, Detroit was \$1.4M below the floor. They were required by the end of the next day to sign a player. Detroit would go on to sign Javante McCoy to a \$1.4M contract the next day.

Team Case Study

On the first day of the regular season, **Detroit** has \$113M in salary and is \$13.6M below the minimum floor. What happens next?

- At the end of the season, **\$13.6M** will be divided up among all players in the NBA.
- \$13.6M is now added to the Pistons team salary.
- Because the salary cap is \$140.5M, Detroit will enter the regular season with **\$14M in cap space**.

16. What is the luxury tax and what counts against it?

Tax Level **\$200,428,000**

The luxury tax is a punitive threshold that penalizes teams for spending. This is not a hard cap and teams are allowed to exceed the threshold.

Note: The Tax Level is equal to one hundred twenty-one and one-half percent (121.5%) of the Salary Cap for such Salary Cap Year.

What counts against the tax?

- Incentives earned during the season.
- Any trade bonus earned at the conclusion of the regular season.
- Minus 50% of any player salary that is reduced because of a suspension
- 2 years of service minimum salary with respect to any player who has 0 or 1 years of service and signs a veteran minimum salary.
- 10-Day Contracts

17. What are the luxury tax brackets and what is the penalty if a team exceeds it?

Standard Tax Rates

Teams that are over the luxury tax pay a penalty based on the below tax bracket.

The penalty is paid to the NBA and then distributed at 50% to teams below the threshold and the remaining 50% toward revenue sharing.

In the 2025-26 season, 7 teams contributed \$222.2 million in luxury tax penalties.

50% of that amount was then divided among the 23 teams below the tax.

Each of the 23 teams below received \$4.8 million.

The remaining 50% was held by the NBA to fund revenue sharing for the 2025-26 season.

The tax brackets will increase at the rate of growth in the Salary Cap following the 2025-26 Salary Cap Year.

2026-27+

\$0 – \$6,063,999	\$1.00-for-\$1
\$6,064,000 – \$12,127,999	\$1.25-for-\$1
\$12,128,000--\$18,191,999	\$3.50-for-\$1
\$18,192,000--\$24,255,999	\$4.75-for-\$1
\$24,256,000--\$30,319,999	\$5.25-for-\$1
\$30,320,000--\$36,383,999	\$5.75-for-\$1
\$36,384,000-\$42,447,999	\$6.25-for-\$1

Note: Tax brackets increase \$0.50 (example \$42,448,000-\$48,511,999= \$6.75)

*The increments shown in this table will be those applicable for the 2026-27 Salary Cap Year. The tax brackets will increase at the rate of growth in the Salary Cap following the 2025-26 Salary Cap Year.

How to calculate the luxury tax payments

The Orlando Magic are \$17,437,320 over the salary cap

Bracket 1:

$\$6,063,999 \times \$1.00 = \$6,063,999$

Bracket 2:

$\$6,063,999 \times \$1.25 = \$7,580,000$

Bracket 3:

$\$5,309,322 \times \$3.50 = \$18,582,624$

TOTAL: \$32,226,623

Repeater Tax

Teams that are in the luxury tax in four consecutive seasons or four out five seasons are considered a repeater tax team and will pay a more significant penalty.

Example

- The Denver Nuggets were in the luxury tax in 2022-23, 2023-24 and 2024-25
- They were considered a repeater tax in 2025-26 and also 2026-27
- For the 2025-26 season, there are eight teams considered to be a repeater; Boston, Brooklyn, Denver, Golden State, LA Clippers, Los Angeles Lakers, Milwaukee Bucks and Phoenix Suns
- For the 2026-27 season, there are 6 teams, considered to be a repeater; Boston Denver, Golden State, LA Clippers, Milwaukee and Phoenix

2026-27 Repeater tax table

	2026-27+
\$0 – \$6,063,999	\$3.00-for-\$1
\$6,064,000 – \$12,127,999	\$3.25-for-\$1
\$12,128,000--\$18,191,999	\$5.50-for-\$1
\$18,192,000--\$24,255,999	\$6.75-for-\$1
\$24,256,000--\$30,319,999	\$7.25-for-\$1
\$30,320,000--\$36,383,999	\$7.75-for-\$1
\$36,384,000-\$42,447,999	\$8.25-for-\$1

Note: Tax brackets increase \$0.50 (example \$42,448,000-\$48,511,999= \$8.75

**The tax brackets will increase at the rate of growth in the Salary Cap following the 2023-24 Salary Cap Year.*

How to calculate the luxury tax payments

The Denver Nuggets are \$10,968,723 over the luxury tax

Bracket 1:

\$6,063,399M x \$3.00= \$18,191,997

Bracket 2:

$\$4,904,724\text{M} \times \$3.25 = \$15,940,353$

TOTAL: \$34,132,350

18. Besides player salaries, what else counts against the tax and do teams ever receive a credit?

For luxury tax purposes, the below are added to or deducted from team salary.

NBA Suspension

- 50% of any reduction made to a player's salary because of a suspension by the NBA. Note: This is not applied to the team salary applied to the apron.

Example

- The NBA suspended Paul George. The suspension cost George a total of \$11.74M (1/110 of his salary multiplied by 25). The 76ers received a tax variance credit that is applied to salary for \$5,871,147.

Years of Service

- For any free agent with zero (0) Years of Service or one (1) Years of Service, the amount applicable of a player with two (2) Years of Service.

Example

- Justin Edwards has 1 year of service and signs a contract with Philadelphia. For luxury tax purposes, \$2,296,274 (2 years of service) and not \$2,048,494 (his salary), is applied to team salary that counts toward the tax.

Bonuses

- Any incentive bonus that was deemed unlikely before the season but then earned during the season will apply toward salary that counts toward the luxury tax.
- A team will also receive a tax variance credit for any incentive bonus that was deemed likely before the season but not earned.
- A trade bonus will count toward the luxury tax if a player is traded after the regular season.

Example

- Nicolas Claxton had a \$189,488 bonus that was considered unlikely during the 2025-26 season. The bonus was earned and Brooklyn had that amount apply to team salary towards the luxury tax. The bonus is now considered likely in 2026-27.
- Lu Dort had a \$500K bonus that was considered likely during the 2025-26. The bonus was All-Defensive 1st team, an honor Dort earned in 2024-25. The bonus was not earned and Oklahoma City received a \$500K luxury tax variance tax variance credit. The bonus is now considered unlikely.
- Player A has two years and \$30M left on his contract (\$15M for each season). He has a 15% trade bonus for unearned salary and is traded after the 2024-25 regular season but before July 1, 2025. The player will receive a \$4.5 million trade bonus and \$2,250,000 will apply to team salary for the 2024-25 season.

19. How did the luxury tax variance impact Phoenix with the Dillon Brooks bonus?

- Tax variance credits and debit does not apply until after the regular season

- Dillon Brooks had a \$1 million unlikely bonus in his contract if his current team advanced to the first-round
- The bonus was considered unlikely before the season because his new team Phoenix was not a playoff team in 2024-25
- The Suns reached the playoffs and Brooks earned the bonus
- The \$1 million bonus now counts toward team salary that applies to the luxury tax

20. How does the Apron work and what counts against it?

The NBA introduced restrictions in the 2023 collective bargaining agreement that are now making it difficult for high spending teams to add in free agency and trades.

Teams over the new "first apron" are not allowed to use a pre-existing trade exception and also take back additional salary in a trade.

The restrictions for a team over the "second apron" increase, including the inability to aggregate contracts sent out and trade cash in a deal.

One important detail to note is teams currently below both aprons are allowed to take back more money, aggregate contracts, send out cash and use pre-existing trade exceptions in a trade. However, using any of the four prior to July 1 -- for example, before or during the NBA draft -- will trigger either the first or second apron restriction for next season.

Did you know that the apron existed in the 2017 CBA?

2017 CBA: The apron level in previous CBA was roughly \$7M above the luxury tax but with less roster restrictions.

For example the apron level in 2022-23 was \$156.9M

- A team could not acquire a player in a sign-and-trade
- Cannot use more than the tax mid level exception to sign a player
- Teams over the luxury tax could acquire players within 125%

2026-27 APRON

First Apron: \$209,015,000

Second Apron: \$221,686,000

Note: The apron levels increase each year by the growth of the salary cap

What counts against the Apron

- Player's salary, including likely bonuses
- Unlikely bonuses (the bonuses continue to count even if not achieved)
- Minimum salary of a two-year player for a player with 0 or 1 years of service
- Outstanding Qualifying Offer
- Any outstanding Required Tender to a First Round Pick

What does not count against the Apron:

- Free Agent Amounts (cap holds)
- Any amounts with respect to unsigned First Round Picks.
- The amount of any Salary Cap Exception that is deemed included in Team Salary
- The amount of any incomplete roster cap hold amount added to the Team's Salary

21. What are the different transactions that hard caps a team at the first and second apron?

A team is not allowed to use one of the below roster tools if their post transactional salary exceeds either the first or second apron.

2026-27 OFFSEASON TRANSACTION AND BEYOND	FIRST APRON	SECOND APRON
Sign a player waived during the regular season that had a pre-waiver salary greater than the full amount of the \$15M Non-Tax Mid-Level Exception	N/A	N/A
Acquire a player in a sign-and-trade	N/A	N/A
Have access to the Tax Mid-Level Exception	X	N/A

Send cash out in a trade	X	N/A
Beginning on the day after the last day of the 2025-26 Regular Season, teams use a Traded Player Exception no more than 100% of the Salary of the Traded Player(s) if team salary exceeds the first apron.	X	X
Teams are allowed to aggregate salaries in a trade	X	N/A
Beginning on the day after the last day of the 2023-24 Regular Season, teams can use a TPE generated in a prior year.	N/A	N/A

A team can create a Trade Exception from a new trade	X	X
A team can create a Trade Exception from a sign-and-trade	X	N/A

First Apron

What is not allowed if salary post transaction exceeds \$209M

- Acquire a player in a sign-and-trade
- Use a pre-existing trade exception
- Use a Trade Exception of more than 100%
- Sign a player waived during the regular season that had a pre-existing salary of \$15M+
- Allowed to use a trade exception created in a new trade (including a sign-and-trade)

Second Apron

What is not allowed if salary post transaction exceeds \$222M

- Acquire a player in a sign-and-trade
- Use a pre-existing trade exception
- Use a Trade Exception of more than 100%
- Aggregate contracts sent out
- Use the \$6M tax mid-level
- *Use a trade exception created from a sign-and-trade
- Sign a player waived during the regular season that had a pre-existing salary of \$15M+
- Send out cash in a trade
- Sign-and-trade your own FA if the incoming salaries exceed the second apron.

22. What are the different first and second apron triggers?

Not allowed if post transactional salary exceeds the \$209.015 million First Apron

Signings – “Buyout” Players

Teams will be unable to sign a player during a Regular Season (a) in respect of whom a request for waivers was made during such Regular Season and (b) who had a pre-waiver Salary for the then-current Salary Cap Year greater than the full-year amount of the \$14.1 million Non-Taxpayer Mid-Level Salary Exception for such Salary Cap Year.

How the rule works: John Smith has a \$16 million salary and is waived during the regular season. A team is not allowed to sign Smith if the post transactional salary exceeds the first or second apron.

Traded Player Exception

Teams are unable to use a Traded Player Exception more than 100% of the salary of the Traded Player(s) if team salary exceeds the first apron.

How the rule works: The New Orleans Pelicans are \$4.25 million below the first apron. They are not allowed to trade the \$36 million salary of Player A for a player earning \$41 million if the post-transactional salary exceeds the first apron.

The Golden State Warriors sign and trade Player A to Team B. Because they are using more than 100% of the Traded Player Exception, the first apron is hard capped.

Pre-Existing TPEs.

Beginning on the day after the last day of the Regular Season, teams will be unable to use a TPE generated in a prior year. (For purposes of this, a “year” will be measured from the end of a Regular Season through the end of the immediately following Regular Season.)

A team over the second apron exception does have access to a trade exception if it is created in the offseason or regular season. However, the trade exception is frozen starting the following offseason.

How the rule works: The Boston Celtics created a \$4 million exception when Jaden Springer was traded. Because Boston is over the first apron, the exception is frozen. They can use it but only if the post transactional salary leaves them below the first apron.

However, a team is allowed to use a trade exception if over the apron and the exception was created in that season. The Thunder have two trade exceptions created when Aaron Wiggins and Isaiah Joe were traded in July. Despite being over the second apron, Oklahoma City is allowed to use the exception because the trade occurred after July 6.

Other rules if post transaction salary exceeds the first apron:

- Cannot acquire a player via a sign and trade
- Sign a player to more than \$6.1 million of the non-tax mid-level exception or for three or more seasons.
- Sign a player using the biannual exception.

Not allowed if post transactional salary exceeds the \$221.68 million Second Apron

Signings – Taxpayer Mid-Level Exception

Teams will be unable to use the Taxpayer Mid- Level Salary Exception.

How the rule works: The Oklahoma City are over the second apron. They are not allowed to sign a player using the \$6.1 million tax mid-level exception.

In the 2026 offseason, the Phoenix Suns signed Luke Kennard to the \$6.1 million tax midlevel. They are now hard capped at the second apron.

Aggregation

Beginning on the day after the last day of the 2023-24 Regular Season, teams will be unable to use a Traded Player Exception generated by aggregating the Salaries of multiple Traded Players.

How the rule works: The New York Knicks are close to the second apron. They are not allowed to aggregate the contracts of two players earning a combined \$50 million if the post transaction salary leaves them over the second apron.

Cash

Beginning on the day after the last day of the 2023-24 Regular Season, teams will be unable to convey cash to another team in a trade.

How the rule works: The Oklahoma City are over the second apron. They are not allowed to include cash in a trade if they are over the second apron. The Memphis Grizzlies sent cash in a trade during the 2026-27 season and were not allowed to exceed the second apron.

Sign-and-Trade

Beginning on the day after the last day of the 2024-25 Regular Season, teams will be unable to acquire a Player Contract using a TPE in respect of a player whose Contract was traded pursuant to a sign-and-trade. A team is also hard capped at the second apron if they sign-and-trade a player and then acquire a player in return.

How the rule works: As part of a six-team trade, Minnesota signs-and-trades Kyle Anderson to the Golden State Warriors. The Timberwolves do not take any salary back and create a \$8.8 million Trade Exception. Minnesota is not allowed to use the exception if the post transactional trade left them over the second apron.

Signings – “Buyout” Players

Teams will be unable to sign a player during a Regular Season (a) in respect of whom a request for waivers was made during such Regular Season and (b) who had a pre-waiver Salary for the then-current Salary Cap Year greater than the full-year amount of the \$15 million Non- Taxpayer Mid-Level Salary Exception for such Salary Cap Year.

How the rule works: John Smith has a \$17 million salary and is waived during the regular season. A team is not allowed to sign Smith if the post transactional salary exceeds the first or second apron.

Pre-Existing TPEs.

Beginning on the day after the last day of the Regular Season, teams will be unable to use a TPE generated in a prior year. (For purposes of this, a “year” will be measured from the end of a Regular Season through the end of the immediately following Regular Season.)

A team over the second apron exception does have access to a trade exception if it is created in the offseason or regular season. However, the trade exception is frozen starting the following offseason.

How the rule works: The Celtics created a \$4 million trade exception as part of the Jaden Springer trade. Starting on the first day after the regular season, Boston is not allowed to use that exception because they are over the apron.

23. What were the transactions in 2026-27 and 2025-26 that triggered either apron?

2026-27 Season

FIRST APRON: \$209M

ATL: Prior trade exception (Wiggins) and non tax midlevel (Landale)

BOS: Non-tax midlevel (Robinson)

CHA: Expanded Trade Exception (Allen/O’Neale) and non tax midlevel (Finney-Smith)

CHI: Prior trade exception (Jones)

CLE: Sign-and-trade (Watson)

DAL: Prior trade exception (Aldama)

DET: Sign-and-trade (Collins) and prior trade exception (Joe)

IND: Non tax midlevel (Oubre)

LAC: Non tax midlevel (Hachimura)
LAL: Sign-and-trade (Kessler)
MEM: Non tax midlevel (Post)
MIA: Non tax midlevel (Hardaway Jr.)
MIL: Expanded trade exception (LeVert)
NOP: Non tax midlevel (Mathurin)
PHI: Non-tax midlevel (Wade/Simons)
POR: Expanded Trade Exception (Morant)
SAS: Non-tax midlevel (Harris)
SAC: Biannual (Achiuwa)
TOR: Expanded Trade Exception (Leonard)
UTH: Non-tax midlevel (Hayes/Okogie)
WAS: Pre-existing trade exception (Ayton)

SECOND APRON: \$222M

GOS: Tax midlevel (Melton)
HOU: Tax midlevel (Smart)
MIN: Aggregate Trade Exception (Reid and Randle)
PHX: Cash sent out/Tax midlevel

APRON NOT TRIGGERED

BKN
DEN
NYK
OKC
ORL

24. What teams were impacted by the apron?

Oklahoma City Thunder

The Thunder are allowed to exceed the first and second apron because neither have been triggered.

PLAYER	2026-27
Shai Gilgeous-Alexander	40,806,150
Jalen Williams	41,250,000
Chet Holmgren	41,250,000
Isaiah Hartenstein	21,604,938
Alex Caruso	19,550,160
Luguentz Dort	17,722,222
Jaylin Williams	7,774,648
Cason Wallace	7,420,806
Aday Mara	5,791,680
Nikola Topic	5,429,760
Kenrich Williams	5,000,000
Thomas Sorber	4,887,720
Bennett Stirtz	4,717,320
Jared McCain	4,422,600
Ajay Mitchell	2,850,000
MIN PLAYER ADJUSTMENT	
Guaranteed Salary	230,478,004
Dead Money	0
Non-Guaranteed	0
Draft/Free Agent Hold	0
Tax Variance	0
Total Salaries: Cap	230,478,004
Total: Salaries: Tax	230,478,004
SALARY CAP	164,961,000
TAX LEVEL	200,428,000
Cap Room	-65,517,004
Tax Room	-30,050,004
Apron 1	209,015,000
Apron 1 Salaries	231,478,004
Above A1	-22,463,004
Apron 2	221,686,000
Apron 2 Salaries	231,478,004
Above A2	-9,792,004

The offseason in Oklahoma City

Signing methods:

First round exception: Aday Mara and Bennett Stirtz
Bird rights: Kenrich Williams
Early Bird rights: Isaiah Hartenstein

Roster resources

The Thunder are allowed to use the 2 Trade Exceptions created in the Isaiah Joe and Aaron Wiggins trade

The exception is allowed because it is not a pre-existing Trade Exception

How the Second Apron impacts OKC

- * Cannot send cash in a trade
- * Cannot aggregate and use more than 100% of the TPE
- * Cannot sign a player to the \$6.1M tax ML
- * Cannot acquire a player in a sign-and-trade
- * Cannot use a pre-existing trade exception
- * Cannot sign a player in the regular season that was waived and had a pre-existing salary of \$15M+
- * The first-round pick in 2034 becomes frozen if OKC finishes the 2026-27 season over the second apron

Philadelphia 76ers

	PLAYER	2026-27
1	Joel Embiid	58,100,000
2	Jaylen Brown	57,736,350
3	Tyrese Maxey	40,770,520
4	VJ Edgecombe	11,663,880
5	Dean Wade	9,069,767
6	Anfernee Simons	5,978,233
7	Labaron Philon Jr.	3,597,120
8	Ariel Hukporti	3,400,000
9	Justin Edwards	2,411,090
10	Johni Broome	2,150,917
11	Dominick Barlow	3,415,000
12	Dalen Terry	2,584,539
13	Adem Bona	2,296,271
14	Jabari Walker	2,584,539
	MIN PLAYER ADJUSTMENT	0
	Guaranteed Salary	198,542,877
	Dead Money	0
	Non-Guaranteed	7,215,349
	Free Agent Hold	0
	Tax Variance	0
	Total Salaries: Cap	205,758,226
	Total: Salaries: Tax	205,758,226
	SALARY CAP	164,961,000
	TAX LEVEL	200,428,000
	Cap Room	-40,797,226
	Tax Room	-5,330,226
	Apron 1	209,015,000
	Apron 1 Salaries	205,758,226
	Below A1	3,256,774
	Apron 2	221,686,000
	Apron 2 Salaries	205,758,226
	Below A2	15,927,774

The offseason in Philadelphia

Signing methods:

First round exception: Labaron Philon Jr.
 Non tax midlevel: Dean Wade and Anfernee Simons
 Biannual: Ariel Hukporti
 100% Traded Player Exception+: Jaylen Brown

The First Apron

Philadelphia is hard capped at the first apron
 The 76ers have the veteran minimum exception available
 They are not allowed to use the \$4.3M Jared McCain trade exception if it leaves them over the first apron

Charlotte Hornets

- The Hornets used part of their \$15 million non-tax midlevel exception to acquire Dorian Finney-Smith
- They are now hard capped at the first apron

PLAYER	2026-27
Coby White	26,811,593
Naz Reid	23,275,862
Grayson Allen	18,125,000
Brandon Miller	15,104,625
Grant Williams	14,265,750
Dorian Finney-Smith	14,196,974
Kon Knueppel	10,516,560
Royce O'Neale	10,875,000
Tidjane Salaun	8,237,880
Tre Mann	8,000,000
Hannes Steinbach	5,227,200
Christian Anderson	4,257,480
Liam McNeeley	2,902,080
Sion James	2,411,090
Ryan Kalkbrenner	2,411,090
Moussa Diabate	2,461,462
Mouhamadou Gueye	2,411,090
Pat Connaughton	3,815,861
PJ Hall	Two Way
Kylan Boswell	Two Way
Michael Ajayi	Two Way
MIN PLAYER ADJUSTMENT	0
Guaranteed Salary	169,079,646
Dead Money	0
Non-Guaranteed	6,226,951
Free Agent Hold	0
Tax Variance	0
Total Salaries: Cap	175,306,597
Total: Salaries: Tax	175,306,597
SALARY CAP	164,961,000
TAX LEVEL	200,428,000
Cap Room	-10,345,597
Tax Room	25,121,403
Apron 1	209,015,000
Apron 1 Salaries	175,806,597
Below A1	33,208,403
Apron 2	221,686,000
Apron 2 Salaries	176,306,597
Below A2	45,379,403

Los Angeles Lakers

The Lakers started the offseason over the salary cap but are now hard capped at the first apron.

The hard cap restriction is a result of the Walker Kessler sign-and-trade.

PLAYER	2026-27
Luka Doncic	49,488,300
Austin Reaves	41,240,250
Walker Kessler	30,108,821
Quentin Grimes	13,953,488
Jarred Vanderbilt	12,428,571
Sandro Mamukelashvili	13,000,000
Collin Sexton	9,366,000
Jaden Hardy	6,000,000
Jake LaRavia	6,000,000
Dalton Knecht	4,201,080
Cameron Carr	3,315,360
Kevon Looney	2,449,421
Ziaire Williams	2,449,421
Matisse Thybulle	2,449,421
Adou Thiero	2,150,917
Bronny James	2,296,271
AK Okereke	Two Way
Chris Manon	Two Way
Arthur Kaluma	Two Way
MIN PLAYER ADJUSTMENT	0
Guaranteed Salary	200,897,321
Dead Money	0
Non-Guaranteed	0
Free Agent Hold	0
Tax Variance	0
Total salaries: Cap	200,897,321
Total: Salaries: Tax	200,897,321
SALARY CAP	164,961,000
TAX LEVEL	200,428,000
Cap Room	-35,936,321
Tax Room	-469,321
Apron 1	209,015,000
Apron 1 Salaries	200,897,321
Below A1	8,117,679
Apron 2	221,686,000
Apron 2 Salaries	200,897,321
Below A2	20,788,679

New York Knicks

New York in the 2026 offseason.

The Knicks are allowed to exceed the first and second apron because neither have been triggered.

	PLAYER	2026-27
1	Karl-Anthony Towns	57,078,728
2	OG Anunoby	42,500,000
3	Jalen Brunson	37,739,521
4	Mikal Bridges	33,482,143
5	Josh Hart	20,923,760
6	Landry Shamet	5,357,143
7	Jose Alvarado	4,475,309
8	Miles McBride	3,956,523
9	Pacome Dadiet	2,983,680
10	Mohamed Diawara	2,622,760
11	Andre Drummond	2,449,421
12	Tyler Kolek	2,296,271
	MIN PLAYER ADJUSTMENT	0
	Guaranteed Salary	215,865,259
	Dead Money	0
	Non-Guaranteed	0
	Free Agent Hold	0
	Tax Variance	0
	Total Salaries: Cap	215,865,259
	Total: Salaries: Tax	215,865,259
	SALARY CAP	164,961,000
	TAX LEVEL	200,428,000
	Cap Room	-50,904,259
	Tax Room	-15,437,259
	Apron 1	209,015,000
	Apron 1 Salaries	215,865,259
	Above A1	-6,850,259
	Apron 2	221,686,000
	Apron 2 Salaries	\$215,865,259
	Below A2	\$5,820,741

The offseason in New York

Signing methods:

Non-bird rights: Mohamed Diawara
 Early Bird rights: Landry Shamet
 Bird rights: Jose Alvarado
 Veteran exception: Andre Drummond

How the First Apron impacts New York

- * Cannot use more than 100% of the TPE
- * Cannot sign a player to the \$6.1M exception or more
- * Cannot acquire a player in a sign-and-trade
- * Cannot use a pre-existing trade exception
- * Cannot sign a player in the regular season that was waived and had a pre-existing salary of \$15M+

How the Second Apron impacts New York

- * Cannot send cash in a trade
- * Cannot aggregate and use more than 100% of the TPE
- * Cannot sign a player to the \$6.1M tax ML
- * Cannot acquire a player in a sign-and-trade
- * Cannot use a pre-existing trade exception
- * Cannot sign a player in the regular season that was waived and had a pre-existing salary of \$15M+
- * The first-round pick in 2034 becomes frozen if OKC finishes the 2026-27 season over the second apron

25. What happens if a team finishes over the second apron after the season concludes?

Frozen First Round Pick

If a team finishes the regular season over the second apron, then their first-round pick (the 7th Draft following the salary cap season) is frozen and not allowed to be traded.

Team Example

Boston, Minnesota and Phoenix finished over the second apron. Their 2032 first-round pick (the 7th Draft following the salary cap season) will be frozen and not allowed to be traded.

If the Suns are in the second apron in 2024-25, but not in 2025-26, 2026-27 and 2027-28 (three out of the four salary cap years), their pick now becomes unfrozen.

Note: All 3 teams finished out of the 2nd apron in 2025-26.

The Cavaliers finished over the second apron in 2025-26, and saw their 2033 first frozen.

Moving Back in the First Round

If such team's Team Salary exceeds the Second Apron Level in at least two of the immediately following four Salary Cap Years, then the Frozen Pick will be moved to the end of the first round of the applicable Draft and the team will continue to be unable to trade it. If more than one team has a Frozen Pick moved to the end of the first round of a particular Draft, then those teams will select at the end of the first round in inverse order of the applicable teams' consolidated standings at the end of the preceding season.

Team Example

Boston finished the 2024-25 season over the second apron, and in at least two of the next four seasons (2025-26 and 2026-27 for example), then the frozen pick will be moved to the end of the first-round and the team will be unable to trade it.

If the Celtics are in the second apron in 2024-25, but not in 2025-26, 2026-27 and 2027-28 (three out of the

four salary cap years), their pick now becomes unfrozen and will not be moved back in the first-round.

Draft Pick Penalty Chart

Credit: Duncan Taylor, Sports Business Classroom

Example Chart 1 – When Picks Are Frozen and Unfrozen

Season	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
#1	Over 2 nd Apron							Y7 Pick Frozen					
#2		Over 2 nd Apron							Y8 Pick Frozen				
#3			Under 2 nd Apron										
#4				Under 2 nd Apron									
#5					Under 2 nd Apron			Y7 Pick Unfrozen	Y8 Pick Unfrozen				
#6						Over 2 nd Apron							Y12 Pick Frozen
#7							Under 2 nd Apron						
#8								Under 2 nd Apron					
#9									Under 2 nd Apron				Y12 Pick Unfrozen

Example Chart 2 – When A Frozen Pick Is Moved to End of First Round

Season	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
#1	Over 2 nd Apron							Y7 Pick Frozen					
#2		Over 2 nd Apron							Y8 Pick Frozen				
#3			Under 2 nd Apron										
#4				Over 2 nd Apron				Y7 Pick Moves to End of 1 st Rd (remains frozen)			Y10 Pick Frozen		
#5					Under 2 nd Apron								
#6						Under 2 nd Apron			Y8 Pick Unfrozen				
#7							Under 2 nd Apron				Y10 Pick Unfrozen		

26. What happens if you make a transaction in the offseason prior to June 30? Does that trigger the first or second apron for the following season?

During the period beginning on the day after the last day of the Regular Season through the last day of the Salary Cap Year encompassing such Regular Season, a Team shall not be permitted to engage in any transaction (see below) if such transaction would result in the Team failing to comply with the rules set forth in as of the first day of the Subsequent Salary Cap Year assuming that:

For purposes of determining the Team's Apron Team Salary for the Subsequent Salary Cap Year:

- all Team or Player Options in respect of such Subsequent Salary Cap Year are exercised.
- no outstanding ETOs in respect of such Subsequent Salary Cap Year are exercised.
- the Team engages in no additional transactions for the remainder of the then-current Salary Cap Year; and;
- any player on the Team whose Salary for the Subsequent Salary Cap Year may increase by virtue of meeting the Higher Max Criteria during the fourth Season of his Rookie Scale Contract achieves the highest Salary that he is eligible to earn based on any Generally Recognized League Honors for the just- completed Regular Season for which winners have not yet been announced; and
- The amount of the Salary Cap, First Apron Level, and Second Apron Level for the Subsequent Salary Cap Year is equal to the amount of the Salary Cap, First Apron Level, and Second Apron Level, respectively, for the then-current Salary Cap Year.

2025 offseason apron example

The Orlando Magic aggregated the contracts of Kentavious Caldwell-Pope and Cole Anthony. They would acquire Desmond Bane as part of the trade.

Despite the trade occurring in mid-June, the second apron is now triggered for the 2025-26 season.

As part of the trade, Orlando had to decline the team options of Gary Harris and Cory Joseph.

27. How many players can you have on the roster in the off-season and regular season?

The off-season and training camp roster size limit is 21 (including Two-Way players).

The roster for each team is set the day before the start of the regular season.

The maximum is 15 players on standard contracts and 3 players on Two-Way contracts.

28. Can you have more than 15 players on the active list during the regular season?

A team is allowed to have up to 15 players dressed and on the Active List for each team for each game of the Season.

29. What happens if you carry fewer than 14 players on standard contracts?

The allowance for a team to have fewer than 14 players under Standard NBA Contracts on its roster “from time to time as appropriate” will be eliminated and replaced with an allowance for a team to have fewer than 14 players under Standard NBA Contracts for no more than (i) 28 total days during the Regular Season, and (ii) 14 consecutive days at a time.

30. Are teams penalized if they fall below the minimum league wide roster formula?

With respect to the minimum league wide roster formula set forth in the CBA, Step 3 of the formula will be revised to multiply (1) the number of NBA teams that played games during the applicable Regular Season, by (2) the number of days in the applicable Regular Season, and by (3) the “Minimum Roster Multiplier”; and:

If NBA teams fail to meet the minimum league wide roster requirement threshold in two consecutive Salary Cap Years based on a Minimum Roster Multiplier of 14.25.

If NBA teams fail to meet the minimum league wide roster requirement threshold in two consecutive Salary Cap Years based on a Minimum Roster Multiplier of 14.5, then the Players Association will have the right to eliminate the third Two-Way roster spot for the remainder of the term of the CBA.

31. When do player contracts become guaranteed?

- A team will begin to incur a per day cap hit if a player with \$0 salary protection is not waived by 5:00 PM ET. on the Saturday before the start of the regular season.

- The last day to waive a player and incur a full salary protection cap hit is January 7 at 5:00 PM ET.

32. What happens when a player is suspended by the NBA and by their own team?

If the player is suspended by the NBA, he must be on his team's Active List during the full term of the suspension, except if the suspension is for six or more games, the player may be transferred to the Suspended List after the fifth game of the suspension; or

Example

Ja Morant was transferred to the suspended list after the Grizzlies fifth game.

Memphis signed Bismack Biyombo as a replacement player even with their roster at capacity.

If the player is suspended by his team, he must be on his team's Active List or Inactive List during the full term of the suspension, except if the suspension is for four or more games, the player may be transferred to the Suspended List after the third game of the suspension.

33. Does a team get roster relief if there are injuries?

The "hardship" rules allow a team to obtain an additional roster spot (i.e., have more than 18 players under contract) during the Regular Season in the following circumstances: (i) the team has four injured or ill players under Standard NBA Contracts; (ii) the first three such players have been out for at least three consecutive Regular Season games due to injury or illness; (iii) the fourth player also has missed at least three consecutive Regular Season games due to injury or illness; and (iv) all four players will continue to be unable to perform playing services for a minimum of an additional two weeks.

The following modifications to the hardship rules will be in effect for the 2023-24 Regular Season:

Two-Way Players may count towards the required number of injured or ill players; provided that if a Two-Way Player is among the four injured or ill players giving rise to the hardship exception, the player signed to the team's additional roster spot must have three or fewer Years of Service (the same Years of Service limitation applicable to Two-Way Players); and

A player (including a Two-Way Player) who is determined to be a confirmed positive case of COVID-19 in accordance with the Health and Safety Protocols for the 2022-23 Season will, upon being determined to be a confirmed positive case of COVID-19 and until such time as he is medically cleared to resume basketball activities with his team in accordance with the Health and Safety Protocols, be treated for purposes of a team's hardship application as a player who (i) has missed three consecutive games due to injury or illness (regardless of the actual number of games missed by the player as a result of his confirmed positive), and (ii)

will continue to be unable to perform playing services due to injury or illness for a minimum of an additional two weeks.

Any contract signed by a team pursuant to a hardship exception during the 2024-25 Regular Season will be a 10-Day Contract, regardless of when during the season such contract is signed. Note that other than in connection with approved hardship applications, teams may not enter into a 10-Day Contracts with a player prior to January 5. Any 10-Day Contract signed by a team and player pursuant to a hardship exception.

The Commissioner, in his sole discretion, may permit a team to replace additional injured or ill players on that team's roster. Teams seeking a hardship exception should contact the NBA Legal Department to commence the approval process.

Note: The Mavericks were allowed to apply for multiple hardship exceptions during the 2024-25 season. However, because they were only \$47K below the first apron, they were not allowed to sign a player to a 10-Day contract.

34. What happens when a player retires?

A player who has not yet completed the playing services called for under his player contract may be transferred to the Voluntarily Retired List only after the Commissioner is notified in writing by both the player and the team for which he has played.

No player whose name appears on any team's Voluntarily Retired List shall, without the unanimous consent of the Board of Governors, be permitted to engage in any Regular Season game within a period of one year from the date that his name has been first placed on such list.

If such player subsequently desires to become an active player in the NBA, and the team that he previously played for does not desire to acquire his services, the right to acquire such services shall be determined in accordance with the waiver procedure.

35. If a player is waived after March 1, are they eligible for the playoffs?

Any player (including any player under a Two-Way Contract) with respect to whom a request for waivers has been made after March 1 of a season is not eligible to participate in play-in or playoff games during such season (unless the player has been acquired by a team whose Active List is reduced to eight players due to injury or illness).

NOTE: The March 1 deadline occurs at the end of the day on March 1. Accordingly, if a waiver request is made in respect of a player any time on or before 11:59 p.m. (ET) on March 1, that player will remain eligible for play-in and playoff games that season.

36. How does team salary impact exceptions?

Exceptions are available depending on what salary bandwidth a team falls into.

Important to remember is that every team has the non tax midlevel and biannual (if not used in the prior season) available in free agency.

Team salary and whether a first or second apron is hard capped determines what exception is available.

SALARY CAP	EXCEPTIONS
\$165M Salary Cap and Below	• \$9.4M Room Mid-Level, Veteran, first and Second round, own free agents
\$165M Salary Cap to \$209M First Apron	• \$15M Non-Tax Mid-Level Exception • \$5.5M Bi-Annual Exception •
\$209M First Apron to \$222M Second Apron	• \$6.1M Tax Mid-Level, Veteran, first and second round, own free agents
\$222M Second Apron and Above	• Veteran, first and second round, own free agents

Examples of the Bandwidth

\$165M Salary Cap and Below

- The Brooklyn Nets, Chicago Bulls and Los Angeles Lakers elected to act as a room team in free agency. They have cap space, \$9.4M room mid-level, first-round, second-round and veteran minimum exception available to sign players.

Los Angeles Lakers

	PLAYER	2026-27
1	Luka Doncic	49,500,000
2	Jarred Vanderbilt	12,428,571
3	Deandre Ayton	8,104,000
4	Jake LaRavia	6,000,000
5	Dalton Knecht	4,201,080
6	Cameron Carr	3,315,360
7	Adou Thiero	2,150,917
8	Bronny James	2,296,271
9	Austin Reaves	20,906,361
	MIN PLAYER ADJUSTMENT	4,074,252
	Guaranteed Salary	87,996,199
	Dead Money	0
	Non-Guaranteed	0
	Free Agent Hold	20,906,361
	Tax Variance	0
	Total salaries: Cap	112,976,812
	Total: Salaries: Tax	87,996,199
	SALARY CAP	164,961,000
	TAX LEVEL	200,428,000
	Cap Room	51,984,188

The offseason in Los Angeles

Signing methods:

First round exception: Cameron Carr
100% Trade Exception: Jaden Hardy
Cap space: Quentin Grimes, Sandro Mamukelashvili
Sign-and-trade (into cap space): Walker Kessler
Bird rights: Austin Reaves
Room exception: Collin Sexton

Salary cap to \$209M first apron

Miami Heat example

- The Miami Heat are over the salary cap.
- As a result of the Giannis Antetokounmpo trade (using more than 100% of the Traded Player Exception), Miami is hard capped at the first apron
- They have access to the \$15M non tax midlevel and \$5.5 million exception
- However, they are not allowed to fill out their roster and exceed the first apron

	PLAYER	2026-27
1	Giannis Antetokounmpo	58,456,566
2	Bam Adebayo	49,500,000
3	Andrew Wiggins	30,169,643
4	Nikola Jovic	16,200,000
5	Bobby Portis	14,521,414
6	Davion Mitchell	12,400,000
7	Dru Smith	2,584,539
8	Pelle Larsson	2,296,271
9	Myron Gardner	2,150,917
	Guaranteed Salary	186,628,433
	Dead Money	0
	Non-Guaranteed	1,650,917
	Free Agent Hold	0
	Tax Variance	313,932
	Total Salaries: Cap	188,279,350
	Total: Salaries: Tax	188,593,282
	SALARY CAP	164,961,000
	TAX LEVEL	200,428,000
	Cap Room	-23,318,350
	Tax Room	11,834,718
	Apron 1	209,015,000
	Apron 1 Salaries	188,593,282
	Below A1	20,421,718

The offseason in Miami

Signing methods:

Second round exception: Ryan Conwell

Veteran exception: Simone Fontecchio

Non tax ML: Tim Hardaway Jr.

100% + of Traded Player: Giannis Antetokounmpo

Pre-existing Trade Exception: Bobby Portis

Salary cap to \$222M second apron

Phoenix Suns

PLAYER	2026-27
Devin Booker	57,078,728
Jalen Green	36,251,166
Miles Bridges	22,826,087
Dillon Brooks	20,992,727
Mark Williams	11,728,395
Collin Gillespie	10,714,286
Khaman Maluach	6,316,680
Luke Kennard	6,064,000
Jordan Goodwin	5,864,198
Koa Peat	2,926,800
Ryan Dunn	2,784,240
Oso Ighodaro	2,296,271
Rasheer Fleming	2,150,917
Haywood Highsmith	3,018,158
Jamaree Bouyea	2,584,539
CJ Huntley	Two Way
Pat Spencer	Two Way
Koby Brea	Two Way
Bradley Beal	19,383,010
Nassir Little	3,107,143
EJ Liddell	706,897
MIN PLAYER ADJUSTMEN	0
Guaranteed Salary	188,994,495
Dead Money	23,197,050
Non-Guaranteed	4,602,697
Free Agent Hold	0
Tax Variance	0
Total Salaries: Cap	216,794,242
Total: Salaries: Tax	216,794,242
SALARY CAP	164,961,000
TAX LEVEL	200,428,000
Cap Room	-51,833,242
Tax Room	-16,366,242
Apron 1	209,015,000
Apron 1 Salaries	216,794,242
Above A1	-7,779,242
Apron 2	221,686,000
Apron 2 Salaries	216,794,242
Above A2	4,891,758

The offseason in Phoenix

Signing methods

Early bird: Jordan Goodwin, Collin Gillespie

Bird: Mark Williams

Tax mid level: Luke Kennard

100% TPE: Miles Bridges

How the first apron impacts Phoenix

- * Cannot use more than 100% of the TPE
- * Cannot sign a player to the \$6.1M exception or more
- * Cannot acquire a player in a sign and trade
- * Cannot use a pre-existing trade exception
- * Cannot sign a player in the regular season that was waived and had a pre-existing salary of \$15M+

\$209M first apron to \$222M second apron

- The New York Knicks are \$14 million below the second apron. They have the \$6.1 million tax midlevel exception available. However, if the exception is used, New York is hard capped at the second apron. They would not be allowed to sign Mitchell Robinson. The Knicks were allowed to re-sign their own free agents and exceed the apron if not triggered.

	PLAYER	2026-27
1	Karl-Anthony Towns	57,078,728
2	OG Anunoby	42,500,000
3	Jalen Brunson	37,739,521
4	Mikal Bridges	33,482,143
5	Josh Hart	20,923,760
6	Landry Shamet	5,357,143
7	Jose Alvarado	4,475,309
8	Miles McBride	3,956,523
9	Pacome Dadiet	2,983,680
10	Mohamed Diawara	2,622,760
11	Andre Drummond	2,449,421
12	Tyler Kolek	2,296,271
	MIN PLAYER ADJUSTMENT	0
	Guaranteed Salary	215,865,259
	Dead Money	0
	Non-Guaranteed	0
	Free Agent Hold	0
	Tax Variance	0
	Total Salaries: Cap	215,865,259
	Total Salaries: Tax	215,865,259
	SALARY CAP	164,961,000
	TAX LEVEL	200,428,000
	Cap Room	-50,904,259
	Tax Room	-15,437,259
	Apron 1	209,015,000
	Apron 1 Salaries	215,865,259
	Above A1	-6,850,259
	Apron 2	221,686,000
	Apron 2 Salaries	\$215,865,259
	Below A2	\$5,820,741

The offseason in New York

Signing methods:

Non-bird rights: Mohamed Diawara
 Early Bird rights: Landry Shamet
 Bird rights: Jose Alvarado
 Veteran exception: Andre Drummond

How the First Apron impacts New York

- * Cannot use more than 100% of the TPE
- * Cannot sign a player to the \$6.1M exception or more
- * Cannot acquire a player in a sign-and-trade
- * Cannot use a pre-existing trade exception
- * Cannot sign a player in the regular season that was waived and had a pre-existing salary of \$15M+

How the Second Apron impacts New York

- * Cannot send cash in a trade
- * Cannot aggregate and use more than 100% of the TPE
- * Cannot sign a player to the \$6.1M tax ML
- * Cannot acquire a player in a sign-and-trade
- * Cannot use a pre-existing trade exception
- * Cannot sign a player in the regular season that was waived and had a pre-existing salary of \$15M+
- * The first-round pick in 2034 becomes frozen if OKC finishes the 2026-27 season over the second apron

\$222M second apron +

- The Thunder entered free agency over the apron. Their options consisted of re-signing their own free agents, access to the first or second round exception and signing players to the veteran minimum. They were also allowed to make trades but could not use more than 100% of the Traded Player Exception.

PLAYER	2026-27
Shai Gilgeous-Alexander	40,806,150
Jalen Williams	41,250,000
Chet Holmgren	41,250,000
Isaiah Hartenstein	21,604,938
Alex Caruso	19,550,160
Luguentz Dort	17,722,222
Jaylin Williams	7,774,648
Cason Wallace	7,420,806
Aday Mara	5,791,680
Nikola Topic	5,429,760
Kenrich Williams	5,000,000
Thomas Sorber	4,887,720
Bennett Stirtz	4,717,320
Jared McCain	4,422,600
Ajay Mitchell	2,850,000
MIN PLAYER ADJUSTMENT	
Guaranteed Salary	230,478,004
Dead Money	0
Non-Guaranteed	0
Draft/Free Agent Hold	0
Tax Variance	0
Total Salaries: Cap	230,478,004
Total: Salaries: Tax	230,478,004
SALARY CAP	164,961,000
TAX LEVEL	200,428,000
Cap Room	-65,517,004
Tax Room	-30,050,004
Apron 1	
Apron 1 Salaries	231,478,004
Above A1	-22,463,004
Apron 2	221,686,000
Apron 2 Salaries	231,478,004
Above A2	-9,792,004

The offseason in Oklahoma City

Signing methods:

First round exception: Aday Mara and Bennett Stirtz
 Bird rights: Kenrich Williams
 Early Bird rights: Isaiah Hartenstein

Roster resources

The Thunder are allowed to use the 2 Trade Exceptions created in the Isaiah Joe and Aaron Wiggins trade

The exception is allowed because it is not a pre-existing Trade Exception

How the Second Apron impacts OKC

- * Cannot send cash in a trade
- * Cannot aggregate and use more than 100% of the TPE
- * Cannot sign a player to the \$6.1M tax ML
- * Cannot acquire a player in a sign-and-trade
- * Cannot use a pre-existing trade exception
- * Cannot sign a player in the regular season that was waived and had a pre-existing salary of \$15M+
- * The first-round pick in 2034 becomes frozen if OKC finishes the 2026-27 season over the second apron

37. How did the 2025 and 2026 NBA Champions build their roster?

Oklahoma City Thunder

PLAYER	2024-25
Shai Gilgeous-Alexander	35,859,950
Isaiah Hartenstein	30,000,000
Luguentz Dort	16,500,000
Isaiah Joe	12,991,650
Aaron Wiggins	10,514,017
Chet Holmgren	10,880,640
Alex Caruso	9,890,000
Kenrich Williams	6,669,000
Cason Wallace	5,555,880
Ousmane Dieng	5,027,040
Nikola Topic	4,935,960
Jalen Williams	4,775,760
Ajay Mitchell	3,000,000
Dillon Jones	2,622,360
Jaylin Williams	2,019,699
Adam Flagler	Two Way
Branden Carlson	Two Way
Alex Ducas	Two Way
MIN PLAYER ADJUSTMENT	0
Guaranteed Salary	161,241,956
Dead Money	3,792,452
Tax Variance	1300416
Total Salaries: Cap	165,034,408
Total: Salaries: Tax	166,334,824
SALARY CAP	140,588,000
TAX LEVEL	170,814,000
Cap Room	-24,446,408
Tax Room	4,479,176
Apron 1	178,132,000
Apron 1 Salaries	167,066,467
Below A1	11,063,533

BUILDING A CHAMPIONSHIP ROSTER

How the Roster Was Built:

DRAFT | FIRST/SECOND ROUND EXCEPTION | EXTENSION

- **Chet Holmgren:** First round
- **Jalen Williams:** First round
- **Cason Wallace:** First round
- **Aaron Wiggins:** Partial non-tax ML/extension
- **Ajay Mitchell:** Two-Way/partial tax ML
- **Nikola Topic:** First round
- **Jaylin Williams:** Partial non-tax ML/extension
- **Dillon Jones:** First round
- **Ousmane Dieng:** First round

TRADES/EXTENSION

- **Shai Gilgeous-Alexander** Bird Rights transferred
- **Alex Caruso:** Bird Rights transferred
- **Kenrich Williams:** Bird Rights transferred

FREE AGENTS

- **Isaiah Hartenstein:** cap space
- **Lu Dort:** Partial non-tax ML/extension
- **Isaiah Joe:** Partial non-tax ML/extension
- **Two Way:** Adam Flagler, Branden Carlson, Alex Ducas

New York Knicks

PLAYER	2025-26	% of the cap
Karl-Anthony Towns	53,142,264	34.36%
OG Anunoby	39,568,966	25.59%
Jalen Brunson	34,944,001	22.60%
Mikal Bridges	24,900,000	16.10%
Josh Hart	19,472,240	12.59%
Mitchell Robinson	12,954,546	8.38%
Jose Alvarado	4,500,000	2.91%
Miles McBride	4,333,333	2.80%
Pacome Dadiet	2,847,600	1.84%
Tyler Kolek	2,191,897	1.42%
Jordan Clarkson	2,296,274	1.48%
Ariel Hukporti	1,955,377	1.26%
Mohamed Diawara	1,272,870	0.82%
Landry Shamet	2,296,274	1.48%
Jeremy Sochan	778,622	0.50%
MIN PLAYER ADJUSTMENT	0	
Guaranteed Salary	207,454,264	
Dead Money	\$0	
Non-Guaranteed	0	
Free Agent Hold	0	
Tax Variance	\$0	
Total Salaries: Cap	207,454,264	
Total: Salaries: Tax	207,454,264	
SALARY CAP	154,647,000	
TAX LEVEL	187,895,000	
Cap Room	-52,807,264	
Tax Room	-19,559,264	
Apron 1	195,945,000	
Apron 1 Salaries	207,454,264	
Below A1	-11,509,264	
Apron 2	207,824,000	Hard Cap
Apron 2 Salaries	207,454,264	
Below A2	369,736	

DRAFT | FIRST/SECOND ROUND EXCEPTION | EXTENSION

Mohamed Diawara: Second round/Rookie Tender

Tyler Kolek: Second round pick exception

Miles McBride: Second round/partial non tax ML/extension

Mitchell Robinson: Second round/2 bird rights contracts

Ariel Hukporti: Second round/Two Way/Conversion

Pacome Dadiet: First round exception

TRADES/EXTENSION

Karl-Anthony Towns: Trade

OG Anunoby: Trade/bird rights

Mikal Bridges: Trade/extension

Jose Alvarado: Trade

Josh Hart: Trade/bird rights

FREE AGENTS

Jalen Brunson: Cap space/extension

Jordan Clarkson: Veteran minimum

Landry Shamet: Veteran minimum

Jeremy Sochan: Veteran minimum

38. What are salary cap exceptions?

EXCEPTION	DESCRIPTION	MINIMUM YEARS	MAXIMUM YEARS	MAXIMUM RAISES	OTHER
Larry Bird	Own free agent and 3 seasons or more (exception available if traded)	1	5	8%	Maximum Salary
Early Bird \$15,235,000	Own free agent and 2 seasons (exception available if traded)	2	4	8%	Greater of 105% of the average player salary or 175% of previous salary
Non-Bird	Own free agent and only on the team 1 year	1	4	5%	Greater of 120% of previous salary or 120% of the minimum salary
\$15,044,000 Non-Taxpayer Mid-Level	Available to teams over the salary cap but below the first apron. A team that has the Non-Tax Mid-Level also has the Bi-Annual	1	4	5%	Can be split. Using more than \$5.7M or 3 years or more triggers the first apron.
\$5,477,000 Bi-Annual	Cannot use and exceed the first apron. A team that has the Non-Tax Mid-Level also has the Bi-Annual	1	2	5%	Cannot be used in back-to-back seasons. First apron is triggered.

EXCEPTION	DESCRIPTION	MINIMUM YEARS	MAXIMUM YEARS	MAXIMUM RAISES	OTHER
\$6,064,000 Tax Mid-Level	Available to teams below the second apron.	1	2	5%	Can be split. Using the exception triggers the 2nd apron
\$9,366,000 Room Mid-Level	Available to teams below the salary cap. Teams with the Room Mid-Level do not have access to the Non-Tax Mid-Level or Bi-Annual	1	3	5%	Can be split
Minimum	Any player qualifies	1	2	Minimum Salary Scale	See Veteran Minimum Scale
First Round Rookie	Salary scale for players drafted in the first round	2 plus 2 team options	2 plus 2 team options	120% of Rookie Scale	See Rookie Scale Chart
Second Round	3 or 4 year contract with a team option in the last year	3	4	Minimum Salary Scale	See Veteran Minimum Scale

EXCEPTION	DESCRIPTION	MINIMUM YEARS	MAXIMUM YEARS	MAXIMUM RAISES	OTHER
Disabled	Lesser of 50% injured players salary and Non-Tax Mid-Level	1	1	N/A	Need league approval, can sign, trade for or claim a player off waivers.
Sign-and-Trade	Has to be signed with Bird, Early or Non-Bird Exception. Cannot be Non-Tax Mid-Level	3	4	5%	First year has to be guaranteed
Offer Sheet	Must have cap space or an exception	2	4	5%	N/A

Non-Qualifying (Non-Bird)

This is an exception for a player that has been under contract for one season and is now a free agent.

Criteria: 1 year

Starting Salary: Greater of 120% of previous salary or up to 120% of the minimum salary

Length: Minimum of 1 year and up to 4 years

Contract Example: Javonte Green

Green was on the Detroit roster during the 2025-26 season.

He signed a one-year \$3.9 million contract with Detroit

Early Qualifying (Early Bird)

This exception allows a team to retain their own free agents and exceed the salary cap.

However, unlike the bird exception that requires three seasons for a player under contract, the early bird is two years.

Note: A player that signs back-to-back one-year contracts will establish early bird rights. This occurred with Landry Shamet and New York

Criteria: 2 years

Starting salary: \$15.2M (early bird exception-2026-27) or 175% of the previous salary

Length: Must be a minimum of 2 years with no options. Maximum of 4.

Contract example: Landry Shamet

Shamet signed a four-year \$24 million contract with New York.

If the player is an Early Qualifying Veteran Free Agent, the new Player Contract must cover at least two (2) Seasons (not including a Season covered by an Option Year) and may provide in the first Salary Cap Year up to the greater of: (A) one hundred seventy-five percent (175%) of the Regular Salary for the final Salary Cap Year covered by his prior Contract, plus one hundred seventy-five percent (175%) of any Likely Bonuses and Unlikely Bonuses, respectively, called for in the final Salary Cap Year covered by the player's prior Contract, or (B) Salary plus Unlikely Bonuses totaling an amount equal to one hundred five percent (105%) of the Average Player Salary for the prior Salary Cap Year (or if the Audit Report for the prior Salary Cap Year has not been completed, one hundred five percent (105%) of the Average Player Salary for the prior Salary Cap Year as computed by substituting Estimated Total Salaries (as defined in Section 1(i) above) for Total Salaries). Annual increases and decreases in Salary and Unlikely Bonuses is a maximum of 8%. The maximum allowable years is 4.

Contract Example

The Lakers Austin Reaves signed a two-year \$2.5 million contract in 2021.

Because Reaves was under contract for two years, early bird rights were established.

Reaves would go on to sign a four-year \$53.8 million contract with the Lakers in the 2023 offseason. Since his \$1.8 million salary in 2022-23 was below the average player salary, the Lakers were allowed to sign Reaves to a starting salary of \$12 million (105% of the \$11.4 million average player salary in 2022-23).

The same holds true for the Pelicans Herb Jones.

However, Jones signed a three-year contract with New Orleans in 2021 but with a team option in year three. The option was declined, making Jones a restricted free agent and allowing New Orleans to use early bird rights.

Veteran Qualifying (Bird)

This exception allows a team to retain their own free agents and exceed the salary cap.

A player must be under contract for a minimum of three seasons and are allowed to change teams. For example, Cam Johnson signed a four-year rookie contract with Phoenix in 2019.

He was then traded to Brooklyn in 2023 and his bird rights transferred to his new team.

A player is also allowed to sign a 2 year and then 1 year contract to establish bird rights.

A player that has bird rights with his original team but then is waived and eventually claimed, will now have early bird rights with his new team.

Criteria: 3 seasons (can change teams in a trade)

Starting Salary: Up to 25, 30 or 35% of the salary cap based on years of service

Length: Minimum of 1 year and up to 5 years

Contract Example: Coby White

White originally signed with Chicago in 2023. He was traded to Charlotte in 2026 and his bird rights transferred.

White signed a three-year \$74 million contract in July.

Non-tax mid-level exception

The non-tax mid-level exception (valued at \$15.05 million in 2025-26) can only be used if a team is below the first apron and not under the salary cap.

If a player is signed to the exception for more than \$6.06 million (the tax mid-level exception) or 3 seasons or more, the team is not allowed to exceed the first apron.

Criteria: Available to teams over the salary cap but below the first apron.

Starting Salary: Up to \$15.05M

Length: Minimum of 1 year and up to 4 years. Mid-level can be split up.

Contract Example: Mitchell Robinson

Robinson signed a three-year \$47 million contract with Boston in 2026-27.

Because the contract was for \$6.1 million or more, Boston became hard capped at the first apron.

Biannual exception

A team that is over the salary cap but below the first apron can sign a player(s) using the biannual exception.

A team will trigger the first apron hard cap if the exception is used.

Criteria: Available to teams over the salary cap but below the first apron.

Starting Salary: Up to \$5.5 million.

Length: Up to 2 years

Contract Example: Ariel Hukporti

Hukporti signed a one-year \$3.4 million contract with Philadelphia in 2026

The 76ers do not have use of the biannual in 2027 and are hard capped at the first apron.

Tax mid-level exception

A Team may use the Taxpayer Mid-Level Salary Exception to sign one (1) or more Player Contracts during each Salary Cap Year not to exceed two (2) Seasons in length, that, in the aggregate, provide for Salaries and Unlikely Bonuses in the first Salary Cap Year totaling up to the amounts set forth below, provided that the Team's Apron Team Salary immediately following the Team's use of such Exception exceeds the First Apron Level.

A team cannot use the tax mid level exception and exceed the Second Apron Level.

Criteria: Available to teams over the salary cap

Starting Salary: Up to \$6.06 million

Length: Minimum of 1 year and up to 2 years. Mid-level can be split up.

Contract Example: Luke Kennard

Kennard signed a two-year \$12.4 million contract with Phoenix in 2026.

The Suns are now hard capped at the \$222 million second apron.

Room mid-level exception

This exception is available to teams that were below the salary cap during the season and is not entitled to use the Bi-annual Exception, Non-Taxpayer Mid-Level Salary Exception, or Taxpayer Mid-Level Salary Exception.

Criteria: Team must be a room team.

Starting Salary: \$9.366M

Length: Minimum of 1 and up to 3 years.

Contract Example: Collin Sexton

Sexton signed a two-year \$19.2 million contract with the Lakers in 2026.

39. What are examples of how teams used exceptions?

Room Exception

The Los Angeles Lakers renounced all their free agents except for Austin Reaves. After cap space was exhausted (Walker Kessler, Quentin Grimes, Sandro Mamukashvili), the Lakers signed Collin Sexton to the \$9.4 million room mid level exception.

Non-tax midlevel

The Celtics signed Mitchell Robinson to the \$15 million non tax midlevel exception. The contract was for three seasons. Boston is now hard capped at the first apron.

Biannual

The 76ers used part of their \$5.5 million biannual exception to sign Ariel Hukporti. The exception is not available for Philadelphia in 2027-28.

Tax midlevel

The Suns signed Luke Kennard to the tax midlevel exception. They are now hard capped at the second apron.

40. What are the exceptions available for players drafted?

First Round Exception

Each Rookie Scale Contract between a Team and a First Round Pick shall cover a period of two (2) Seasons but shall have an Option in favor of the Team for the player's third Season and a second Option in favor of the Team for the player's fourth Season.

The Option for the player's third Season shall be exercisable during the period from the day following the last day of the first Season through the immediately following October 31.

The Option for the player's fourth Season shall be exercisable during the period from the day following the last day of the second Season through the immediately following October 31. (For clarity, if October 31 in any year falls on a Saturday, Sunday, or Federal Holiday, then the deadline for exercising Options in Rookie Scale Contracts shall be deemed to fall on the following business day.)

Such Options shall be exercisable by notice to the player that is either personally delivered to the player or his representative or sent by email or pre-paid certified, registered, or overnight mail to the last known address of the player or his representative, signed by the Team, informing the player that the Team has exercised such Option.

The Rookie Salary Scale applicable to a First Round Pick is determined in a Rookie Scale Contract and determined by the selection of that player.

Beginning on January 10 of each Season, an unsigned First Round Picks Applicable Rookie Scale Amount for such Season shall be reduced daily through the end of the Regular Season.

Pick	1st Year Salary	2nd Year Salary	3rd Year Option Salary	4th Year Option: Percentage Increased Over 3rd Year Salary	Qualifying Offer: Percentage Increase Over 4th Year Salary
1	\$12,290,000	\$12,904,800	\$13,519,200	26.1%	40.0%
2	\$10,996,100	\$11,546,100	\$12,096,100	26.2%	40.5%
3	\$9,874,800	\$10,368,200	\$10,862,400	26.4%	41.2%
4	\$8,903,100	\$9,348,300	\$9,793,600	26.5%	41.9%
5	\$8,062,300	\$8,465,200	\$8,868,300	26.7%	42.6%

How to calculate a contract for a player selected in the first round

AJ Dybantsa- #1 (Washington Wizards)

Year 1: \$12,290,000 x 120%= \$14,748,000

Year 2: $\$12,904,800 \times 120\% = \$15,485,760$

Year 3: $\$13,519,200 \times 120\% = \$16,223,040$

Year 4: $\$16,223,040 \text{ (Year 3)} \times 126.1\% = \$20,457,253$

Qualifying Offer: $\$20,457,253 \times 140\% = \$28,640,155$

Rookie Contracts for Later-Signed First Round Picks.

A First Round Pick who does not sign with the Team that holds his draft rights for any portion of the three (3) Seasons following the NBA Draft in which he was selected (and who did not play intercollegiate basketball during such period) may enter into either (a) a Rookie Scale Contract, or (b) if the Team has Room in excess of the applicable first-year Rookie Scale Amount and a Contract covering no fewer than three (3) Seasons (not including any Option Year) that provides for Base Compensation in the first Season greater than one hundred twenty percent (120%) of the applicable first-year Rookie Scale Amount.

Example

The Chicago Bulls drafted Nikola Mirotic in 2011.

Because Mirotic did not sign a contract until 2014, Chicago could offer him more than the rookie scale contract for a player selected 21st.

The Bulls used their non-tax mid-level exception to sign the forward.

Loss of Draft Rights.

If for any reason a Team fails to make a Required Tender to a First Round Pick, withdraws a Required Tender to a First Round Pick, or renounces a First Round Pick in, or if a First Round Pick selected in a Subsequent Draft does not sign a Contract for a period of one (1) year then the rules set forth in Sections 1 and 2 above shall not apply, and such First Round Pick shall become a Rookie Free Agent. In addition, any Team that fails to make a Required Tender to a First Round Pick, withdraws a Required Tender to a First Round Pick, renounces a First Round Pick, or fails to sign within one (1) year a First Round Pick selected in a Subsequent Draft shall be prohibited from signing such player until after he has signed a Player Contract with another NBA Team, and either (a) the player completes the playing services called for under the Contract, or (b) the Contract is terminated in accordance with the NBA waiver procedure.

A player that is drafted in the first round is required to receive a one-year tender from his current team.

Second Round Exception

A new Exception was created for signing Second Round Picks to one of the following Contract structures:

- **Three-Year Contract.** A three-year Contract including a Team Option for the third year. The Contract could provide for Salary in year one of up to the Minimum Annual Salary applicable to a player with one Year of Service (i.e., \$2,048,494 based on the 2025-26 Minimum Annual Salary Scale) and will provide for the player's applicable Minimum Annual Salary in years two and three (i.e., \$2,296,274 and \$2,411,090, respectively, based on the 2025-26 Minimum Annual Salary Scale).
- **Four-Year Contract.** A four-year Contract including a Team Option for the fourth year. The Contract could provide for Salary in years one and two of up to the Minimum Annual Salary applicable to a player with two Years of Service (i.e., \$2,296,274 and \$2,411,090 based on the 2025- 26 Minimum Annual Salary Scale) and will provide for the player's applicable Minimum Annual Salary in years three and four (i.e., \$2,525,901 and \$2,735,698 based on the 2025-26 Minimum Annual Salary Scale).

YOS	Year 1	Year 2	Year 3	Year 4	Year 5
0	\$1,357,763				
1	\$2,185,116	\$2,294,370			
2	\$2,449,421	\$2,571,895	\$2,694,363		
3	\$2,537,526	\$2,664,401	\$2,791,275	\$2,918,152	

How the rule works: To sign a player for more than two seasons under the prior CBA, a team had to use either cap space or part of their non-tax mid-level exception. Under the new rule, the Lakers could have signed Talen Horton-Tucker despite not having access to their mid-level.

The Mavericks would not have lost Jalen Brunson to unrestricted free agency because there would have been a team option in the fourth year. Under the new rules, Dallas could have declined the option and made Brunson a restricted free agent.

Contract example

Three-year Contract

Ryan Conwell (Miami)

2026/27: \$1,357,763 (0 YOS)

2027/28: \$2,294,370 (1 YOS)

2028/29: \$2,694,363 (2 YOS) (Team)

Four-year Contract**Meleek Thomas (Cleveland)**

2026/27: \$1,357,763 (0 YOS)

2027/28: \$2,294,370 (1 YOS)

2028/29: \$2,694,363 (2 YOS)

2029/30: \$2,918,152 (3 YOS) (Team)

Four-year Contract**Player A**

2026/27: \$2,449,421 (2 YOS)

2025/26: \$2,571,895 (2 YOS)

2026/27: \$2,694,363 (2 YOS)

2027/28: \$2,918,152 (3 YOS) (Team)

Note: A player that is drafted in the second round and signs a Two-Way is not eligible to sign for the second round pick exception.

41. Do teams get an exception if a player suffers a season ending injury?

A Team may sign or acquire one Replacement Player to replace a player who, as a result of a Disabling Injury or Illness, is unable to render playing services (the "Disabled Player"). Disabling Injury or Illness means any injury or illness that, in the opinion of the physician, makes it substantially more likely than not that the player would be unable to play through the following June 15.

An application for a Disabled Player Exception in respect of a Salary Cap Year, regardless of when the Disabling Injury or Illness occurred, may be made at any time from **July 1 through January 15** of such Salary Cap Year.

If a Team wishes to sign a Replacement Player, such Replacement Player's Contract may be for one Season and provide Salary and Unlikely Bonuses for the Salary Cap Year in which the player is signed totaling up to the lesser of (A) fifty percent (50%) of the Disabled Player's Salary for the then-current Salary Cap Year, or (B) an amount equal to Non-Taxpayer Mid-Level Salary Exception for such Salary Cap Year (\$12.8 million in 2023-24)

Criteria: Exception is granted if the NBA determines a player is unable to play through the following June 15.

Timeline: Can apply from July 1 to January 15

Starting salary: The lesser 50% of the Disabled Player's Salary for the current season or the amount equal to the \$14.1 million non-tax mid-level exception.

Length: A team can sign a player, acquire or claim a player that has one year left on their contract

Restriction: A team cannot apply for the exception if the injury occurred with another team

Length: 1 year

Disabled Player Exception example: Tyrese Haliburton

Haliburton tore his Achilles in Game 7 of the NBA Finals. Despite the injury happening in the 2024-25 season, Indiana was allowed to apply for the exception in July 2025. The Pacers were awarded the DPE valued at \$14.1 million.

42. How does the veteran minimum exception work?

A Team may sign a player to, or acquire by assignment, a Player Contract, not to exceed two (2) Seasons in length, that provides for a Salary for the first Season equal to the Minimum Player Salary applicable to that player (with no bonuses of any kind).

A Player Contract signed or acquired pursuant to the Minimum Player Salary Exception covering two (2) Seasons must provide for a Salary for the second Season equal to the Minimum Player Salary applicable to the player for such Season (with no bonuses of any kind).

A team can acquire a player signed to the minimum exception and are not required to receive a salary that fits within the Traded Player Exception.

Minimum Annual Salary for Contracts signed during the 2026-2027 Season

YOS	Year 1	Year 2	Year 3	Year 4	Year 5
0	\$1,357,763				
1	\$2,185,116	\$2,294,370			
2	\$2,449,421	\$2,571,895	\$2,694,363		
3	\$2,537,526	\$2,664,401	\$2,791,275	\$2,918,152	
4	\$2,625,627	\$2,756,912	\$2,888,193	\$3,019,474	\$3,150,758
5	\$2,845,883	\$2,988,178	\$3,130,471	\$3,272,766	\$3,415,061
6	\$3,066,143	\$3,219,451	\$3,372,754	\$3,526,061	\$3,679,369
7	\$3,286,399	\$3,450,720	\$3,615,040	\$3,779,359	\$3,943,681
8	\$3,506,659	\$3,681,991	\$3,857,326	\$4,032,662	\$4,207,996
9	\$3,524,115	\$3,700,320	\$3,876,527	\$4,052,733	\$4,228,939
10+	\$3,876,529	\$4,070,355	\$4,264,183	\$4,458,009	\$4,651,836

One-Year Minimum Contracts

Player: Nikola Vucevic

Years of Service: 10+

Years: 1

Salary: \$3,876,529

Cap hit: \$2,449,421

Two-Year Minimum Contract

Player: Player A

Years of Service: 9

Years: 2

Year 1 Salary/Cap hit: \$3,524,115

Year 2 Salary/Cap hit: \$3,876,529

Except where otherwise stated in this Agreement, the Salary of every player who signs a one-year, 10-Day, or Rest-of-Season Contract for the Minimum Player Salary applicable to such player shall be the lesser of (1) such Minimum Player Salary, or (2) the portion of such Minimum Player Salary that is not reimbursed out of the League-wide benefits fund.

43. What is the salary if a player signs for the veteran minimum during the regular season?

Beginning on the first day of the regular season, the veteran minimum exception begins to prorate each day.

Applicable Ten-Day Amount			\$78,032	\$125,581	\$140,771	\$145,835	\$150,898	\$163,556	\$176,215	\$188,874	\$201,532	\$202,535	\$222,789
Applicable Minimum Salary			\$1,357,763	\$2,185,116	\$2,449,421	\$2,537,526	\$2,625,627	\$2,845,883	\$3,066,143	\$3,286,399	\$3,506,659	\$3,524,115	\$3,876,529
Date	Day	Days Rem	0 YOS	1 YOS	2 YOS	3 YOS	4 YOS	5 YOS	6 YOS	7 YOS	8 YOS	9 YOS	10+ YOS
Oct 20, 2026	1	174	\$1,357,763	\$2,185,116	\$2,449,421	\$2,537,526	\$2,625,627	\$2,845,883	\$3,066,143	\$3,286,399	\$3,506,659	\$3,524,115	\$3,876,529
Oct 21, 2026	2	173	\$1,349,960	\$2,172,558	\$2,435,344	\$2,522,943	\$2,610,537	\$2,829,527	\$3,048,521	\$3,267,512	\$3,486,506	\$3,503,861	\$3,854,250
Oct 22, 2026	3	172	\$1,342,157	\$2,160,000	\$2,421,267	\$2,508,359	\$2,595,447	\$2,813,172	\$3,030,900	\$3,248,624	\$3,466,353	\$3,483,608	\$3,831,971
Oct 23, 2026	4	171	\$1,334,353	\$2,147,442	\$2,407,190	\$2,493,778	\$2,580,358	\$2,798,816	\$3,013,278	\$3,229,737	\$3,446,199	\$3,463,354	\$3,809,692
Oct 24, 2026	5	170	\$1,326,550	\$2,134,883	\$2,393,112	\$2,479,192	\$2,565,268	\$2,780,480	\$2,995,657	\$3,210,850	\$3,426,046	\$3,443,101	\$3,787,413
Oct 25, 2026	6	169	\$1,318,747	\$2,122,325	\$2,379,035	\$2,464,609	\$2,550,178	\$2,764,105	\$2,978,035	\$3,191,962	\$3,406,893	\$3,422,847	\$3,765,134
Oct 26, 2026	7	168	\$1,310,944	\$2,109,767	\$2,364,958	\$2,450,025	\$2,535,088	\$2,747,749	\$2,960,414	\$3,173,075	\$3,385,740	\$3,402,594	\$3,742,856

For example

If a player with 10 years of service signs a contract starting on October 23, his salary is \$3,809,692

The salary cap hit is \$2,407,190

44. What happens if a player with 7 years of service, signs a prorated minimum on October 24 and is waived on December 1? What salary applies to the cap?

Because that player did not finish the season on the roster, the amount of per day salary applies to the cap.

45. Are exceptions prorated during the season?

Beginning on January 10 of each Season, each unused Exception, other than the Traded Player Exception, the Minimum Player Salary Exception and the Disabled Player Exception, shall be reduced daily throughout the remainder of the Regular Season by the amount of the unused Exception as of January 10 multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the total number of days in such Regular Season; provided that the foregoing reduction shall not apply in the event a Team is using the applicable Exception:

- During the period beginning on January 10 of a Salary Cap Year through the date of the NBA trade deadline of such Salary Cap Year; or
- For purposes of matching an Offer Sheet.

46. What is the window when a team can negotiate with their own free agent? And when can they negotiate with other free agents?

Beginning on the day following the date of the last game of the NBA Finals, each team will be permitted to begin negotiating the terms of a Player Contract with any player who finished the Season on the team's roster. The foregoing will have no impact on when a player will be permitted to enter into an oral or written agreement concerning terms and conditions of the player's employment or reduce any such agreement to writing in the form of a Uniform Player Contract or amendment. **(NOTE: THIS IS NEW IN 2024)**

Beginning at 6:00 p.m. (ET) on June 30, teams and players (not on their own team) are permitted to begin negotiations over the terms and conditions of player contracts that may be entered into after (or, with respect to certain contracts, during) the Moratorium Period. Prior to 6:00 p.m. (ET) on June 30, teams are prohibited from engaging in negotiations or other discussions with players or their representatives regarding such contracts. The foregoing rule governs negotiations or discussions with (i) a team's own players (other than permissible talks regarding extensions or other contract amendments to which the team and player could agree at the time of the discussion), (ii) other teams' players who were in the last season of their contract during the prior season, or (iii) any free agent who did not finish the prior season on an NBA team's roster.

The penalties for violation of the foregoing rule include, among other things, forfeiture of draft picks, fines, and/or suspension of team personnel.

The foregoing prohibition applies to both direct and indirect contract-related discussions, including through the media. Examples of such prohibited conduct include (but are not limited to) public statements by team personnel on the impending free agency of a team's own player that address:

- The likelihood that the team will offer the player a contract during free agency.
- The amount or length of a potential future contract offers including whether the player may be offered a “max” contract; or
- Whether the team would be willing to go above the Salary Cap or the Tax Level in order to retain the player.

If a team representative is asked by the media prior to 6:00 p.m. (ET) on June 30 about the free agency of the team’s own player, it is permissible to state the team’s general desire for the player to continue with the organization and/or the team’s intention to begin contract negotiations with the player beginning at or after 6:00 p.m.(ET) on June 30.

To facilitate the scheduling of meetings with free agents in accordance with applicable rules, teams are permitted, beginning at 6:00 p.m. (ET) on June 29, to communicate with impending or current free agents or their representatives solely for the purpose of scheduling a meeting to take place at or after 6:00 p.m. (ET) on June 30.

Any such scheduling communications cannot include any negotiations or other contract-related discussions. Although teams may schedule meetings with players who will be free agents (or their representatives) prior to 6:00 p.m. (ET) on June 30, teams are prohibited from, prior to 6:00 p.m. (ET) on June 30, making public statements regarding any such scheduled meetings or attempts to schedule any such meetings.

47. How does the moratorium impact the offseason?

No player contracts (except for below) may be entered into with free agents until the conclusion of the Moratorium Period (July 6 at 12:01 PM ET.)

A player and a Team may negotiate over the terms and conditions of a Player Contract or an Extension that may be entered into following the conclusion of the Moratorium Period;

A player and a Team may negotiate an Offer Sheet that may be entered into beginning at 12:01 p.m. eastern time on the first day of the Moratorium Period.

- A player may accept any Required Tender, Qualifying Offer, or “Maximum Qualifying Offer”
- A Team may exercise a Two-Way Contract’s Standard NBA Contract Conversion Option

Beginning at 12:01 p.m. eastern time on the first day of the Moratorium Period,

- A player and a Team may enter into an Offer Sheet.
- A First Round Pick and the Team that holds his draft rights may enter into a Rookie Scale Contract.

- A Second Round Pick and the Team that holds his draft rights may enter into a Player Contract signed pursuant to the Second Round Pick Exception.
- A player and a Team may enter into a Player Contract, not to exceed two (2) Seasons in length, that provides for a Salary for each Salary Cap Year equal to the Two-Way Player Salary or the Minimum Player Salary applicable to the player (with no bonuses of any kind); and
- A Team may exercise the Two-Way Player Conversion Option in a Contract with an Exhibit 10.

48. Can a team, player or agent comment during the moratorium if a transaction took place?

Announcement Prohibitions

Beginning with the free agency period preceding the 2024-25 Season, players (including, for clarity, via their player representatives) will be prohibited from announcing publicly until after the end of the Moratorium Period that the player and a team have reached agreement on a Contract that cannot be signed during the Moratorium Period.

Penalties

The CBA will expressly authorize the NBA to impose the following penalties upon teams or team personnel, without a finding by the System Arbitrator, for violations of the rules governing the timing of free agency discussions: a fine of up to \$2,000,000, forfeiture of draft picks, and/or suspensions of team personnel.

NOTE: THE PROHIBITIONS AND PENALTIES ARE NEW

49. What is the maximum a salary can increase or decrease?

The following rules apply to all Player Contracts other than Contracts between Qualifying Veteran Free Agents or Early Qualifying Veteran Free Agents and their Prior Team:

- (i) For each Salary Cap Year covered by a Player Contract after the first Salary Cap Year, the player's:
 - (A) Salary, excluding Incentive Compensation, may increase or decrease in relation to the previous Salary Cap Year's Salary, excluding Incentive Compensation, by no more than five percent (5%) of the Salary for the first Salary Cap Year covered by the Contract; and
 - (B) Regular Salary may increase or decrease in relation to the previous Salary Cap Year's Regular Salary by no more than five percent (5%) of the Regular Salary for the first Salary Cap Year covered by the Contract.
- (ii) In the event that the first Salary Cap Year covered by a Contract provides for Incentive Compensation, the amount of each bonus included in the first Salary Cap Year of the Contract may increase or decrease in each subsequent Salary Cap Year by up to five percent (5%) of the amount of such bonus in the first Salary Cap Year of the Contract.

Contract examples:

De'Anthony Melton signed a two-year \$11.2 million contract with Golden State

Year 1: \$5,477,000

Year 2: \$5,750,850 (105% of Year 1 salary)

Paul George signed a four-year \$211.58 million contract with Philadelphia

Year 1: \$49,205,800

Year 2: \$51,666,090 (105% of Year 1 salary)

Year 3: \$54,126,380 (\$2,460,290 added from year 2)

Year 4: \$56,586,670 (\$2,460,290 added from year 3)

Important: You do not add 5% for every season. The raises are compounded.

The following rules apply to all Player Contracts between Qualifying Veteran Free Agents or Early Qualifying Veteran Free Agents and their Prior Team :

- (i) For each Salary Cap Year covered by a Player Contract after the first Salary Cap Year, the player's:
(A) Salary, excluding Incentive Compensation, may increase or decrease in relation to the previous Salary Cap Year's Salary, excluding Incentive Compensation, by no more than eight percent (8%) of the Salary for the first Salary Cap Year covered by the Contract; and (B) Regular Salary may increase or decrease in relation to the previous Salary Cap Year's Regular Salary by no more than eight percent (8%) of the Regular Salary for the first Salary Cap Year covered by the Contract.

The following rules apply to Extensions entered into in connection with a trade pursuant to In the event that the first Salary Cap Year covered by the Contract or extended term, as applicable, provides for Incentive Compensation, the criteria for earning any bonus included in such Salary Cap Year must be unchanged in any subsequent Salary Cap Year.

Contract example:

LeBron James signed a two-year \$101.35 million contract with the Lakers

Year 1: \$48,728,845

Year 2: \$52,627,153 (108% increase off year 1)

Tyrese Maxey signed a five-year \$203.8 million contract with Philadelphia

Year 1: \$35,147,000

Year 2: \$37,985,760 (108% increase off year 1)

Year 3: \$40,770,520 (\$2,811,760 added from year 2)

Year 4: \$43,582,280 (\$2,811,760 added from year 3)

Year 5: \$46,394,040 (\$2,811,760 added from year 4)

Important: The raises are not compounded each season

50. What is the maximum salary a player can earn?

A player is eligible to negotiate the maximum salary allowed based on their years of service.

YEARS	DETAILS	NOTES
*0-6	25% of the Cap	Salary can be 105% of the previous salary even if it exceeds the max
7-9	30% of the Cap	Salary can be 105% of the previous salary even if it exceeds the max
10+	35% of the Cap	Salary can be 105% of the previous salary even if it exceeds the max

*A player that has 4 years of service as of June 30 is eligible to sign a contract for up to 30% if they are named All-NBA, MVP or Defensive Player of the Year.

0-6 YEARS OF SERVICE

Contract Example

The Lakers signed Austin Reaves to a four-year \$184.8 million max contract in 2026. Reaves at the time had five years of service and his starting salary was \$41,240,250 (25% of the 2026-27 salary cap)

Austin Reaves contract breakdown

2026-27	\$41,240,250 (25% of the cap)
2027-28	\$44,539,470 (108% increase off 2026-27)
2028-29	\$47,838,690 (\$3,299,220 added)
2029-30	\$51,137,910 (\$3,299,220 added)

The 76ers Tyrese Maxey did not sign a rookie extension.

He eventually signed a five-year \$203.8 million max contract with Philadelphia.

If Maxey had been named All-NBA, MVP or Defensive Player of the Year, he could have signed for up to 30% of the salary cap in 2024-25. However, because this is not an extension, the All-NBA language would be negotiated between Philadelphia and Maxey.

7-9 YEARS OF SERVICE

Contract Example

The Bulls signed Zach LaVine to a five-year \$215.1 million max contract in 2022. LaVine at the time had eight years of service and his starting salary was \$37 million (30% of the salary cap in 2022-23).

10+ YEARS OF SERVICE

Contract Example

The Wizards signed Bradley Beal to a five-year \$251 million max contract in 2022. Beal at the time had ten years of service and his starting salary was \$43.3 million (35% of the salary cap in 2022-23).

The Warriors Stephen Curry signed a four-year \$215.4 million extension in the 2021 offseason.

Curry's salary in year one was \$48.1 million, \$4.8 million more than the maximum salary for a player with ten or more years of service.

The first-year salary was allowable because it was 105% of his \$45.8 million salary in the prior season.

51. What happens for free agents that reach performance-based criteria?

Free agents who have eight or nine years of service in the league who have never changed teams (other than, if applicable, being traded during their first four seasons in the league) and who meet certain performance-based criteria (see above) will be able to sign with their own team for a first- year salary of up to 35% of the Salary Cap (under the 2023 CBA, such players' applicable maximum first-year salary is 30% of the Salary Cap).

Under this provision, any contract that provides for a player's salary to be more than 30% of the Salary Cap will be required to be a five-year contract.

Contract example

The Warriors Stephen Curry signed a five-year \$201.6 million Designated Veteran Contract in 2017.

52. Do free agents count against the salary cap?

A free agent has a hold and will count against team salary until he signs with another NBA team, is renounced or signs back with his prior team.

Qualifying Veteran Free Agent,

A Qualifying Veteran Free Agent will be included at one hundred fifty percent (150%) of his prior Salary if it was equal to or greater than the Estimated Average Player Salary for the prior Salary Cap Year, and one hundred ninety percent (190%) of his prior Salary if it was less than the Estimated Average Player Salary for the prior Salary Cap Year.

Free Agent hold example

- Draymond Green had a \$38.9 million free agent hold in 2026. The hold was equal to 150% of his \$25.9 million 2025-26 salary.
- Austin Reaves had a \$20.9 million free agent hold in 2026. The hold was equal to 190% of his \$13,937,574 salary in 2025-26.

Qualifying Veteran Free Agent following the second Option Year of his Rookie Scale Contract

Will be included at two hundred fifty percent (250%) of the player's prior Salary if it was equal to or greater than the Estimated Average Player Salary for the prior Salary Cap Year, and three hundred percent (300%) of his prior sSalary if it was less than the Estimated Average Player Salary for the prior Salary Cap Year.

Free Agent hold example

- Cameron Johnson had a \$17.6 million free agent hold in 2023. The hold was equal to 300% of his \$5.9 million 2022-23 salary.

At no time shall a Free Agent Amount for a Veteran Free Agent following the second or third Season of his Rookie Scale Contract exceed the maximum amount the Team may pay the player.

Example

The Suns declined the third-year team option for first round pick Jalen Smith. The free agent hold for Smith was \$4.67 million, the amount in salary of the declined option year.

Early Qualifying Veteran Free Agent

Will be included at one hundred thirty percent (130%) of his prior Salary or equal ; provided, however, that the player's Prior Team may, by written notice to the NBA, renounce its rights to sign the player pursuant to the Early Qualifying Veteran Free Agent Exception, in which case the player will be deemed a Non-Qualifying Veteran Free Agent.

The player's free agent hold is not less than the minimum salary.

For a restricted free agent like Austin Reaves, the cap hold is the amount of his \$2.2 million Qualifying Offer.

Free Agent hold example

- Trey Lyles had a \$3.4 million free agent hold in 2023. The hold was equal to 130% of his \$2.7 million salary in 2022-23.

A Non-Qualifying Veteran Free Agent

The hold is included at one hundred twenty percent (120%) of the prior salary.

If the player's prior Salary was equal to or less than the Minimum Player Salary applicable to such player, he will be included at the portion of the then-current Minimum Annual Salary applicable to such player that would not be reimbursed out of the League-wide benefits fund.

Free agents hold example: The free agent hold for Matthew Dellavedova in Sacramento was \$2.019 million.

Miscellaneous

At no time shall a player's Free Agent Amount exceed the Maximum Player Salary applicable to such player or be less than the portion of the Minimum Annual Salary applicable to such player that would not be reimbursed out of the League-wide benefits fund.

FREE AGENT	PREVIOUS SALARY	FREE AGENT AMOUNT	OTHER
Any	Minimum	1-2 YOS minimum	Use 2 YOS minimum unless the player has 1 YOS
Bird	At or above the average salary	150% of previous salary	Free agent hold can never be greater than his maximum salary
Bird	Below the average salary	190% of previous salary	N/A
Bird, after 4th year rookie scale	At or above the average salary	250% of his previous salary	N/A
Bird, after 4th year rookie scale	Below the average salary	300% of his previous salary	Free agent hold can never be greater than his maximum salary
Bird, after 3rd year rookie scale	N/A	4th year salary of declined team option	N/A
Bird, after 2nd year rookie scale	N/A	3rd year salary of declined team option	N/A

FREE AGENT	PREVIOUS SALARY	FREE AGENT AMOUNT	OTHER
Early Bird	Any	130% of his previous salary	A players free agent hold is never less than his minimum salary . Qualifying Offer is the hold if greater.
Non-Bird	Any	120% of his previous salary	A players free agent hold is never less than his minimum salary. Qualifying Offer is the hold if greater.
Two-Way	Any	One year veteran minimum	N/A

53. How did free agent holds impact the 2026 and 2025 offseason?

Team example: Los Angeles Lakers

	PLAYER	2026-27
1	Luka Doncic	49,500,000
2	Jarred Vanderbilt	12,428,571
3	Deandre Ayton	8,104,000
4	Jake LaRavia	6,000,000
5	Dalton Knecht	4,201,080
6	Cameron Carr	3,315,360
7	Adou Thiero	2,150,917
8	Bronny James	2,296,271
9	Austin Reaves	20,906,361
	MIN PLAYER ADJUSTMENT	4,074,252
	Guaranteed Salary	87,996,199
	Dead Money	0
	Non-Guaranteed	0
	Free Agent Hold	20,906,361
	Tax Variance	0
	Total salaries: Cap	112,976,812
	Total: Salaries: Tax	87,996,199
	SALARY CAP	164,961,000
	TAX LEVEL	200,428,000
	Cap Room	51,984,188

The offseason in Miami

Signing methods:

First round exception: Cameron Carr
 100% Trade Exception: Jaden Hardy
 Cap space: Quentin Grimes, Sandro Mamukelashvili
 Sign-and-trade (into cap space): Walker Kessler
 Bird rights: Austin Reaves
 Room exception: Collin Sexton

Team example: Memphis Grizzlies

PLAYER	2025-26
Ja Morant	39,446,090
Jaren Jackson Jr.	23,413,395
Kentavious Caldwell-Pope	21,621,500
Brandon Clarke	12,500,000
John Konchar	6,165,000
Zach Edey	6,045,000
Cedric Coward	5,715,120
Vince Williams Jr.	2,301,587
Scotty Pippen Jr.	2,270,735
GG Jackson	2,221,677
Cam Spencer	
Jaylen Wells	1,955,377
Santi Aldama	11,881,593
Zyon Pullin	Two Way
Javon Small	Two Way
Mamadi Diakite	464,050
Cole Anthony	3,700,000
Guaranteed Salary	123,655,481
Dead Money	4,164,050
Non-Guaranteed	0
Free Agent Hold	11,881,593
Total Salaries: Cap	139,701,124
SALARY CAP	154,647,000
Cap Room	14,945,876

PLAYER	2025-26
Ja Morant	39,446,090
Jaren Jackson Jr.	35,000,000
Kentavious Caldwell-Pope	21,621,500
Brandon Clarke	12,500,000
John Konchar	6,165,000
Zach Edey	6,045,000
Cedric Coward	5,715,120
Vince Williams Jr.	2,301,587
Scotty Pippen Jr.	2,270,735
GG Jackson	2,221,677
Cam Spencer	2,537,989
Jaylen Wells	1,955,377
Santi Aldama	11,881,593
Zyon Pullin	Two Way
Javon Small	Two Way
Mamadi Diakite	464,050
Cole Anthony	3,700,000
Guaranteed Salary	137,780,075
Dead Money	4,164,050
Non-Guaranteed	0
Free Agent Hold	11,881,593
Total Salaries: Cap	153,825,718
SALARY CAP	154,647,000
Cap Room	821,282

Maximizing Cap Space

Cole Anthony bought out and waive-and-stretched

Jaren Jackson renegotiate his contract with \$11.6M in available cap space

Cam Spencer signed with remaining room

Santi Aldama signed with bird rights and allowed to exceed the cap

Jock Landale signed with the veteran minimum

54. When a player is drafted in the first round, do they count against the cap even if they do not sign a contract?

A First Round Pick, immediately upon selection in the Draft, shall be included in the Team Salary of the Team that holds his draft rights at one hundred twenty percent (120%) of his applicable Rookie Scale Amount and shall continue to be included in the Team Salary of any Team that holds his draft rights (including any Team to which the player's draft rights are assigned) until such time as the player signs with such Team or until the Team loses or assigns its exclusive draft rights to the player.

In the event that a First Round Pick signs with a non-NBA team, the player's applicable Rookie Scale Cap Hold Amount shall be excluded from the Team Salary of the Team that holds his draft rights beginning on the date he signs such non-NBA contract or the first day of the Regular Season, whichever is later, and shall be included again in his Team's Team Salary at the applicable Rookie Scale Cap Hold Amount on the following July 1.

A Team that holds draft rights to a First Round Pick may elect to have the player's applicable Rookie Scale Cap Hold Amount excluded from its Team Salary at any time prior to the first day of any Regular Season by providing the NBA with a written statement that the Team will not sign the player during that Salary Cap Year accompanied by a written statement from the First Round Pick renouncing his right to accept any outstanding Required Tender made to him by the Team. After making such an election, (i) the Team shall be prohibited from signing the player during that Salary Cap Year,

55. Is a team penalized if they have fewer than ten players on their roster in free agency?

If at any time from July 1 through the day prior to the first day of the Regular Season a Team has fewer than twelve (12) players, included in its Team Salary, then the Team's Team Salary shall be increased by an amount calculated as follows:

STEP1: Subtract from twelve (12) the number of players included in Team Salary.

STEP 2: If the result in Step 1 is a positive number, multiply the result in Step 1 by the Minimum Annual Salary applicable to players with zero (0) Years of Service under the Minimum Annual Salary Scale for that Salary Cap Year.

Example: If a team has 10 players, $\$1,357,763 \times 2$ will be included in team salary.

In determining whether a Team has fewer than twelve (12) players included in its Team Salary, the only players who shall be counted are (i) players under Contract with the Team who are included in Team Salary, (ii) Free Agents who are included in Team Salary, (iii) players to whom Offer Sheets have been given, and (iv) unsigned First Round Picks.

56. Can a free agent be signed and traded to another team?

Veteran Free Agent and his Prior Team may enter into a Player Contract pursuant to an agreement between the Prior Team and another Team concerning the signing and subsequent trade of such Contract, but only if the Veteran Free Agent finished the prior Season on his Prior Team's roster (NOTE: Miles Bridges was not on the Hornets roster and was not allowed to be used in a sign-and-trade.)

This is the "Keith Van Horn rule from 2008.

Some history to this rule:

To make the salaries work in a Jason Kidd trade to Dallas, Van Horn needed to be included in a sign-and-trade.

The problem was that Van Horn last played for the Mavericks in 2006.

However, because Dallas had his bird rights, he was allowed to be included.

Van Horn never played a game in New Jersey and was waived in October 2008.

- The Contract is for at least three (3) Seasons (excluding any Option Year) but no more than four (4) Seasons in length.
- The Contract is not signed pursuant to the Non-Taxpayer Mid-Level Salary Exception or the Mid-Level Salary Exception for Room Team.
- A team acquiring a player in a sign-and-trade cannot exceed the first apron

The first Season of the Contract is fully protected for lack of skill

Example: The Van Horn contract was guaranteed in year 1 at \$4.2 million but had no protection in year 2 and 3.

The Contract is entered into prior to the first day of the Regular Season,

With respect to any 5th Year Eligible Player who met one of the Higher Max Criteria, the Contract may not provide the player with Salary (plus Unlikely Bonuses) more than twenty-five percent (25%) and the acquiring Team has Room for the player's Salary plus any Unlikely Bonuses provided for in the first Season of the Contract.

Contract example

Duncan Robinson was signed-and-traded from Miami to Detroit. The first year is guaranteed.

57. Who qualifies as a restricted free agent? What is a Qualifying Offer?

A player that has either finished their rookie scale contract, has three or less years of service (but not a first-round pick that had his third-or-fourth year team option) or finished a Two-Way contract, is eligible to receive a one-year Qualifying Offer.

A Qualifying Offer can be extended from the day after the last NBA Finals game until June 29.

If the Qualifying Offer is extended, the player is then a Restricted Free Agent.

A team has the right to pull the Qualifying Offer without the permission of the player up until July 13.

A Qualifying Offer expires on October 1, unless a team extends the offer.

If the offer is not extended, the player is still a restricted free agent.

The amount of the Qualifying Offer is based on the below:

Rookie scale contract

The NBA uses a percentage based on where a player was drafted.

Example: The salary in 2025-26 for Paolo Banchero is \$15.3 million. Because Banchero was the no. 1 pick in the draft, his Qualifying Offer is \$19.9 million (130% off the fourth-year salary).

Second rd. picks or other players

The greater of:

- 135% of the previous contract plus \$200K if signed in 2023-24 or beyond
- The player's minimum salary plus \$200K
- 125% of the previous contract if signed prior to 2023-24

The Qualifying Offer is 125% of the player's previous salary, or the player's minimum salary plus \$200K.

Example: The Qualifying Offer for former second-round pick Max Christie is \$2,293,637 (\$2,093,637-2 years of service + \$200K)

- Two-Way players but not eligible to sign another Two-Way because of the years of service criteria: Minimum salary based on year of service, with \$90K guaranteed
- Two-Way players: Normal salary but with \$77K guaranteed

58. Can a Qualifying Offer be greater if certain criteria are met? What is the starter criteria?

To meet the Starter Criteria, a player must either start at least 41 games or play at least 2,000 minutes during the 2025-2026 Regular Season. Alternatively, a player must either start an average of at least 41 games or play in an average of at least 2,000 minutes over the course of the 2024-2025 and 2025-2026 Regular Seasons.

Top 14 Draft Picks on Rookie Scale Contracts

For any First Round Pick finishing his Rookie Scale Contract who was selected with one of the first through fourteen picks in the Draft and who failed to meet the Starter Criteria, the player's Qualifying Offer shall contain the lesser of his normal Rookie Scale Qualifying Offer amount or the Qualifying Offer applicable to the fifteenth player selected in the first round of the Draft (the "fifteenth player") as called for by the Rookie Salary Scale

applicable to the First Round Pick's Rookie Scale Contract. For purposes of calculating 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 (\$10,342,496)

Non Top 9 Draft Picks on Rookie Scale Contracts

For any First Round Pick finishing his Rookie Scale Contract who was not selected with one of the first nine picks in the Draft and who met the Starter Criteria, the Qualifying Offer shall instead contain Base Compensation (with no bonuses of any kind) equal to the amount of the Qualifying Offer applicable to the ninth player selected in the first round of the Draft (the "ninth player") as called for by the Rookie Salary Scale applicable to the First Round Pick's Rookie Scale Contract. For purposes of calculating 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 (\$11,357,585)

Non-Rookie Scale Contracts

For all other players subject to a Right of First Refusal not coming off of a Rookie Scale contract and who met the Starter Criteria, the player's Qualifying Offer shall contain the greater of his normal Qualifying Offer or the Qualifying Offer applicable to the twenty-first player selected in the first round of the Draft (the "twenty-first player") as called for by the Rookie Salary Scale applicable to the First Round Pick's Rookie Scale Contract. For purposes of calculating 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 for the twenty-first player (\$6,952,522)

59. What if a restricted free agent wants to sign with another team? What is the process?

When a Restricted Free Agent receives an offer to sign a Player Contract from a Team other than the ROFR Team (the "New Team"), which he desires to accept, he shall give to the ROFR Team a completed certificate substantially in the form of Exhibit G annexed hereto (the "Offer Sheet"), signed by the Restricted Free Agent and the New Team, which shall have attached to it a Uniform Player Contract separately specifying: (i) the "Principal Terms" of the New Team's offer; and (ii) any non-Principal Terms of the New Team's offer that the ROFR Team is not required to match but which would be included in the player's Player Contract with the New Team if the ROFR Team does not exercise its Right of First Refusal.

The player's obligation in the foregoing sentence to give to the ROFR Team a completed Offer Sheet shall be deemed satisfied if the Offer Sheet is given to the ROFR Team by the New Team.

The Offer Sheet must be for a Player Contract with a term of more than one (1) Season (not including any Option Year), unless the ROFR team has tendered the player both a Qualifying Offer and a Maximum Qualifying Offer, in which case the Offer Sheet must be for a Player Contract with a term of more than two (2) Seasons (not including any Option Year).

To extend an Offer Sheet, the New Team must have Room for the player's Player Contract at the time the Offer Sheet is signed and must continue to have such Room at all times while the Offer Sheet is outstanding.

The Principal Terms of an Offer Sheet are only:

1. The term of the Contract.
2. The fixed and specified Compensation that the New Team will pay or lend to the Restricted Free Agent as a signing bonus, Current Base Compensation, and/or Deferred Base Compensation in specified installments on specified dates.
3. Incentive Compensation; provided, however, that the only elements of such Incentive Compensation that shall be included in the Principal Terms are the following: (A) bonuses that qualify as Likely Bonuses based upon the performance of the Team extending the Offer Sheet and the ROFR Team; and (B) Generally Recognized League Honors; and
4. Any allowable amendments to the terms contained in the Uniform Player Contract (e.g., Base Compensation protection, a trade bonus, etc.)

No Offer Sheet may provide for a signing bonus that exceeds ten percent (10%) of the Compensation (excluding Incentive Compensation) called for by the Offer Sheet.

60. Does a team have the right to match an offer sheet?

Offer Sheet Matching Period

- A ROFR Team that receives an Offer Sheet prior to 12:00 p.m. (ET) on a day will have until 11:59 p.m. (ET) on the immediately following day to give the First Refusal Exercise Notice;
- and a ROFR Team that receives an Offer Sheet on or after 12:00 p.m. (ET) on a day has until 11:59 p.m. (ET) on the two days following such day to give the First Refusal Exercise Notice.
- Notwithstanding the foregoing, for an Offer Sheet received by a ROFR Team at any time during the Moratorium Period, the ROFR Team shall have until 11:59 p.m. (ET) on July 7 (i.e., until 11:59 p.m. (ET) on the day following the date on which the Moratorium Period ends) to give the First Refusal Exercise Notice.

How the rule works: Under the prior CBA, teams had two full days to match on an offer sheet. The new rule now cuts that down to 36 hours if the offer sheet is sent by 12pm ET. If the offer sheet is received after 12pm ET, the team now has 60 hours to make a decision. For example, the Suns would have had 2 ½ days to decide on the Deandre Ayton offer sheet that was signed in Indiana last offseason.

The ROFR Team, upon receipt of the Offer Sheet, may exercise its Right of First Refusal.

The ROFR Team may match an Offer Sheet by using, as applicable, Room, a Veteran Free Agent Exception, or the Minimum Player Salary Exception. In order to match an Offer Sheet, the ROFR Team must have, as applicable, Room, a Veteran Free Agent Exception, or Minimum Player Salary Exception in an amount equal or greater to the Salary plus any Unlikely Bonuses provided for in the first Salary Cap Year of the player's Contract at the time notice of the Team's exercise of its Right of First Refusal is given and must continue to have such Room or the applicable Exception at all times the First Refusal Exercise Notice remains in effect.

Any Team may condition its First Refusal Exercise Notice on the player reporting for and passing, in the sole discretion of the Team (exercised in good faith), a physical examination to be conducted by a physician designated by the Team within two (2) days from its exercise of the Right of First Refusal. In connection with the physical examination, the player must supply all information reasonably requested of him, provide complete and truthful answers to all questions posed to him, and submit to all examinations and tests requested of him.

If the player does not submit to the requested physical examination within two (2) days of the exercise of the Right of First Refusal, then the First Refusal Exercise Notice shall be deemed no longer to be conditioned on the player reporting for and passing a physical examination and the following rules shall apply:

(1) In its sole discretion, the ROFR Team shall have two (2) days following the conclusion of the two (2) day period to withdraw its First Refusal Exercise Notice. If the First Refusal Exercise Notice is timely withdrawn in accordance with the foregoing, such withdrawal shall have the following effects:

(A) The Offer Sheet shall be deemed invalid and the Team that issued the Offer Sheet shall be prohibited from signing or acquiring the player for a period of one (1) year from the date the First Refusal Exercise Notice was withdrawn; provided, however, that if the ROFR Team subsequently

relinquishes its Right of First Refusal (resulting in the player becoming an Unrestricted Free Agent), then the aforementioned one-year prohibition shall be deemed to expire on the last day of the Salary Cap Year in which the invalidated Offer Sheet was signed by the player and the New Team;

(B) The player shall be prohibited from entering into an Offer Sheet with any other Team prior to the first day of the Salary Cap Year immediately following the Salary Cap Year in which the invalidated Offer Sheet was signed by the player and the New Team.

(C) If the deadline by which the player was given to accept the Qualifying Offer (and, if applicable, Maximum Qualifying Offer) provided to him by the ROFR Team has not already expired, then such deadline shall be deemed to have expired (which shall have the effect of the player no longer being able to accept the Qualifying Offer (or, if applicable, Maximum Qualifying Offer) given to him by the ROFR Team); and

(D) (i) The player shall be prohibited from entering into any Player Contract with the ROFR Team other than a Player Contract containing all of the Principal Terms (but not any terms other than the Principal Terms) included in the Uniform Player Contract attached to the invalidated Offer Sheet (except that such Player Contract may contain an Exhibit 6) before the later of (A) three (3) months following the date the ROFR Team withdrew its First Refusal Exercise Notice, and (B) the January 15 of the Salary Cap Year in which the invalidated Offer Sheet was signed by the player and the New Team.

Example

Back in 2016, Donatas Motiejunas and the Brooklyn Nets agreed on a four-year \$37 million offer sheet (\$6 million of the bonuses however did not count for matching purposes because they were not generally league recognized honors).

The Rockets eventually matched but here is where things got interesting.

Motiejunas failed to show up for his physical in Houston, prompting the Rockets to pull their right of first refusal.

Motiejunas went back to being a restricted free agent, unable to sign in Brooklyn for a period of one year.

The Rockets eventually withdrew their Qualifying Offer, allowing Motiejunas to become an unrestricted free agent.

He would go on to sign a one-year \$577K contract in New Orleans.

61. What is the Arenas provision?

If an Early Qualifying Veteran Free Agent with two (2) Years of Service receives an Offer Sheet, the player's Prior Team may use the Early Qualifying Veteran Free Agent Exception to match the Offer Sheet even if the team does not have cap space.

The rule is called the Arenas provision and below is the breakdown of the rule and how it could have impacted the Lakers in 2023.

Gilbert Arenas was drafted in the 2001 second round by Golden State, signed a two-year, \$924,000 contract (yes that was the total), won NBA Most Improved Player in 2002-03 and later entered the 2003 offseason as a restricted free agent.

However, because Golden State was over the salary cap and Arenas signed a two-year contract in 2001, the Warriors were not allowed to match an offer sheet that exceeded the \$4.9 million Early Bird exception in the first season.

Arenas would sign a six-year, \$66 million offer sheet with the Washington Wizards.

Realizing that teams over the salary cap were disadvantaged in retaining their own Early Bird restricted free agents, the NBA addressed this rule in the 2005 CBA.

The "Arenas rule" prevents a team from offering a first-year salary in an offer sheet that exceeds the non-tax mid-level exception (\$12.8 million in 2024-25) even if they have cap space.

If this rule had been in place in 2003, the Warriors could have matched Arenas' offer sheet because the \$4.9 million Early Bird exception was greater than the \$4.6 million tax midlevel.

This leads us to Reaves and the Lakers.

The Lakers had Early Bird rights on Austin Reaves, who had his two-way contract converted to a two-year deal as a rookie in 2021.

Los Angeles was allowed to offer a contract with a first-year salary of up to \$12.6 million (estimated average player salary).

If Reaves signed (which he did) an Early Bird deal, it will have to be for at least two years, not including any option years. The maximum he could be signed for is four years, \$53.8 million.

Here's where things could have gotten interesting in a potential Reaves sweepstakes:

A team with cap space could backload a multiyear offer, giving him a significant raise in the third and fourth years.

This scenario played out in 2016, when the Brooklyn Nets signed Tyler Johnson to a four-year, \$50 million offer sheet. Johnson's \$5.6 million and \$5.9 million salary (the non-tax mid-level in Year 1) in the first two seasons increased to \$19.2 million in the third and fourth years.

One example of such a deal for Reaves -- from a team that had \$20 million in cap space -- would have looked like this:

2023-24 -- \$12.4 million (non-tax midlevel)

2024-25 -- \$13.4 million

2025-26 -- \$27.1 million

2026-27 -- \$27.1 million

Total -- \$80 million

Average -- \$20 million (cap space available)

Because cap space is used, a team such as the San Antonio Spurs would have been allowed to average out his contract over the four seasons.

Los Angeles would have the right to match the offer sheet but would not be permitted to average out his contract because it is over the salary cap, setting up Reaves to be one of the highest-paid shooting guards starting in 2025.

Fortunately for the Lakers, no team offered Reaves an Arenas provision contract.

A team that has only the \$5 million tax mid-level exception and a restricted free agent with non-bird rights is not protected by the Arenas provision.

A restricted free agent with non-bird rights (1 year) does not have that protection.

While the maximum an offer sheet can be up to the non-tax mid level exception, a team could have difficulty matching the offer sheet if they are close to the apron.

For example, a team is \$4M below the first apron. Their own restricted free agent signs a Qualifying Offer with a starting salary of \$8M. While his current team could use part of their non tax midlevel exception to match, using the exception now hard caps them at the first apron.

62. Is a player still a restricted free agent if their third-or-fourth year team option is declined?

No. They are unrestricted free agents. A player that is drafted in the first round, and third-or-fourth year team option declined in their rookie scale contract, is restricted to signing a new contract with the last team they played for.

An example is the Suns Jalen Smith who had the third year team option in his contract declined.

Because the option was declined, the maximum that Phoenix could sign Smith for was \$4.7 million (the amount of the third year team option that was declined).

The same held true for the Indiana Pacers who acquired Smith in February 2022.

Despite Smith now an unrestricted free agent, the maximum that the Pacers could sign him to is a contract starting at \$4.7 million.

Smith would eventually sign a three-year \$15.1 million contract with the Pacers.

Because technically the third-and-fourth year team options were declined, Smith would have been restricted in his next contract (could not exceed \$5.9 million) in Indiana if he signed a one-year \$4.7 million contract with the Pacers in 2022 and then became a free agent.

The rule does not apply if Smith were to sign with a team other than Phoenix or Indiana.

63. What is the Over 38 rule?

The Over 38 rule closes a loophole where teams can sign veteran free agents to 4 or 5 years contracts.

From July 1, 2017 (via ESPN and Bobby Marks)

When the NBA and Players Association reached an agreement back in December for a new Collective Bargaining Agreement, the thought process was the new Over 38 rule would reward star players like Chris Paul and LeBron James.

After all it was Paul the President of the Players Association and James the Vice-President that played a significant role in changing the rule to add a fifth year for players that signed contracts in the early 30's. Now seven months removed from the agreement, the Over 38 rule would not play a role in a lucrative contract for Paul but the future of teammate Nene.

The Over 38 Rule

When Nene agreed to a four-year, \$15 million contract on the first day of free agency, Houston thought they had accomplished two goals.

The Rockets would retain their backup big while also preserving the full \$8.4 million mid-level exception.

Nene would be signed with non-bird rights, an exception that allowed the Rockets to start his first year salary at \$3.4 million, 120% above the contract in the previous season.

What the Rockets failed to miscalculate is the Over 38 rule.

The Over 38 rule closes a financial loophole that would see teams sign older players to long-term contracts but only to see that player retire.

In essence a player could sign a four-year contract in the case of Nene only to retire after the 3rd season and collect \$4 million not to play.

Since Nene's 38th birthday would fall before October 1, the NBA would deem him to fall under the Over 38 rule.

The league would determine this contract as an Over 38 and spread the \$4 million in the last season of the contract over years one to three.

However, since Nene signed a contract using non-bird rights, the fourth year could not be deferred over the first three years because it would exceed the maximum allowed.

Contract Signed with Houston

	Total	Age
Year 1	\$3.5M	35
Year 2	\$3.6M	36
Year 3	\$3.8M	37
Year 4	\$4.0M	38
Total	\$14.9M	

Why the Contract is Not Permitted

	Total	Deferred	Total
Year 1	\$3.5M	\$1.2M	\$4.7M*
Year 2	\$3.6M	\$1.3M	\$4.9M
Year 3	\$3.8M	\$1.4M	\$5.2M
Year 4	N/A	N/A	\$14.9

The \$4.0 million in the fourth year would be deferred over the first three seasons.

*Since the first year of the contract would exceed \$3.4 million, the amount allowed on a non-bird contract, Houston would only be permitted to sign Nene to a three-year contract.

The Options: Nene and Houston

For the Rockets the solution is simple.

Houston could sign Nene to a three-year, \$15 million contract equaling the same pact as agreed on July 1 but with one less year.

Doing so however would now decrease the Rockets \$8.4 million full mid-level to \$3.4 million.

The use of part of the exception now would see Houston looking for bargains in free agency to replenish a bench lost in the Chris Paul trade.

After seeing the contract shortened from \$15 million to \$10 million, Nene has opened up his free agent options to explore an offer that would reflect the one agreed upon originally with the Rockets.

If Nene finds a market not suitable to his liking, expect the 34-year-old to return to Houston but with \$4 million less on his contract.

With Full Bird Rights

A Qualifying Veteran Free Agent (bird rights) who (x) enters into an Over 38 Contract with his Prior Team prior to October 1 of a Salary Cap Year, (y) is age 34 at the time he enters into the Contract, and (z) will turn age 35 on or before such October 1 shall be deemed to be 35 at the time he enters into such Over 38 Contract.

Age (as of Oct. 1)	1-3 Year Contract	4 Year Contract	5 Year Contract
33 or younger	X	X	X
34	X	X	Over 38 Rule
35-36	X	X	Over 38 Rule
37 or older	X	Over 38 Rule	Over 38 Rule

Example:

- LeBron James will turn 41-years old in December. The maximum contract as a free agent in the 2026 offseason is 3.
- Draymond Green turns 36-years- old in March 2026. If he declines his player option, the maximum years he can sign with Golden State is 4 and with a different team 3.

Without Full Bird Rights

AGE (AS OF OCT. 1)	1-3 Year Contract	4 Year Contract
33 or younger	X	X
34	X	X
35-36	X	Over 38 rule

37 or older	X	Over 38 rule
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Example:

- James Harden declines his player option next season. The maximum years he can sign with a different team is 3. Harden turns 37-years old in August 2026.
- Kevin Durant turned 37-years old in September 2025. The maximum years he can sign with Houston is 3 and with another team 3.

How the Over 38 rule is applied

If a player is 37 years or older and signs a four-year contract with his current team, the Over 38 rule will apply.

Starting with the 4th season, because the player will be 38 or older at the time of that season, all remaining seasons are treated as "Zero Year" seasons and become deferred over the first 3 seasons.

According to the Over 38 Rule, 2026-2027 (the 4th year) becomes the "Zero Year" in this example and is deferred on a pro rata basis to the prior Salary Cap Years. The signing team must have room for the Total Salary in 2023-2024, including the deferred Over 38 portions.

64. What are the different options in a player contract?

Player Option

A Player Contract shall not contain any option in favor of the player, except:

An Option that: (i) is specifically negotiated between a Veteran and a Team or (except in the case of a Rookie Scale Contract) a Rookie and a Team; (ii) authorizes the extension of such Contract for no more than one (1) year beyond the stated term; (iii) is exercisable only once; (iv) provides that the Salary (excluding Incentive Compensation), Likely Bonuses, and Unlikely Bonuses payable with respect to the Option Year are no less than one hundred percent (100%) of the Salary (excluding Incentive Compensation), Likely Bonuses, and Unlikely Bonuses, respectively, payable with respect to the last year of the stated term of such Contract; and (v) that all other terms and conditions (other than with respect to the payment schedule for the player's Base Compensation) in the Option Year shall be unchanged from those that applied to the last year of the stated term of such Contract (including, but not limited to, the percentage of Base Compensation that is protected). If a Player Contract contains an Option in favor of the player and provides, in whole or in part, for Base Compensation protection in the Option Year, such Contract must also contain, in Exhibit 2 of the Contract under the heading "Additional Conditions or Limitations," either the language set forth in subsection (A) below or the language set forth in subsection (B) below, but not both, and such language shall define the respective rights and obligations of the player and Team with respect to the subject matter thereof:

(A) "If this Contract is terminated by Team prior to Player's exercise of the Option described in Exhibit 1 of the Contract, then Player shall be entitled to benefit from the Base Compensation protection provisions of this Exhibit 2 to the same extent as if the exercise of the Option by Player had occurred prior to Team's termination of the Contract."

(B) “If this Contract is terminated by Team prior to Player’s exercise of the Option described in Exhibit 1 of the Contract, then Team shall be relieved of any obligation to pay Player any Base Compensation with respect to the Option Year.”

No Player Contract that contains the language set forth in subsection (B) above may provide for the Option in favor of the player to be exercisable earlier than the day following the date of the Team’s last game of the Season prior to the Option Year; and/or

An Early Termination Option (or “ETO”), provided that such ETO is exercisable only once and takes effect no earlier than the end of the fourth Season of the Contract. A Contract that does not provide for an ETO when signed may not be amended to provide for an ETO during the original term of the Contract. If a Team and a player enter into an Extension (other than an Extension of a Rookie Scale Contract), the Contract may not be amended to provide for an ETO and any previously existing ETO must be eliminated. If a Team and player enter into an Extension of a Rookie Scale Contract, the Contract may simultaneously be amended to provide for an ETO, provided that such ETO is exercisable only once and takes effect no earlier than the end of the fourth Season of the extended term of the Contract.

Team Options

A Player Contract shall not contain any option in favor of the Team, except an Option that: (i) is specifically negotiated between a Veteran and a Team or (except in the case of a Rookie Scale Contract) a Rookie and a Team; (ii) authorizes the extension of such Contract for no more than one (1) year beyond the stated term; (iii) is exercisable only once; (iv) provides that the Salary (excluding Incentive Compensation), Likely Bonuses, and Unlikely Bonuses payable with respect to the Option Year are no less than one hundred percent (100%) of the Salary (excluding Incentive Compensation), Likely Bonuses, and Unlikely Bonuses, respectively, payable with respect to the last year of the stated term of such Contract; and (v) except in the case of a Contract signed pursuant to the Second Round Pick Exception, provides that all other terms and conditions (other than with respect to the payment schedule for the player’s Base Compensation) in the Option Year shall be unchanged from those that applied to the last year of the stated term of such Contract (including, but not limited to, the percentage of Base Compensation that is protected).

Mutual Option

This terminology was re-introduced by the Brooklyn Nets in the 2026 offseason. The mutual option contains both a player and team option.

The rationale is that a team can decline the team option and then sign the player for a lower salary (example: room midlevel)

Exercise Period

Any ETO must be exercised by 5:00 p.m. eastern time on June 29 immediately prior to the Effective Season of such ETO. Any Option must be exercised by 5:00 p.m. eastern time on the June 29 immediately prior to the

Season covered by the Option, except that an Option in favor of a player who would become a Restricted Free Agent if the Option were not exercised must be exercised prior to the June 25 immediately prior to the Season covered by such Option.

65. What happens when a free agent is renounced?

To renounce a Veteran Free Agent, a Team must provide the NBA with a written statement renouncing its right to re-sign the player, effective no earlier than the July 1 following the last Season covered by the player's Contract. (The NBA shall notify the Players Association of any such renunciation by email within two (2) business days following receipt of notice of such renunciation.)

If a Team renounces a Veteran Free Agent, the player will no longer qualify as a Qualifying Veteran Free Agent, Early Qualifying Veteran Free Agent, or Non-Qualifying Veteran Free Agent, as the case may be, and the Team will only be permitted to re-sign such player with Room, pursuant to the Minimum Player Salary Exception, or to a Two-Way Contract.

In the event a Team renounces one or more players in order to create Room for an Offer Sheet, and the offeree-player's Prior Team subsequently matches the Offer Sheet and enters into a Contract with that player, the Team may rescind the renunciation (in the case where a Team renounces only one player) or all such renunciations (in the case where the Team renounces more than one player) within two (2) business days of the date the Offer Sheet is matched (or, if the Prior Team conditions its match on the player reporting for and passing a physical, within two (2) business days of the player passing the physical), whereupon any such "unrenounced" player may again sign a Player Contract with the Team as a First Round Pick, Qualifying Veteran Free Agent, Early Qualifying Veteran Free Agent, or Non-Qualifying Veteran Free Agent, as the case may be, and will again be included in his Prior Team's Team Salary at his applicable Free Agent Amount; provided, however, that a Team may not rescind the renunciation of a player if (i) at the time the player was renounced, the Team's Team Salary was at or below the Salary Cap and "unrenouncing" the player would cause the Team's Team Salary to exceed the Salary Cap, or (ii) at the time the player was renounced, the Team's Team Salary was above the Salary Cap and "unrenouncing" the player would cause the Team's Team Salary to exceed the Salary Cap by more than the amount by which the Team's Team Salary exceeded the Salary Cap prior to the renunciation.

A Team cannot renounce any player who is a Restricted Free Agent.

66. What is a Two-Way contract?

Number of Two-Way Players

The maximum number of Two-Way Players that a team may have on its roster will be increased from two to three.

Two-Way Player Salary

A Two-Way Player's Salary in respect of a Salary Cap Year will equal 50% of the Minimum Player Salary for a player with zero Years of Service for such Salary Cap Year (irrespective of how many Years of Service the player has accrued prior to the Contract or accrues during the term of the Contract).

The Two-Way salary for 2026-27 is \$678,882.

Year of Service Criteria

Maximum of 3 years of service

A player that missed an entire NBA season because of an injury and has 4 years of service, is allowed to sign a Two-Way contract.

The rule is named after former first round pick Harry Giles.

The Knicks were allowed to sign Dylan Windler to a Two-Way because the forward missed the entire 2019-20 season with an injury.

Total Years

The maximum years for a team to sign with the same team is three. For example, a player is allowed to sign 3 consecutive Two-Ways or 2+1 or 1+2.

Number of Games on Active List

No player under a Two-Way Contract will be permitted to be on the Active List for more than 50 games during a Regular Season. If a player is signed to a Two-Way Contract after the start of a Regular Season, the maximum number of games for which such player may be on the Active List in respect of that Regular Season will be prorated based on the number of days remaining in the Regular Season.

A player on a Two-Way contract is not allowed to sign a standard contract with any other NBA team other than his respective team that he plays for.

Limit on Under-Fifteen Games

Any Regular Season game for which a team has fewer than 15 players signed to Standard NBA Contracts will be an "Under Fifteen Game." No Team will be permitted to have a Two-Way Player on its Active List for more than 90 Under-Fifteen Games during a Regular Season. For purposes of this rule: (a) an Under-Fifteen Game for which a Team has one Two-Way Player on its Active List will count as one Under- Fifteen Game; (b) an Under-Fifteen Game for which a Team has 2 Two-Way Players on its Active List will count as two Under-Fifteen Games; and (c) an Under-Fifteen Game for which a Team has three Two-Way Players on its Active List will count as three Under-Fifteen Games.

Suspensions

When a Two-Way Player is suspended by the NBA, his NBA team, the G League, or his G League team, his Compensation will be reduced to 1/145th if fewer than 20 games, 1/110 if 20 games or more, 1/174 if the suspension is for 1 game.

Base Compensation Protection

A Two-Way Contract that is signed prior to the start of the Regular Season may provide:

For aggregate Base Compensation protection of (a) for the 2025- 26 Season, up to \$85,300 (an increase from \$50,000 under the current CBA), and (b) for each subsequent Season, up to an amount equal to the maximum amount of aggregate Base Compensation for the prior Salary Cap Year increased at the rate of growth in the Salary Cap; and

That the Base Compensation protection for a Season will increase to up to 50% of the Base Compensation provided for in the Contract for such Season if the team does not request waivers on the player by a date that is on or after the first day of the applicable Regular Season.

A Two-Way Contract that is signed during a Regular Season may provide for Base Compensation protection for the Season during which it is signed of up to 50% of the Base Compensation provided for in the Contract for such Season.

Signing Deadline

The signing deadline for a Two-Way Contract is March 4.

Signing Restrictions

The limit set forth in aggregate future Base Compensation protection in a Contract between a team and player that will result in a restriction on the player signing a Two-Way Contract with the team or playing under a G League contract for the team's G League affiliate for the 2026-27 Season is \$91,000.

Salary Continuation

The separate rules for Two-Way Contracts related to the payment of unearned Based Compensation of the UPC will be eliminated and, instead, the rules that apply to a Two-Way Player's right to receive payment of unearned Base Compensation in the event his Contract is terminated will be the same as those that apply to a player whose Standard NBA Contract is terminated.

Restricted Free Agency

The rule that a Two-Way Player be on the Active or Inactive List for 15 days during the Regular Season in order to be eligible for a Qualifying Offer will be eliminated.

Exclusive Negotiating Rights and Exhibit 10 Contracts

A player will not be permitted to sign an Exhibit 10 Contract while under a Two-Way Contract.

International Player Payments

A team and player will not be permitted to enter into a Two-Way or Exhibit 10 Contract for one year after the team entered into an agreement to make an international player payment on the player's behalf.

Playoffs

A player on a Two-Way contract is ineligible for the playoffs.

67. What are non-guaranteed contracts signed in the offseason called?

A player that signs a one-year minimum contract during the offseason with no salary protection or guaranteed dates is called a summer contract.

From July 1 until the day prior to the first day of the next Regular Season, a Team may enter into Player Contracts that will not be included in Team Salary until the first day of such Regular Season (*i.e.*, the player will be deemed not to have any Salary until the first day of such Regular Season). Except as set forth in the following sentence, no Summer Contract may provide for (i) Compensation of any kind that is or may be paid or earned prior to the first day of the next Regular Season.

The only consideration that may be provided to a player signed to a Summer Contract, prior to the start of the Regular Season, is per diem, lodging, transportation, compensation in accordance with Paragraph 3(b) of the Uniform Player Contract, and a disability insurance policy covering disabilities incurred while such player participates in summer leagues or rookie camps for the Team. A Team that has entered into one or more Summer Contracts must terminate such Contracts no later than the day prior to the first day of a Regular Season, except to the extent the Team has Room for such Contracts or is entitled to use the Minimum Player Salary Exception.

A Team may not enter into a Summer Contract with a Veteran Free Agent who last played for the Team unless the Contract is for one (1) Season only and provides for no more than the Minimum Player Salary applicable to such player.

68. Is a team protected if a player that signs a “summer contract” suffers an injury in training camp?

Yes. A team can include an Exhibit 9 in a summer contract.

How the rule works: Under the prior CBA, if a player signed a contract with an Exhibit 9 and was injured during training camp, the maximum he could earn was \$6,000. The new CBA increases the amount to \$15,000.

Roster Requirement

Two-Way Contracts will not count toward the minimum of 14 players required to be on a team’s roster prior to the team signing a player to a Contract containing an Exhibit 9.

UNIFORM PLAYER CONTRACT

Exhibit 9 — One-Season, Non-Guaranteed Training Camp Contracts

Player:

Team:

Date:

The Player’s right to receive any Compensation under this Contract (other than Compensation in accordance with Paragraph 3(b) and/or Exhibit 10 if such exhibit is contained in this Contract) is eliminated in the event the Contract is terminated prior to the first day of the Regular Season covered by the Contract; provided, however, that if the Player is injured as a direct result of playing for the Team and, accordingly, would have been entitled (but for this Exhibit 9) to Compensation pursuant to Paragraphs 7(c), 16(a)(iii), 16(b), or otherwise, the Team’s sole liability (other than Compensation in accordance with Paragraph 3(b) and/or Exhibit 10 if such exhibit is contained in this Contract) shall be to pay the Player \$15,000 upon termination of the Player’s Contract.

69. Is there a financial incentive for players that sign non-guaranteed contracts?

Yes. A team can include an Exhibit 10 in the contract for a player signing a non-guaranteed contract.

The \$91,000 bonus for the 2026-27 season is given to a player if he plays 60-days for their G-League team.

Eligibility

The Player shall be entitled to receive from the Team the Bonus Amount (if applicable) provided above, provided that the Player (a) signs with the NBAGL prior to the deadline set by the NBAGL for NBAGL teams to designate affiliate players, (b) is initially assigned by the NBAGL to the NBAGL affiliate listed above (or the NBAGL affiliate of any Team that acquires the Contract, if applicable) and timely reports to such affiliate, (c) does not leave the NBAGL (e.g., by buying out his contract with the NBAGL and signing a contract with an international team) prior to providing sixty (60) consecutive days of service during the NBAGL Season (the "60-Day Service Period"), provided that, in the event the player is signed to one or more Contract(s) by the Team prior to completing the 60-Day Service Period, the Player shall still satisfy this clause (c) if he timely returns to the Team's NBAGL affiliate upon the completion or termination of such Contract(s) and completes the outstanding portion of the 60-Day Service Period, with such bonus payable (if applicable) within thirty (30) days of satisfying the above criteria.

Salary Protection

If an Exhibit 10 Contract is not waived prior to the first day of the Regular Season, then such Contract will be deemed amended to contain an Exhibit 2 with Base Compensation protection for lack of skill and injury or illness equal to the Conversion Protection Amount.

Returning Player Rights

Prior to signing a player to an Exhibit 10 Contract, a team will be required to disclose in writing to the player if a different NBA team's G League affiliate holds the player's "returning player" rights pursuant to G League rules. The NBA will impose a fine of no less than \$25,000 on any team that fails to make the requisite disclosure in accordance with the preceding sentence.

Payment to Injured Players

A player will be deemed to have earned his Exhibit 10 Bonus if his G League contract is terminated because of an injury suffered while rendering services to a G League team.

UNIFORM PLAYER CONTRACT

Exhibit 10 — NBAGL Bonus and Two-Way Player Conversion

Player:

Team:

Bonus Amount*:

NBAGL Affiliate:

Conversion Protection Amount:

Date:

Contract Termination/NBAGL: In the event this Contract is terminated by the Team in accordance with the NBA waiver procedure prior to the first day of the NBA Regular Season, the Player shall be entitled to receive from the Team the Bonus Amount (if applicable) provided above, provided that the Player (a) signs with the NBAGL prior to the deadline set by the NBAGL for NBAGL teams to designate affiliate players, (b) is initially assigned by the NBAGL to the NBAGL affiliate listed above (or the NBAGL affiliate of any Team that acquires the Contract, if applicable) and timely reports to such affiliate, (c) does not leave the NBAGL (*e.g.*, by buying out his contract with the NBAGL and signing a contract with an international team) prior to providing sixty (60) consecutive days of service during the NBAGL Season (the “60-Day Service Period”), provided that, in the event the player is signed to one or more Contract(s) by the Team prior to completing the 60-Day Service Period, the Player shall still satisfy this clause (c) if he timely returns to the Team’s NBAGL affiliate upon the completion or termination of such Contract(s) and completes the outstanding portion of the 60-Day Service Period, with such bonus payable (if applicable) within thirty (30) days of satisfying the above criteria. For clarity, a player will not satisfy clause (c) if at any time prior to completing the 60-Day Service Period he signs a contract with a professional basketball team other than the Team. In the event the Player fails to satisfy clause (c) because his contract with the NBAGL is terminated as a result of an injury resulting directly from his playing for the Team’s NBAGL affiliate, such player shall nonetheless be entitled to receive from the Team the Bonus Amount.

70. What is a 10-day contract?

Beginning on January 5 of any NBA Season, a Team may enter into a Player Contract (other than a Two-Way Contract) with a player for the longer of (i) ten (10) days, or (ii) a period encompassing three (3) games played by such Team (a “10-Day Contract”).

Salary

A 10-Day Contract must provide for the player’s applicable Minimum Player Salary.

Applicable Ten-Day Amount	\$78,032	\$125,581	\$140,771	\$145,835	\$150,898	\$163,556	\$176,215	\$188,874	\$201,532	\$202,535	\$222,789
	0 YOS	1 YOS	2 YOS	3 YOS	4 YOS	5 YOS	6 YOS	7 YOS	8 YOS	9 YOS	10+ YOS

Unless the contract is deemed a hardship exception, the maximum 10-Day contracts that a player can sign with one team is two.

Re-signing Restrictions

A team that terminates a 10-Day Contract prior to the expiration of its stated term may not re-sign the player to a Contract during the original term of the terminated 10-Day Contract.

Signing Flexibility

A team and player may, during the term of a 10-Day Contract, enter into a Rest-of-Season Contract that will take effect beginning on the day following the last day of the term of the 10-Day Contract

Hardship Contracts.

Notwithstanding the general rule prohibiting the signing of 10-Day Contracts prior to January 5 of a Season, a team may sign a player to a 10-Day Contract prior to January 5 if the Contract is signed pursuant to the NBA's roster hardship rules.

If the length of a 10-Day Contract entered into pursuant to the NBA's hardship rules would extend to or past the date of the team's last Regular Season game, then the term of such 10-Day Contract will be the number of days remaining in the Regular Season.

Conversion

The team has the right to convert a Two-Way contract based on the years left on the contract.

Example: Craig Porter Jr. signed a Two-Way for 2 years. If the contract was converted, it would have been for the prorated minimum in year 1 and the minimum of a player with 1 years of service in year 2.

Instead, converted the Porter Jr. by using part of their non-tax mid-level exception. He was signed for 4 years.

71. What are the different extensions a player can sign and who is eligible?

Rookie scale extensions

All Rookie Scale Extensions will be permitted to cover up to five new Seasons and allowed to extend for up to 25% of the salary cap in the next season.

A player that signs a four-or-five year max extension is allowed to negotiate All-NBA language (5th year 30% rule).

This rule allows a team and a player who meets certain performance criteria to negotiate a maximum salary of up to 30% of the Salary Cap in Rookie Scale Extensions:

The criteria are based on the below:

- The player was named to the All-NBA first, second, or third team, or was named Defensive Player of the Year, in the immediately preceding season or in two of the immediately preceding three seasons.
- The player was NBA MVP during one of the preceding three seasons.

In addition, for Rookie Scale Extensions where, at the time the extension is signed, the player has not already met the performance-based criteria, a team and player can agree upon various percentages of the Salary Cap (between 25% and 30%) based upon how and whether the player satisfies the criteria.

For example, a team and player can agree that the player's salary in the first season of the extended term will be 30% if the player wins the MVP award, or 27.5% if the player is named to the All-NBA first or second team in his fourth season.

It should be noted that a player can negotiate a four-year rookie max extension with All-NBA language.

This occurred with Pascal Siakam and the Toronto Raptors.

A player has up until the day prior to the start of the regular season to sign the extension.

Example A

Christian Braun signed a five-year \$125 million rookie extension with Denver in October 2025.

The \$21.6 million first year salary is 13.1% of the salary cap.

Example B

Scottie Barnes, Evan Mobley, Cade Cunningham and Franz Wagner signed five-year \$224M extensions in July 2024

Salary: First year salary of 25%

30% rule: The contract increases to 30% of the cap in 2025-26 if any of the players earn All-NBA 1st team in 2024-25.

Years: Can be either 4 or 5 new years.

Performance Criteria:

- The player was named to the All-NBA first, second, or third team, or was named Defensive Player of the Year, in the immediately preceding season or in two of the immediately preceding three seasons.
- The player was NBA MVP during one of the preceding three seasons.

Example C

Jayson Tatum was named All-NBA in 2019-20 and would eventually sign a Designated Rookie Scale extension in the 2020 offseason. However, because Tatum did not earn All-NBA in 2020-21, his salary in the first year was 25% of the salary cap.

Evan Mobley was named DPOY Cade Cunningham All-NBA. Both will earn 30% of the salary cap in the first year. Their extension will increase from \$224M to \$269M.

Designated veteran extension

Years of Service and Performance Criteria

Players with one year or two years left on their contracts who have seven or eight years of service in the league and have never changed teams (other than, if applicable, by being traded during their first four seasons in the league), and who meet certain performance criteria (see below), will be eligible to negotiate a veteran extension covering six total years (five new years if one year remains on the current contract or four new years if two years remain on the current contract).

Waiting Period

Designated Veteran Player Extensions can be signed no sooner than the third anniversary of the signing of the contract.

Off-Season Signing Period

Designated Veteran Player Extensions can only be negotiated and signed during the off-season (i.e., from July 1 through the day prior to the first day of the regular season).

Salary

Designated Veteran Player Extensions will be required to provide for a first-year salary of at least 30% and no more than 35% of the Salary Cap (under the 2023 CBA, such players' applicable maximum first-year salary is 30% of the Salary Cap).

Performance-Based Criteria

For purposes of qualifying to negotiate for the Designated Veteran Player Extension described above or the maximum salary for certain free agents described in section B.4 below, a player will have to meet at least one of the following performance criteria at the time of signing:

- The player was named to the All-NBA first, second, or third team, or was named Defensive Player of the Year, in the immediately preceding season or in two of the immediately preceding three seasons.
- The player was NBA MVP during one of the preceding three seasons.

Any player who is extended pursuant to these criteria cannot be traded for one year from the date of signing.

Contract example

Jaylen Brown had 7 years of service entering the 2023 offseason and was named All-NBA for the 2022-23 season. Brown has reached the years of service and performance-based criteria and is now eligible to sign a five year and up to 35% of the 2024-25 salary cap extension.

His former teammate Jayson Tatum was named All-NBA in 2021-22 and 2022-23. Tatum has reached the performance-based criteria but has six years of service currently. This same situation occurred with Shai Gilgeous-Alexander in the 2024 offseason.

Because he reached All-NBA in two of the three preceding seasons (2021-22, 2022-23), Tatum was eligible to sign the Designated Veteran Extension in the 2024 offseason even if he did not reach the All-NBA criteria in 2023-24.

Veteran extension

A player that signs a 3-year and 4-year contracts may be extended after the second anniversary of the signing of the original contract.

Example: PJ Washington signed a three-year contract with Charlotte on August 29, 2023. Starting on August 29, 2025 (two years later), Washington was eligible to sign a four-year extension. He would go on to sign a four-year \$88.8 million extension with Dallas (the team he was traded to).

5-year contracts may continue to be extended only after the third anniversary of the signing of the original contract.

Example: In 2021, Julius Randle had one year left on his contract and signed a four-year extension. He is eligible to sign an extension on the third anniversary (2024 offseason).

- The maximum length is 5 years (including any years remaining on the current contract).
- The maximum salary of the first year of the extended term is the greater of 140% of the player's Salary in the last year of the contract or 140% of the Estimated Average Player Salary.
- Extensions signed more than 1-year prior to the expiration of the original contract may only be executed during the offseason.
- A player with one year left on his contract or a player/team option in the second season, can sign an extension up until June 30.
- A player that has two years left on his contract (not including an option), has until the day prior to the start of the regular season to sign an extension.
- A player can include a trade bonus in an extension.
- A Contract that is amended to waive all or any portion of a trade bonus in connection with the trade of a Player Contract may not be subsequently extended until the later of (i) six (6) months from the date of the trade.

The following rules apply to all Extensions other than Extensions entered into in connection with a trade:

For each Salary Cap Year covered by an Extension after the first Salary Cap Year covered by the extended term, the player's: (A) Salary, excluding Incentive Compensation, may increase or decrease in relation to the previous Salary Cap Year's Salary, excluding Incentive Compensation, by no more than eight percent (8%) of the Salary for the first Salary Cap Year covered by the extended term of the Contract; and (B) Regular Salary may increase or decrease in relation to the previous Salary Cap Year's Regular Salary by no more than eight percent (8%) of the Regular Salary for the first Salary Cap Year covered by the Contract.

In the event that the first Salary Cap Year covered by the extended term of a Contract provides for Incentive Compensation, the amount of each bonus included in the first Salary Cap Year of the extended term may increase or decrease in each subsequent Salary Cap Year by up to eight percent (8%) of the amount of such bonus in the first Salary Cap Year of the extended term.

In the event that the first Salary Cap Year covered by a Contract provides for Incentive Compensation, the amount of each bonus included in the first Salary Cap Year of the Contract may increase or decrease in each subsequent Salary Cap Year by up to eight percent (8%) of the amount of such bonus in the first Salary Cap Year of the Contract.

Recent extension: The Hawks extended Dejounte Murray four-years \$111 million with an additional \$9.3 million in likely/unlikely bonuses. Atlanta was allowed to include a trade bonus of 15% in the extension. Below is the breakdown:

<u>Year</u>	<u>Current contract</u>	<u>Likely/Unlikely Bonuses</u>
2023-24	\$17,714,000	\$1,500,000

<u>Year</u>	<u>Base Comp Extension</u>	<u>Likely/Unlikely Bonuses</u>
2024-25	\$24,799,600 (140%-2023-24)	\$2,099,997 (140% increase)
2025-26	\$26,783,600 (8% increase)	\$2,227,999 (8% increase)
2026-27	\$28,767,536	\$2,436,001
2027-28	\$30,751,504	\$2,604,003

Murray had three sets of incentives worth \$500K each in the current extension.

In the extension, there are now eight sets of bonuses.

Declined Options

The rule prohibiting a team or a player from declining to exercise an Option and the team and player subsequently (or simultaneously) entering into an Extension that provides for a Salary in the first year of the extended term that is lower than the Salary in the declined Option Year will be eliminated.

How the rule works: A player like Jrue Holiday had a \$37.3 million player option for the 2024-25 season. Under the prior CBA, Holiday could eliminate the player option but the first year of the extension had to equal or greater than \$37.3 million (player option). Under the new CBA, Holiday declined the option and signed for \$30 million in the first year of the extension.

Extension chart

TYPE OF EXTENSION	WHEN CAN THE CONTRACT GET EXTENDED?	TOTAL YEARS	EXTENSION AMOUNT	OTHER	RECENT EXAMPLE
Veteran	Three or four year contract and on the second anniversary	5 (including what is left on the contract)	140% of the salary in the prior season or 140% of the Estimated Average Player Salary. First year salary cannot exceed the maximum salary for years of service.	A player with 1 year left can extend up until June 30. A player with 2 years left can extend up to the day prior to the start of the regular season.	PJ Washington (DAL): 4 years/\$88.7M
Veteran	Five or six year contract and on the third anniversary	5 (including what is left on the contract)	140% of the salary in the prior season or 140% of the Estimated Average Player Salary. First year salary cannot exceed the maximum salary for years of service.	A player with 1 year left can extend up until June 30. A player with 2 years left can extend up to the day prior to the start of the regular season.	Giannis Antetokounmpo: 3 years/\$169.1M

Extend and Trade	Three or four year contract and on the second anniversary	4 (including what is left on the contract)	120% of the salary in the prior season.	For a period of 6-months from when the player is traded.	Kristaps Porzingis (GSW): 2 years/\$40M
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TYPE OF EXTENSION	WHEN CAN THE CONTRACT GET EXTENDED?	TOTAL YEARS	EXTENSION AMOUNT	OTHER	RECENT EXAMPLE
Renegotiation	Third year anniversary of a four or five year contract	5 (including what is left on the contract)	Cap space in the current year and then up to 140% in year 1 of the extension.	The contract can decrease up to 40% in the first year of the extension	Myles Turner •Year 1: \$17.5M to \$34.6M, •Year 2: \$20.9M, •Year 3: \$19.9M
Rookie	In the fourth year of a rookie scale contract.	6 (including what is left on the contract)	Up to 25% of the salary cap in the next season. Can negotiate All-NBA language to increase the first year salary to 30%	Can sign from the first day the moratorium is lifted to the last day prior to the start of the regular season	Christian Braun 5 years/\$125M
Designated Veteran Extension	When a player has between 7-9 years of service	6 (including what is left)	Up to 35% of the salary cap in the first year of the extension	A player that is named All-NBA, MVP or DPOY in the previous season. Or named to the same criteria in back-to-back seasons or 2 out of 3 seasons.	Shai Gilgeous-Alexander 4 years/\$285M

72. How are extensions calculated?

There are three options on how to calculate the first year salary for a player eligible to sign an extension:

1. A player with a salary greater than the estimated average player salary (\$15,163,00 million), can extend for up to 140% of his current year salary. Year 1 of the extension cannot exceed the maximum salary allowed.

Example: Mikal Bridges signed a four-year \$150 million extension with New York in August 2025

The last year of Bridges' original contract was \$24.9 million.

Because the salary was greater than EAPS (estimated average player salary), the maximum extension amount in the first year could be up to \$34,860,000. Bridges signed for \$33,482,145.

Mikal Bridges extension with New York

2025-26 \$24,900,000

Extension

2026-27 \$33,482,145 (can be up to 140%)

Note: the first year of the extension fell short of the maximum allowed

2027-28 \$36,160,714 (8% increase of 2026-27 salary)

2028-29 \$38,839,285 (compounded raise from 2027-28)

2029-30 \$41,517,856 (compounded raise from 2027-28)

Example: \$2,678,572 is added to 2027-28, 2028-29 and 2029-30 salary

2. In the case salary is below the EAPS, the eligible player can extend for 140% of \$15,153,000

Example: Max Christie salary for the 2026-27 season is \$8,285,714. Because his salary is below the EAPS, the first year extension can be up to \$21,214,200 (140% x \$15,153,000).

The extension is based on the last year salary if there are no options. A player can elect to decline the option and extend off his current salary.

In the case of Christie who has a player option in 2027-28, the extension is based on his 2026-27 salary.

Max Christie sample extensions

2026-27 \$8,285,714

Extension

2027-28 \$21,214,200 (140% of \$15.1 million)

2028-29 \$22,911,336 (8% increase of 2027-28)

2029-30 \$24,608,472 (\$1,697,136 added)

2030-31 \$26,305,608 (\$1,697,136 added)

Note: Years 3 and 4 are compounded raises. For example, the 8% increase from 2027-28 to 2028-29 is then added to following seasons. You DO NOT increase each season by 8%.

- 3. For a player that is traded and extension eligible, the maximum year one extension cannot exceed 120% of the previous salary. The total amount of years (including what is left on their contract), cannot exceed four seasons.**

The 120% amount is also calculated for salary below the EAPS.

Example: Miles Bridges is extension eligible and was traded to Charlotte in July 2026 . The maximum extension year one extension for Bridges is \$27,391,304 (120% of \$22,826,087)

Miles Bridges sample extension

2026-27 \$22,826,087

Extension

2027-28 \$27,391,304 (120% of 2026-27 salary)

2028-29 \$28,760,869 (5% increase of 2027-28)

2029-30 \$30,130,434 (5% increase from 2027-28 to 2028-29 is added)

73. Can a player be extended if he was traded?

If a player is traded, the maximum for a period of 6 months that a player can extend for is 4 total seasons (including what is left on their original contract) and a 120% increase of the greater of the player's prior salary salary and the estimated average player salary (\$15.16M).

EXTENSION EXAMPLE

Player B has a \$25M salary and is in the last year.

EXTENSION

Year 1- \$30M (120% of \$25M)

Year 2- \$31.5M (5% raise off Year 1)

Year 3- \$33M (\$1.5M added)

Total \$94.5M

74. Can a team use available cap space to renegotiate and extend a contract?

Yes. A Player Contract covering a term of four (4) or more Seasons may be renegotiated no sooner than the third anniversary of the signing of the Contract.

Any Player Contract that has been renegotiated provide for an increase in Salary or Incentive Compensation in any Salary Cap Year covered by the Contract of more than five percent (5%), or extended, may not subsequently be renegotiated until the third anniversary of the signing of such Extension or Renegotiation.

A Team with a Team Salary below the Salary Cap may renegotiate a Player Contract in accordance with the following rules:

The Renegotiation may provide for additional Regular Salary, Likely Bonuses, and/or Unlikely Bonuses for the then-current Salary Cap Year covered by the Contract (the “Renegotiation Season”) that, in the aggregate, would not exceed the Team’s Room at the time of the Renegotiation. (For clarity, a Renegotiation may provide for additional Likely Bonuses and/or Unlikely Bonuses even if such category (*i.e.*, Likely Bonuses or Unlikely Bonuses) was not provided for by the Contract.)

Every category (Regular Salary, Likely Bonuses and Unlikely Bonuses, respectively) that is increased for the Renegotiation Season must also be increased for each of the remaining Seasons of the Contract.

For each Season of the Contract after the Renegotiation Season, the player’s additional Regular Salary may increase or decrease over the previous Season’s additional Regular Salary by no more than eight percent (8%) of the additional Regular Salary provided for in the Renegotiation Season. In the event that the Renegotiation Season provides for additional Incentive Compensation, the amount of additional Likely Bonuses and Unlikely Bonuses provided for in each Season after the Renegotiation Season may increase or decrease by up to eight percent (8%) of the amount of additional Likely Bonuses and Unlikely Bonuses, respectively, provided for in the Renegotiation Season.

No Renegotiation may contain a signing bonus, unless the Renegotiation is accompanied by an Extension and the signing bonus would otherwise be permitted under the rules governing the inclusion of signing bonuses in Extensions.

In no event may a Team with a Team Salary at or above the Salary Cap renegotiate a Player Contract.

In no event may a Team and a player renegotiate a Player Contract from March 1 through June 30 of any Salary Cap Year.

Jaren Jackson Jr. Renegotiation/Extension Example

Year	Current contract
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2025-26	\$23,413,395
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Year	Base Comp Renegotiation
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2025-26	\$35,000,000
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Note: \$11,586,605 in cap space was used to increase the 2025-26 salary

Year	Base Comp Extension
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2026-27	\$49,000,000 (140%-2025-26)- cannot exceed the max of a 7-9 YOS player
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2027-28	\$50,500,000
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2028-29	\$52,000,000
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2029-30	\$53,500,000
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Other

In no event shall a Team and player negotiate a decrease in Salary or in any Incentive Compensation for any Salary Cap Year covered by a Player Contract.

A Player Contract that is extended may be renegotiated simultaneously. If a Player Contract is extended and renegotiated simultaneously, then the amount of the player's Salary, excluding Incentive Compensation, in the first Salary Cap Year covered by the extended term may decrease by no more than forty percent (40%) of the player's Regular Salary (as renegotiated) in the last Salary Cap Year covered by the original term. In the event that the last Salary Cap Year covered by the original term provides for Incentive Compensation and such Incentive Compensation is also renegotiated, the amount of Likely Bonuses and Unlikely Bonuses in the first Salary Cap Year covered by the extended term may decrease by up to forty percent (40%) of the player's Likely Bonuses and Unlikely Bonuses, respectively (as renegotiated), in the last Salary Cap Year covered by the original term.

A Contract that is amended to waive all or any portion of a trade bonus in connection with the trade of a Player Contract may not be subsequently renegotiated until the later of (i) six (6) months from the date of the trade.

Myles Turner contract example of a 40% decrease

<u>Year</u>	<u>Current contract</u>	<u>Likely/Unlikely Bonuses</u>
2022-23	\$17,500,000	\$2,500,000

<u>Year</u>	<u>Base Comp Renegotiation</u>	<u>Likely/Unlikely Bonuses</u>
2022-23	\$34,596,500	\$2,500,000

Note: \$17,096,500 in cap space was used to increase the 2022-23 salary. Because there were \$2.5 million in bonuses, the \$17 million was the maximum allowed in a renegotiation.

<u>Year</u>	<u>Base Comp Extension</u>	<u>Likely/Unlikely Bonuses</u>
2023-24	\$20,975,000 (40% decrease)	\$1,500,000
2024-25	\$19,928,500	\$1,500,000

75. What is the checklist to follow when making a trade?

- Examine how the trade impacts the cap/tax/apron now and the future
- **Make sure there are enough roster spots**
 - 15 in the regular season
 - 21 in the offseason
- **The structure of the trade**
 - Cap Space
 - Trade Exception
 - \$100% Traded Player Exception

- **Check the contracts**
 - Trade bonus
 - Incentive bonuses
 - Trade restrictions

76. What are the procedures a team follows when a trade is agreed upon?

The league office is available to take trades over the weekend and on holidays. Trades submitted to the league office over the weekend or on holidays will be conducted as soon as practicable, consistent with the need to ensure the accurate processing of trades in compliance with all applicable rules. Given the complexity and significance of many trades teams conduct and the range of issues that can surface in connection with the league office's review of such trades, teams wishing to ensure the ability to complete a trade on a weekend or holiday are encouraged to continue to provide the league office with notice of the trade in advance of the impending weekend or holiday.

No player may be traded during a game (NBA or G League) for which the player is dressed to play. In addition, when scheduling a trade call with the league office, any NBA team trading a player who has been assigned to the G League must advise the league office of such a G League assignment.

No trade shall be effective until all terms and conditions of the trade are disclosed and agreed to during a conference call with the league office.

Required Health and Insurance-Related Information

Prior to a trade call, teams that are parties to a trade are required to exchange by email (with a copy to the league office) the health disclosures required. If information concerning the cardiovascular health (including as reflected in any echocardiogram report available in the league wide EMR) of the player whose contract or draft rights are being assigned is required to be disclosed pursuant to Section 4.03 of the By-Laws, the team must make the disclosure required under Section 4.03 notwithstanding that there is no separate disclosure requirement for all echocardiograms in respect of a player who is traded. Moreover, it is important for player health purposes that teams carefully review, for each player whose contract or draft rights the team acquires, the echocardiogram reports available in the EMR and continue to upload echocardiograms to the EMR in accordance with the annual memo regarding EMR recording and uploading.

With respect to trades involving a player's draft rights, unless waived by the assignee team with respect to a particular player, the obligation to disclose relevant health information on the trade call contained in Section 4.03 of the By-Laws applies not only to players whose contracts are being traded, but also to players whose draft rights are being traded.

To facilitate the efficient trading of a player's draft rights while still ensuring that assignee teams receive all required health information, a team trading a player's draft rights is not responsible for providing to the assignee team any information that is available to all teams through a current or former Draft Combine "team"

section of the EMR. Instead, disclosure of such information by the assignor team to the assignee team is deemed to have occurred by virtue of the availability of such information to all teams through the EMR. However, if the assignor team has any relevant health information that is not available to all teams through the Draft Combine section of the EMR (e.g., by virtue of information collected at a team's pre-Draft workout), then the assignor team must disclose such information to the assignee team (unless such disclosure is waived by the assignee team) in accordance with usual procedures. As always, teams also are prohibited under the By-Laws from failing to disclose any other material information (or make any other material misrepresentation) during the trade call.

The above-described rule regarding information contained in the Draft Combine section of the EMR applies only to the trading of a player's draft rights. In any trade of a player who is under contract to an NBA team, the assignor team remains responsible for disclosing all required information (including but not limited to all relevant information with respect to the player in the EMR).

One or more teams may waive the right to receive health disclosures on one or more players (e.g., during and shortly following the Draft, teams typically waive their rights to receive health disclosures in respect of players from that Draft whose draft rights the team is acquiring).

In addition to the disclosure of health-related information, prior to a trade call teams that are parties to a trade are also required to exchange by email (with a copy to the league office) certain insurance-related information. This information includes: (i) whether the player is enrolled in the League Wide TTD insurance program, and, if so, whether the coverage of the player is subject to any special medical exclusions, and information regarding any life, disability, or other insurance coverage that the team has purchased with regard to its players outside of the League Wide TTD insurance program or the League Wide accidental death and dismemberment insurance program.

NOTE: If an assignor team has purchased any life, disability, or other insurance coverage with regard to the player outside of the league wide TTD insurance program and the league wide accidental death and dismemberment insurance program, the assignee team may elect to have one or more of such insurance policies assigned to it. If the assignee team so elects and notifies the assignor team in writing with a copy to the league office within 30 days of the date of the trade call, the assignor team shall assign to the assignee team the requested policies (if assignable). If any of such policies are assigned to the assignee team, the assignee team shall reimburse the assignor team for the pro-rata portion of any premiums paid by the assignor team relating to the period following the trade and before the assignment of the policies. If proceeds from any requested policy become payable to the assignor team prior to the assignee team's election to receive the coverage and/or prior to the assignment of the coverage to the assignee team, then the assignor team shall pay the proceeds to the assignee team.

A trade call will not be scheduled until all necessary disclosures have been reduced to writing and exchanged by the parties with a copy to the league office. In addition, if a trade requires the consent of a player whose contract is being traded, then the trade call will not be scheduled until the league office has received the player's signed written consent.

NOTE: The league office will periodically review the rules governing the disclosure of health and insurance information for trade calls in order to ensure disclosure of such information as required by the By-Laws, increase efficiency in the trade process, and promote secure management of player health information.

During the Conference Call

Participants will include a representative of each of the teams making the transaction and a representative of the NBA Legal Department.

The parties will recite the terms of the transaction to which they had previously agreed.

If a player contract is involved, the NBA representative will review with the parties limited contract information and then confirm that each team has reviewed in full all exhibits of and amendments to (and is aware of the salary cap-related information available in PCMS related to) the contract(s) it is acquiring. If a team has any questions or would like clarification regarding the terms of any contract being assigned, the team may ask questions or seek clarification prior to or during the trade call. Any contract terms that are subject to specific points of agreement between the parties (for example, the details of a player's deferred compensation payment schedule in circumstances where the teams must agree on the timing of the particular payments that each team will make) will be discussed on the call.

Each assignor team will be responsible for confirming on the trade call that there are no terms of the contract(s) of the player(s) it is assigning other than those set forth in the contract(s) as shown in PCMS or reviewed on the trade call. In accordance with Section 4.04 of the By-Laws, should any such contract terms exist and not be disclosed by the assignor team on the trade call they will remain the obligation of the assignor team.

If a player contract is assigned during the Regular Season, the salary of the player so assigned (including related payroll taxes) shall be apportioned on a per diem basis utilizing the entire number of days in the Regular Season, without regard to playoff games or exhibition games. The assignor team shall be responsible for the portion of the salary through the day of the assignment, and the assignee team shall be responsible for the salary after said date. If, however, the player dresses in a game for the assignee team on the date of the assignment, then the assignee team shall be responsible for the salary on that date. The foregoing may be modified by agreement of the parties, however, any such agreement with respect to salary reimbursement will be included when determining whether the teams participating in the trade are compliant with the cash transfers rule (as discussed in Paragraph E.1.a above).

NOTE: Unless altered by agreement of the parties on the trade call, any "adjusting payments" necessary to have each team meet its obligation to pay the salary of the player(s) it is trading through the date of the trade as set forth in Section 4.04(a) of the By-Laws will be due within 30 days of the date of the trade call.

In order to facilitate efficient processing of trades and consistent treatment of life insurance reimbursement obligations, if a team assigns a player contract containing a life insurance reimbursement provision, then any required reimbursement pursuant to the player's contract will be the responsibility of the assignor or assignee team, in accordance with the following:

The assignor team shall be responsible for reimbursing the player if at the time of the trade call:

In accordance with the player's contract, the player has provided to the assignor team evidence that he paid the premiums for which reimbursement is sought; or

The assignor team has already reimbursed the player for the premiums for term life insurance for that season.

The assignee team shall be responsible for reimbursing the player if at the time of the trade call the player has not yet been reimbursed or submitted evidence that he paid the premiums for which reimbursement is sought.

For trades that are conditional upon one or more of the assigned players each reporting to his new team and successfully passing a physical, the teams will agree on the trade call on the date and time by which the assignee team must notify the league office and the other team(s) that each of the specified players has reported and passed a physical.

NOTE: If a player fails to report and submit to a physical by the date and time agreed upon by the teams on the trade call and, as a result, the player's new team desires to rescind the trade, the new team must so notify the league office and the other team(s) within 15 minutes after the date and time by which the player was required to report. Failure to provide such notice shall be deemed to constitute a waiver of the requirement that the player report and submit to a physical.

If a player reports and submits to a physical but then does not pass the physical and, as a result of the player failing his physical, the new team desires to rescind the trade, the new team must so notify the league office and the other team(s) by the date and time agreed upon by the teams on the call. Failure to provide such notice shall be deemed to constitute a waiver of the separate requirement that the player pass the physical administered by the new team.

Teams are not required to read on the trade call the health disclosures that they are making in connection with the trade. In order to meet its disclosure obligation under Section 4.03 of the By-Laws in respect of each player whose contract (or draft rights) it is assigning, each team will be required to represent on the trade call that the health disclosures exchanged prior to the call satisfy the disclosure requirements of Section 4.03 of the By-Laws. With respect to any player whose contract (or draft rights) the assignee team is acquiring, the team may request, or the league office may in some cases require, that the assignor team read on the trade call the applicable health disclosures.

The NBA representative will ask appropriate questions designed to identify team responsibilities and understandings.

Immediately following the trade call, one team involved in the trade is required to send an email to the league office (the "confirming email") outlining the terms of the trade and copying the other team(s) involved in the trade. The other team(s) are then required to reply to the confirming email, again copying the league office and the other team(s), to confirm whether the terms of the trade reflected in the confirming email are those to which the teams agreed on the call. The teams will agree on the call which team will send the confirming email.

Promptly following the conference call, the league office will send an email to the teams setting forth the conditions that must be satisfied in order for the trade to be consummated (e.g., passing of physical exams and

submission of required trade certifications). When all conditions have been satisfied, the league office will send an email to the teams advising them.

NOTE: No player involved in the trade may play in any game or practice or engage in any conditioning or other physical activity with his new team (or any G League team) until the teams have received the email from the league office advising them that all conditions of the trade have been satisfied. In addition, no transaction involving any player in the trade may be made (e.g., placing a player in the trade on waivers or recalling such a player from a G League assignment) until the teams have received the email from the league office advising them that all conditions of the trade have been satisfied.

A memorandum to the file will be prepared by the league office representative on the call, which will set forth all terms and conditions of the transaction. This memorandum, with related attachments, will be provided to all parties, and a copy of the player contract(s) will be provided to the assignee team or teams.

Section 4.03 of the By-Laws provides that no team shall misrepresent or fail to disclose during a trade call any relevant information in its possession, custody, or control concerning the health of a player whose contract or draft rights the team is assigning. For purposes of the foregoing sentence, “relevant information” shall include “any information concerning current or prior injuries, illnesses, or other health conditions that could affect the player’s ability to play skilled basketball at any point during the player’s career.” Teams must take care to select and organize the health information being disclosed to ensure that the information is sufficiently detailed to meet the standard set forth in Section 4.03 of the By-Laws, but not so detailed – for example, disclosures including extensive language copied verbatim or without regard to materiality from MRI reports, surgical notes, or other medical documents from the EMR – as to undermine the rule’s purpose of bringing relevant information pertaining to a player’s health to the attention of the assignee team. The league office will require a team to revise disclosures that include extensive language that is not consistent with the above-described standards.

As a reminder, there is a trade disclosure tool within the EMR that allows team EMR users to generate a trade disclosure form for a player by pulling from the health-related records for the player maintained in the EMR and supplementing those records with additional information, if any, that the team plans to disclose to comply with its trade disclosure obligation. Teams may, but are not required, to use the EMR tool to document its trade disclosures.

No team shall make any material misrepresentation or fail to disclose any material information during the trade call.

If any team is found, after a hearing before the Commissioner, to have violated Paragraphs E.2.i or j above, the team shall be subject to penalty. Such penalty shall be within the absolute and sole discretion of the Commissioner and may include a fine (not to exceed \$1,000,000), suspension of the offending employee, rescission of the trade, and/or forfeiture or transfer of the offending team’s draft choices.

If a player contract is involved, unless the parties agree otherwise, the assignor team will be required to complete the player assignment form for signature of the assignee-team. (If contracts are being traded by the teams to one another, the NBA representative on the conference call will ask which team will initiate the form.) The assignment form, containing all signatures, must then be forwarded to the NBA Legal Department within

10 days after the conference call for approval by the Commissioner. Accordingly, the team responsible for the preparation of the form must send it to the assignee-team(s) for signature immediately following the satisfaction of all conditions to the trade.

In any dispute relating to the transaction, the memorandum to the file prepared by the league office will be determinative.

77. What are the minimal requirements in a trade?

2 team trade

- A minimum of \$110K
- Player Contract
- Future Draft Pick (up to top-55 protected)
- Drafts Rights to a Player

3 team plus trade

A team must send out and receive one of the following:

- \$1.1M
- Future Draft Pick (that will convey)
- Player Contract
- Draft Rights to a Prospect

Permissible trades

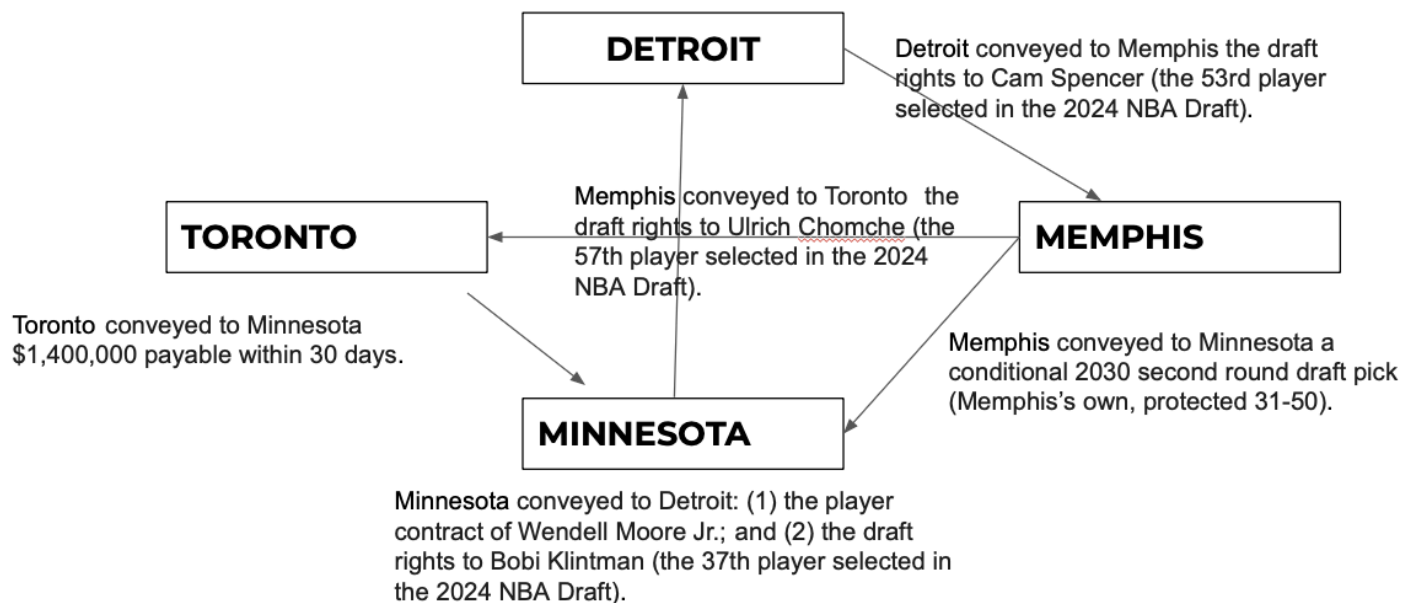
Two team trade

- **Utah received:** The contract of Georges Niang and two future seconds
- **Boston received:** The contract of RJ Luis

Three team+ trade

- **LA Clippers (Team A)** sent the contract of Norman Powell to **Miami (Team B)**
- **Miami (Team B)** sent the contract of Kevin Love and Kyle Anderson to **Utah (Team C)**
- **Utah (Team C)** sent the contract of John Collins to **LA Clippers (Team A)**
- **LA Clippers (Team A)** sent a future second to and cash Utah (**Team B**)

In a 3+ team trade, 2 teams must touch each other with compensation



78. Does a team help with moving expenses when a trade happens?

A Team's Obligation To reimburse player for "reasonable" expenses related to the assignment of a Player Contract from one Team to another (in accordance with Paragraph 10 of a Uniform Player Contract) shall extend to the reimbursement of the actual expenses incurred by such player in moving to the home territory of his new Team, provided that such expenses result directly from the assignment and are ordinary and reasonable, and provided further that, prior to his actually incurring such expenses, the player (i) consults with the Team to which his Contract has been assigned in advance concerning his move, and (ii) furnishes the Team with a written estimate of such proposed expenses from an established moving company so as to afford such assignee Team an opportunity to make reasonably comparable alternative arrangements for the move of the player. The player shall furnish such written estimate to the Team within a reasonable time following the notice of the assignment of the Player Contract.

Upon receipt of such an estimate from the player, the Team shall, within ten (10) days, either agree to reimburse the player for the expenses set forth in such estimate or make alternative arrangements (at the Team's expense) for the move of the player. "Reasonable" moving expenses shall include the cost of moving

not more than one (1) automobile for the player (and not more than two (2) automobiles if the player is married).

Hotel Accommodations

A player whose Contract is assigned from one Team to another shall be reimbursed by the assignee Team for the cost of a hotel room in a hotel (comparable to that in which such Team's players are lodged while "on the road") in the assignee Team's home city for up to forty-six (46) days following the assignment.

Housing Costs Reimbursement

A player whose Contract is assigned from one Team to another shall be reimbursed by the assignee Team for the cost of his living quarters (either rent or mortgage expense) in the city from which he is assigned, for a period of three months after the date of the assignment; provided, however, that such payment shall: (i) be made only if and to the extent that the player is legally obligated for such costs; and (ii) not exceed \$6,000 per month. Any such payments shall be made on a pro rata basis if a full month is not involved.

79. How is cash handled in a trade?

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 \$8,945,000 per team for the 2026-27 Salary Cap Year.

Teams over the second apron are not allowed to send cash in a trade if the transaction leaves them over.

The maximum annual cash limit in trades increases or decreases annually at the same rate as the Salary Cap.

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.

80. Who is responsible for player incentives in a trade?

In the event a player contract contains a "Performance Bonus and such Performance Bonus is earned by the player in a Salary Cap Year, the bonus will be the responsibility of the final team that employed the player under such player contract during the applicable Regular Season (i.e., the Regular Season encompassed by the Salary Cap Year in which the Performance Bonus was earned).

At the time of a trade, the parties may agree on a different allocation of financial responsibility for payment of any Performance Bonus earned during the then-current Salary Cap Year; however, if they do so, the portion of

the performance bonus agreed to be paid or reimbursed by the team other than the team considered responsible for such bonus (as described above) will be treated as a cash transfer for purposes of the cash transfers rule.

**81. What happens if a player has a contract that is partially/non-guaranteed?
How do they factor in a trade?**

Regular season

For trade purposes, only the guaranteed amount counts as outgoing salary.

Example

Jonathan Isaac of the Magic has a \$17.4 million contract in 2023-24.

The salary is guaranteed for only \$7.6 million.

If the Magic were to trade Isaac, \$7.6 million counts as an outgoing salary.

Below is a sample trade

<u>Outgoing Salary</u>		<u>Incoming Salary</u>	
Jonathan Isaac	\$7.6M	Joe Harris	\$19.9M

This trade does not work

The offseason

With respect to the assignment of Player Contracts occurring during the period from the day following the last day of a Regular Season through June 30 of that Salary Cap Year, a Traded Player’s Salary will equal the lesser of: (x) the player’s Salary for the current Salary Cap Year; and (y) the player’s Salary for the subsequent Salary Cap Year reduced by the amount of the player’s unearned Base Compensation for the subsequent Salary Cap Year that, at the time of the trade, is not fully protected for lack of skill and injury or illness (or may become not fully protected for lack of skill and injury or illness due to additional conditions or limitations set forth in the Exhibit 2 of the player’s Contract).

Example of the Washington/Phoenix trade involving Chris Paul

Phoenix Suns

Outgoing

Incoming

C. Paul \$15.8M

B. Beal \$43.3M

L. Shamet \$9.5M

J. Goodwin \$900K

125% Multiplier \$6.3M

Buffer \$100K

Total \$31.72M

Total \$44.1M

- For trade purposes in the offseason, on the guaranteed portion for a 2023-24 salary counts in a trade. In this example, the trade does not work because of the \$15.8 million partially protected salary of Paul.
- From the perspective of the acquiring team (in this case Washington), the full amount (even the non-guaranteed part) counts in a trade.
- The Suns eventually amended the Paul contract, guaranteeing his 2023-24 salary and the trade was allowed.

A Traded Player's Salary shall be deemed reduced by the amount of the player's unearned Base Compensation that, at the time of the trade, is not fully protected for lack of skill and injury or illness.

With respect to the assignment of Player Contracts occurring during the period from the day following the last day of a Regular Season through June 30 of that Salary Cap Year, a Traded Player's Salary will equal the lesser of: (x) the player's Salary for the current Salary Cap Year; and (y) the player's Salary for the subsequent Salary Cap Year reduced by the amount of the player's unearned Base Compensation for the subsequent Salary Cap Year that, at the time of the trade, is not fully protected for lack of skill and injury or illness (or may become not fully protected for lack of skill and injury or illness due to additional conditions or limitations set forth in the Exhibit 2 of the player's Contract).

Clarification of Rules Related to Protected Salary

In circumstances where the Base Compensation protection provided for in a Contract may decrease based on certain criteria set forth in the Contract, a TPE will exclude any portion of the Base Compensation that could become unprotected as a result of such criteria.

82. What is the Traded Player Exception?

A Team may use the "Expanded Traded Player Exception" to replace one (1) or more Traded Players with one (1) or more Replacement Players whose Player Contracts are acquired simultaneously and whose post-trade Salaries for the then-current Salary Cap Year, in the aggregate, are no more than an amount equal to the greater of:

\$0-\$8,846,000

The lesser of: (A) two hundred percent (200%) of the aggregated pre-trade Salaries of the Traded Player(s), plus \$250,000

Recent trade: The Clippers acquired Marjon Beauchamp (\$2.7M) with the Expanded Traded Player Exception (200%+\$250K) created by the trade of Kevin Porter (\$2.2M).

\$8,846,001-\$35,384,000

One hundred percent (100%) of the aggregated pre-trade Salaries of the Traded Player(s), plus an amount equal to \$9,096,000 million multiplied by a fraction, the numerator of which is the Salary Cap for the then-current Salary Cap Year and the denominator of which is the Salary Cap for the 2026-27 Salary Cap Year.

Recent trade: Dallas acquired Santi Aldama (\$17M) with the Expanded Traded Player Exception (\$9.1M) created by the trade of AJ Johnson (\$3.2M) and Khris Middleton (\$5.59M). Sasser (\$5.2M) was acquired with the biannual exception.

\$35,384,001+

One hundred twenty-five percent (125%) of the aggregated pre-trade Salaries of the Traded Player(s), plus \$250,000.

Example: Miami acquired Antetokounmpo (\$58.5M) with the Expanded Traded Player Exception (125% + \$250K) of Herro (\$33M), Jakucionis (\$3.8M), Jaquez (\$5.9M) and Ware (\$4.7M).

Aggregated Standard Traded Player Exception

A Team may use the “Aggregated Standard Traded Player Exception” to replace two (2) or more Traded Players with one (1) or more Replacement Players whose Player Contracts are acquired simultaneously and whose post-trade Salaries for the then-current Salary Cap Year, in the aggregate, are no more than an amount equal to one hundred percent (100%) of the aggregated pre-trade Salaries of the Traded Players, plus \$250,000.

If a Team’s post-assignment Apron Team Salary would exceed the First Apron Level, then the \$250,000 allowance above shall be reduced to \$0.

Recent Trade: The Timberwolves acquired Ball (\$40.7M) and Green (\$14.7M) with the Aggregated Traded Exception of Randle (\$33.3M) and Reid (\$23.3M)

Standard Traded Player Exception

A Team may use the “Standard Traded Player Exception” to replace one (1) Traded Player with one (1) or more Replacement Players whose Player Contracts are acquired simultaneously or non-simultaneously and whose post-assignment Salaries for the Salary Cap Year in which the Replacement Player(s) are acquired, in the aggregate, are no more than an amount equal to one hundred percent (100%) of the pre-trade Salary of the Traded Player, plus \$250,000, provided that any Player Contract acquired non-simultaneously pursuant to this Exception must be acquired within one (1) year following the date on which the Traded Player was traded.

Example: Team A trades a player earning \$12M to Team B for a player with a salary of \$6.8M.

Recent trade: Denver acquired Cam Johnson with the Standard Traded Player Exception created by Michael Porter Jr. They now have a \$17.3M trade exception available.

83. What are the rules for teams that have cap space in a trade?

A Team with a Team Salary below the Salary Cap may acquire one (1) or more players by assignment whose post-assignment Salaries, in the aggregate, are no more than an amount equal to the Team’s room under the Salary Cap plus \$250,000.

Recent example: Walker Kessler sign-and-trade to the Los Angeles Lakers

84. If a team has a signing exception, can they use that to acquire a player in a trade?

Beginning with the 2024-25 Salary Cap Year, teams will be permitted to use the Non-Taxpayer Mid-Level Salary Exception, Mid-Level Salary Exception for Room Teams, or Bi-annual Exception to acquire one or more players by trade or waiver claim (provided that the remaining term of the acquired Contract is less than or equal to the maximum term of the applicable Exception).

For clarity, teams would not be permitted to aggregate such Exceptions with each other or with any other Exception.

Example: The Hornets used part of the \$15 million non-tax midlevel exception to acquire Dorian Finney-Smith.

85. What are the trade rules for a player that signed a veteran minimum exception?

A player that signed a one or two year minimum player salary exception can be traded without matching salary.

The first-or-second apron is not triggered if a team acquires a player using the veteran minimum exception.

Example

Philadelphia traded Reggie Jackson and a future first to Washington and four seconds

Note: See unbalanced trade restriction as it relates to stacking minimum salaries in a trade

86. What are examples of different trade structures?

Trade summary

Atlanta/Oklahoma City

The Thunder traded the contract of Aaron Wiggins to Atlanta

Atlanta traded two second round picks to Oklahoma City. The picks are a second in 2030 (Atlanta) and 2032 (less favorable of Atlanta and LA Lakers)

Trade rules

- The Hawks acquired the Wiggins contract (\$9.2M) with the pre-existing Luke Kennard trade exception

Cap notes

- Because the pre-existing trade exception was used, Atlanta is hard capped at the first apron
- The Thunder have a \$9.2M trade exception for Wiggins. Even though Oklahoma City is over the apron, they are allowed to use the trade exception because it is new and not pre-existing.

Miami/Milwaukee

Miami traded to Milwaukee the player contracts of Tyler Herro, Kasparas Jakucionis, Jaime Jaquez Jr. and Kel'el Ware. The Heat also sent the draft rights to Nate Ament, a 2031 unprotected first and 2033 unprotected first. Milwaukee has the right to swap first round picks in 2030 (the less favorable of Milwaukee's own and Portland's own for Miami's own). The Heat also sent a 2033 second (their own).

Milwaukee traded to Miami the player contracts of Giannis Antetokounmpo and Bobby Portis.

Trade rules

Miami acquired Antetokounmpo (\$58.5M) with the Expanded Traded Player Exception (125% + \$250K) of Herro (\$33M), Jakucionis (\$3.8M), Jaquez (\$5.9M) and Ware (\$4.7M).

The Heat acquired Portis (\$14.5M) with the pre-existing trade exception of Duncan Robinson

Milwaukee acquired Herro (\$33M) with the Standard Traded Player Exception of Antetokounmpo (\$58.5M)

Milwaukee acquired Jakucionis (\$3.8M), Jaquez (\$5.9M) and Ware (\$4.7M) with the Standard Trade Exception of Portis (\$14.5M)

Cap notes

Antetokounmpo had a 15% trade bonus in his contract. The bonus was voided because it would exceed the maximum salary allowed

The Bucks created a \$25,456,566 Trade Exception (difference of Giannis and Herro salary)

Herro has \$2.5 million in unlikely bonuses that are applied to the hard cap in Milwaukee

Boston/Philadelphia

Boston traded to Philadelphia the player contract of Jaylen Brown

The 76ers traded to Boston the player contract of Paul George

Philadelphia sent the additional draft compensation;

1) their own 2031 unprotected first

2) a conditional 2028 first round pick (The Clippers or 76ers 2028 own protected 1-16). If the Celtics do not receive the first, then they will receive the right to swap 2028 first round picks (their own or San Antonio's with the Clippers or 76ers (if 1-8)

3) 2028 second (most favorable of Golden State, Milwaukee and Oklahoma City

4) 2030 second (most favorable of Phoenix, Portland and Washington

Trade rules

The Celtics acquired Paul George (\$54.1M) with the Standard Trade Exception of Jaylen Brown (\$57.1M)

The 76ers acquired Jaylen Brown (\$57.7M) with the Expanded Trade Exception (125%+\$250K) of Paul George (\$54.1M)

Cap notes

- The Celtics created a \$2,952,438 trade exception (the difference of Brown and George salary)
- As part of the trade, Paul George eliminated his \$3.9 million trade bonus
- Jaylen Brown had a trade bonus in his contract for the lesser of \$7M or 7% of his remaining base compensation. However, because the bonus exceeds the maximum salary allowed for a player with 10 years of service, it is reduced to \$1,972,962. The bonus is divided among three seasons and applied to each of the remaining years.

Detroit/Oklahoma City

The Pistons traded a 2030 second (Minnesota) and 2031 second (own) to Oklahoma City for the contract of Isaiah Joe

The Thunder traded the contract of Isaiah Joe to Detroit

Trade rules

The Pistons acquired Joe with the non tax midlevel exception

Cap notes

Oklahoma City now has a \$11.3 million Trade Exception. Because the exception is not pre-existing, Oklahoma City is allowed to use it despite being over the apron.

The Pistons are hard capped at the first apron because they used more than \$6.1 million of the non tax midlevel exception

Charlotte/Houston

The Rockets traded the contract of Dorian Finney-Smith and three seconds (2027-Memphis, 2028-Houston and 2033-own) to Charlotte

The Hornets sent Houston \$110K

Trade rules

The Hornets acquired Finney-Smith with the non tax mid level exception

Cap notes

The Rockets have a \$13,335,000 Trade Exception

Finney-Smith had a 3.23% trade bonus in his contract. The bonus came out to \$861,974 (3.23% of his owed salary in 2026-27 and 2027-28). Because his contract is guaranteed only for the 2026-27 season, the bonus is added to his salary. The trade bonus does not apply to the 2028-29 season because there was a player option.

Brooklyn/Charlotte/Chicago/Minnesota

The Nets traded the contract of Nic Claxton to Chicago

The Nets traded the rights to the 33rd pick (Isaiah Evans) to Minnesota

The Bulls traded the contract of Mouhamadou Gueye to Charlotte

The Hornets traded the contracts of LaMelo Ball and Josh Green to Minnesota

The Timberwolves traded the contract of Julius Randle and draft rights to Joshua Jefferson (28th pick) to the Nets

The Timberwolves traded the Hornets the following:

1. The contract of Naz Reid
2. The drafts rights to Matteo Spagnolo (50th pick in the 2022 Draft)
3. An unprotected 2033 first
4. The right to swap 2028 firsts
5. A conditional right to swap 2029 first round draft picks (the least favorable of Charlotte's own, Cleveland's own, or Utah's own for Minnesota's own, provided that Minnesota's own is 1-5)
6. a conditional right to swap 2030 first round draft picks (Charlotte's own for the less favorable of (i) Minnesota's own, and (ii) the more favorable of Dallas's own and San Antonio's own, provided that Minnesota's own is not 1-3)
7. A 2032 second round draft pick (via MIN)
8. A 2033 second round draft pick (via MIN)
9. A conditional 2029 second round draft pick

Trade rules

1. The Nets acquired Randle with cap space
2. The Hornets acquired Gueye with the minimum player exception
3. The Hornets acquired Reid (\$23.3M) with the Expanded Traded Player Exception (\$9.1M) of Green.
4. The Bulls acquired Claxton with cap space
5. The Timberwolves acquired Ball (\$40.7M) and Green (\$14.7M) with the Aggregated Traded Exception of Randle (\$33.3M) and Reid (\$23.3M)

Cap notes

1. The Hornets created a \$40,770,520 trade exception (Ball salary)
2. The Hornets are hard capped at the first apron because they used the Expanded Traded Player Exception
3. The Timberwolves are hard capped at the first apron because they used the Aggregated Traded Player Exception

Dallas/Detroit/LA Clippers/Memphis/Milwaukee/Washington

1. Dallas traded the player contract of AJ Johnson, a 2030 first-round pick (Golden State if 21-30) and 2029 second (via HOU) to Memphis. If the Warriors first is not conveyed, Memphis will receive Golden State's 2030 second.
2. Dallas traded to Washington the player contract of Khris Middleton (via sign-and-trade) and a 2033 second (their own)

3. Detroit traded to Dallas the player contract of Marcus Sasser
4. Detroit traded to the LA Clippers a 2030 second (DET if 56-60)
5. The LA Clippers traded to Detroit the player contract of John Collins (sign-and-trade)
6. The LA Clippers sent to Milwaukee \$1.1M
7. Memphis traded to Dallas the player contract of Santi Aldama and the draft rights to Tarik Biberovic
8. Memphis traded to Detroit three seconds; 1) 2029 second (the second most favorable of Detroit, Milwaukee and NY), 2) 2031 second (via DAL) and 3) a 2032 second (via DET)
9. Milwaukee traded to Detroit the player contract of Gary Harris and Taurean Prince
10. Washington traded to Memphis the player contract of D'Angelo Russell, a 2029 second (via LAL), 2033 second (via MIL) and the right to swap a 2032 second (most favorable of Memphis, Philadelphia for Utah)

Trade rules

Dallas acquired Santi Aldama (\$17M) with the Expanded Traded Player Exception (\$9.1M) created by the trade of AJ Johnson (\$3.2M) and Khriston Middleton (\$5.59M). Sasser (\$5.2M) was acquired with the biannual exception.

Detroit acquired John Collins (\$17M) with the Expanded Traded Player Exception (\$9.1M) created by the Caris LeVert (\$14.9M) trade. Gary Harris and Taurean Price were acquired with the minimum player exception. Because of a rule in the CBA, neither player could have been stacked in a trade (to make the salaries work).

Memphis acquired Johnson (\$3.2M), Russell (\$6M) and Isaiah Stewart (\$15M) with the Expanded Traded Player Exception (\$9.1M) of Aldama (\$17M)

Milwaukee acquired LeVert (\$14.9M) with the Expanded Traded Player Exception created by the trade of Harris and Prince

Washington acquired Middleton (\$5.59M) with the pre-existing Kelly Olynyk trade exception.

Cap notes

Detroit has a \$5,198,983 traded player exception (Sasser) and \$15 million traded player exception (Stewart)

Washington has a \$5,969,250 (Russell) trade exception

The Clippers have a \$17 million trade exception

The Pistons are hard capped at the first apron (sign-and-trade)

The Grizzlies are hard capped at the first apron (expanded trade exception)

The Bucks are hard capped at the first apron (expanded trade exception)

The Wizards are hard capped at the first apron (expanded trade exception)

The Mavericks are hard capped at the first apron (expanded trade exception)

LOS ANGELES LAKERS/WASHINGTON WIZARDS

The Lakers traded the contract of Deandre Ayton to Washington

Washington traded the contract of Jaden Hardy and two seconds (their own in 2031 and 2032) to the Lakers

Trade rules

- The Lakers acquired Hardy with cap space
- The Wizards acquired Ayton with the pre-existing trade exception of Kelly Olynyk

Cap notes

- Because Hardy was acquired with cap space, there is no two-month aggregate restriction
- The Wizards will create a \$6 million trade exception in relation to Goodwin

LOS ANGELES LAKERS/UTAH JAZZ

The Lakers traded to Utah a 1) 2031 unprotected first 2) 2033 unprotected first 3) the right to swap firsts in 2028 (the more favorable of Cleveland, Utah with LAL) and 4) the right to swap 2030 firsts (more favorable of LAL with Utah)

The Jazz traded to the Lakers the contract of Walker Kessler (sign-and-trade)

Trade rules

The Lakers acquired Kessler with cap space +\$250K

Cap notes

The Jazz created a \$15,054,411 trade exception (50% of Kessler's outgoing salary)

87. When can players selected in the draft be traded after they sign a contract?

Drafted Rookie: No player drafted who signs a Standard NBA Contract or player who signs a Two-Way Contract may be traded before thirty (30) days following the date on which the Contract is signed.

Example: AJ Dybantsa signed a contract for the first-round pick exception on July 2. The first day he can be traded is August 1.

Two-Way: A player that signs a Two-Way can be traded 30-days after the contract has been signed.

Example: Ja'Kobi Gillespie signed a Two-Way contract on July 3. The first day he can be traded is August 2.

88. What is the first date free agents signed in the offseason can be traded?

December 15: A free agent that signs a contract on or before September 15.

Example: Nikola Vucevic signed a one-year \$3.9 million contract with Orlando. The first day he can be traded is December 15.

Three months: A free agent that signs a contract after September 15.

Example: John Smith signs a free agent contract on September 27. The first day he can be traded is December 27.

January 15: A free agent that signs a contract with his own team for more than 20% from his previous contract and is an early or bird free agent.

Example: Naz Reid signed a five-year \$125 million contract with Minnesota. Because Reid had bird rights and the contract is 20% from his previous contract, he cannot be traded until January 15.

89. If a player signs an extension, can he be traded immediately?

A player that signs an extension for more than four seasons (including what is left on the contract) or the first year of the extension is more than a 120% increase in the first year of the extension cannot be traded for six months. A player also has a six-month restriction if the salary increases or decreases more than 5% over the contract..

Example: Neemias Queta signed a four-year \$56 million extension on July 6. The first date that Queta can be traded is January 6. His teammate Jordan Walsh signed a three-year \$15 million extension with Boston. Walsh can be traded immediately because the extension is not restrictive to a trade.

90. Can a player have a no trade clause if they re-sign with their own team for one season?

A free agent that signs a one-year contract with his prior team and has early or bird rights the following season. The player has veto power on any trade. If the player approves the trade, he loses early or bird rights with the new team. A player is allowed to waive the one-year bird restriction at the time of signing.

Example: Kyle Lowry signed a one-year contract with Philadelphia. Lowry has the right to veto any trade. His early bird rights do not carry to his new team.

91. If a player is traded, can he be moved again in another deal?

For a period of two months, a player acquired in a trade (not with cap space) cannot be aggregated with another contract. A player that is traded on or before December 16, can be traded on the trade deadline.

Example: Ja Morant was traded from Memphis to Portland on June 29. The first date the contract can be aggregated with another salary is August 29. Morant can be traded but not with another salary.

92. If a player is traded and then waived, can he re-sign with his former team?

If a Team trades a player and the assignee Team subsequently places the player on waivers, the assignor Team shall not be permitted to sign the player to a new Contract (or claim the player off of waivers) before the earlier of: (i) one (1) year following the date all conditions to the trade were satisfied; or (ii) the July 1 following the last Season of the player's Player Contract.

Example: Marcus Smart is bought out of his contract in Memphis. He would not be allowed to sign a new contract in Boston.

There is the "Andrew Bogut rule" when a player can be traded to a third team, then waived, and eligible to sign with his original team.

Example: Chris Paul is traded from Phoenix to Washington. He was traded again from Washington to Golden State and waived during the regular season. He would be allowed to sign with the Suns.

93. What is a no trade clause?

A Player Contract entered into by a player who has eight (8) or more Years of Service in the NBA and who has rendered four (4) or more Years of Service for the Team entering into such Contract may contain a prohibition or limitation of such Team's right to trade such Contract to another NBA Team.

A no trade clause cannot be included in an extension.

The No Trade Clause carries with a player if he is traded.

LeBron James was allowed to have a No Trade Clause in his contract during his second stint in Cleveland. The NBA credits a player with years of service with his team even if he changed teams between contracts. The same situation occurred with Damian Lillard when he re-signed in Portland. Because Lillard accrued the years of service with the Trail Blazers, he was allowed to negotiate a no trade clause despite playing in Milwaukee last season.

Example: Bradley Beal became the 10th player in NBA history to have a no trade clause included in his contract. Beal still had the no trade clause despite his trade from Washington to Phoenix. James has a no trade clause in the contract he signed with the Lakers in 2024.

Note: Beal was waived from Phoenix, and the no trade clause no longer exists.

Note 2: Damian Lillard is the only player left with a true no trade clause

94. If a team matches an offer sheet, when can that player be traded?

A free agent who signed an offer sheet that was eventually matched cannot be traded without the player's approval. The player during the season is not allowed to be traded to the team he signed the offer sheet with.

Example: Moussa Cisse signed an offer sheet with New York in 2026. The contract was eventually matched by Dallas. For a period of one-year, Cisse could not be traded to New York and also had the right to veto any other trade.

95. What are the rules if a player signs a rookie extension?

A player that signs a rookie extension. For trade purposes, his current salary is used as outgoing salary. The average of the fourth year of his current contract and new extension count as incoming salary for the acquiring team.

Example: For trade purposes \$12.35 million (the 4th year) for Jabari Smith Jr. counts as outgoing salary in a trade. The Smith Jr. contract counts as \$22.39 million (the average of the last year and extension) as incoming salary for a new team.

96. When can a player be traded if he is claimed off waivers?

A team that has acquired the rights and title to the contract of a player through the waiver procedure may waive such rights at any time, but may not sell or trade such rights for a period of 30 days after the acquisition thereof; provided, however, that if the rights to such player were acquired between seasons, the 30-day period described above shall begin on the first day of the next succeeding season.

Example: Jordan Goodwin was waived by the Lakers and claimed by Phoenix. He cannot be traded until Nov. 20, 30-days after the regular season begins.

97. How does Base Year Compensation affect a trade?

A Qualifying Veteran Free Agent or Early Qualifying Veteran Free Agent and his prior Team enter into a Player Contract, in connection with an agreement to trade the Contract immediately following such Contract signing is above the Salary Cap, and

The new Contract to be traded provides for Salary and Unlikely Bonuses for the first Season of such Contract in excess of the Salary and Unlikely Bonuses that could have been provided for by the Contract had the player been a Non-Qualifying Veteran Free Agent and;

Then for purposes of calculating the assignor Team's Traded Player Exception, the player's Salary shall be deemed equal to the greater of the Salary for the last Season of his preceding Contract, or

Fifty percent (50%) of the Salary for the first Season of his new Contract.

Example: The Miami Heat signed-and-traded the contract of Max Strus to Cleveland. For purposes of the trade, \$7.2 million (50% of the current salary) was used as outgoing salary from the Heat.

Player A had a \$7.9 million salary in 2024-25. He signed a three-year \$66 million contract with a salary of \$22 million in year 1. As part of the signing, he is traded to Team A. For trade purposes, \$11 million is used as outgoing salary.

98. Are teams allowed to stack minimum contracts in a trade?

Other than during the period from December 15 through the trade deadline each Season, if:

A team is aggregating the Salaries of two or more Contracts for the purpose of acquiring in a simultaneous trade one or more Replacement Players, and

The number of Contracts being aggregated exceeds the number of Replacement Players, then no more than one "Minimum Contract" may be among the Contracts that the team is aggregating. For the purposes of this rule, a "Minimum Contract" is a Contract that provides for a player's Minimum Player Salary in the Salary Cap Year in which the trade occurs or, if the trade occurs after the last day of the Regular Season of a Salary Cap Year, in the Salary Cap Year immediately following such Salary Cap Year.

Notwithstanding the foregoing, a team will not be prohibited from aggregating two Minimum Contracts when such Contracts are the only Contracts being aggregated by the team.

99. When can a player that renegotiates and then extends his contract be traded?

There will be a six-month waiting period (a) between the time a player's Contract is renegotiated and when it may be traded and (b) between the time a player's Contract is traded and when it may be renegotiated.

Example: Under the prior CBA, the Pacers Myles Turner was eligible to be traded despite having his contract renegotiated and extended. The reason was that the increase in year one of the extension did not exceed 105%. The new rule closes this loophole.

100. What are the rules regarding trading draft picks? What is the Stepien rule?

Seven-year rule

- A team is allowed to trade a first or second round pick up to seven drafts.
- The seven-year rule takes into account the 2026 to 2032 Draft (AFTER THE 2025 DRAFT)
- A draft pick cannot be conveyed after the seventh draft.
 - Example: Team A will send Team B a 2032 top-14 protected first. The first will not convey if it falls in the top 14.

Election to defer

One-Time Election to Defer. Subject to the 7- Year Rule, the parties to a trade may agree that one or both teams involved in the trade will be permitted to exercise a one-time option to defer the conveyance or receipt of a pick for one year only.

For example, the following trade is permissible, even though it does not specify the precise year in which the pick will be conveyed:

Team A conveys to Team B the least favorable of the 2023 second round picks that Team A currently possesses; provided, however, that Team A and Team B shall each have the option to defer the conveyance for one year.

If Team A and/or Team B elect to defer the conveyance for one year, then Team A will convey its own 2024 second round pick to Team B.”

Example

As part of the Anthony Davis trade, New Orleans had the right to defer the 2024 Lakers first to 2025. The first was deferred and eventually sent to Atlanta as part of the Dejounte Murray trade.

Later acquired trades

It is not permissible for teams to trade future first round or second round picks that the team might acquire in subsequent trade transactions. Thus, the following type of trade is not permissible:

“Team A conveys to Team B one 2025 second round pick from among any that Team A currently possesses or subsequently acquires in future transactions.”

Protection based on draft position

Subject to the 7-Year Rule and all other applicable rules (including rules relating to required minimum consideration in trades), a team is permitted to convey a future draft pick that is “protected” based on the team’s selection number in the Draft.

For example, the following trade is permissible, even though it does not specify the precise year in which the pick will be conveyed:

“Team A conveys its own first round draft pick to Team B in the first Draft in which such pick is not among the top 10 picks in the Draft; provided, however, that if Team B does not receive a first round draft pick pursuant to the foregoing in any of the Drafts from 2023 through 2029, then Team B will instead receive Team A’s own 2029 second round draft pick.”

In addition, subject to all other applicable trade rules, it is permissible for a team to protect a draft pick that it acquired from another team in a prior trade and convey such draft pick in a subsequent trade, provided that: (i) the team protecting the draft pick in such subsequent trade holds the rights to such pick unconditionally; or (ii) the team protecting the draft pick in a subsequent trade previously held the rights to such pick unconditionally,

but then entered into another trade pursuant to which the team may be obligated, subject to protection, to convey the draft pick to another team.

The following are examples of permissible trades involving a team protecting a draft pick it acquired from another team:

Assume that, pursuant to the terms of a prior trade, Team A has acquired Team B's 2024 second round pick unconditionally: "Team A conveys a 2024 second round draft pick (Team B's own) to Team C provided that such draft pick is not among picks 31-45 in the 2024 NBA Draft."

Assume that the following trade occurs after the trade described immediately above (with no intervening transactions related to Team B's own 2023 second round draft pick): "Team A conveys a 2024 second round draft pick (Team B's own) to Team D, provided that such draft pick is not among picks 46-60 in the 2024 NBA Draft."

Note that a team may also provide for alternative consideration in the event that a traded draft pick is not conveyed due to protection; provided, however, that the year in which the alternative consideration would be conveyed is specified. For example, assume that, as a result of a prior trade, Team A holds the rights to Team B's 2024 first round draft pick unconditionally: "Team A conveys a 2024 first round draft pick (Team B's own) to Team C, provided that such pick is not among the top 14 picks in the 2024 NBA Draft. If Team A does not convey the 2024 first round draft pick (Team B's own) to Team C pursuant to the foregoing, then Team A shall instead convey to Team C the following two second round draft picks: (i) Team A's own 2024 second round draft pick, and (ii) Team A's own 2025 second round draft pick."

Stepien rule

- No team may trade a future first round pick if the result may be to leave the team without first round picks in any two consecutive future years.
- This is permissible: From a prior trade, Team A does not have a 2026 first and are not allowed to trade a 2027 first. However, they now acquire an unprotected 2026 first in a trade. Because the pick is unprotected, Team A is now allowed to trade a 2027 first.
- If Team A does not have a 2026 first round pick and only one 2027 first round pick (its own), then Team A is prohibited from trading its 2027 first round pick prior to the date of the 2026 Draft.

Golden State Warriors example

2027: Own

2028: Own

2029: Own

2030: Own if 1-20 or to Memphis if 21-30

2031: Own

2032: Own

2033: Own

The maximum first-round picks that Golden State can include in one trade is three; 2028, 2030 (if 1-20) and 2032

3-2-1 Lottery rules

The number of teams participating in the Draft Lottery would increase from 14 to 16, with each participating team receiving three, two, or one Lottery ball(s) for the drawing in accordance with the following:

Teams that do not qualify for the playoffs or Play-In Tournament would each receive three Lottery balls, except that, to provide an increased incentive to win, the three teams with the lowest regular season winning percentages would be “Draft Relegated” and would receive only two Lottery balls each. Postseason tie-break procedures would be used as necessary to break ties in regular season winning percentage for purposes of determining which three teams would be Draft Relegated (with the losers of any such tiebreakers considered to have the lower winning percentage and therefore subject to Draft Relegation); and

To prevent a team that is on the cusp of qualifying for or that is participating in the Play-In Tournament from choosing between competing in the postseason or prioritizing their Draft position, the 9th and 10th Play-In seeds in each conference would receive two Lottery balls each, and the loser of the 7 vs. 8 Play-In game in each conference would receive one Lottery ball.

Lottery Drawing

Balls allocated to all 16 participating Lottery teams would be drawn in the Draft Lottery to determine the order of selection for picks 1 to 16 in the first round of the NBA Draft, subject to the following:

Pick Floors for Draft Relegated Teams

To avoid outsized impact on outcomes as a result of a flatter odds system and to avoid too significantly impacting the teams with the worst records, each Draft Relegated team would receive, at worst, the 12th pick in the Draft.

Pick Restrictions for “Repeat” Lottery Winners

To promote a fair distribution of player talent, no team's pick would be permitted to be (a) the first pick in two consecutive Drafts, or (b) a top-five pick in three consecutive Drafts. These restrictions would apply only to each team's own pick without regard to whether that pick has been retained by the team or traded to (and thus held by) another team.

For example, if Team A has Team B's pick in the 2027 NBA Draft as a result of a trade and that pick is the #1 pick in the 2027 Draft, then Team B's own pick in the 2028 Draft (whether retained by Team B transferred to and held by another team) would not be permitted to be the #1 pick in the 2028 Draft. Team A would not, by virtue of having selected first with Team B's pick in the 2027 Draft, be prohibited from selecting first in the 2028 Draft -- whether with its own pick or with any other team's pick (other than Team B's 2028 pick).

In the event a team's pick is drawn in the Lottery in a position where it is not permitted to be, then such team's pick would be moved down to the first permissible position. (See Exhibit 1-B for an example of the operation of this rule.) The foregoing limitations would apply beginning with the 2027 Lottery (taking into account the results of the 2025 and 2026 Lotteries).

League Investigations and Discipline

There was broad consensus among stakeholders that in order to meaningfully impact behavior, in addition to the changes to the Draft Lottery system, there should also be enhanced league office authority to investigate and penalize tanking.

Investigations

The league office would monitor and investigate conduct that is intended to result in losing game(s) and/or that prioritizes improving a team's position in a future Draft over winning game(s) in a manner that is prejudicial or detrimental to the best interests of the NBA. Any league office investigation of such conduct could involve (among other things) interviews of team personnel and review of team phone, e-mail, and other communications, and would take into consideration all relevant facts and circumstances, including (among other things) the team's roster management, in-game decision-making, and public statements. Such investigations could occur during or following the end of the regular season and, in either case, would "look back" and take into account the totality of a team's conduct over the course of the season.

Disciplinary Authority

The league office's disciplinary authority to penalize tanking behavior would be expanded and include the following penalties:

- Suspending offending individuals;
- Imposing fines of up to \$10 million;
- Imposing forfeitures or transfers of Draft picks;

- Reducing teams' Lottery odds; and/or
- Modifying teams' Draft positions.

Second Round Draft Choice Order

The 16 Lottery teams would be assigned the first 16 picks in the second round of the Draft and would select in inverse order of the order in which they selected in the first round.

Draft Pick Protections

To avoid situations where a team may be incentivized to have one of the three worst records (and, thus, at worst the 12th pick in the Draft), teams would be unable to attach top-12 through top-15 “protections” to draft picks that are conveyed in trades.

Sunset Provision

To allow the league office and teams an opportunity to assess the impact of the 3-2-1 Lottery Proposal, it would be in effect in respect of the 2027, 2028, and 2029 Drafts only. The rules related to selection order for Drafts beginning with the 2030 Draft would be determined by a vote of the Board.

101. What is the process when a team elects to waive a player?

A team desiring to secure waivers on a player shall notify by email the Executive Vice President, Basketball Operations at the NBA, who, on behalf of such team, shall notify all other teams by email of the waiver request.

Waiver requests are circulated by the league office at 5:00 p.m. (ET) throughout the year (including Saturdays, Sundays and legal holidays). At the conclusion of the waiver period, the Executive Vice President, Basketball Operations will notify all teams by email regarding the disposition of the player. Once a team has notified the Executive Vice President, Basketball Operations to attempt to secure waivers on a player, such notice may not be withdrawn.

If a team desires to secure waivers with respect to a player who is in the last year of his contract (or who may potentially be in the last year depending on whether an option is exercised), the team's waiver request must be received by the league office sufficiently in advance of the end of the Regular Season (i.e., no later than 5:00 p.m. (ET) two days prior to the date of the last game of such Regular Season for all teams) such that the 48-hour waiver period will expire prior to the last game of the Regular Season for all teams.

102. Can a team claim a player that is waived?

In the event that more than one team claims rights to a player placed on waivers, the claiming team with the lowest winning percentage at the time the waiver was requested shall be entitled to acquire the rights to such player.

If the request for waiver occurs between seasons or prior to midnight on November 30, the teams' winning percentages at the close of the previous season shall govern.

If tied based on the above, then waiver priority shall be given, if possible, to the team with the worst winning percentage in Regular Season games played among the tied teams during the current season or during the preceding season, as the case may be. If still tied, a coin toss shall determine waiver priority. For the purpose of determining standings, both conferences shall be deemed merged and a consolidated standing shall control.

The waiver price shall be \$1,000 per player awarded on waivers, payable by the assignee team to the league office.

Outside of a player signed to the veteran minimum exception, a claiming team must have cap space or a trade exception to claim a player.

103. What happens if a player clears waivers?

If a player is not claimed and clears waivers, he will then become an unrestricted free agent.

104. What is the waiver process for a player bought out of their contract?

When a buyout takes place, the team and player agree to amend and then reduce the amount of guaranteed salary owed.

The player is then placed through the standard waiver process.

Example

The Pistons Blake Griffin agreed to reduce the Base Compensation Protection in his contract by \$13.3 million.

His cap hit in 2020-21 was reduced from \$36.6 million to \$32.45 million and then in 2021-22 \$38.95 million to \$29.76 million.

As part of the buyout, the Pistons eliminated the set-off provision, allowing Griffing to recoup the lost earnings.

He would eventually sign three contracts totaling \$4.2 million.

The Magic and Patrick Beverley agreed to a contract buyout on February 12.

However, the amount of the buyout was contingent on the next Beverley contract.

He would eventually sign a one-year \$801,614 contract in Chicago and that amount was reduced in the salary owed by the Magic.

105. What is the 65-game rule and how does that impact league recognized honors?

To be eligible for MVP, an All-NBA Team, Defensive Player of the Year, an All-Defensive Team, or Most Improved Player honors, a player must satisfy at least one of the following two criteria:

No player shall be eligible for NBA Most Valuable Player, NBA Defensive Player of the Year, NBA Most Improved Player, All-NBA Team (First, Second, or Third), or NBA All-Defensive Team (First or Second) honors (the “Applicable Generally Recognized League Honors”) for a Season unless the player has satisfied at least one of the following criteria (the “Award Eligibility Criteria”) in respect of such Season: (1) the player played in at least sixty-five (65) Regular Season games; or (2) the player (A) played in at least sixty-two (62) Regular Season games, (B) suffered a “season-ending injury” (as defined below), and (C) played in at least eighty-five percent (85%) of the Regular Season games played by his Team prior to the player suffering such injury.

A player will be considered to have played in a Regular Season game for purposes of these rules if he played at least 20 minutes of such game; provided that, in respect of no more than two Regular Season games per season, he will be considered to have played in a Regular Season game for purposes of these rules if he played at least 15 minutes and fewer than 20 minutes in such game.

Note: There is no games criteria to be eligible for Rookie of the Year and Sixth Man of the Year

Grievance Process

A player who fails to satisfy either of the criteria set may bring either an “Award Eligibility Grievance” or an “Extraordinary Circumstances Challenge” (but not both an Award Eligibility Grievance and an Extraordinary Circumstances Challenge).

Eligible Players

A player may bring an Award Eligibility Grievance in respect of a Season if winning one of the applicable awards in such Season could or would impact whether such player is eligible to:

- Receive a Maximum Annual Salary in excess of 25% of the Salary Cap by satisfying the 5th Year 30% Max Criteria.
- Enter into a Designated Veteran Player Contract.
- Enter into a Designated Veteran Player Extension.
- An Award Eligibility Grievance must be filed by a player within two days of the date on which it became mathematically impossible for the player to play 65 Regular Season games in a Season, provided that any such Grievance must be filed no later than 11:59 p.m. (ET) on the day following the last day of such Regular Season.
- A hearing will be held by the System Arbitrator within two days of the date of the filing by the player and a decision will be issued by the System Arbitrator on the day following the date of the hearing. The player, the Players Association, the team, and the NBA shall be entitled to participate in the hearing, which will be conducted by videoconference.
- The player will bear the burden of proving, by clear and convincing evidence, that the team willfully limited the minutes or games played by the player with the intention of depriving the player of eligibility for one or more of the awards. If the player satisfies the burden of proof and prevails at the hearing, the sole remedy will be that he will be deemed eligible for such awards. For clarity, neither the foregoing sentence nor anything else in the CBA will be construed to prohibit the NBA from imposing discipline on a team whose player prevails at such a hearing for conduct prejudicial or detrimental to the best interests of the NBA.

Extraordinary Circumstances Challenge

A player who fails to satisfy either of the criteria may nonetheless be deemed eligible for the awards listed in that section if an independent expert (to be jointly selected by the NBA and Players Association) determines, upon application by the player, that he should be deemed to have met the games played requirement because:

- i. It was impracticable for the player to play in one or more of the game(s) that he missed due to extraordinary circumstances.
- ii. The player would have played in at least 65 Regular Season games if he had played in every game that he missed due to the extraordinary circumstances.
- iii. As a result of the extraordinary circumstances, and taking into account the totality of the circumstances (including whether the player did not play in other Regular Season games in which he could have played), it would be unjust to exclude the player from award eligibility.

Any application by a player under this provision must be made no earlier than 12:00 p.m. (ET) on the last day of the Regular Season and no later than 11:59 p.m. (ET) on the day after the last day of the Regular Season. The parties will discuss in good faith the establishment of procedures in connection with this provision.

Shortened Season

If a pandemic or other similar health or security situation frustrates the purpose of the award qualification requirements rule (e.g., league operations are suspended and teams do not complete 82 Regular Season games in a Season), then the criteria will be adjusted proportionally or the parties will work in good faith to identify another reasonable alternative.

- Aggregate Regular Season Performance. Voters for MVP, All-NBA Teams, Defensive Player of the Year, All-Defensive Teams, and Most Improved Player will be directed to consider a player's aggregate performance over the course of the Regular Season (taking into account the player's total number of games and minutes played) when making their selections.

Positionless Voting

All-NBA and All-Defensive Team voters will be directed to vote for the most deserving players each season without regard to position (e.g., voting the top five such players to the All-NBA 1st Team, the next five to the All-NBA 2nd Team, and the final five to the All-NBA 3rd Team).

Neither the IST Finals Game, Play-In Games, nor a Team's or a player's performance during any such games, shall be considered for purposes of determining whether, as a result of his achievement of agreed-upon benchmarks related to a player's performance as a player or the Team's performance during a particular Season

106. How are incentives built into a contract?

Unlikely bonuses

** Remember that unlikely bonuses count against the apron.

No Player Contract may provide for Unlikely Bonuses in any Salary Cap Year that exceed fifteen percent (15%) of the player's Regular Salary for such Salary Cap Year at the time the Contract is signed; provided, however, that: (i) with respect to Extensions, if the amount of Unlikely Bonuses in the Salary Cap Year in which the Extension is signed exceeds fifteen percent (15%) of the player's Regular Salary for such Salary Cap Year, the Extension may provide for up to the same percentage of Unlikely Bonuses in the first year of the extended term; and (ii) no Renegotiation may provide for an increase in Unlikely Bonuses if, after the Renegotiation, the amount of Unlikely Bonuses in respect of any Salary Cap Year covered by the renegotiated Contract exceeds fifteen percent (15%) of the player's Regular Salary for such Salary Cap Year.

Example

As part of his rookie extension, RJ Barrett has unlikely bonuses for the below years:

2023-24	\$2,901,789
2024-25	\$3,133,929
2025-26	\$3,366,072

2026-27 \$3,598,209

The bonuses are for All-NBA, All-Star participant and All-Defensive 1st or 2nd Team

The bonuses are considered unlikely and are not applied to his current salary.

If Barrett were to be named an All-Star in 2024-25, he would earn \$1,044,643 and the bonus amount would be then applied to taxable salary at the end of the 2023-24 season.

The \$1,122,024 All-Star bonus in 2024-25 is now deemed likely and applied to his 2025-26 salary.

No Player Contract may provide for any Unlikely Bonus for the first Salary Cap Year covered by the Contract that, if included in the player's Salary for such Salary Cap Year, would result in the Team's Team Salary exceeding the Room under which it is signing the Contract. For the sole purpose of determining whether a Team has Room for a new Unlikely Bonus, the Team's Room shall be deemed reduced by all Unlikely Bonuses in Contracts approved by the Commissioner that may be paid to all of the Team's players that entered into Player Contracts (including Renegotiations) during that Salary Cap Year.

Likely Bonuses

No Uniform Player Contract may provide for Incentive Compensation for a Season that exceeds twenty percent (20%) of the Regular Salary called for by the Contract for such Season.

Example

The Lakers signed Yi Jianlian to a one-year \$8 million contract in 2016.

As part of the contract, there were \$6.86 million in what was considered likely bonuses.

Under the current CBA, the Yi contract would not have been allowed.

Signing bonus

No Uniform Player Contract may provide for a signing bonus that exceeds fifteen percent (15%) of the Compensation (excluding Incentive Compensation) called for by the Contract (or, in the case of an Extension, in the extended term of the Extension).

107. Can a player receive a bonus if they are traded?

A Player Contract may contain (in Exhibit 4 to such Player Contract) a provision entitling a Player to earn Compensation if the player's Uniform Player Contract is traded ("trade bonus") subject to the following:

A trade bonus shall be payable only the first time that the Contract is traded; provided, however, that if a Contract is signed in connection with an agreement to trade the Contract and the Contract contains a trade bonus, the bonus shall not apply to such initial trade but shall instead be payable only the second time the Contract is traded.

A trade bonus shall not exceed fifteen percent (15%) of the Base Compensation remaining to be earned by the player pursuant to the Contract at the time of the trade (excluding an Option Year if not yet exercised).

How to calculate a trade bonus:

Example A

- Paul George is under contract for 2 seasons with a player option in the last year
- He has a 15% trade bonus for the remaining salary owed
- His salary in the next 2 years is \$54.1M and \$56.6M (Player Option)
- George is traded to Boston and the trade bonus is \$8.1M
- However, because the maximum salary for a player with 10 YOS is \$57.7M, the George trade bonus is reduced to \$3,609,970

Example B

- Jaylen Brown is under contract for 3 seasons
- He has a trade bonus for the lesser of \$7M and 7%
- His salary for the next 3 seasons is \$57M, \$61M and \$65M
- Brown is traded to Philadelphia in the offseason and the trade bonus should be \$7M
- However, because the maximum salary for a player with 10 YOS is \$57.7M, the Brown bonus is reduced \$1,972,866
- The bonus is then divided by the 3 seasons remaining and \$657,622 is applied each season
- The salary in 2026-27 is \$57,736,350, the maximum allowed for 10 YOS

Example C

- Dejounte Murray is under contract for 4 seasons with a player option in the last year.
- He is owed \$114M.
- Murray has a 15% trade bonus for the salary owed, not including the player option.
- Murray was traded to New Orleans on July 6.
- The trade bonus is worth \$12.1M (15% x \$83,486,706)
- The \$12.1M bonus is spread evenly to the 2024-25, 2025-26, 2026-27 cap hit and counts as outgoing salary. The player option is not factored in.
- The sending team (Atlanta in this case) is responsible for paying the bonus.

Example D

- Rudy Gobert is under contract for 2 seasons with a player option in the last year.
- He has a 7.5% trade bonus for the remaining salary owed.
- His salary in the next 2 years is \$36.5M (2026-27) and \$38M (2027-28) (Player Option)
- Gobert is traded in July 2026 and has \$36.5M left on his contract (not including the player option).
- The trade bonus= $\$36.5\text{M} \times 7.5\% = \2.74M
- \$2.74M is applied to his 2026-27 salary but not 2027-28

More trade bonus notes:

- Giannis Antetokounmpo has a 15% trade bonus in his contract. However, because the bonus would exceed the maximum salary allowed in 2026-27, the bonus was voided.
- Harrison Barnes eliminated his trade bonus as part of the trade to San Antonio.

New CBA rule: If a Contract that contains a trade bonus is extended and the trade bonus was not previously earned, the trade bonus may be amended in respect of the extended term of the Contract.

108. Can a team pay for a buyout to international teams for a player they want to sign?

Any amount in excess of the amounts set forth below (“Excluded International Player Payment Amounts”) paid or to be paid by or at the direction of any NBA Team to (i) any basketball team other than an NBA Team, or (ii) any other entity, organization, representative or person, for the purpose of inducing a player who is participating in the game of basketball as a professional outside of the United States to enter into a Player Contract or in connection with securing the right to enter into a Player Contract with such a player shall be deemed Salary (in the form of a signing bonus) to the player:

<u>Salary Cap Year</u>	<u>Excluded International Player Payment Amount</u>
2023-24	\$825,000
2024-25	\$850,000
2025-26	\$875,000
2026-27	\$900,000
2027-28	\$925,000
2028-29	\$950,000
2029-30	\$975,000

Any payment up to the Excluded International Player Payment Amount for a Salary Cap Year paid by or at the direction of any NBA Team to a professional basketball team outside the United States to secure the contractual release of a player shall not be deemed Salary to the player.

Example

Victor Wembanyama had a \$2 million buyout with his team in France.

Because the Spurs were allowed only to pay \$825K, Wembanyama had a \$1,175,000 signing bonus to pay the difference.

The signing bonus was taken out of his first-and-second year salary.

109. Can a team assign a player to the G-League?

An NBA team may assign any player (other than a Two-Way Player) on its Active List or Inactive List to play in the NBA G League for its affiliated NBA G League team, provided that (i) the player has zero, one, or two Years of Service at the time of the assignment, or (ii) the player has more than two Years of Service and has consented in writing to such assignment. With respect to an assignment of a player with more than two Years of Service, the National Basketball Players Association also must consent in writing to the assignment prior to the player being permitted to play (such Players Association consent to be secured by the NBA). A suspended player may not be assigned to the NBA G League during the term of the suspension.

The Phoenix Suns may assign any player (other than a Two-Way Player) on its Active List or Inactive List to any team other than G League Ignite or Mexico City Capitanes pursuant to the flexible assignment process described below.

110. What is the In-season tournament?

Each Season, the NBA will determine and supervise the arrangements made with respect to an In-Season Tournament in accordance with the terms set forth below.

Tournament Phases

The In-Season Tournament will consist of two stages: the “Group Stage” and the “Knockout Stage.”

A. Group Stage

1. During the first two months of the Regular Season, all thirty teams will participate in the Group Stage. During this period, two days of each week will be designated for the playing of “Group Stage Games” and the only games played on such days will be Group Stage Games.
2. Group Stage Games will be treated as Regular Season games for all purposes under the CBA. A team’s record in Group Stage Games will determine whether the team qualifies for the Knockout Stage.
3. Each team’s opponents in the Group Stage Games will be determined as follows:

The fifteen teams in each Conference will be divided into three groups of five teams each (for a total of six groups of five teams each league wide). A team will play each of the other teams in its group in one Group Stage Game during the Group Stage, for a total of four Group Stage Games per team.

Teams will be placed in groups via a random drawing:

Prior to the drawing, in each Conference each team will be placed into a “pot” based on its record in the prior Regular Season. The teams with the three best prior-Regular-Season records in a conference will be placed in “Pot 1” for its conference; the teams with the fourth through sixth best prior-Regular-Season records will be placed in “Pot 2”; the teams with the seventh through ninth best prior-Regular-Season records will be placed in “Pot 3”; the teams with the tenth through twelfth best prior-Regular-Season records will be placed in “Pot 4”; and the teams with the thirteenth through fifteenth best prior-Regular-Season records will be placed in “Pot 5.”

In each Conference, one team from each pot will be randomly selected into each of the three groups in that Conference (i.e., “East Group A,” “East Group B,” “East Group C,” “West Group A,” “West Group B,” and “West Group C”).

The team with the best standing in Group Stage Games in each of the six groups will advance to the Knockout Stage. Final standings in each group will be determined based on records in Group Stage Games. In the event two or more teams are tied within a group, the tie among the teams will be broken based on record in Group Stage Games against each other and, if still tied, based on better net result of total points scored less total points allowed in all Group Stage Games. These and additional tiebreakers will be confirmed by the NBA following consultation with the Competition Committee.

A “wildcard” team from each Conference will also advance to the Knockout Stage. The wildcard team will be the team from each Conference with the best record in Group Stage Games that finished second in its group. In the event two or more teams are tied for the wildcard in a Conference, the tie among the teams will be broken based on better net result of total points scored less total points allowed in all Group Stage Games. These and additional tiebreakers will be confirmed by the NBA following consultation with the Competition Committee.

Knockout Stage

Eight teams will participate in the Knockout Stage, a phase of the tournament consisting of single-elimination “Knockout Games.”

Games played in the first and second rounds of the Knockout Stage (the “IST Quarterfinals” and “IST Semifinals,” respectively) will be treated as Regular Season games for all purposes under the CBA (other than as set forth in the BRI section above). The “IST Finals Game” will not be considered a Regular Season game for purposes of a team’s Regular Season record and a player’s or team’s performance in such game will not be considered for purposes of bonuses or conditional protection, but will be considered for purposes of determining whether the player has met the games played requirement for certain league honors, and certain rules that apply to Regular Season games.

In each Conference, (i) IST Quarterfinal games will be hosted by the two teams with the best record in Group Stage Games, and (ii) the team with the best record in Group Stage Games will host the wildcard team. In the event two or more teams are tied for the best record in Group Stage Games, the tie among the teams will be broken based on better net result of total points scored less total points allowed in all Group Stage Games. These and additional tiebreakers will be confirmed by the NBA following consultation with the Competition Committee.

The IST Semifinals games and IST Finals Game will be played at a neutral site (i.e., not the home arena for any participating team).

A player will not be eligible to participate in the IST Finals Game with a participating team unless such player was on the team’s roster as of the start of the first scheduled IST Semifinals game.

The four teams that lose in the IST Quarterfinals will each play one additional Regular Season game during the Knockout Stage on days on which IST Semifinal games and the IST Finals Game are not scheduled.

The 22 teams that do not participate in the Knockout Stage will each play two Regular Season games during the Knockout Stage on days on which Knockout Games are not scheduled.

The actual In-Season Tournament schedule for the 2023-24 Season will be established by the NBA by August 2023 and, prior to the public announcement of the schedule, the Players Association will have the opportunity to provide the NBA with comments, which will be considered in good faith.

Tournament Awards A. Prize Pool

For the 2023-24 Season, an In-Season Tournament Prize Pool will be allocated to the players on the teams that participate in the Knockout Stage as follows:

- \$500,000 to each player on the team that wins the IST Finals Game;
- \$200,000 to each player on the team that loses the IST Finals Game;
- \$100,000 to each player on a team that loses in the IST Semifinals; and
- \$50,000 to each player on a team that loses in the IST Quarterfinals.

For each player, the amounts set forth above will be multiplied by a fraction, the numerator of which is the number of Knockout Games for which the player was eligible to play for the team and the denominator of which is the total number of Knockout Games played by the team. For the purposes of the calculation described in this Section, an In-Season Tournament game for which a player was eligible to play while under a Two-Way Contract or a 10-Day Contract will count as one half of a game for which the player was eligible to play for the team.

The amounts, if any, by which the prize amounts set forth above will grow annually are subject to further discussion between the parties.

The In-Season Tournament Prize Pool will be included each Season in the calculation of Benefits.

League Honors

Each year, players will be selected for the following league honors related to the In-Season Tournament: Most Valuable In-Season Tournament Player and All-Tournament Team. Selection will be based on the players' performance in Group Stage and Knockout Stage Games.

111.What is the age requirement for the NBA Draft?

No player may sign a Contract or play in the NBA unless he has been eligible for selection in at least one (1) NBA Draft. No player shall be eligible for selection in more than two (2) NBA Drafts.

A player shall be eligible for selection in first NBA Draft with respect to which he has satisfied all applicable requirements below:

The player (A) is or will be at least nineteen (19) years of age during the calendar year in which the Draft is held, and (B) with respect to a player who is not an "international player" (defined below), at least one (1) NBA Season has elapsed since the player's graduation from high school (or, if the player did not graduate from high school, since the later of the graduation of the class with which the player would have graduated based on the high school class he was in when he (i) first enrolled in high school, or (ii) was last enrolled in high school); and

The player has graduated from a four-year college or university in the United States (or is to graduate in the calendar year in which the Draft is held) and has no remaining intercollegiate basketball eligibility; or

The player is attending or previously attended a four-year college or university in the United States, his original class in such college or university has graduated (or is to graduate in the calendar year in which the Draft is held), and he has no remaining intercollegiate basketball eligibility; or

The player has graduated from high school in the United States, did not enroll in a four-year college or university in the United States, and four (4) calendar years have elapsed since such player's high school graduation; or

The player did not graduate from high school in the United States, and four (4) calendar years have elapsed since the graduation of the class with which the player would have graduated had he graduated from high school; or

The player is or will be at least twenty-two (22) years of age during the calendar year of the Draft, has signed a “non-NBA professional basketball contract” (defined below), and has rendered services under such contract prior to the January 1 immediately preceding such Draft; or

The player is or will be twenty-two (22) years of age during the calendar year of the Draft and is an international player; or

The player has expressed his desire to be selected in the Draft in a writing received by the NBA at least sixty (60) days prior to such Draft (an “Early Entry” player).

International player is a player: (i) who has maintained a permanent residence outside of the United States for at least the three (3) years prior to the Draft, while participating in the game of basketball as an amateur or as a professional outside of the United States; (ii) who has never previously enrolled in a college or university in the United States; and (iii) who did not complete high school in the United States.

A “non-NBA professional basketball contract” means a contract between a player and any non-NBA basketball team or league pursuant to which the team or league pays money or compensation of any kind – in excess of a stipend for living expenses – to the player for rendering services to a basketball team.

A “professional basketball team or league not in the NBA” means any team or league that pays money or compensation of any kind – in excess of a stipend for living expenses – to a basketball player for rendering services to such team and/or league.

112.What are the rules for the Draft combine? What happens after the combine concludes?

Beginning with the 2024 NBA Draft Combine, all invited players will be required to attend and participate in the Draft Combine.

Refusal to Attend the Combine

Invited players who are not excused and do not fully participate in the Combine (or in any required subsequent testing), or are excused and do not subsequently complete components of the Combine as reasonably determined by the NBA in consultation with the Players Association, will not be eligible to be drafted in the NBA until the first subsequent Draft for which the player attends and fully participates in the Combine (and any required subsequent testing) immediately preceding such Draft.

General Attendance Requirement

All players invited to attend the Draft Combine will be required to attend and participate in:

On-Court/Measurements

Strength and agility tests, shooting drills, performance testing, and anthropometric measurements (height, wingspan, etc.) (5 on 5 will be optional for all players).

Medical/Health

League medical history/testing, medical examinations, and biomechanical and functional movement testing, in accordance with Section VI below.

Other

Media circuit, player development sessions, team interviews, and tests/assessments, as determined by the NBA in consultation with the Players Association.

Player Experience at Combine

Flights

All Combine attendees and one family member will travel first class.

Hotels

All Combine attendees will have individual hotel rooms.

Media Exposure

The NBA will undertake to provide new media opportunities at the Combine to benefit players.

Mental Health and Wellness Awareness Efforts

Jointly-created mental health programming for players will be included as part of the Pre-Draft Information Program presented at the Combine.

G League Contract Offer for All Combine Attendees

All players who attend and participate in the Combine will be offered a G League contract covering the following season.

Players Physically Unable to Participate

Any player who is physically unable to participate in one or more basketball activities, medical tests, functional movement tests, or any other tests required at the Combine will be:

Excused from participation in the applicable activities or tests;

Required to complete the component(s) of the Combine that he is able to complete (e.g., team interviews, medical history, certain medical testing, etc.); and

Required subsequently to complete components of the Combine (e.g., any medical testing that he was unable to participate in at the Combine, strength and agility testing) as reasonably determined by the NBA at a later date before the Draft unless he remains physically unable to do so.

Any such determination with respect to this Section IV will be made by the medical director of the Combine, who will be required to consider any opinion timely provided by the player's treating physician.

Other Excused Absences

A player may be excused from attending one or more days of the Combine due to a reasonable excuse, as reasonably determined by the NBA (e.g., family tragedy, birth of a child, playing with a FIBA club that is still in season at the time of the Combine). Any such player may be required subsequently to complete components of the Combine as reasonably determined by the NBA in consultation with the Players Association at a later date before the Draft (e.g., by attending an NBA Global Camp or via individual assessments and exams arranged by the NBA).

Combine Medical Testing

The medical testing and performance testing at the Combine will be established by the NBA after consultation with the Players Association.

Independent Second Opinion Physicians at Combine

The NBA and Players Association will agree annually on joint second opinion physicians (specific to orthopedic specialties – e.g., foot and ankle, spine, hip, wrist/hand) to attend the Combine, examine certain players, and write an expert report for each player examined to be entered into the player's EMR file, which will then be made available to the player and teams in accordance with Section IX below. A second opinion examination will take place and a report will be created either at a player's or team's request.

Follow-Up Medical Testing. Based on available medical information, including the results of medical testing at the Combine, players may be required to undergo reasonable and appropriate follow-up testing before the Draft, as determined by the medical director of the Combine in consultation with the player's treating physician.

Limits on Certain Team Access to League Medical History/Testing, Medical Examinations, and Biomechanical and Functional Movement Testing for Certain Players

Team Access. Information related to Sections I.A. and I.B. above (including, without limitation, any information related to Sections IV-VIII above) for all invited players will be shared with all teams, except that with respect to the results of the league medical history/testing, medical examinations, and biomechanical and functional movement testing, the only teams that will receive such information for a player ranked as a top-10 prospect are those with a Draft pick in such player's Potential Draft Range (as set forth below).

Player Rank

Potential Draft Range

1	1-10
2-6	1-15
7-10	1-25

Any assignee team that trades for a Draft pick in the then-upcoming Draft would be provided with access to such information for each player in the Potential Draft Range associated with such pick (e.g., if a team with the 16th pick in the then-upcoming Draft acquires the 15th pick in the then-upcoming Draft, such team would gain access to the results of league medical history/testing, medical examinations, and biomechanical and functional movement testing for players ranked 2-6).

Confidentiality

Teams may use the results of league medical history/testing, medical examinations, and biomechanical and functional movement testing for Draft evaluation purposes only, and may not discuss any such results with representatives of any other team (regardless of whether the other team would otherwise have access to the same results); provided, however, that (1) subject to Section IX.A. above, team medical staff may discuss such results with medical staff of other teams who performed the medical examination of the player at the Combine or in connection with Sections IV, V, or VIII above (for clarity, the only team personnel who will be involved in such examinations will be those who are entitled to access the player's information ; (2) a team may discuss such results with representatives from other teams entitled to access the player's information if the player provides written consent (with notice to the Players Association); and (3) nothing in this Exhibit shall limit any rights a team has to use or disclose such results in respect of a player who is under contract with the team or as to whom the team holds exclusive Draft rights (e.g., following the Draft, a team disclosure of medical information in connection with a trade of a player's Draft rights). For clarity, a team will not have violated this confidentiality restriction to the extent its discussion involves only public information regarding a player.

If the NBA has reason to believe that this confidentiality restriction has been violated, it will advise the Players Association in a timely manner.

If the Players Association determines that this confidentiality restriction has been violated, it may bring a proceeding before the System Arbitrator.

Upon a finding by the System Arbitrator of a material violation, the System Arbitrator shall have the authority to impose on any team found to have committed such violation a fine of up to \$1,000,000. In considering an appropriate fine for a violation, the System Arbitrator shall take into account all relevant factors, including but not limited to the impact of the violation on the player, the degree of care demonstrated by the team, and any ill intent regarding the player.

Ranking NBA Prospects

The NBA and Players Association will agree upon, and include in the new CBA, a method to rank the top-10 prospects prior to the Draft Lottery using a blend of publicly-available rankings, an appointed panel of experts, and a retained-scouting service.

Fitness-to-Play

For clarity, and consistent with current practice, nothing herein will limit the right of the NBA, Players Association, or a team to refer a player to a Fitness-to-Play Panel if advised by a physician that the player has a potentially life-threatening injury, illness, or other medical condition that renders him medically unable and/or medically unfit to perform his duties as a professional basketball player and/or that performing such duties would create a materially elevated risk of death, paralysis, or other permanent spinal injury for the player. Should the NBA, Players Association, or a team refer a player to a Fitness-to-Play Panel (e.g., if advised by one of the cardiologists at the Combine that a player has a potentially life-threatening medical condition that would create a materially elevated risk of death for the player), then the fact that the case was referred, the Panel's determination, and related records will, in accordance with the Fitness-to-Play Panel process, be made available to all 30 teams.

Post-Draft Access

Beginning on the day after the conclusion of the Draft, teams will no longer have access to league medical history/testing and medical examination results for any player whom they did not select in the Draft or whose Draft rights they do not hold.

Agents at Combine

To promote players' access to their representatives, certified player agents who represent players participating in the Combine will be (A) credentialed for the on-court portion of the Combine, and (B) able to reserve a room in the official Combine hotel block (agents will be required to pay for their own rooms).

Additional Consultation

Following execution of the new CBA, the NBA will consult with the Players Association in good faith on (A) creating a list of non-exclusive jointly-recommended interview questions to provide to NBA teams each year prior to the Combine and (B) any issues the Players Association raises relating to scheduling or operational details of the Combine (e.g., setting the dates and location of the Combine, elements of the player experience at the Combine).

Pro Days

Prior to the NBA Draft each year, teams will be prohibited from attending any workouts organized by draft-eligible players or such players' agents or representatives (e.g., "pro days") other than those (A) conducted as part of the NBA Draft Combine (with such workouts scheduled by the NBA in coordination with the Players Association); or (B) organized by the Players Association (in coordination with the NBA) in (1) California, and (2) a location on the East Coast, provided that the workouts conducted will, in each case, take place in a single athletic facility over no more than a two-day period (provided, however, that in circumstances where conducting the workouts in a two-day period is impracticable, such workouts may, following discussion

by the NBA and Players Association, be conducted over a three-day period). The NBA and Players Association will continue to discuss whether the workouts conducted in California and on the East Coast may take place in NBA team facilities.

Automatic Eligibility

A player will no longer be automatically eligible for the NBA Draft by virtue of rendering services to a non-NBA professional basketball team, and Article X, Section 1 will be revised to provide that such a player will be automatically eligible for an NBA Draft if he is or will be 22 years of age during the calendar year of the Draft.

113. What are the different exhibits in an Uniform Player Contract?

Exhibit 1 - Compensation

Exhibit 1A - Compensation: Minimum Player

Exhibit 1B- Compensation: Two-Way Player

Exhibit 2 - Compensation Protection

Injury protection: Lack of skill, injury or illness, mental disability, death

Exhibit 3 - Prior Injury Exclusion

Exhibit 4 - Trade Payments

Exhibit 5 - Other Activities

Exhibit 6 - Physical Exam

Exhibit 7 - Substitution for Paragraph 7(b)

Exhibit 8 - Sign and Trade

Exhibit 9 - One-Season, Non-Guaranteed Training Camp Contracts

Exhibit 10 - NBAGL Bonus and Two-Way Player Conversion

FIRST ROUND EXCEPTION

Exhibit 1, 2, 3, 4, 5, 6, 7

Example AJ Dybantsa

Exhibit 1

Exhibit 2

Exhibit 5

Exhibit 6

Exhibit 7

SECOND ROUND EXCEPTION

Exhibit 1A, 2, 3, 4, 5, 6, 7

Example Ryan Conwell

Exhibit 1A

Exhibit 2

Exhibit 5

Exhibit 6

STANDARD CONTRACT

Exhibit 1, 2, 3, 4, 5, 6, 7

VETERAN MINIMUM

Exhibit 1A, 2, 4, 5, 6, 7

Example Jonathan Isaac

Exhibit 1A

Exhibit 2

Exhibit 5

Exhibit 6

Exhibit 7

SIGN-AND-TRADE

Exhibit 1, 2, 3, 4, 5, 7, 8

SUMMER CONTRACT (EXHIBIT 10)

Exhibit 1A, 5, 6, 7, 9, 10

TWO WAY

Exhibit 1B, 2, 5, 6, 7

Example Ernest Udeh Jr.

Exhibit 1B

Exhibit 2

Exhibit 5

Exhibit 6

Exhibit 7

114. What does an NBA contract look like?

Exhibit A A-1



EXHIBIT A

NATIONAL BASKETBALL ASSOCIATION UNIFORM PLAYER CONTRACT

THIS AGREEMENT made this ____ day of _____, is by and between _____ (hereinafter called the “Team”), a member of the National Basketball Association (hereinafter called the “NBA” or “League”) and _____, an individual whose address is shown below (hereinafter called the “Player”). In consideration of the mutual promises hereinafter contained, the parties hereto promise and agree as follows:

1. TERM.

The Team hereby employs the Player as a skilled basketball player for a term of ____ year(s) from the 1st day of September ____.

2. SERVICES.

The services to be rendered by the Player pursuant to this Contract shall include: (a) training camp, (b) practices, meetings, workouts, and skill or conditioning sessions conducted by the Team during the Season, (c) games scheduled for the Team during any Regular Season, (d) Exhibition games scheduled by the Team or the League during and prior to any Regular Season, (e) if the Player is invited to participate, the NBA’s All-Star Game (including the Rookie-Sophomore Game) and every event conducted in association with such All-Star Game, but only in accordance with Article XXI of the Collective Bargaining Agreement currently in effect between the NBA and the National Basketball Players Association (hereinafter the “CBA”), (f) Play-In and playoff games scheduled by the League subsequent to any Regular Season, (g) promotional and commercial activities of the Team and the League as set forth in this Contract and the CBA, (h) any NBAGL Work Assignment in accordance with Article XLI of the CBA, and (i) any service in the NBAGL pursuant to a Two-Way Contract.

3. COMPENSATION.

(a) Subject to Paragraph 3(b) below, the Team agrees to pay the Player for rendering the services and performing the obligations described herein the Compensation described in Exhibit 1, Exhibit 1A, Exhibit 1B, or Exhibit 10 hereto, as applicable (less all amounts required to be withheld by any governmental authority, and exclusive of any amount(s) which the Player shall be entitled to receive from the In-Season Tournament Prize Pool and the Player Playoff Pool). Unless otherwise provided in Exhibit 1 (or, with respect to advances, in Exhibit 1, Exhibit 1A, or Exhibit 1B), such Compensation shall be paid in twenty-four (24) equal semi-monthly payments beginning with the first of said payments on November 1st of each year covered by this Contract (“contract year”) and continuing with such payments on the first and fifteenth of each month until said Compensation is paid in full.

(b) The Team agrees to pay the Player \$4,500 per week, pro rata, less all amounts required to be withheld by any governmental authority, for each week (up to a maximum of four (4) weeks for Veterans and up to a maximum of five (5) weeks for First-Year Players (as defined in Article XX, Section 1(c) of the CBA)) prior to the Team’s first Regular Season game that the Player is in attendance at NBA training camp or Exhibition games; provided, however, that no such payments shall be made if, prior to the date on which he is required to attend training camp, the Player has been paid \$10,000 or more in Compensation with respect to the NBA Season scheduled to commence immediately following such training camp. Any Compensation paid by the Team pursuant to this subparagraph shall be considered an advance against any Compensation owed to the Player pursuant to Paragraph 3(a) above, and each of the first two (2) scheduled payments of such Compensation shall be reduced by fifty percent (50%) of the amount of such advance.

(c) The Team will not pay and the Player will not accept any bonus or anything of value on account of (i) the Team’s winning any particular NBA game or series of games or attaining a certain position in the standings of the League as of a certain date, other than the final standing of the Team, or (ii) the player’s or Team’s performance in any particular NBA game or series of games; provided, however, that the preceding prohibition shall not apply to bonuses otherwise allowable under the CBA payable on account of the

Team's qualifying for or winning a particular playoff series and/or the player's or Team's performance in a particular playoff series.

4. EXPENSES.

The Team agrees to pay all proper and necessary expenses of the Player, including the reasonable lodging expenses of the Player while playing for the Team "on the road" and during the NBA training camp period (defined for this paragraph only to mean the period from the first day of training camp through the day of the Team's first Exhibition game) for as long as the Player is not then living at home. The Player, while "on the road" (and during the NBA training camp period, only if the Player is not then living at home and the Team does not pay for meals directly), shall be paid a meal expense allowance as set forth in the CBA. No deductions from such meal expense allowance shall be made for meals served on an airplane. During the NBA training camp period (and only if the Player is not then living at home and the Team does not pay for meals directly), the meal expense allowance shall be paid in weekly installments commencing with the first week of training camp. For the purposes of this paragraph, the Player shall be considered to be "on the road" from the time the Team leaves its home city until the time the Team arrives back at its home city.

5. CONDUCT.

(a) The Player agrees to observe and comply with all Team rules, as maintained or promulgated in accordance with the CBA, at all times whether on or off the playing floor. Subject to the provisions of the CBA, such rules shall be part of this Contract as fully as if herein written and shall be binding upon the Player.

(b) The Player agrees: (i) to give his best services, as well as his loyalty, to the Team, and to play basketball only for the Team and its assignees; (ii) to be neatly and fully attired in public; (iii) to conduct himself on and off the court according to the highest standards of honesty, citizenship, and sportsmanship; and (iv) not to do anything that is materially detrimental or materially prejudicial to the best interests of the Team or the League.

(c) For any violation of Team rules, any breach of any provision of this Contract, or for any conduct impairing the faithful and thorough discharge of the duties incumbent upon the Player, the Team may reasonably impose

finest and/or suspensions on the Player in accordance with the terms of the CBA.

(d) The Player agrees to be bound by Article 35 of the NBA Constitution, a copy of which, as in effect on the date of this Contract, is attached hereto. The Player acknowledges that the Commissioner is empowered to impose fines upon and/or suspend the Player for causes and in the manner provided in such Article, provided that such fines and/or suspensions are consistent with the terms of the CBA.

(e) The Player agrees that if the Commissioner, in his sole judgment, shall find that the Player has bet, or has offered or attempted to bet, money or anything of value on any game or event in the NBA or NBAGL, the Commissioner shall have the power in his sole discretion to suspend the Player indefinitely or to expel him as a player for any Team, and the Commissioner's finding and decision shall be final, binding, conclusive, and unappealable.

(f) The Player agrees that he will not, during the term of this Contract, directly or indirectly, entice, induce, or persuade, or attempt to entice, induce, or persuade, any player or coach who is under contract to any NBA Team to enter into negotiations for or relating to his services as a basketball player or coach, nor shall he negotiate for or contract for such services, except with the prior written consent of such Team. Breach of this subparagraph, in addition to the remedies available to the Team, shall be punishable by fine and/or suspension to be imposed by the Commissioner.

(g) When the Player is fined and/or suspended by the Team or the NBA, he shall be given notice in writing (with a copy to the Players Association), stating the amount of the fine or the duration of the suspension and the reasons therefor.

6. WITHHOLDING.

(a) In the event the Player (i) is fined and/or suspended by the Team or the NBA (or, as applicable, the NBAGL or an NBAGL team) or (ii) fails or refuses, without proper and reasonable cause or excuse, to render the services required by this Contract or the CBA, the Team shall withhold the amount of the fine or, in the case of a suspension or a failure or refusal to provide services, the amount provided in Article VI of the CBA (or, as

applicable, Article XLI of the CBA) from any Current Base Compensation due or to become due to the Player with respect to the contract year in which the conduct resulting in the fine occurred, the suspension was served, and/or the failure or refusal to play occurred (or a subsequent contract year if the Player has received all Current Base Compensation due to him for the applicable contract year). If, at the applicable time for withholding in accordance with the preceding sentence, the Current Base Compensation remaining to be paid to the Player under this Contract is not sufficient to cover such withholding, then the Player agrees promptly to pay the applicable amount directly to the Team. In no case shall the Player permit any such amount to be paid on his behalf by anyone other than himself.

(b) Any Current Base Compensation withheld from or paid by the Player pursuant to this Paragraph 6 shall be retained by the Team or the League, as the case may be, unless the Player contests the withholding (or the basis therefor) by initiating a timely Grievance in accordance with the provisions of the CBA. If such Grievance is initiated and it satisfies Article XXXI, Section 14 of the CBA, the amount withheld from the Player shall be placed in an interest-bearing account, pursuant to Article XXXI, Section 10 of the CBA, pending the resolution of the Grievance.

7. HEALTH AND PHYSICAL CONDITION.

(a) The Player agrees to report at the time and place fixed by the Team in good physical condition and to keep himself throughout each NBA Season in good physical condition.

(b) If the Player, in the judgment of the Team's physician, is not in good physical condition at the date of his first scheduled game for the Team, or if, at the beginning of or during any Season, he fails to remain in good physical condition (unless such condition results directly from an injury sustained by the Player as a direct result of participating in any basketball practice or game played for the Team during such Season), so as to render the Player, in the judgment of the Team's physician, unfit to play skilled basketball, the Team shall have the right to suspend such Player until such time as, in the judgment of the Team's physician, the Player is in sufficiently good physical condition to play skilled basketball. In the event of such suspension, the Base Compensation payable to the Player for any Season during such suspension shall be reduced in the same proportion as the length of the period during which, in the judgment of the Team's physician,

the Player is unfit to play skilled basketball, bears to the length of such Season. Nothing in this subparagraph shall authorize the Team to suspend the Player solely because the Player is injured or ill.

(c) If, during the term of this Contract, the Player is injured as a direct result of participating in any basketball practice or game played for the Team, the Team will pay the Player's reasonable hospitalization and medical expenses (including doctor's bills), provided that the hospital and doctor are selected by the Team and that the Team shall be obligated to pay only those expenses incurred as a direct result of medical treatment caused solely by and relating directly to the injury sustained by the Player. The Team will also pay costs associated with a second opinion in accordance with Article XXII, Section 10 of the CBA. Subject to the provisions set forth in Exhibit 3, if in the judgment of the Team's physician, the Player's injuries resulted directly from playing for the Team and render him unfit to play skilled basketball, then, so long as such unfitness continues, but in no event after the Player has received his full Base Compensation for the Season in which the injury was sustained, the Team shall pay to the Player the Base Compensation prescribed in Exhibit 1, Exhibit 1A, or Exhibit 1B to this Contract, as applicable, for such Season. The Team's obligations hereunder shall be reduced by (x) any workers' compensation benefits, which, to the extent permitted by law, the Player hereby assigns to the Team, and (y) any insurance provided for by the Team whether paid or payable to the Player.

(d) The Player agrees to provide to the Team's coach, trainer, or physician prompt notice of any injury, illness, or other medical condition (including, for clarity, any illness or other medical condition related to mental health) suffered by him that is likely to affect adversely the Player's ability to render the services required under this Contract, including the time, place, cause, and nature of such injury, illness, or other medical condition.

(e) Should the Player suffer an injury, illness, or other medical condition, he will submit himself to a medical examination, appropriate medical treatment by a physician designated by the Team, and such rehabilitation activities as such physician may specify. Such examination when made at the request of the Team shall be at its expense, unless made necessary by some act or conduct of the Player contrary to the terms of this Contract.

(f) The Player agrees (i) to submit to a physical examination at the commencement and conclusion of each contract year hereunder, and at such other times as reasonably determined by the Team to be medically necessary, and (ii) at the commencement of this Contract, and upon the request of the Team, to provide a complete prior medical history.

(g) The Player agrees to supply complete and truthful information in connection with any medical examinations or requests for medical information authorized by this Contract.

- (h) (i) If the Player consults or is treated by a physician (including a psychiatrist) or a professional providing non-mental health related medical services (*e.g.*, chiropractor, physical therapist) other than a physician or other professional designated by the Team, the Player shall give timely notice of such consultation or treatment to the Team and shall timely provide the Team with all information it may request concerning any condition that in the judgment of the Team's physician may affect the Player's ability to play skilled basketball.
- (ii) If Player engages in two (2) or more training, workout, or rehabilitation sessions with a trainer, performance coach, strength and conditioning coach, or any other similar coach or trainer other than at the direction of the Team (each a "Third-Party Trainer") during the Season, or five (5) or more such sessions with a Third-Party Trainer during the off-season, he shall give notice of such training, workout, or rehabilitation session to the Team prior to the first such training, workout, or rehabilitation session, provided that:
 - (a) during the Season, if the Player does not initially plan to continue working with any Third-Party Trainer for two (2) or more sessions, such notice (and certification, if required pursuant to subsection (iii) below) must be provided no later than prior to the second such session; and
 - (b) in the off-season, if the Player does not initially plan to continue working with any Third-Party Trainer for five (5) or more sessions, such notice (and certification, if required pursuant to subsection (iii) below) must be provided no later than prior to the fifth such session. This notice requirement

shall not apply to workouts or training that exclusively involve jogging, road bicycling, swimming, yoga, Pilates, and/or dance; and the Player's failure to comply with such notice requirement shall not itself constitute a material breach of this Contract. For clarity with respect to counting multi-day training or workout sessions under this paragraph, any such session(s) shall be counted to equal the number of days on which such training or workouts occurred. Subject to the Team's other rights, and the Player's other obligations, under the CBA and this Contract, including, for example, the Player's obligations under this Paragraph 7 to report in good physical condition and to submit to treatment and rehabilitation specified by a physician designated by the Team, the Player will have the right in the off-season to work out with one or more Third-Party Trainers of his choosing and may not be disciplined for exercising that right.

- (iii) If the Player is receiving services from a Third-Party Trainer that are consistent with athletic training and/or strength and conditioning services, then in addition to providing notice as required pursuant to subsection (ii) above, the Player shall also certify to the Team (including by providing supporting documentation upon request) that such Third-Party Trainer meets the applicable standards for team athletic trainers and/or team strength and conditioning coaches set forth in Article XXII, Section 1 of the CBA, provided that this certification requirement in respect of a particular Third-Party Trainer shall not apply to the Player if he received services consistent with athletic training and/or strength and conditioning services from such particular Third-Party Trainer prior to the effective date of the CBA.
- (iv) If the Player fails to comply with the notice requirement set forth in subsection (ii) above and/or the certification requirement set forth in subsection (iii) above, or if the Team were to determine that a Third-Party Trainer did not meet the applicable standards, the Player may not, unless approved by the Team, engage in training, workout, or rehabilitation sessions with such Third-Party Trainer.

(i) If and to the extent necessary to enable or facilitate the disclosure of medical information as provided for by this Contract or Article XXII or XXXIII of the CBA, the Player shall execute such individual authorization(s) as may be requested by the NBA, the Team, or the Medical Director or SPED Medical Director of the Anti-Drug Program, or as may be required by health care providers who examine or treat the Player.

8. PROHIBITED SUBSTANCES/DOMESTIC VIOLENCE.

The Player acknowledges that this Contract may be terminated in accordance with the express provisions of (i) Article XXXIII (Anti-Drug Program) of the CBA or (ii) the Joint NBA/NBPA Policy on Domestic Violence, Sexual Assault, and Child Abuse, and that any such termination will result in the Player's immediate dismissal and disqualification from any employment by the NBA and any of its Teams. Notwithstanding any terms or provisions of this Contract (including any amendments hereto), in the event of such termination, all obligations of the Team, including obligations to pay Compensation, shall cease, except the obligation of the Team to pay the Player's earned Compensation (whether Current or Deferred) to the date of termination.

9. UNIQUE SKILLS.

The Player represents and agrees that he has extraordinary and unique skill and ability as a basketball player, that the services to be rendered by him hereunder cannot be replaced or the loss thereof adequately compensated for in money damages, and that any breach by the Player of this Contract will cause irreparable injury to the Team, and to its assignees. Therefore, it is agreed that in the event it is alleged by the Team that the Player is playing, attempting or threatening to play, or negotiating for the purpose of playing, during the term of this Contract, for any other person, firm, entity, or organization, the Team and its assignees (in addition to any other remedies that may be available to them judicially or by way of arbitration) shall have the right to obtain from any court or arbitrator having jurisdiction such equitable relief as may be appropriate, including a decree enjoining the Player from any further such breach of this Contract, and enjoining the Player from playing basketball for any other person, firm, entity, or organization during the term of this Contract. The Player agrees that this right may be enforced by the Team or the NBA. In any suit, action, or arbitration proceeding brought to obtain such equitable relief, the Player does hereby waive his

right, if any, to trial by jury, and does hereby waive his right, if any, to interpose any counterclaim or set-off for any cause whatever.

10. ASSIGNMENT.

(a) The Team shall have the right to assign this Contract to any other NBA Team, and the Player agrees to accept such assignment and to faithfully perform and carry out this Contract with the same force and effect as if it had been entered into by the Player with the assignee Team instead of with the Team.

(b) In the event that this Contract is assigned to any other NBA Team, all reasonable expenses incurred by the Player in moving himself and his family to the home territory of the Team to which such assignment is made, as a result thereof, shall be paid by the assignee Team.

(c) In the event that this Contract is assigned to another NBA Team, the Player (or his agent) shall forthwith be provided notice of such assignment by phone or email. With respect to an assignment by trade, notice of the trade must be provided to the Player (or his agent) by phone or email either before conclusion of the trade call with the NBA or as soon as possible after the conclusion of the trade call (but in no event may such notification be made more than one (1) hour after the conclusion of the trade call or less than one (1) hour prior to the public announcement of the assignment). The Player shall report to the assignee Team within forty-eight (48) hours after said notice has been received (if the assignment is made during a Season), within one (1) week after said notice has been received (if the assignment is made between Seasons), or within such longer time for reporting as may be specified in said notice. The NBA shall also notify the Players Association of any such assignment as soon as practicable but in no event later than one (1) business day after such assignment occurs. The Player further agrees that, immediately upon reporting to the assignee Team, he will submit upon request to a physical examination conducted by a physician designated by the assignee Team.

(d) If the Player, without a reasonable excuse, does not report to the Team to which this Contract has been assigned within the time provided in subsection (c) above, then (i) upon consummation of the assignment, the Player may be disciplined by the assignee Team or, if the assignment is not consummated or is voided as a result of the Player's failure to so report, by

the assignor Team, and (ii) such conduct shall constitute conduct prejudicial to the NBA under Article 35(d) of the NBA Constitution, and shall therefore subject the Player to discipline from the NBA in accordance with such Article.

11. VALIDITY AND FILING.

(a) This Contract shall be valid and binding upon the Team and the Player immediately upon its execution.

(b) The Team agrees to file a copy of this Contract, and/or any amendment(s) thereto, with and as directed by the Commissioner of the NBA as soon as practicable by email, but in no event may such filing be made more than forty-eight (48) hours after the execution of this Contract and/or amendment(s).

(c) If pursuant to the NBA Constitution and By-Laws or the CBA, the Commissioner disapproves this Contract (or any amendment(s) thereto) within ten (10) days from the first business day following the day on which this Contract (or amendment) is first received, as directed, in his office, this Contract (or amendment) shall thereupon terminate and be of no further force or effect and the Team and the Player shall thereupon be relieved of their respective rights and liabilities thereunder, provided that such ten (10) day period shall be fifteen (15) days for any Contract (or amendment) so received during the period each year from July 1 through the date that is fourteen (14) days following the last day of the Moratorium Period. If the Commissioner's disapproval is subsequently overturned in any proceeding brought under the arbitration provisions of the CBA (including any appeals), the Contract shall again be valid and binding upon the Team and the Player, and the Commissioner shall be afforded another ten (10) day period to disapprove the Contract (based on the Team's Room at the time the Commissioner's disapproval is overturned) as set forth in the foregoing sentence. The NBA will inform the Players Association if the Commissioner disapproves this Contract (or any amendment(s) thereto) no later than one (1) day following the date of such disapproval.

12. PROHIBITED ACTIVITIES.

The Player and the Team acknowledge and agree that the Player's participation in certain other activities may impair or destroy his ability and

skill as a basketball player, and the Player's participation in any game or exhibition of basketball other than at the request of the Team may result in injury to him. Accordingly, the Player agrees that he will not, without the written consent of the Team, engage in any activity that a reasonable person would recognize as involving or exposing the participant to a substantial risk of bodily injury including, but not limited to: (i) sky-diving, hang gliding, snow skiing, rock or mountain climbing (as distinguished from hiking), water or jet skiing, whitewater rafting, rappelling, bungee jumping, trampoline jumping, and mountain biking; (ii) any fighting, boxing, or wrestling; (iii) using fireworks or participating in any activity involving firearms or other weapons; (iv) riding on electric scooters or hoverboards; (v) driving or riding on a motorcycle or moped or four-wheeling/off-roading of any kind; (vi) riding in or on any motorized vehicle in any kind of race or racing contest; (vii) operating an aircraft of any kind; (viii) engaging in any other activity excluded or prohibited by or under any insurance policy which the Team procures against the injury, illness, or disability to or of the Player, or death of the Player, for which the Player has received written notice from the Team prior to the execution of this Contract; or (ix) participating in any game or exhibition of basketball, football, baseball, hockey, lacrosse, or other team sport or competition. If the Player violates this Paragraph 12, he shall be subject to discipline imposed by the Team and/or the Commissioner of the NBA. Nothing contained herein shall be intended to require the Player to obtain the written consent of the Team in order to enable the Player to participate in, as an amateur, the sports of golf, tennis, handball, swimming, hiking, softball, volleyball, and other similar sports that a reasonable person would not recognize as involving or exposing the participant to a substantial risk of bodily injury.

13. PROMOTIONAL ACTIVITIES.

(a) The Player agrees to allow the Team, the NBA, or any League-related entity to take pictures of the Player, alone or together with others, for still photographs, motion pictures, television, or other Media (as such term is defined in Article XXVIII of the CBA), at such reasonable times as the Team, the NBA, or the League-related entity may designate. No matter by whom taken, such images may be used in any manner desired by either the Team, the NBA, or the League-related entity for publicity or promotional purposes for Teams or the NBA. The rights in any such images taken by the Team, the NBA, or the League-related entity shall belong to

the Team, the NBA, or the League-related entity, as their interests may appear.

(b) The Player agrees that, during any year of this Contract, he will not make public appearances, participate in radio or television programs, permit his picture to be taken, write or sponsor newspaper or magazine articles, or sponsor commercial products without the written consent of the Team, which shall not be withheld except in the reasonable interests of the Team or the NBA. The foregoing shall be interpreted in accordance with the decision in *Portland Trail Blazers v. Darnell Valentine and Jim Paxson*, Decision 86-2 (August 13, 1986).

(c) Upon request, the Player shall consent to and make himself available for interviews by representatives of the media conducted at reasonable times and shall participate in an NBA Player Day as described in Article XXXVII, Section 1(b) of the CBA.

(d) In addition to the foregoing, and subject to the conditions and limitations set forth in Article II, Section 8 of the CBA, the Player agrees to participate, upon request, in all other reasonable promotional activities of the Team, the NBA, and any League-related entity. For each such promotional appearance made on behalf of a commercial sponsor of the Team, the Team agrees to pay the Player \$3,500 subject to Article II, Section 8 of the CBA, or, if the Team agrees, such higher amount that is consistent with the Team's past practice and not otherwise unreasonable.

(e) If, with respect to any Season, the Player elects to be a Content Participant and authorize the use of his Player-Produced Content, as those terms are defined in and in accordance with Article XXXVII, Section 2(b)(ii) of the CBA, the Player hereby grants the Player-Produced Content License (as defined in such Article XXXVII, Section 2(b)(ii) of the CBA) to each of the NBA, each League-related entity that generates BRI (as defined in Article VII of the CBA), and the Team.

(f) The Player agrees to participate, upon request of the Players Association (or its wholly owned affiliate), in up to four (4) personal appearances each Salary Cap Year on behalf of the Players Association (or its wholly owned affiliate). The terms of this Paragraph 13(f) are in favor of the Players Association in order to facilitate the Players Association's marketing and licensing programs for the benefit of the NBA players.

14. GROUP LICENSE AND LEAGUE PROMOTION.

(a) For group licensing purposes only, the Player (i) exclusively grants to the Players Association the right to grant third parties the use of the Player's Player Attributes for Sponsorship Purposes and Product Licensing Purposes (as such terms are defined in the Group License Agreement); and (ii) authorizes the Players Association to grant non-exclusive group license rights for Sponsorship Purposes to the NBA Entities in accordance with the Group License Agreement, effective as of October 1, 2023, between NBA Properties, Inc. and the Players Association (the "Group License Agreement"), in each case during the term of the CBA or the Group License as described in the Group License Agreement, if longer; it being understood that the only parties that may grant group licensing rights during the term of the CBA shall be the Players Association (or its wholly-owned affiliate) and, for Sponsorship Purposes, the NBA Entities and the Players Association (or its wholly owned affiliate).

(b) The Player acknowledges that (i) the Players Association or its wholly owned affiliate has granted group license rights for Sponsorship Purposes to the NBA Entities in accordance with the Group License Agreement during the term of the CBA or the Group License as described in the Group License Agreement, if longer, and (ii) the Player has not granted and will not grant during the term of the CBA rights for group licensing purposes that are in conflict with the Players Association's and NBA Entities' rights and/or Paragraph 14(a) above.

(c) The NBA, all League-related entities, and the Teams may use, and may authorize others to use, in League Promotions, the Player's name, nickname, picture, portrait, likeness, signature, voice, caricature, biographical information, or other identifiable feature (collectively, "Player Attributes"). The NBA, all League-related entities, and the Teams shall be entitled to use the Player's Player Attributes individually pursuant to the preceding sentence and may, but shall not be required to, use the Player's Player Attributes in a group or as one of multiple players. As used herein, "League Promotion" shall mean any and all uses intended to publicize, promote, or market (including in any and all Media) (i) the NBA, any League-related entity that generates BRI, any Team, or any Player, (ii) any game in which a Team participates (including an Exhibition, Regular Season, Play-In, and playoff game), including the sale of tickets to any such game, (iii) any telecast or other exhibition or distribution of (x) any such game or

(y) any NBA-related or Team-related program or content, (iv) any NBA or Team facility, platform, or event, including the sale of tickets to any such event, or public service activity conducted by the NBA, a League-related entity that generates BRI, or a Team, or (v) the sport of basketball. For purposes of clarity, the foregoing rights of the NBA, League-related entities, and the Teams include the right and authority to use, and to authorize others to use, after the term of this Contract, any Player Attributes fixed in a tangible medium (*e.g.*, filmed, photographed, recorded, or otherwise captured) during the term of this Contract solely for the purposes described herein.

(d) Paragraph 14(c) above does not confer any right or authority to (i) use the Player's Player Attributes in a manner that constitutes an unauthorized Endorsement (as such term is defined and clarified in Article XXVIII of the CBA); (ii) use or authorize others to use the Player's Player Attributes (including in any program, content, platform, facility, or event) in a manner that constitutes an Unauthorized Sponsor Promotion (as such term is defined and clarified in Paragraph 14(e) below); or (iii) authorize others (including any NBA sponsor or Team sponsor) to use the Player's Player Attributes on any product, product packaging, service, or service-related materials sold or distributed by any third party, or any associated premiums.

(e) An "Unauthorized Sponsor Promotion" shall mean a use of the Player's Player Attributes by a third party, or anyone on the third party's behalf (including, without limitation, the NBA, any League-related entity, or any NBA Team), to promote, market, or advertise the third party's product, service, or brand; provided, however, the term Unauthorized Sponsor Promotion does not include the use of the Player's Player Attributes (i) by, or on behalf of, a Telecaster (as defined in Paragraph 14(f) below) to promote the telecast or distribution of such NBA game, the fact that such third party is the telecaster or distributor of NBA content (*e.g.*, an advertisement promoting MSG as the "Home for New York Sports" that includes a photograph of a Knicks player; or an ESPN advertisement promoting ESPN as the "Worldwide Leader in Sports" that includes footage of NBA players), or other sports-related programming of the Telecaster (but not related parties of the telecaster or distributor – *e.g.*, the Player's Player Attributes may be used to promote an e-commerce company's video service that carries games and may carry other sports content, but may not be used to promote other products or services of the e-commerce company), (ii) by,

or on behalf of, a telecaster or distributor of NBA programs or content to promote such NBA programs or content, (iii) by a third party, or anyone on the third party's behalf, for use in the promotion of the sale of tickets to an NBA game or event, or (iv) by, or on behalf of, a third party to promote, market, or advertise the third party's product, service, or brand as part of a League Promotion or a promotional opportunity under Article XXVIII, Section 3(d)(y) of the CBA unless the execution (*e.g.*, television advertisement, print ad, web ad) includes (x) more than (A) the third party's brand name and/or logo (either or both) (which use may not be persistent within such execution), provided that it shall not be considered persistent use of a third party's brand name and/or logo when used in conjunction with reference to the name and/or logo of the subject of such League Promotion for which the third party is a title or presenting sponsor (*e.g.*, title sponsorship of the Slam Dunk Contest or a pre-game show) and (B) the subordinate and incidental promotion of the third party's products and services (*e.g.*, not a call to action for a specific product or service), or (y) more than the subordinate and incidental promotion of the third party's products and services (it being understood that this clause (y) does not apply to an execution that includes the third party's brand name and/or logo, but clause (x) above does apply).

(f) In addition to Paragraph 14(e)(i) above, it shall not be an Unauthorized Sponsor Promotion for a national, regional, local, or international telecaster or distributor of NBA games (such as ABC/ESPN, MSG, Bally Sports Ohio, or Tencent, Inc.) (each, a "Telecaster") to use Player Attributes to promote (i) itself and its sports programming or its other sports content and (ii) to the extent currently authorized by those contracts, its non-sports programming and content, in either case consistent with past practice as permitted under the 2017 CBA. The term Telecaster does not include related parties of the Telecaster. It shall be an Unauthorized Sponsor Promotion for the NBA, any League-related entity or any NBA Team to use the Player's Player Attributes as described in subparagraph (e), where such use (A) promotes the products, services, or brands of a third party that does not generate BRI, and (B) is not jointly licensed with the Players Association.

Any dispute regarding whether a use of Player Attributes is or is not an Unauthorized Sponsor Promotion shall be determined by the System Arbitrator on an expedited basis, as soon as possible following a hearing conducted within seventy-two (72) hours after commencement of the proceeding.

(g) The Player does not and will not contest during or after the term of this Contract, and the Player hereby acknowledges, the exclusive rights of the NBA, all League-related entities that generate BRI, and the Teams (i) to telecast, or otherwise distribute, transmit, exhibit, or perform, on a live, delayed, or archived basis, in any and all Media, any performance by the Player under this Contract or the CBA (including in NBA games or any excerpts thereof) and (ii) to produce, license, offer for sale, sell, market, or otherwise, exhibit, distribute, transmit, or perform (or authorize a third party to do any of the foregoing), on a live, delayed, or archived basis, any such performance in any and all Media, including, but not limited to, as part of programming or a content offering or in packaged or other electronic or digital media. The foregoing does not confer any right or authority to use the Player's Player Attributes in a manner that constitutes an unauthorized Endorsement or Unauthorized Sponsor Promotion (as such terms are defined and clarified in Article XXVIII of the CBA and Paragraph 14(e) above) or any right which would violate Article XXVIII, Section 3(f) of the CBA. For purposes of clarity and without limitation, any use of a Player's Player Attributes that has been expressly authorized by the Player (not including in this Contract) shall not be an unauthorized Endorsement or an Unauthorized Sponsor Promotion.

15. TEAM DEFAULT.

In the event of an alleged default by the Team in the payments to the Player provided for by this Contract, or in the event of an alleged failure by the Team to perform any other material obligation that it has agreed to perform hereunder, the Player shall notify both the Team and the League in writing of the facts constituting such alleged default or alleged failure. If neither the Team nor the League shall cause such alleged default or alleged failure to be remedied within five (5) days after receipt of such written notice, the Players Association shall, on behalf of the Player, have the right to request that the dispute concerning such alleged default or alleged failure be referred immediately to the Grievance Arbitrator in accordance with the provisions of the CBA. If, as a result of such arbitration, an award issues in favor of the Player, and if neither the Team nor the League complies with such award within ten (10) days after the service thereof, the Player shall have the right, by a further written notice to the Team and the League, to terminate this Contract.

16. TERMINATION.

(a) The Team may terminate this Contract upon written notice to the Player if the Player shall:

- (i) at any time, fail, refuse, or neglect to conform his personal conduct to standards of good citizenship, good moral character (defined here to mean not engaging in acts of moral turpitude, whether or not such acts would constitute a crime), and good sportsmanship, to keep himself in first class physical condition, or to obey the Team's training rules;
- (ii) at any time commit a significant and inexcusable physical attack against any official or employee of the Team or the NBA (other than another player), or any person in attendance at any NBA game or event, considering the totality of the circumstances, including (but not limited to) the degree of provocation (if any) that may have led to the attack, the nature and scope of the attack, the Player's state of mind at the time of the attack, and the extent of any injury resulting from the attack;
- (iii) at any time, fail, in the sole opinion of the Team's management, to exhibit sufficient skill or competitive ability to qualify to continue as a member of the Team; provided, however, (A) that if this Contract is terminated by the Team, in accordance with the provisions of this subparagraph, prior to January 10 of any Season, and the Player, at the time of such termination, is unfit to play skilled basketball as the result of an injury resulting directly from his playing for the Team, the Player shall (subject to the provisions set forth in Exhibit 3) continue to receive his full Base Compensation), less all workers' compensation benefits (which, to the extent permitted by law, and if not deducted from the Player's Compensation by the Team, the Player hereby assigns to the Team) and any insurance provided for by the Team paid or payable to the Player by reason of said injury, until such time as the Player is fit to play skilled basketball, but not beyond the Season during which such termination occurred; and provided, further, (B) that if this Contract is terminated by

the Team, in accordance with the provisions of this subparagraph, during the period from the January 10 of any Season through the end of such Season, the Player shall be entitled to receive his full Base Compensation for said Season; or

- (iv) at any time, fail, refuse, or neglect to render his services hereunder or in any other manner materially breach this Contract.

(b) If this Contract is terminated by the Team by reason of the Player's failure to render his services hereunder due to disability caused by an injury to the Player resulting directly from his playing for the Team and rendering him unfit to play skilled basketball, and notice of such injury is given by the Player as provided herein, the Player shall (subject to the provisions set forth in Exhibit 3) be entitled to receive his full Base Compensation for the Season in which the injury was sustained, less all workers' compensation benefits (which, to the extent permitted by law, and if not deducted from the Player's Compensation by the Team, the Player hereby assigns to the Team) and any insurance provided for by the Team paid or payable to the Player by reason of said injury.

(c) Notwithstanding the provisions of Paragraph 16(b) above, if this Contract is terminated by the Team prior to the first game of a Regular Season by reason of the Player's failure to render his services hereunder due to an injury or condition sustained or suffered during a preceding Season, or after such Season but prior to the Player's participation in any basketball practice or game played for the Team, payment by the Team of any Compensation earned through the date of termination under Paragraph 3(b) above, payment of the Player's board, lodging, and expense allowance during the training camp period, payment of the reasonable traveling expenses of the Player to his home city, and the expert training and coaching provided by the Team to the Player during the training season shall be full payment to the Player.

(d) If this Contract is terminated by the Team during the period designated by the Team for attendance at NBA training camp, payment by the Team of any Compensation earned through the date of termination under Paragraph 3(b) above, payment of the Player's board, lodging, and expense allowance during such period to the date of termination, payment

of the reasonable traveling expenses of the Player to his home city, and the expert training and coaching provided by the Team to the Player during the training season shall be full payment to the Player.

(e) If this Contract is terminated by the Team after the first game of a Regular Season, except in the case provided for in subparagraphs (a)(iii) and (b) of this paragraph 16, the Player shall be entitled to receive as full payment hereunder a sum of money which, when added to the salary which he has already received during such Season, will represent the same proportionate amount of the annual sum set forth in Exhibit 1, Exhibit 1A, or Exhibit 1B hereto, as applicable, as the number of days of such Regular Season then past bears to the total number of days of such Regular Season, plus the reasonable traveling expenses of the Player to his home.

(f) If the Team proposes to terminate this Contract in accordance with subparagraph (a) of this Paragraph 16, it must first comply with the following waiver procedure:

- (i) The Team shall request the NBA Commissioner to request waivers from all other clubs. Such waiver request may not be withdrawn.
- (ii) Upon receipt of the waiver request, any other NBA Team may claim assignment of this Contract at such waiver price as may be fixed by the League, the priority of claims to be determined in accordance with the NBA Constitution and By-Laws.
- (iii) If this Contract is so claimed, the Team agrees that it shall, upon the assignment of this Contract to the claiming Team, notify the Player of such assignment as provided in Paragraph 10(c) hereof, and the Player agrees he shall report to the assignee Team as provided in said Paragraph 10(c).
- (iv) If the Contract is not claimed prior to the expiration of the waiver period, it shall terminate and the Team shall promptly deliver written notice of termination to the Player.
- (v) The NBA shall promptly notify the Players Association of the disposition of any waiver request.

- (vi) To the extent not inconsistent with the foregoing provisions of this subparagraph (f), the waiver procedures set forth in the NBA Constitution and By-Laws, a copy of which, as in effect on the date of this Contract, is attached hereto, shall govern.

(g) Upon any termination of this Contract by the Player, all obligations of the Team to pay Compensation shall cease on the date of termination, except the obligation of the Team to pay the Player's Compensation to said date.

17. DISPUTES.

In the event of any dispute arising between the Player and the Team relating to any matter arising under this Contract, or concerning the performance or interpretation thereof (except for a dispute arising under Paragraph 9 hereof or as provided in Paragraph 14 above), such dispute shall be resolved in accordance with the Grievance and Arbitration Procedure set forth in Article XXXI of the CBA.

18. PLAYER NOT A MEMBER.

Nothing contained in this Contract or in any provision of the NBA Constitution and By-Laws shall be construed to constitute the Player a member of the NBA or to confer upon him any of the rights or privileges of a member thereof.

19. RELEASE.

The Player hereby releases and waives any and all claims he may have, or that may arise during the term of this Contract, against (a) the NBA and its related entities, the NBAGL and its related entities, and every member of the NBA or the NBAGL, and every director, officer, owner, stockholder, trustee, partner, and employee of the NBA, NBAGL, and their respective related entities and/or any member of the NBA or NBAGL and their related entities (excluding persons employed as players by any such member), and (b) any person retained by the NBA and/or the Players Association in connection with the NBA/NBPA Anti-Drug Program, the Grievance Arbitrator, the System Arbitrator, and any other arbitrator or expert retained by the NBA and/or the Players Association under the terms of the CBA, in both cases (a) and (b) above, arising out of, or in connection with, and

whether or not by negligence, (i) any injury that is subject to the provisions of Paragraph 7 hereof, (ii) any fighting or other form of violent and/or unsportsmanlike conduct occurring during the course of any practice, any NBAGL game, and/or any NBA Exhibition, Regular Season, Play-In, and/or playoff game (in all cases on or adjacent to the playing floor or in or adjacent to any facility used for such practices or games), (iii) the testing procedures or the imposition of any penalties set forth in Paragraph 8 hereof and in the NBA/NBPA Anti-Drug Program, (iv) the provisions set forth in Paragraphs 13(f), 14(a), and 14(b) above, or (v) any injury suffered in the course of his employment as to which he has or would have a claim for workers' compensation benefits. The foregoing shall not apply to any claim of medical malpractice against a Team-affiliated physician or other medical personnel.

20. ENTIRE AGREEMENT.

This Contract (including any Exhibits hereto) contains the entire agreement between the parties and, except as provided in the CBA, sets forth all components of the Player's Compensation from the Team or any Team Affiliate, and there are no other agreements or transactions of any kind (whether disclosed or undisclosed to the NBA), express or implied, oral or written, or promises, undertakings, representations, commitments, inducements, assurances of intent, or understandings of any kind (whether disclosed or undisclosed to the NBA) (a) concerning any future Renegotiation, Extension, or other amendment of this Contract or the entry into any new Player Contract, or (b) involving compensation or consideration of any kind (including, without limitation, an investment or business opportunity) to be paid, furnished, or made available to the Player, or any person or entity controlled by, related to, or acting with authority on behalf of the Player, by the Team or any Team Affiliate.

Exhibit A A-23

EXAMINE THIS CONTRACT CAREFULLY BEFORE SIGNING IT.

THIS CONTRACT INCLUDES EXHIBITS _____, WHICH ARE ATTACHED HERETO AND MADE A PART HEREOF.

IN WITNESS WHEREOF the Player has hereunto signed his name and the Team has caused this Contract to be executed by its duly authorized officer.

Dated: _____
By: _____
Title: _____
Team: _____

Dated: _____
By: _____
Player: _____
Player's Address: _____

EXCERPT FROM NBA CONSTITUTION

MISCONDUCT

35. The provisions of this Article 35 shall govern all Players in the Association, hereinafter referred to as "Players."

(a) Each Member shall provide and require in every contract with any of its Players that they shall be bound and governed by the provisions of this Article. Each Member, at the direction of the Board of Governors or the Commissioner, as the case may be, shall take such action as the Board or the Commissioner may direct in order to effectuate the purposes of this Article.

(b) The Commissioner shall direct the dismissal and perpetual disqualification from any further association with the Association or any of its Members, of any Player found by the Commissioner after a hearing to have been guilty of offering, agreeing, conspiring, aiding, or attempting to cause any game of basketball to result otherwise than on its merits.

(c) If in the opinion of the Commissioner any act or conduct of a Player at or during an Exhibition, Regular Season, Play-In, or Playoff game has been prejudicial to or against the best interests of the Association or the game of basketball, the Commissioner shall impose upon such Player a fine not exceeding \$100,000, or may order for a time the suspension of any such Player from any connection or duties with Exhibition, Regular Season, Play-In, or Playoff games, or he may order both such fine and suspension.

(d) The Commissioner shall have the power to suspend for a definite or indefinite period, or to impose a fine not exceeding \$100,000, or inflict both such suspension and fine upon any Player who, in his opinion, (i) shall have made or caused to be made any statement having, or that was designed to have, an effect prejudicial or detrimental to the best interests of basketball or of the Association or of a Member, or (ii) shall have been guilty of conduct that does not conform to standards of morality or fair play, that does not comply at all times with all federal, state, and local laws, or that is prejudicial or detrimental to the Association.

(e) Any Player who, directly or indirectly, entices, induces, persuades or attempts to entice, induce, or persuade any Player, Coach, Trainer, General Manager, or any other person who is under contract to any other Member

of the Association to enter into negotiations for or relating to his services or negotiates or contracts for such services shall, on being charged with such tampering, be given an opportunity to answer such charges after due notice and the Commissioner shall have the power to decide whether or not the charges have been sustained; in the event his decision is that the charges have been sustained, then the Commissioner shall have the power to suspend such Player for a definite or indefinite period, or to impose a fine not exceeding \$100,000, or inflict both such suspension and fine upon any such Player.

(f) Any Player who, directly or indirectly, wagers money or anything of value on any game or event in the Association or in the NBA G League shall, on being charged with such wagering, be given an opportunity to answer such charges after due notice, and the decision of the Commissioner shall be final, binding, and conclusive and unappealable. The penalty for such offense shall be within the absolute and sole discretion of the Commissioner and may include a fine, suspension, expulsion, and/or perpetual disqualification from further association with the Association or any of its Members.

(g) Except for a penalty imposed under Paragraph (f) of this Article 35:

- (i) any challenge by a Team to the decisions and acts of the Commissioner pursuant to Article 35 shall be appealable to the Board of Governors, who shall determine such appeals in accordance with such rules and regulations as may be adopted by the Board in its absolute and sole discretion, and
- (ii) any challenge by a Player to the decisions or acts of the Commissioner pursuant to Article 35 shall be governed by the provisions of Article XXXI of the NBA/NBPA Collective Bargaining Agreement then in effect.

EXCERPT FROM NBA BY-LAWS

5.01. *Waiver Right.* Except for sales and trading between Members in accordance with these By-Laws, no Member shall sell, option, or otherwise assign the contract with, right to the services of, or right to negotiate with, a Player without complying with the waiver procedure prescribed by this Constitution and By-Laws.

5.02. *Waiver Price.* The waiver price shall be \$1,000 per Player.

5.03. *Waiver Procedure.* A Member desiring to secure waivers on a Player shall notify the Commissioner or the Commissioner's designee, who shall, on behalf of such Member, immediately notify all other Members of the waiver request. Such Player shall be assumed to have been waived unless a Member shall notify the Commissioner or the Commissioner's designee in accordance with Section 5.04 of a claim to the rights to such Player. Once a Member has notified the Commissioner or the Commissioner's designee of its desire to secure waivers on a Player, such notice may not be withdrawn. A Player remains the financial responsibility of the Member placing him on waivers until the waiver period set by the Commissioner or the Commissioner's designee has expired.

5.04. *Waiver Period.* If the Commissioner or the Commissioner's designee distributes notice of request for waiver, any Members wishing to claim rights to the Player shall do so by giving notice by telephone and in a Writing of such claim to the Commissioner or the Commissioner's designee within forty-eight (48) hours after the time of such notice. A Team may not withdraw a claim to the rights to a Player on waivers. Notwithstanding Article 40 of the NBA Constitution, Saturdays, Sundays, and legal holidays shall be included when computing the above-referenced waiver period.

5.05. *Waiver Preferences.*

(a) In the event that more than one (1) Member shall have claimed the rights to a Player placed on waivers, the claiming Member with the lowest team standing at the time the waiver was requested shall be entitled to acquire the rights to such Player. If the request for waiver shall occur after the last day of the Season and before 11:59 p.m. eastern time on the following November 30, the standings at the close of the previous Season shall govern.

(b) If the winning percentage of two (2) claiming Teams are the same, then the tie shall be determined, if possible, on the basis of the Regular Season Games between the two (2) Teams during the Season or during the preceding Season, as the case may be. If still tied, a toss of a coin shall determine priority. For the purpose of determining standings, both Conferences of the Association shall be deemed merged and a consolidated standing shall control.

5.06. *Players Acquired Through Waivers.* A Member who has acquired the rights and title to the contract of a Player through the waiver procedure may not sell or trade such rights for a period of thirty (30) days after the acquisition thereof; provided, however, that if the rights to such Player were acquired between Seasons, the 30-day period described herein shall begin on the first day of the next succeeding Season.

5.07. *Additional Waiver Rules.* The Commissioner or the Board of Governors may from time to time adopt additional rules (supplementary to those set forth in this Section 5) with respect to the operation of the waiver procedure. Such rules shall not be inconsistent with the provisions of this Section 5 and shall apply to but shall not be limited to the mechanics of notice, inadvertent omission of notification to a Member, and rules of construction as to time.

AGENT CERTIFICATION

(To be completed only if Player was represented by an agent who negotiated the terms of this Contract.)

I, the undersigned, having negotiated this Contract on behalf of _____, do hereby swear and certify, under penalties of perjury, that the terms of Paragraph 20 of this Contract ("Entire Agreement") are true and correct to the best of my knowledge and belief.

Player Representative

(Print or Type Name of Player
Representative)

State of _____
County of _____

On _____, before me personally came _____ and acknowledged to me that he/she had executed the foregoing Agent Certification.

Notary Public

Exhibit 1

Exhibit A A-29

UNIFORM PLAYER CONTRACT

Exhibit 1 — Compensation

Player:

Team:

Date:

<u>Season</u>	<u>Current Base Compensation</u>	<u>Deferred Base Compensation</u>
---------------	--------------------------------------	---------------------------------------

Payment Schedule (if different from Paragraph 3):

Current Base:

Deferred
Base:

Signing Bonus (include dates of payment):

Incentive Compensation (include dates of payment):

Other Arrangements:

Initialed:

Player

Team

SAMPLE CONTRACT

UNIFORM PLAYER CONTRACT

Exhibit 1 — Compensation

Player: Tyus Jones
Team: Orlando Magic, Ltd.
Date: July 6, 2025

<u>Season</u>	<u>Current Base Compensation</u>	<u>Deferred Base Compensation</u>
2025–26	\$7,000,000	None

Payment Schedule (if different from Paragraph 3):

Current Base: N/A
Deferred Base: N/A

Signing Bonus (include dates of payment): N/A

Incentive Compensation (include dates of payment): N/A

Initialed:

Player

Team

Exhibit 1A

A-30 Exhibit A

UNIFORM PLAYER CONTRACT

Exhibit 1A — Compensation: Minimum Player Salary

Player:

Team:

Date:

<u>Season</u>	<u>Current Base Compensation</u>	<u>Deferred Base Compensation</u>
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This Contract is intended to provide for a Base Compensation for the _____ Season(s) equal to the Minimum Player Salary for such Season(s) (with no bonuses of any kind) and shall be deemed amended to the extent necessary to so provide.

Payment Schedule (if different from Paragraph 3):

Other Arrangements:

Initialed:

Player

Team

SAMPLE CONTRACT

UNIFORM PLAYER CONTRACT

Exhibit 1A - Compensation: Minimum Player Salary

Player: Taurean Prince

Team: Milwaukee Bucks

Date: Jul 8, 2025

<u>Season</u>	<u>Current Base Compensation</u>	<u>Deferred Base Compensation</u>
2025-2026	\$3,303,774	None
2026-2027 (Player Option)	\$3,815,861	None

This Contract is intended to provide for a Base Compensation for the 2025-2026 and 2026-2027 Seasons equal to the Minimum Player Salary for such Seasons (with no bonuses of any kind) and shall be deemed amended to the extent necessary to so provide.

Payment Schedule (if different from Paragraph 3):

Current: Advance Payment (\$533,973).

Deferred: N/A

Other Arrangements:

Note: Because the Prince contract is for two seasons, the Bucks will incur a \$3.3million cap hit. They will not receive a reimbursement from the NBA.

UNIFORM PLAYER CONTRACT

Exhibit 1A - Compensation: Minimum Player Salary

Player: Eric Gordon

Team: Philadelphia Sixers (Philadelphia 76ers)

Date: Jul 1, 2025

<u>Season</u>	<u>Current Base Compensation</u>	<u>Deferred Base Compensation</u>
2025-2026	\$3,634,153	None

This Contract is intended to provide for a Base Compensation for the 2025-2026 Season equal to the Minimum Player Salary for such Season (with no bonuses of any kind) and shall be deemed amended to the extent necessary to so provide.

Payment Schedule (if different from Paragraph 3): N/A

Other Arrangements:

Note: Because the Gordon contract is for one year, Philadelphia will incur a cap hit of \$2,296,274. The 76ers will receive a reimbursement from the difference in salary for Gordon and that of a player with two years of service.

EXHIBIT 1B

Exhibit A A-31

UNIFORM PLAYER CONTRACT

Exhibit 1B — Compensation: Two-Way Player Salary

Player:

Team:

Date:

Season

Two-Way Player Salary

This Contract is intended to provide for a Base Compensation for the _____ Season(s) equal to the Two-Way Player Salary for such Season(s) (with no bonuses of any kind) and shall be deemed amended to the extent necessary to so provide.

Payment Schedule (if different from Paragraph 3):

Standard NBA Contract Conversion Option: Team shall have the option to convert this Contract to a Standard NBA Contract (“Standard NBA Contract Conversion Option”). Team’s Standard NBA Contract Conversion Option may be exercised by providing written notice to Player that is either personally delivered to Player or his representative or sent by email or pre-paid certified, registered, or overnight mail to the last known address of Player or his representative with a copy to the Players Association and the NBA. If Team exercises the Standard NBA Contract Conversion Option, the Base Compensation amount set forth above in this Exhibit 1B will immediately become null and void and of no further force or effect, Player’s Compensation shall be equal to the Player’s applicable Minimum Player Salary for a term equal to the remainder of the original term of this Contract beginning on the date such option is exercised, and all other terms and conditions of this Contract, including the Base Compensation protection set forth in Exhibit 2 (if any), shall remain applicable.

Initialed:

Player

Team

SAMPLE CONTRACT

UNIFORM PLAYER CONTRACT

Exhibit 1B - Compensation: Two-Way Player Salary

Player: **Colby Jones**

Team: **Detroit Pistons**

Date: **Jul 28, 2025**

<u>Season</u>	<u>Two-Way Player Salary</u>
2025-2026	\$636,435

This Contract is intended to provide for a Base Compensation for the **2025-2026** Season(s) equal to the Two-Way Player Salary for such Season(s) (with no bonuses of any kind) and shall be deemed amended to the extent necessary to so provide.

Payment Schedule (if different from Paragraph 3):

Current Base: N/A
Deferred Base: N/A

Standard NBA Contract Conversion Option: Team shall have the option to convert this Contract to a Standard NBA Contract ("Standard NBA Contract Conversion Option"). Team's Standard NBA Contract Conversion Option may be exercised by providing written notice to Player that is either personally delivered to Player or his representative or sent by email or pre-paid certified, registered, or overnight mail to the last known address of Player or his representative with a copy to the Players Association and the NBA. If Team exercises the Standard NBA Contract Conversion Option, the Base Compensation amount set forth above in this Exhibit 1B will immediately become null and void and of no further force or effect, Player's Compensation shall be equal to the Player's applicable Minimum Player Salary for a term equal to the remainder of the original term of this Contract beginning on the date such option is exercised, and all other terms and conditions of this Contract, including the Base Compensation protection set forth in Exhibit 2 (if any), shall remain applicable.

Initialed:

Player

Team

EXHIBIT 2

A-32 Exhibit A

UNIFORM PLAYER CONTRACT

Exhibit 2 — Compensation Protection

Player:

Team:

Date:

<u>Season</u>	<u>Type of Protection</u>	<u>Amount of Protection</u>	<u>Additional Conditions or Limitations</u>
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Automatic Stretch Provision: In the event that the Team terminates this Contract (resulting in the Player's separation of service from the Team), and the Team is obligated thereafter to make payments to the Player pursuant to this Exhibit 2, such payments shall be made in accordance with the following schedule:

- (1) If, as of the date of the Player's separation from service, the aggregate amount owed to the Player pursuant to this Exhibit 2 is five hundred thousand dollars (\$500,000) or less, such amount shall be paid in accordance with the semi-monthly installments prescribed by the payment schedule set forth in this Contract. Each installment shall equal the amount of Base Compensation that was due per pay period for the applicable Season immediately before the Player's separation until the aggregate amount of the remaining Base Compensation owed to the Player pursuant to this Exhibit 2 is paid in full.
- (2) If, as of the date of the Player's separation from service, the aggregate amount owed to the Player pursuant to this Exhibit 2 exceeds five hundred thousand dollars (\$500,000), such amount shall be paid as follows:

- (i) The Base Compensation, if any, owed to the Player pursuant to this Exhibit 2 with respect to the “current season” (as defined below) at the time when the request for waivers on the Player is made shall be paid in accordance with the payment schedule set forth in this Contract. Each installment shall equal the amount of Base Compensation that was due per pay period immediately before the Player’s separation until the aggregate amount of the remaining Base Compensation owed to the Player pursuant to this Exhibit 2 with respect to the current season is paid in full. For purposes of this Paragraph 2 only, the “current season” means the period from September 1 through June 30.
- (ii) The remaining Base Compensation, if any, owed to the Player pursuant to this Exhibit 2 shall be aggregated and paid in equal amounts per year over a period equal to twice the number of NBA Seasons (including any Season covered by a Player Option Year) remaining on this Contract following the date upon which the request for waivers occurred, plus one NBA Season. For this purpose, if the request for waivers is made during the period from September 1 through June 30, the number of NBA Seasons remaining on this Contract shall not include the current season (as defined in subparagraph (i) above). The rescheduled payments described above shall be paid over the applicable number of NBA Seasons in equal semi-monthly installments on the pay dates prescribed by Paragraph 3(a) of this Contract.

For purposes of Section 409A of the Internal Revenue Code, each installment of the amount payable pursuant to this Exhibit 2 shall be treated as a separate payment.

Standard Conditions or Limitations: The Player’s Base Compensation protection for each Season hereunder shall not be applicable if the Player’s lack of skill, death, injury or illness, and/or mental disability (as applicable) results from the Player’s:

- (1) participation in activities prohibited by Paragraph 12 of the Contract (as such Paragraph may be modified by Exhibit 5), which includes, among other things, engaging in any activity that a reasonable person

would recognize as involving or exposing the participant to a substantial risk of bodily injury including, but not limited to (i) sky-diving, hang gliding, snow skiing, rock or mountain climbing (as distinguished from hiking), water or jet skiing, whitewater rafting, rappelling, bungee jumping, trampoline jumping and mountain biking; (ii) any fighting, boxing, or wrestling; (iii) using fireworks or participating in any activity involving firearms or other weapons; (iv) riding on electric scooters or hoverboards; (v) driving or riding on a motorcycle or moped or four-wheeling/off-roading of any kind; (vi) riding in or on any motorized vehicle in any kind of race or racing contest; (vii) operating an aircraft of any kind; (viii) engaging in any other activity excluded or prohibited by or under any insurance policy which the Team procures against the injury, illness, or disability to or of the Player, or death of the Player, for which the Player has received written notice from the Team prior to the execution of this Contract; or (ix) participating in any game or exhibition of basketball, football, baseball, hockey, lacrosse, or other team sport or competition;

- (2) intentional self-inflicted injury, attempted suicide, and/or suicide;
- (3) abuse of alcohol;
- (4) use of any Prohibited Substance or controlled substance;
- (5) abuse of or addiction to prescription drugs;
- (6) conduct occurring during a commission of any felony for which the player is convicted (including by a plea of guilty, no contest, or nolo contendere);
- (7) participation in any riot, insurrection, or war or other military activities; or
- (8) failure to comply with the requirements of Paragraphs 7(d)-(i) of this Contract.

Exhibit A A-35

Additional Conditions or Limitations:

Initialed:

Player

Team

SAMPLE CONTRACT

UNIFORM PLAYER CONTRACT

Exhibit 2 - Compensation Protection

Player: **Dillon Brooks**

Team: **Memphis Grizzlies**

Date: **Jul 8, 2023**

<u>Season</u>	<u>Type of Protection</u>	<u>Amount of Protection</u>	<u>Additional Conditions or Limitations</u>
2023-2024	Lack of Skill Death Injury or Illness Mental Disability	Full	Note 1
2024-2025	Lack of Skill Death Injury or Illness Mental Disability	Full	Note 1
2025-2026	Lack of Skill Death Injury or Illness Mental Disability	Full	Note 1
2026-2027	Lack of Skill Death Injury or Illness Mental Disability	Full	Note 1

UNIFORM PLAYER CONTRACT

Exhibit 2 - Compensation Protection

Player: **Darius Bazley**

Team: **Brooklyn Nets**

Date: **Jul 16, 2023**

<u>Season</u>	<u>Type of Protection</u>	<u>Amount of Protection</u>	<u>Additional Conditions or Limitations</u>
2023-2024	Lack of Skill Injury or Illness	None	Note 1

Additional Conditions or Limitations:

Note 1: Player's Base Compensation protection shall increase from \$0 to \$200,000 if no waivers requested by the date that is one day before First day of the 2023-24 Regular Season. Player's Base Compensation protection shall increase from \$200,000 to \$700,000 if no waivers requested by 12/15/2023.

THE EMBIID CONTRACT

UNIFORM PLAYER CONTRACT

Exhibit 2 - Compensation Protection

Player: **Joel Embiid**

Team: **Philadelphia Sixers (Philadelphia 76ers)**

Date: **Oct 9, 2017**

<u>Season</u>	<u>Type of Protection</u>	<u>Amount of Protection</u>	<u>Additional Conditions or Limitations</u>
2018-2019	Lack of Skill Death Injury or Illness Mental Disability	Full	Note 1
2019-2020	Lack of Skill Death Injury or Illness Mental Disability	Full	Notes 1, Notes 2 - 6
2020-2021	Lack of Skill Death Injury or Illness Mental Disability	Full	Notes 1, Notes 2 - 6
2021-2022	Lack of Skill Death Injury or Illness Mental Disability	Full	Notes 1, Notes 2 - 6
2022-2023	Lack of Skill Death Injury or Illness Mental Disability	Full	Notes 1, Notes 2 - 6

Notes 2 - 6: Note 2:

Notwithstanding the Base Compensation protection stated above in this Exhibit 2, if, during any Season during the term of this Contract commencing with the 2018-19 Season: (i) Player does not play in 25 or more regular season games due to, in whole or in part, one or more Specified Injuries (defined below); and (ii) Player plays less than 1650 regular season minutes for any reason, regardless of whether or not Player is injured, then, in the event that the Team terminates this Contract at any point during its term due to, in whole or in part, one or more Specified Injuries (whether or not the same Specified Injury(ies) that satisfied clause (i) above), Player's Base Compensation protection for Lack of Skill and Injury or Illness for such Season and each subsequent Season covered by this Contract shall be 48.6%; provided, however, that Player's Base Compensation protection for Lack of Skill and Injury or Illness for the 2018-19 Season shall be 100%. The determination as to whether Player did not play in 25 or more regular season games in a Season due to, in whole or in part, one or more Specified Injuries shall be made by a Team physician designated by the Team in his sole, reasonable discretion. As used in this Exhibit 2: (i) "Specified Injury" means an injury (including, for clarity, any new injury, re-injury, aggravation, worsening, exacerbation, degenerative change or any treatment, operation, or complication from such injury) to (1) the tarsals and/or metatarsals in Player's left foot (hereinafter "left foot"; for clarity, tarsals refer to all tarsal bones, and/or all bones in the hind and mid-foot, inclusive of the navicular and talus bones and the subtalar and midtarsal joints of the left foot), (2) the tarsals and/or metatarsals in Player's right foot (hereinafter, "right foot"; for clarity, tarsals refer to all tarsal bones, and/or all bones in the hind and mid-foot, inclusive of the navicular and talus bones and the subtalar and midtarsal joints of the right foot), (3) Player's left knee, and/or (4) the lumbosacral region of Player's back or spine (hereinafter, "back or spine") (each, a "Specified Body Part" and, collectively, the "Specified Body Parts"); and (ii) more than one "Specified Injury" shall be referred to as "Specified Injuries". The parties intend that each of the left foot, right foot, left knee, and/or back or spine will be defined as a Specified Body Part for purposes of this Exhibit 2 only to the extent that, with respect to each particular Specified Body Part, such particular Specified Body Part is excluded with respect to Player under the NBA TTD Program insured through Metropolitan Life Insurance Company (or any successor program with substantially equivalent coverage). Accordingly, in the event that, at any point during the term of this Contract, Metropolitan Life Insurance Company (or any applicable successor thereto) removes an exclusion for prior injuries or illnesses with respect to Player under the NBA TTD Program for a particular body part that would qualify as a Specified Body Part in this Contract pursuant to the preceding paragraph, then if Player injures such body part following the date the exclusion is removed, an injury to such body part will not qualify as a Specified Injury for purposes of this Exhibit 2.

Note 3:

Notwithstanding anything to the contrary in Note 2 above, if, for any particular Season during the term of the Contract commencing with the 2019-20 Season: (i) Player's Base Compensation protection for Lack of Skill and Injury or Illness for that Season and/or the Season immediately following such Season, upon Team terminating the Contract due to, in whole or in part, one or more Specified Injuries, would be less than 100 due to, in whole or in part, the operation of Note 2; and (ii) during that particular Season, Player plays at least 1650 regular season minutes, then, in the event that the Team terminates this Contract at any point during its term due to, in whole or in part, one or more Specified Injuries (whether or not the same Specified Injury(ies) that satisfied Note 2, clause (i) above), Player's Base Compensation protection for Lack of Skill and Injury or Illness in such particular Season and each subsequent Season covered by this Contract shall be as set forth below: Performance Criteria Protection Percentage Player plays at least 1650 but less than 1800 regular season minutes 100% for the Season in which the performance criteria is met 75% for the immediately following Season 48.6% for all subsequent Season(s) Player plays 1800 or more regular season minutes 100% for the Season in which the performance criteria is met 100% for the immediately following Season 48.6% for all subsequent Season(s) Examples of the Application of Notes 2 and 3 (for illustrative purposes only) - Example 1: During the 2018-19 Season, Player (i) does not play in 25 or more regular season games due to, in whole or in part, one or more Specified Injuries, and (ii) plays less than 1650 regular season minutes (for any reason, whether or not due to an injury). As a result, Player's Base Compensation protection for Lack of Skill and Injury or Illness for each of the 2019-20 through 2022-23 Seasons would be reduced to 48.6% in the event that the Team terminates this Contract at any point during the 2019-20 Season (at a point when Player has not yet played at least 1650 regular season minutes in the 2019-20 Season) due to, in whole or in part, one or more Specified Injuries (whether or not the same Specified Injury(ies) that satisfied clause (i) above). However, the Contract is not terminated and Player plays 1750 regular season minutes during the 2019-20 Season. In the event that the Team terminates this Contract at any point during the 2020-21 Season due to, in whole or in part, one or more Specified Injuries (whether or not the same Specified Injury(ies) that satisfied clause (i) above), Player's Base Compensation protection for Lack of Skill and Injury or Illness would be as follows: 75% for the 2020-21 Season and 48.6% for the 2021-22 and 2022-23 Seasons. - Example 2: During the 2019-20 Season, Player (i) does not play in 25 or more regular season games due to, in whole or in part, one or more Specified Injuries, and (ii) plays less than 1650 regular season minutes (for any reason, whether or not due to an injury). As a result, Player's Base Compensation protection for Lack of Skill and Injury or Illness for each of the 2020-21 through 2022-23 Seasons would be reduced to 48.6% in the event that the Team terminates this Contract at any point during the 2020-21 Season (at a point when Player has not yet played at least 1650 regular season minutes in the 2020-21 Season) due to, in whole or in part, one or more Specified Injuries (whether or not the same Specified Injury(ies) that satisfied clause (i) above). However, the Contract is not terminated and Player plays 1800 regular season minutes during the 2020-21 Season. In the event that the Team terminates this Contract at any point during the 2021-22 Season due to, in whole or in part, one or more Specified Injuries (whether or not the same Specified Injury(ies) that satisfied clause (i) above), Player's Base Compensation protection for Lack of Skill and Injury or Illness would be as follows: 100% for 2021-22 Season and 48.6% for the 2022-23 Season. - Example 3: Prior to the 2019-20 Season, the Metropolitan Life Insurance Company removes the exclusion under the NBA TTD Program on Player's back or spine. During the 2019-20 Season, Player (i) does not play in 25 or more regular season games due to, in whole or in part, an injury to Player's back or spine that occurred during the 2019-20 Season, and (ii) plays less than 1650 regular season minutes (for any reason, whether or not due to an injury). At the time of the injury, Player's back or spine is no longer a Specified Body Part, thus the injury is not a Specified Injury. As a result, in the event that the Team terminates this Contract at any point during the remaining term due to an injury to Player's back or spine, Player's Base Compensation protection for Lack of Skill and Injury or Illness for each of the 2019-20 through 2022-23 Seasons would be 100%.

Note 4:

Notwithstanding the Base Compensation protection stated above in this Exhibit 2, if at the conclusion of any Season during the term of this Contract (a "Medical Examination Trigger Season") one or more Examining Physicians (as defined below) determine(s) that Player is more likely than not to be unavailable to play in an NBA game on or before January 1 of the immediately following Season due to, in whole or in part, one or more Specified Injuries, then in the event that the Team terminates this Contract at any point during the term due to, in whole or in part, one or more Specified Injuries, Player's Base Compensation protection for Lack of Skill and Injury or Illness shall be 48.6% for each Season subsequent to the applicable Medical Examination Trigger Season. The determination whether Player is more likely than not to be unavailable to play in an NBA game by January 1 of the immediately following Season due to, in whole or in part, one or more Injuries to the left or right foot shall be made by the Examining Physician for Feet. For purposes of this Note 4, the "Examining Physician for Feet" shall be Dr. Martin O'Malley; or in the event that Dr. O'Malley is unavailable, Dr. Robert Anderson; or in the event that neither Dr. O'Malley nor Dr. Anderson is available, a doctor designated by the American Medical Society for Sports Medicine. The determination whether Player is more likely than not to be unavailable to play in an NBA game by January 1 of the immediately following Season due to, in whole or in part, one or more Injuries to the back or spine shall be made by the Examining Physician for Back or Spine. For purposes of this Note 4, the "Examining Physician for Back or Spine" shall be Dr. Robert Watkins; or in the event that Dr. Watkins is unavailable, Dr. Andrew Dossett; or in the event that neither Dr. Watkins nor Dr. Dossett is available, a doctor designated by the American Medical Society for Sports Medicine. The determination whether Player is more likely than not to be unavailable to play in an NBA game by January 1 of the immediately following Season due to, in whole or in part, one or more Injuries to the left knee shall be made by the Examining Physician for Left Knee. For purposes of this Note 4, the "Examining Physician Left Knee" shall be Dr. Neil ElAttrache; or in the event that Dr. ElAttrache is unavailable, Dr. Dan Cooper; or in the event that neither Dr. ElAttrache nor Dr. Cooper is available, a doctor designated by the American Medical Society for Sports Medicine. Such diagnosis shall be made by the applicable Examining Physician(s), following an in-person examination, each conducted within 14 days following the Team's last game of the Season (including Playoff games, if applicable) in which the Injury or Injuries occurred, at a location designated by the applicable Examining Physician(s).

Note 5:

Notwithstanding anything to the contrary in Note 4 above, if, for any particular Season during the term of this Contract: (i) Player's Base Compensation protection for Lack of Skill and Injury or Illness for that Season and/or the Season immediately following such Season, upon Team terminating the Contract due to, in whole or in part, the operation of Note 4; and (ii) during that particular Season, Player plays at least 1650 regular season minutes, then in the event that the Team terminates this Contract at any point during its term due to, in whole or in part, one or more Specified Injuries (whether or not the same Specified Injury(ies) related to the determination in Note 4 above), Player's Base Compensation protection for Lack of Skill and Injury or Illness in each subsequent Season covered by this Contract shall be as set forth below: Performance Criteria Protection Percentage Player plays at least 1650 but less than 1800 regular season minutes 100% for the Season in which the performance criteria is met 75% for the immediately following Season 48.6% for all subsequent Season(s) Player plays 1800 or more regular season minutes 100% for the Season in which the performance criteria is met 100% for the immediately following Season 48.6% for all subsequent Season(s) Examples of the Application of Notes 4 and 5 (for illustrative purposes only). - Example 1: Player plays 1600 regular season minutes during the 2018-19 Season. At the conclusion of such Season, the Examining Physician for Feet determines that Player is more likely than not to be unavailable to play in an NBA game on or before January 1, 2020 due to, in whole or in part, a Specified Injury (to a foot). As a result, in the event that the Team terminates this Contract during the 2019-20 Season (at a point when Player has not yet played at least 1650 regular season minutes in the 2019-20 Season) due to, in whole or in part, one or more Specified Injuries (whether or not the same Specified Injury(ies) that resulted in the above determination), Player's Base Compensation protection for Lack of Skill and Injury or Illness would be 48.6% for the 2019-20 through 2022-23 Seasons. - Example 2: Player plays 1650 regular season minutes during the 2018-19 Season. At the conclusion of such Season, the Examining Physician for Feet determines that Player is more likely than not to be unavailable to play in an NBA game on or before January 1, 2020 due to, in whole or in part, a Specified Injury (to a foot). As a result, in the event that the Team terminates this Contract during the 2019-20 Season (at a point when Player has not yet played at least 1650 regular season minutes in the 2019-20 Season) due to, in whole or in part, one or more Specified Injuries (whether or not the same Specified Injury(ies) that resulted in the above determination), Player's Base Compensation protection for Lack of Skill and Injury or Illness would be as follows: 75% for the 2019-20 Season and 48.6% for the 2020-21 through 2022-23 Seasons. - Example 3: Player played 1800 regular season minutes during the 2019-20 Season. At the conclusion of such Season, the Examining Physician for Back or Spine determines that Player is more likely than not to be unavailable to play in an NBA game on or before January 1, 2021 due to, in whole or in part, a Specified Injury (to the back or spine). As a result, in the event that the Team terminates this Contract during the 2020-21 Season (at a point when Player has not yet played at least 1650 regular season minutes in the 2020-21 Season) due to, in whole or in part, one or more Specified Injuries (whether or not the same Specified Injury(ies) that resulted in the above determination), Player's Base Compensation protection for Lack of Skill and Injury or Illness would be as follows: 100% for the 2020-21 Season and 48.6% for the 2021-22 through 2022-23 Seasons. - Example 4: Player played 1600 regular season minutes during the 2018-19 Season. At the conclusion of such Season, the Examining Physician for Feet determines that Player is more likely than not to be unavailable to play in an NBA game on or before January 1, 2020 due to, in whole or in part, a Specified Injury (to a foot). As a result, in the event that the Team terminates this Contract during the 2019-20 Season (at a point when Player has not yet played at least 1650 regular season minutes in the 2019-20 Season) due to, in whole or in part, one or more Specified Injuries (whether or not the same Specified Injury(ies) that resulted in the above determination), Player's Base Compensation protection for Lack of Skill and Injury or Illness for the 2019-20 through 2022-23 Seasons would be reduced to 48.6%. However, Team does not terminate the Contract during the 2019-20 Season and Player plays 1800 regular season minutes during the 2019-20 Season. As a result, in the event that the Team terminates this Contract during the 2020-21 Season (at a point when Player has not yet played at least 1650 regular season minutes) due to, in whole or in part, one or more Specified Injuries (whether or not the same Specified Injury(ies) that resulted in the above determination), Player's Base Compensation protection for Lack of Skill and Injury or Illness would be as follows: 100% for the 2020-21 Season and 48.6% for the 2021-22 and 2022-23 Seasons.

Note 6:

Notwithstanding anything to the contrary in this Exhibit 2: (i) if, for any particular Season during the term of this Contract: (a) Player plays a minimum of 1650 regular season minutes in (1) each of the three consecutive Seasons immediately prior to such Season, or (2) each of three out of four consecutive Seasons immediately prior to such Season, in each case which may include the 2017-18 Season, then Player's Base Compensation protection for Lack of Skill and Injury or Illness for that particular Season and each remaining Season during the term of this Contract shall be one-hundred percent (100%); and/or (ii) if, by November 1, 2022, Team has secured coverage under the NBA TTD Program insured through Metropolitan Life Insurance Company (or any successor program with substantially equivalent coverage) in respect of Player and such TTD insurance contains no exclusions for prior injuries or illnesses, then Player's Base Compensation protection for Lack of Skill and Injury or Illness for the then-current and each remaining Season during the term of this Contract shall be one-hundred percent (100%). Following the conclusion of each NBA Season during the term of this Contract, Team will make reasonable efforts to request that Metropolitan Life Insurance Company (or any successor thereto) consider removing the exclusions for prior injury or illness with respect to Player under the NBA TTD Program. In connection with Team's requests, Team will make one such written request annually and supply Metropolitan Life Insurance Company (or any successor thereto) with such customary updated medical information on Player as is requested by Metropolitan Life Insurance Company (or any successor thereto); however, team shall not be required to make more than one written request annually, nor to engage in any appeal nor any request for reconsideration following any denial of such request.

Summary

Here's how a perfect storm of calamity would have to unfold for Embiid to earn any less than the full \$146.5 million: Across each of the final four seasons of the extension, ending with the 2022-23 season, the 76ers could waive Embiid for a financial benefit if he's lost because of a contractually agreed-upon injury that causes him to miss 25 or more regular-season games and if he plays fewer than 1,650 minutes.

Specific injuries are laid out in the contract and include only past problem areas with Embiid's feet and back, sources said. Embiid has to miss 25 or more regular-season games because of injuries to those areas, and play fewer than 1,650 minutes, for Philadelphia to have the option of releasing him for cost savings.

For example, if Embiid hypothetically suffered a serious knee or wrist injury -- something outside the contractual language surrounding the feet and back -- the 76ers would have no avenue to waive Embiid to reclaim any portion of his salary. And given Embiid's rare talent, there's a belief that he'd have to suffer a career-ending injury to inspire the 76ers to release him.

If Embiid met that narrow criteria and the Sixers decided to waive him after the 2018-19 season, he would receive \$84.2 million of his full contract; after the 2019-20 season, \$98.2 million; after the 2020-21 season, \$113.3 million; and after the 2021-22 season, \$129.4 million.

What's more, if Embiid played a minimum of 1,650 regular-season minutes in three consecutive years during the extension, or three out of four including the 2017-18 season, those benchmarks would eliminate the possibility of a reduction in the contract.

The first full season of Embiid's contract extension starts with the 2018-19 season and pays him \$25.3 million, a salary that escalates a standard 8 percent per year until the 2022-23 season.

For Embiid to reach the threshold of the super maximum contract criteria -- which would pay him 30 percent of the salary cap and ultimately as much as \$176 million -- Embiid must earn first-team All-NBA honors or be voted the NBA's Most Valuable Player in the 2017-18 season.

Note: The salary in each year does not decrease, only the protection amount if Embiid did not reach the sets of criteria. Embiid met the injury criteria and the contract eventually became fully guaranteed.

115. What are the types of salary protection?

Lack of Skill

When a Team agrees to protect, in whole or in part, the Base Compensation provided for by a Uniform Player Contract in the event such Contract is terminated by the Team, by reason of the player's lack of skill, the termination of such Contract by the Team on account of the player's failure to exhibit sufficient skill or competitive ability shall in no way affect the player's right to receive, in whole or in part, the Base Compensation payable pursuant to Exhibit 1 (or Exhibit 1A or Exhibit 1B, as applicable) to such Contract in the amounts and at the times called for by such Exhibit; provided, however, that: (i) such lack of skill does not result from the player's participation in activities prohibited by Paragraph 12 of the Uniform Player Contract (as such Paragraph may be modified by Exhibit 5 to the Player Contract), attempted suicide, intentional self-inflicted injury, abuse of alcohol, use of any Prohibited Substance or controlled substance, abuse of or addiction to prescription drugs, conduct occurring during the commission of any felony for which the player is convicted (including by a plea of guilty, no contest, or nolo contendere), participation in any riot, insurrection, or war or other military activities, or failure to comply with the requirements of Paragraphs 7(d)-(i) of the Uniform Player Contract; (ii) at the time of the player's failure to render playing services, the player is not in material breach of such Contract; (iii) if the Team, for its own benefit, seeks to procure an insurance policy covering the player's lack of skill, the player cooperates with the Team in procuring such an insurance policy, including by, among other things, supplying all information requested of him, completing application forms, or otherwise, and submitting to all examinations and tests requested of him by or on behalf of the insurance company in connection with the Team's efforts to procure such policy; and (iv) if the Team, for its own benefit, has procured such an insurance policy, the player cooperates (in the manner described above) with the Team and insurance company in the processing of the Team's claim under such policy.

Death

When a Team agrees to protect, in whole or in part, the Base Compensation provided for by a Uniform Player Contract in the event such Contract is terminated by the Team, if such failure has been caused by the player's death, the termination of such Contract by the Team shall in no way affect the player's (or his estate's or duly appointed beneficiary's) right to receive, in whole or in part, the Base Compensation payable pursuant to Exhibit 1 (or Exhibit 1A or Exhibit 1B, as applicable) to such Contract in the amounts and at the times called for by such Exhibit; provided, however, that: (i) such death does not result from the player's participation in activities prohibited by Paragraph 12 of the Uniform Player Contract (as such Paragraph may be modified by Exhibit 5 to the Player Contract), suicide, intentional self-inflicted injury, abuse of alcohol, use of any Prohibited Substance or controlled substance, abuse of or addiction to prescription drugs, conduct occurring during the commission of any felony for which the player is convicted (including by a plea of guilty, no contest, or nolo contendere), participation in any riot, insurrection, or war or other military activities, or failure to comply with the requirements of Paragraphs 7(d)-(i) of the Uniform Player Contract; (ii) at the time of the player's failure to render playing services, the player is not in material breach of such Contract; (iii) if the Team, for its own benefit, seeks to procure an insurance policy covering the player's death, the player cooperates with the Team in procuring such an insurance policy, including by, among other things, supplying all information requested of him, completing application forms, or otherwise, and submitting to all examinations and tests requested of him by or on behalf of the insurance company in connection with the Team's efforts to procure such policy; and (iv) if the Team, for its own benefit, has procured such an insurance policy, the player's estate and/or duly appointed beneficiary cooperates (in the manner described above) with the Team and insurance company in the processing of the Team's claim under such policy.

Injury or Illness

When a Team agrees to protect, in whole or in part, the Base Compensation provided for by a Uniform Player Contract in the event such contract is terminated by the Team, by reason of the player's failure to render his services thereunder, if such failure has been caused by an injury, illness, or disability suffered or sustained by the player, the termination of such Contract by the Team shall in no way affect the player's right to receive, in whole or in part, the Base Compensation payable pursuant to Exhibit 1 (or Exhibit 1A or Exhibit 1B, as applicable) to such Contract in the amounts and at the times called for by such Exhibit; provided, however, that: (i) such injury, illness, or disability does not result from the player's participation in activities prohibited by Paragraph 12 of the Uniform Player Contract (as such Paragraph may be modified in Exhibit 5 to the Player Contract), attempted suicide, intentional self-inflicted injury, abuse of alcohol, use of any Prohibited Substance or controlled substance, abuse of or addiction to prescription drugs, conduct occurring during the commission of any felony for which the player is convicted (including by a plea of guilty, no contest, or nolo contendere), participation in any riot, insurrection, or war or other military activities, or failure to comply with the requirements of Paragraphs 7(d)-(i) of the Uniform Player Contract; (ii) at the time of such injury, illness, or disability the player is not in material breach of such Contract; (iii) if the Team, for its own benefit, seeks to procure an insurance policy covering the player's injury and/or illness, the player cooperates with the Team in procuring such an insurance policy, including by, among other things, supplying all information requested of him, completing application forms, or otherwise, and submitting to all examinations and tests requested of him

by or on behalf of the insurance company in connection with the Team's efforts to procure such policy; and (iv) if the Team, for its own benefit, has procured such an insurance policy, the player cooperates (in the manner described above) with the Team and insurance company in the processing of the Team's claim under such policy.

Mental Disability

When a Team agrees to protect, in whole or in part, the Base Compensation provided for by a Uniform Player Contract in the event such Contract is terminated by the Team, if such failure has been caused by the player's mental disability, the termination of such Contract by the Team shall in no way affect the player's (or his duly appointed legal representative's) right to receive, in whole or in part, the Base Compensation payable pursuant to Exhibit 1 (or Exhibit 1A or Exhibit 1B, as applicable) to such Contract in the amounts and at the times called for by such Exhibit; provided, however, that: (i) such mental disability does not result from the player's participation in activities prohibited by Paragraph 12 of the Uniform Player Contract (as such Paragraph may be modified in Exhibit 5 to the Player Contract), attempted suicide, intentional self-inflicted injury, the use of any Prohibited Substance or controlled substance, abuse of or addiction to prescription drugs, conduct occurring during the commission of any felony for which the player is convicted (including by a plea of guilty, no contest, or nolo contendere), participation in any riot, insurrection, or war or other military activities, or failure to comply with the requirements of Paragraphs 7(d)-(i) of the Uniform Player Contract; (ii) at the time of the player's failure to render playing services, the player is not in material breach of such Contract; (iii) if the Team, for its own benefit, seeks to procure an insurance policy covering the player's mental disability, the player (and/or his duly appointed legal representative) cooperates with the Team in procuring such an insurance policy, including by, among other things, supplying all information requested of him, completing application forms, or otherwise, and submitting to all examinations and tests requested of him by the insurance company in connection with the Team's efforts to procure such policy; and (iv) if the Team, for its own benefit, has Procured such an insurance policy, the player (and/or his duly appointed legal representative) cooperates (in the manner described above) with the Team and insurance company in the processing of the Team's claim under such policy.

Miscellaneous

No agreement by a Team to protect, in whole or in part, the Base Compensation provided for by a Uniform Player Contract shall require (or be construed as requiring) such Team to continue to employ the player (whether on the Active List, Inactive List, Two-Way List, or otherwise); nor shall any such agreement afford the player any right to be employed, or to be deemed as having been employed, by such Team for any purpose.

Notwithstanding any other provision of this Agreement, when a Team agrees to protect, in whole or in part, the Base Compensation provided for by a Uniform Player Contract, and such protection is contingent on the satisfaction of a condition expressly set forth in Exhibit 2 to that Contract, such protection shall be applicable

and effective only if the Player Contract has not previously been terminated at the time such condition is satisfied.

Notwithstanding any other provision of this Agreement, when a Team agrees to protect, in whole or in part, the Base Compensation provided for in any Option Year in favor of the Team included in a Uniform Player Contract, such protection shall be applicable and effective only if the option to extend the term provided for in the Contract was exercised by the Team prior to the termination of the Contract. When a Team agrees to protect, in whole or in part, the Base Compensation provided for in any Option Year in favor of the player, the applicability of such protection in the circumstance where the Option has not been exercised by the player.

During the term of a Player Contract, the percentage of protected Base Compensation for any future Season shall not exceed the percentage of unearned protected Base Compensation for any prior Season.

Thus, for example, a Team could not provide for fifty percent (50%) Base Compensation protection in the first Season of a Player Contract and one hundred percent (100%) Base Compensation protection in the second Season of the Contract.

However, the foregoing rule does not prevent a Team from providing a percentage of Base Compensation protection in a future Season that is higher than in a prior Season if the higher level of Base Compensation for the future Season is conditional and the condition cannot be satisfied until the completion of the prior Season.

For example, it is permissible for a Contract to provide that Base Compensation protection for the first Season of a Player Contract equals fifty percent (50%) and Base Compensation protection for the second Season will be increased from fifty percent (50%) to one hundred percent (100%) if the player is on the Team's roster as of the August 1 prior to the second Season of the Player Contract.

EXHIBIT 3

A-36 Exhibit A

UNIFORM PLAYER CONTRACT

Exhibit 3 — Prior Injury Exclusion

Player:

Team:

Date:

The Player's right to receive his Compensation as set forth in Paragraphs 7(c), 16(a)(iii), 16(b) of this Contract, or otherwise is limited or eliminated with respect to the following reinjury of the injury or aggravation of the condition set forth below:

Describe injury or condition:

Describe the extent to which liability for Compensation is limited or eliminated:

Initialed:

Player

Team

SAMPLE CONTRACT

UNIFORM PLAYER CONTRACT

Exhibit 3 - Prior Injury Exclusion

Player: **Lonzo Ball**

Team: **Chicago Bulls**

Date: **Feb 14, 2025**

The Player's right to receive his Compensation as set forth in Paragraphs 7(c), 16(a)(iii), 16(b) of this Contract, or otherwise is limited or eliminated with respect to the following reinjury of the injury or aggravation of the condition set forth below:

Describe injury or condition:

Left knee medial articular cartilage degeneration, arthritis and/or meniscus disease including any prior meniscus injury or meniscus condition that contributed to prior meniscus transplant and osteochondral allograft transplant.

Describe the extent to which liability for Compensation is limited or eliminated:

Season Total Amount of Team's Liability for Compensation

2025-26 \$0

2026-27 \$0

EXHIBIT 4

Exhibit A A-37

UNIFORM PLAYER CONTRACT

Exhibit 4 — Trade Payments

Player:

Team:

Date:

In the event this Contract is traded by the Team executing the Contract to another NBA Team, the Player shall be entitled to receive from the assignor Team, within thirty (30) days of the date of such trade, the following payment:

Initialed:

Player

Team

SAMPLE CONTRACT

UNIFORM PLAYER CONTRACT

Exhibit 4 - Trade Payments

Player: **Harrison Barnes**

Team: **Sacramento Kings**

Date: **Jun 29, 2023**

In the event this Contract is traded by the Team executing the Contract to another NBA Team, the Player shall be entitled to receive from the assignor Team, within thirty (30) days of the date of such trade, the following payment:

10.0% of the Base Compensation remaining to be earned by Player at the time of the trade.

EXHIBIT 5

A-38 Exhibit A

UNIFORM PLAYER CONTRACT

Exhibit 5 — Other Activities

Player:

Team:

Date:

Notwithstanding the provisions of Paragraph 12 of this Contract, the Player and the Team agree that the Player need not obtain the consent of the Team in order to engage in the activities set forth below:

Initialed:

Player Team

EXHIBIT 6

Exhibit A A-39

UNIFORM PLAYER CONTRACT

Exhibit 6 — Physical Exam

Player:

Team:

Date:

The Player and the Team agree that this Contract will be invalid and of no force and effect unless the Player passes, in the sole discretion of the Team, exercised in good faith, in consultation with one or more of the Team's physicians, a physical examination in accordance with Article II, Section 13(h) of the CBA that is (i) conducted within three (3) business days of the execution of this Contract, and (ii) the results of which are reported by the Team to the Player within six (6) business days of the execution of this Contract. The Player agrees to supply complete and truthful information in connection with any such examinations.

Initialed:

Player

Team

EXHIBIT 7

A-40 Exhibit A

UNIFORM PLAYER CONTRACT

Exhibit 7 — Substitution for UPC Paragraph 7(b)

Player:

Team:

Date:

Paragraph 7(b) is hereby deleted and the following shall be substituted in place and instead thereof:

“7. (b) The Player agrees, notwithstanding any other provision of this Contract, that he will to the best of his ability maintain himself in physical condition sufficient to play skilled basketball at all times. If the Player, in the reasonable judgment of the physician designated for that purpose by the Team, is not in good physical condition at the date of his first scheduled game for the Team, or if, at the beginning of or during any Season, he fails to remain in good physical condition, in either event so as to render the Player unfit in the reasonable judgment of said physician to play skilled basketball, the Team shall have the right to suspend the Player for successive one-week periods until the Player, in the reasonable judgment of the Team’s physician, is in good physical condition; provided, however, that at the end of each such one-week period of suspension, if the Team notifies the Player, orally or in writing, that in its reasonable judgment it believes the Player is still not in good physical condition, and if the Player so requests, then the Player shall be examined by a physician or physicians designated for such purpose by the President, or any Vice President if the President is not available, of the American Society of Orthopedic Physicians, or equivalent organization (the “Reviewing Physician”), whose sole judgment concerning the physical condition of the Player to play skilled basketball shall be binding upon the Team and the Player for purposes of this Paragraph. The suspension of the Player shall be terminated promptly upon the failure of the Team to give the Player the notice required at the end of the one-week period or upon the finding of said Reviewing Physician that the Player is in physical condition sufficient to play skilled basketball. In the event of a suspension permitted hereunder, the Compensation (excluding any signing bonus or Incentive Compensation) payable to the Player for any Season during such suspension shall be reduced in the same proportion as the

length of the period of disability so determined bears to the length of the Season. Nothing in this Paragraph 7(b) shall authorize the Team to suspend the Player solely because the Player is injured or ill.”

Initialed:

Player

Team

EXHIBIT 8

A-42 Exhibit A

UNIFORM PLAYER CONTRACT

Exhibit 8 — Sign and Trade

Player:

Team:

Date:

The Player and the Team agree that this [Contract] [amendment] will be invalid and of no force and effect unless the [Contract] [amendment] is traded to the [assignee Team] within forty-eight (48) hours of its execution, and all conditions to such trade are ultimately satisfied.

Initialed:

Player Team

EXHIBIT 9

Exhibit A A-43

UNIFORM PLAYER CONTRACT

Exhibit 9 — One-Season, Non-Guaranteed Training Camp Contracts

Player:

Team:

Date:

The Player's right to receive any Compensation under this Contract (other than Compensation in accordance with Paragraph 3(b) and/or Exhibit 10 if such exhibit is contained in this Contract) is eliminated in the event the Contract is terminated prior to the first day of the Regular Season covered by the Contract; provided, however, that if the Player is injured as a direct result of playing for the Team and, accordingly, would have been entitled (but for this Exhibit 9) to Compensation pursuant to Paragraphs 7(c), 16(a)(iii), 16(b), or otherwise, the Team's sole liability (other than Compensation in accordance with Paragraph 3(b) and/or Exhibit 10 if such exhibit is contained in this Contract) shall be to pay the Player \$15,000 upon termination of the Player's Contract.

Initialed:

Player

Team

EXHIBIT 10

A-44 Exhibit A

UNIFORM PLAYER CONTRACT

Exhibit 10 — NBAGL Bonus and Two-Way Player Conversion

Player:

Team:

Bonus Amount*:

NBAGL Affiliate:

Conversion Protection Amount:

Date:

Contract Termination/NBAGL: In the event this Contract is terminated by the Team in accordance with the NBA waiver procedure prior to the first day of the NBA Regular Season, the Player shall be entitled to receive from the Team the Bonus Amount (if applicable) provided above, provided that the Player (a) signs with the NBAGL prior to the deadline set by the NBAGL for NBAGL teams to designate affiliate players, (b) is initially assigned by the NBAGL to the NBAGL affiliate listed above (or the NBAGL affiliate of any Team that acquires the Contract, if applicable) and timely reports to such affiliate, (c) does not leave the NBAGL (*e.g.*, by buying out his contract with the NBAGL and signing a contract with an international team) prior to providing sixty (60) consecutive days of service during the NBAGL Season (the “60-Day Service Period”), provided that, in the event the player is signed to one or more Contract(s) by the Team prior to completing the 60-Day Service Period, the Player shall still satisfy this clause (c) if he timely returns to the Team’s NBAGL affiliate upon the completion or termination of such Contract(s) and completes the outstanding portion of the 60-Day Service Period, with such bonus payable (if applicable) within thirty (30) days of satisfying the above criteria. For clarity, a player will not satisfy clause (c) if at any time prior to completing the 60-Day Service Period he signs a contract with a professional basketball team other than the Team. In the event the Player fails to satisfy clause (c) because his contract with the NBAGL is terminated as a result of an injury resulting directly from his playing for the Team’s NBAGL affiliate, such player shall nonetheless be entitled to receive from the Team the Bonus Amount.

Contract Termination During Regular Season: If this Contract is not terminated by the Team in accordance with the NBA waiver procedure prior to the first day of the NBA Regular Season, notwithstanding the absence of an Exhibit 2, the Contract shall be protected for lack of skill and injury or illness at an amount equal to the Conversion Protection Amount in this Exhibit 10.

Two-Way Player Conversion Option: Team shall have the option to convert this Contract to a Two-Way Contract (“Two-Way Player Conversion Option”); provided, however, that (a) such option must be exercised prior to the first day of the NBA Regular Season, and (b) may not be exercised if it would result in a violation of Article X, Section 4(d) of the CBA. Team’s Two-Way Player Conversion Option may be exercised by providing written notice to Player that is either personally delivered to Player or his representative or sent by email or pre-paid certified, registered, or overnight mail to the last known address of Player or his representative with a copy to the Players Association and the NBA. If Team exercises the Two-Way Player Conversion Option, this Contract’s Exhibit 1A will immediately become null and void and of no further force or effect and the Player’s Compensation shall be equal to the Two-Way Player Salary applicable for such Season. Further, upon conversion, the Player’s right to the Bonus Amount (if applicable) set forth above pursuant to this Exhibit 10 will be rescinded and the Player’s Contract, notwithstanding the absence of an Exhibit 2, shall be protected for lack of skill and injury or illness at an amount equal to the Conversion Protection Amount in this Exhibit 10. All other terms and conditions of this Contract shall remain applicable.

Standard NBA Contract Conversion Option: In the event the Two-Way Player Conversion Option is exercised by the Team, Team shall thereafter have the option to convert the Contract to a Standard NBA Contract (“Standard NBA Contract Conversion Option”). Team’s Standard NBA Contract Conversion Option may be exercised by providing written notice to Player that is either personally delivered to Player or his representative or sent by email or pre-paid certified, registered, or overnight mail to the last known address of Player or his representative with a copy to the Players Association and the NBA. If Team exercises the Standard NBA Contract Conversion Option, the Base Compensation amount applicable to the Two-Way Contract as set forth in this Exhibit 10 will immediately become null and void and of no further force or effect, Player’s Compensation shall be equal to the Player’s applicable Minimum Player

A-46 Exhibit A

Salary for such Season beginning on the date such option is exercised, and all other terms and conditions of this Contract, including the Base Compensation protection set forth in this Exhibit 10, shall remain applicable.

*Bonus Amount must be equal to the Conversion Protection Amount and may only be included if Team has an NBAGL Affiliate.

Initialed:

Player

Team

SAMPLE CONTRACT

UNIFORM PLAYER CONTRACT

Exhibit 10 - NBAGL Bonus and Two-Way Player Conversion

Player: **Kessler Edwards**

Team: **Denver Nuggets**

Bonus Amount*: **\$85,300**

NBAGL Affiliate: **Grand Rapids Gold**

Conversion Protection Amount: **\$0**

Date: **Aug 11, 2025**

116. When does a player get paid?

Pay Schedule

The first semi-monthly payment date under Paragraph 3(a) of the UPC will be November 1 (instead of November 15).

Note: This has been changed under the 2023 CBA

Compensation shall be paid in twenty-four (24) equal semi-monthly payments beginning with the first of said payments on November 1st of each year covered by this Contract ("contract year") and continuing with such payments on the first and fifteenth of each month until said Compensation is paid in full.

A player on a Two-Way contract is paid in twenty-four (24) equal semi-monthly payments.

A player earning more than the minimum exception and the team can elect to alter the pay schedule from twenty-four (24) equal semi-monthly payments starting on November 1st to twelve (12) or thirty-six (36) equal semi-monthly starting on November 1.

117. Can a player receive compensation for training camp?

The weekly training camp advance payment amount set forth in Paragraph 3(b) of the UPC will increase from \$2,000 to \$4,500, and such advances will be recovered equally from a player's first two scheduled semi-monthly payments of Base Compensation (instead of from only the first such payment).

Note: If a player under contract with guaranteed salary receives a training camp payment, that player will have the \$4,500 per week deducted from his salary.

118. Can a player receive an advance?

A player can get up to 25 percent of their annual salary as of July 1. They can get another 25 percent as of October 1. No more than 50 percent of the salary can be paid in advance of the first standard payment starting November 1.

If a player's salary isn't fully guaranteed, the advance is limited to 80 percent of the guaranteed salary, or 50 percent of his base salary—the lower of the two. Then, the player can get up to 25 percent of that amount as of July 1 and October 1.

In the case of the Matisse Thybulle offer sheet signed with Dallas (and eventually matched by Portland), Thybulle will receive \$2,625,00 (25 percent) of his 2023-24 salary 14 days after approval of the contract. He will also receive \$2,625,000 (25 percent) of his 2023-24 salary on October 1.

119. Does the team have disability insurance in case a player is injured?

Every team is required to participate in the Leaguewide Temporary Total Disability Insurance Program (the “TTD Program”). In general, under the terms of the TTD Program, each team will be required to submit for underwriting consideration five players, each of whom must be among the team’s five highest-paid players based on either current season salary or total remaining salary. Such five players must include the players who rank first and second under the current-season salary and total remaining salary categories with two or more contract years remaining. Teams may submit for consideration more than five players.

In general, once an insured player has a covered disability for a period greater than 41 Regular Season games, the TTD Program will pay to the team a disability insurance benefit equal to 80% of the player’s Regular Season salary on a per game basis beginning with the 42nd game until the time the player is fit to play or the policy ends. The term of the policy may not exceed six years. The maximum benefit payable by the insurer will not exceed \$275,000 per Regular Season game.

TEMPORARY TOTAL DISABILITY PROGRAM



<u>Carrier:</u>	Metropolitan Life Insurance Company
<u>Rating:</u>	AM Best Rating A+ XV
<u>Policy Term:</u>	September 1, 2015 to September 1, 2023
<u>Policyholder:</u>	National Basketball Association Trust
<u>Beneficiary:</u>	NBA Teams
<u>Coverage:</u>	Worldwide, 24-hour coverage for Temporary Total Disability due to Sickness or Injury resulting in the inability of the Insured Player to perform the duties of a professional basketball player in the NBA, as certified by a Physician, subject to the terms, exclusions, limitations and conditions of the Policy
<u>Insured Persons:</u>	Each Team must insure 5 Players, each of whom is among its 5 highest paid Players based on either current season Salary or total remaining contract Salary. Insuring Players with less than 2 years remaining on contract is optional. Players ranked first or second under either salary category with 2 or more years remaining on contract must be insured. Teams have option to insure additional Players.
<u>Insurance Period:</u>	Maximum insurance period, any one Player, is 6 seasons (451 games after Elimination Period)
<u>Covered Salary:</u>	Current and deferred compensation (as well as signing bonus and incentive compensation that can be earned prior to the start of Regular Season Games, at the Team's option) subject to maximum annual Covered Salary of \$28,187,500
<u>Benefit:</u>	Up to Age 36 – 80% of Covered Salary Ages 37 and over – no coverage unless offered by MetLife and accepted by the Team On a per missed Regular Season Game basis, computed and paid monthly
<u>Maximum Benefit:</u>	\$275,000 per missed Regular Season Game based upon maximum annual Covered Salary of \$28,187,500
<u>Elimination Period:</u>	41 Regular Season Games

TEMPORARY TOTAL DISABILITY PROGRAM (cont'd)



Limit on Special Medical Exclusions:

Maximum of 14 Players with special medical exclusions due to Injury (submit of 3 Players with 2 special medical exclusions and 2 Players with 3 special medical exclusions), and maximum of 6 special medical exclusions due to Sickness. Limited exceptions apply.

Exclusions:

No benefits are payable for any Insured Player's Temporary Total Disability caused by, resulting from or in connection with:

- a. Participation by the Insured Player in any activity excluded in the Employment Contract, unless the Team continues to pay some or all of the Insured Player's Salary;
- b. Any condition subject to a special medical exclusion;
- c. Commission of a criminal act which results in the Insured Player's conviction of an offense punishable by imprisonment for more than one year. This shall not include any conviction or offense arising from the operation of a motor vehicle. In the event MetLife pays benefits due to the Insured Player's Temporary Total Disability caused by, resulting from or in connection with the commission of a criminal act which results in the Insured Player's conviction of an offense punishable by imprisonment for more than one year, the club shall return all such benefits to MetLife;
- d. The Insured Player being under the influence of any drug or narcotic which is not lawfully available, unless administered as prescribed or advised by a Physician; or
- e. Self-destruction or attempted self-destruction or intentional self-inflicted Injury by the Insured Player while sane.

120. What are the anti-collusion rules?

The CBA's anti-collusion provisions generally prohibit "agreements" (express or implied) among teams that they will not negotiate with or sign particular players or as to what contract terms will or will not be offered. Violation of the anti-collusion provisions of the CBA can have severe repercussions for both individual teams and the NBA. It is thus vital that teams proceed with caution in their communications regarding free agents, consult team counsel and the NBA Legal Department with any questions, and adhere to the rules set forth in this Section H.

Prohibited and Permitted Conduct.

No team, or any of its employees or agents, may enter into any agreement, express or implied, with any other team (i) to negotiate or to refrain from negotiating with any veteran or rookie, (ii) to submit or not to submit an Offer Sheet to any Restricted Free Agent, (iii) to offer or not to offer a player contract to a free agent, (iv) to exercise or not to exercise a right of first refusal, or (v) concerning the terms and conditions of employment offered to any veteran or rookie.

The CBA does not prohibit all communication among teams on the subject of free agent negotiations. Under the CBA and league rules, the following communications are permitted:

Each team's Designated Negotiators (i.e., the two persons designated as the only representatives of the team who may conduct free agent negotiations, as discussed in Paragraph H.3 below) are authorized to communicate with the Designated Negotiators of any other team in order to verify or confirm claims that particular offers have been made or promised to particular players. For example, if it is claimed that a player has been offered or promised an offer of a particular salary or a particular range of salary, a team's Designated Negotiators are permitted to contact the Designated Negotiators of the team that allegedly made the offer to inquire as to whether the offer was in fact made. This applies to claims about offers to any player, regardless of whether the team is interested in signing that player. The purpose of this rule is only to ensure that teams can conduct their free agent negotiations on the basis of accurate and truthful information and will not be misled by false or exaggerated claims or reports.

The league office is prohibited from disclosing to any team that another team has negotiated with or is negotiating with any free agent. The league office may discuss with any team its own negotiations with free agents and provide advice and assistance concerning the structuring of player contracts. However, the league office may not pass on to other teams any information regarding a team's negotiations with free agents.

Teams may not enter into any agreement or understanding with respect to the signing and trading of a player, except in accordance with the "sign-and-trade" rules set forth in the CBA.

Teams are prohibited from failing or refusing to negotiate or enter into a player contract with any player who is free to negotiate and sign a contract with any team because that player: (i) has previously been subject to the exclusive draft rights obtained by another team in an NBA Draft; (ii) has previously refused or failed to enter into a player contract containing an option; (iii) has become a Restricted or Unrestricted Free Agent; or (iv) is or has previously been subject to a Right of First Refusal. This, of course, does not require a team to negotiate with a free agent if it genuinely is not interested in his services.

Penalties under the Anti-Collusion Rules

If collusion is found, the affected players will have the right to terminate their contracts and, in addition, the following penalties will be imposed:

The first time a team engages in collusion, it will be required to pay double the amount of damages suffered by any player injured by the collusion.

The second time a team engages in collusion, it will be required to pay treble damages; and

If a team engages in collusion more than twice, it will be required to pay treble damages, plus a fine of \$4,000,000.

In addition to these specific penalties, the Players Association will have the right to terminate the entire CBA, upon a finding that:

In any one season, five or more teams have engaged in collusion and the collusion has affected five or more players; or

In any two consecutive seasons, seven or more teams have engaged in collusion and the collusion has affected seven or more players; or

At any time, 10 or more teams have engaged in collusion, even if only one player is affected.

121. What happens if a team circumvents the salary cap?

The CBA contains salary cap circumvention rules that prohibit teams from, among other things, paying any player for basketball services outside of the terms of his UPC, agreeing to enter into a future player contract, or undertaking any action that is designed to circumvent the intention of the parties as reflected in the CBA. As part of this broad prohibition, the circumvention rules generally prohibit teams from providing—or arranging for others to provide – any compensation, benefit, or anything else of value to a player (or any person or entity related to a player, such as his agent) unless such compensation, benefit, or other value is included in the player’s UPC or otherwise expressly permitted under the CBA.

The following is a summary of the salary cap circumvention rules as set forth in Article XIII of the CBA. This summary is intended only as a reference and is not meant to define the full meaning or scope of any provision in the CBA. Each team is responsible for reviewing the applicable provisions of the CBA in their entirety and taking appropriate steps to ensure that all team representatives and affiliates are in compliance at all times with these rules.

Prohibited Conduct

(1) Under Article XIII, Section 2(a) of the CBA, a team is prohibited from entering into, among other things, any agreements, transactions, promises, undertakings, or understandings of any kind with a player that involve “compensation or consideration of any kind or anything else of value,” “an investment or business opportunity to be furnished or made available to the player,” or “any future Renegotiation, Extension, or other amendment of an existing Player Contract, or entry into a new Player Contract.” The general prohibition set forth above means that, among other things, teams and Team Affiliates are prohibited from providing – or arranging for others to provide – potential investment or business opportunities to a player, including any free agent or draft-eligible player, or any person or entity related to a player. As noted above, the circumvention rules also broadly prohibit teams and Team Affiliates from providing a player, or any person or entity related to a player, with compensation, benefits, or things of value beyond what is called for in the player’s UPC and the CBA.

The above prohibition is very broad and is violated even absent any specific intention to provide compensation to a player or otherwise circumvent the salary cap. Even an attempt to enter into or solicit a relationship that is prohibited under Article XIII, Section 2(a) constitutes a violation of the prohibition.

(2) Under Article XIII, Section 1(b) of the CBA, a team is prohibited from entering into an agreement or understanding with a sponsor, business partner, or any other third party under which the third party pays or agrees to pay compensation for basketball services to a player under contract to the team, even if such compensation is ostensibly designated as being for non-basketball services.

(3) Under Article XIII, Section 1(c) of the CBA, a team is prohibited from having a financial arrangement with or offering a financial inducement to any player (not including retired players) not signed to a current Player Contract. Consistent with the foregoing, teams are prohibited from, among other things, paying an unsigned player to practice or work out with the team or paying or offering to pay compensation to an unsigned draft rookie or unsigned free agent in exchange for such player agreeing to participate in a summer league or a rookie camp. The only compensation that may be provided to a player participating in a summer league or rookie camp is as set forth in Section IV.A.3 of this Manual.

Also note that under the league's salary cap circumvention rules teams are prohibited from providing – or arranging for others to provide – potential investment or business opportunities to any international player (in connection with the team's attempt to secure rights to the player or otherwise).

b. Applicability of Prohibitions. All of the above prohibitions apply to all team representatives. For this purpose, “team representatives” includes persons holding ownership interests in an NBA team, as well as all full-time or part-time personnel, officers, directors, employees, agents, or other representatives of the team, and whether classified as “employee,” “consultant,” or otherwise. The prohibitions also apply to any other persons who are directed or authorized to act by team representatives. The prohibitions also apply to all Team Affiliates (as that term is defined in the CBA). The prohibitions also apply to players' agents and representatives and any other person or entity related to a player. The prohibitions also apply to contacts by a team with players employed by other teams (such contacts also may constitute tampering in violation of Article 35A(f) of the NBA Constitution; see Paragraph D.1 above).

Teams are responsible for taking all appropriate steps to ensure that all team representatives are in compliance at all times with the above CBA and NBA Constitution provisions.

c. Examples of Prohibited Conduct. Set forth below are examples of conduct that is prohibited under the circumvention rules. Note that these examples are for purposes of illustration only and do not constitute an exhaustive list of conduct prohibited under such rules.

Examples of Conduct Involving Investment or Business Opportunities That Is Prohibited Under the Salary Cap Circumvention Rules.

(1) A team representative invests in a company that is related to a player, or a player invests in a company that is affiliated with a team representative.

(2) A team representative helps a player gain access to an investment fund operated by a friend of the representative.

- (3) A team representative acquires an interest in a firm that represents NBA players.
 - (4) A team representative's non-NBA company engages a player to make promotional appearances on behalf of the company.
 - (5) A team promotes or sells a product that is produced by a player's business.
 - (6) A team hires a player's relative in a business, operations, administrative, or other similar role.
 - (7) A business owned by a team representative's spouse signs a player to an endorsement deal.
 - (8) A team representative assists a player in negotiating or obtaining a product endorsement agreement with a sports apparel company.
 - (9) A team representative recommends one of the team's players to a team sponsor as a candidate for an endorsement arrangement. (If teams are approached by business partners or other third parties regarding a potential business relationship with a player, teams should respond solely by providing the third party with contact information for the player and/or his agent.)
 - (10) A team's affiliated arena rents retail space in the arena to a player or a business owned by the player.
 - (11) A team suggests to a local company that the company offer a player an opportunity to enter into a business venture or agreement if the player signs a contract with the team.
 - (12) A team sells a sponsorship to a business owned by a player.
 - (13) A media business operated by a team representative enters into a partnership with a player or a business owned by a player.
 - (14) A team employs a recently-retired player in a non-playing capacity (e.g., as a player development or affiliated G League coach) and subsequently seeks to re-sign the individual as a player.
- NOTE:** Teams are allowed, subject to all CBA rules, to hire a recently retired player in a non-playing capacity; however, if a team does so, it will thereafter be prohibited from signing the individual as a player.

Examples of Other Prohibited Conduct Under the Salary Cap Circumvention Rules.

- (15) A team representative pays a cash bonus to a player (not disclosed in the player's UPC) upon the player's signing with the team.
- (16) A team representative promises a player who is currently under contract with the team that the team will sign the player to a new UPC once the player's current contract expires.
- (17) At the time a player and team are negotiating the terms of a UPC, a team representative promises the player that the team will also sign the player (or another player – e.g., a player represented by the same agent) to a future UPC.

(18) A team makes payments or reimbursements to or on behalf of a player in respect of travel, lodging, or meal expenses incurred in recruiting, negotiating, or signing the player in excess of that permitted under league rules.

(19) A team agrees to promote, help organize, or donate give-away items for a player's for-profit basketball skills training camp.

(20) A team's coach pays a cash prize to players who win shooting contests during team practices or who recover a certain number of loose balls in a game.

(21) A team organizes and pays for a team-building activity or celebration in a non-business destination (e.g., Bermuda).

(22) An executive of a company affiliated with a team representative makes a residence in the team's home city available to one of the team's players.

(23) A team representative takes a player to the Super Bowl at the representative's expense.

(24) A team representative recommends a player for membership in a private club (e.g., a country club membership).

(25) A team representative arranges, facilitates, or conducts any type of direct transaction with a player to provide the player with goods or services (on a discounted basis or otherwise). The circumvention rules would prohibit, for example, players participating in a corporate employee discount program of a company owned in whole or in part by a team representative or a team sponsor providing players with the sponsor's products for free.

(26) A team representative allows a player use of a private aircraft (e.g., plane, helicopter, etc.) in circumstances other than those expressly permitted by league rules. (Please refer to Paragraph I.2.b below for details.)

Penalties

Penalties for violating the circumvention rules include forfeiture of draft picks, a team fine of up to \$7.5 million, suspension of team personnel, and voiding of current and future player contracts between the team and any players at issue.

A violation of the rules may be proven by direct or circumstantial evidence, but not limited to, evidence that a Player Contract or any term or provision thereof cannot rationally be explained in the absence of the conduct violating the rules.

Reporting Requirements

(1) Mandatory Circumvention Certification. The CBA requires a certification from each team that it has not violated the circumvention provisions during the preceding season. Refer to Paragraph H.4 below for the required certification language.

(2) Solicitation of Unauthorized Benefits. Teams are required to report to the league office any solicitation by a player of compensation or other benefits that are not authorized under the CBA. This includes any solicitation made by a player himself, by the player's agent, or by any other person acting (or purporting to act) on the player's behalf. Reports must be made even if the solicitation is rejected. For purposes of this requirement, a "solicitation" includes a request, suggestion, demand, or any other communication that seeks an unauthorized benefit, whether express or implied. Thus, for example, if a free agent tells a team representative that he will sign a player contract with that team if the team's owner commits to invest in a business owned by the player, a report would be required. Similarly, if a player's agent tells a team representative that the player will demand a trade unless the team pays the player a cash bonus outside the player's UPC, a report would be required. Reports must be made within 24 hours of the relevant activity.

(3) Contact by Uncertified Player Representatives. Teams are required to report any contacts initiated on a player's behalf by an uncertified player representative regarding contracts, transactions, or related matters. Thus, for example, if a free agent's friend (who is not a certified agent) contacts a team representative to discuss potential contract terms on the player's behalf, a report would be required. Reports must be made within 24 hours of the relevant activity.

As a reminder, negotiating a player contract with an agent or representative who is not certified by the Players Association is prohibited under the CBA. The Players Association periodically provides the league office with updated lists of players and the agents that represent them.

122. What happens if a team, agent or player tampers?

Article 35A(f) of the NBA Constitution provides as follows:

"No person may, directly or indirectly, (i) entice, induce, persuade, or attempt to entice, induce or persuade, any Player who is under contract to, or whose exclusive negotiating rights are held by, any other Member of the Association to enter into negotiations for or relating to his services or negotiate or contract for such services or (ii) otherwise interfere with any such employer-employee relationship (or prospective employer-employee relationship in the case of a Player subject to exclusive negotiating rights) of any other Member of the Association. The Commissioner, either in his discretion or at the request of a Member who alleges that its Player has been tampered with, shall conduct an investigation into whether a person has violated the anti-tampering rule set forth in the prior sentence. In the event that, following such investigation and a hearing at which the person (and the Member employing the person allegedly tampered with) has an opportunity to be heard after due notice, the Commissioner determines that the anti-tampering rule has been violated, he shall have the power, in his sole discretion, to impose a penalty for such offense, which penalty may include (without limitation) the suspension of such person for a definite or indefinite period; the prohibition of the Member employing or otherwise affiliated with the offending person from hiring the Player tampered with for a definite or indefinite period; the forfeiture of Draft picks held by the Member employing or otherwise affiliated with the offending person or the transfer of such Draft picks to the aggrieved Member; and/or the imposition of a fine upon the offending person and/or the Member employing or otherwise affiliated with such offending person in

an amount not to exceed \$10,000,000. In the event that the Commissioner imposes a fine, he may direct that some or all of the fine be paid directly to the Member aggrieved by the tampering.”

Article 35A(e) of the NBA Constitution provides for a similar tampering prohibition covering coaches, trainers, general managers, or any other person who is under contract to any team.

The anti-tampering rule contained in the NBA Constitution embodies a fundamental principle in a league of partners – namely, that employment contracts are to be respected and conduct that interferes with contractual employment relationships is prohibited. This principle is particularly important in today’s media environment, where any actions or comments relating to potential player movement receive immediate and widespread public attention. Teams should be entitled to focus their efforts on the competition with the players they have under contract, without having to divert attention or resources to conduct or speculate regarding the potential destinations of those players in future seasons once their contracts expire.

The scope of the anti-tampering rule is broad, and its application in any given case is based on all facts and circumstances. Accordingly, conduct that does not violate the rule in any single instance may nevertheless constitute a violation if it becomes repeated or part of a broader collection of improper actions. Teams should therefore refrain from any conduct – including public statements – that could be viewed as targeting or expressing interest in another team’s player.

Under Article 35A of the NBA Constitution, it is a violation of the league’s anti-tampering rule for any person affiliated with an NBA team to directly or indirectly (i) entice, induce, or persuade, or attempt to entice, induce, or persuade, any player, coach, GM, or other person under contract to any other NBA team (or, in the case of players, whose exclusive draft rights are held by such team) to enter into negotiations for or relating to that person’s services or to negotiate or contract for such services, or (ii) otherwise interfere with the employer-employee relationship (or prospective employer-employee relationship in the case of a drafted player) between that employee and the other NBA team. The anti-tampering rule applies to all team representatives. For this purpose, “team representative” includes persons holding ownership interests in the team as well as all full-time or part-time personnel, officers, directors, employees, agents, or other representatives of the team, and whether classified as “employee,” “consultant,” or otherwise. The rule also applies to any other persons who are directed or authorized to act by team representatives. For example, it would be a violation of the rule for a team to encourage or direct one of its players to recruit (whether privately or publicly) a player under contract to another team.

Potential penalties for tampering include suspension of the offending person, prohibition of the offending team from hiring the person who was tampered with, forfeiture of draft picks, and individual and/or team fines of up to \$10 million.

The scope of the anti-tampering rule is broad. Below are examples of conduct that is prohibited by the rule. For purposes of illustration, these examples all involve contact with another team’s player. However, the rule applies equally to contact with other personnel who are under contract with another team (such as a coach or GM).

Examples of Prohibited Contact.

Direct Contact

Teams are prohibited from having any direct communications (e.g., meetings, telephone calls, texts, etc.) with a player on another team that violates the restrictions described above, including expressions of interest in obtaining the player's current or future services. Contact with a player is permitted if authorized in advance by the player's current team. In addition, the rule does not prohibit social interaction required by courtesy, such as a brief greeting to a player in the arena prior to a game. (Please note, however, that even social courtesies could form the basis for a tampering violation if they are established to be intentional on the part of the team, repeated, and/or done for the purpose of conveying interest in the player while he is under contract to another team.)

Contact with Agent or Representative

Teams are prohibited from having communications with a player's agent or other representative that would be prohibited if made to the player. For example, contacting a player's agent to express interest in trading for the player or signing the player in a subsequent season would violate the rule.

Other Indirect Contact

The rule prohibits indirect communications, such as those made through intermediaries – e.g., a player's family member, friend, or personal trainer. For example, expressing interest in a player through his spouse would violate the rule even if no direct contact is made with the player.

Public Statements. The rule also prohibits public statements that would violate the rule if made directly to a player. This includes statements by a team or its personnel that are made at live events, on team websites, via social media outlets, or to members of the media. For example, a public statement by a team's GM that the team is interested in acquiring another team's player via trade would violate the rule. This also includes statements made at events that may appear private but involve a likelihood of team comments being made public, such as season ticket holder activities or sports conferences.

For clarity, isolated public comments by team representatives praising another team's player will not be regarded as violations of the anti-tampering rule unless aggravating circumstances are present. Potential aggravating circumstances include:

- (a) Stated interest in signing or trading for the player;
- (b) Referencing the player's fit (or lack thereof) with his current team or
- (c) Referencing the amount of compensation a player deserves or is likely to be paid under a future contract;
- (d) Repeated or excessive praise of the player;
- (e) Any other conduct, taking into account context, that is reasonably viewed as interfering with the player's relationship with his current team (including but not limited to conduct reasonably viewed as constituting an expression of interest in obtaining the player's current or future services).

So, for example, "Player A is a great player" would not be a tampering violation by an executive of Team B, but "Player A would be a great fit for our team" would be a tampering violation.

As another example, brief statements made by a GM complimenting the ability of a player on another team in response to questions from the media before a game would not be a tampering violation. On the other hand, a

series of unprompted tweets by a GM praising a prospective free agent on another team would constitute a tampering violation.

Player-to-Player Tampering

The player tampering rule prohibits players from tampering with players and other team personnel. The rule is enforced in the following ways:

(a) Tampering conduct or statements by a player that result from coordination with his team are prohibited. Put differently, any conduct or statements that would violate the anti-tampering rule if undertaken directly by a team will also violate the rule if coordinated with or effectuated through a player.

(b) Repeated or excessive public conduct or statements by a player that tamper with another team's player are prohibited. For example, a sustained public recruiting pitch by a player on Team A that he would like to play in the future with a player on Team B would violate the rule.

(c) Conduct or statements by a player that induce another player to demand a trade will be regarded as violative of the player tampering rule. For example, if a player on Team A suggests to a player on Team B that the Team B player should demand a trade to Team A, the player on Team A has violated the player tampering rule. It is not necessary that the conduct or statements actually induce a player to demand a trade – even an attempt would be actionable under the player tampering rule. In addition, direct or indirect conduct or statements of this kind by a player (such as by a player's agent or family member) would violate the rule.

The tampering rule does not prohibit private discussions between or among players regarding future career plans.

Free Agency

With respect to free agency, examples of prohibited conduct include (but are not limited to) public statements by team personnel on the impending free agency of a player under contract with another team that address:

- (1)** The player's desirability compared to other impending free agents;
- (2)** The player's potential "fit" with a new team;
- (3)** Whether the player is currently being utilized well by his current team;
- (4)** The amount or length of the contract offer that the player is likely to receive through free agency;
- (5)** Whether a new team is "interested in," "looking at," "considering," or "talking about" the player;
- (6)** The fact that "any team" or "every team" would be interested in acquiring the player;
- (7)** Whether a new team would be willing to go above the Salary Cap or the Tax Level in order to acquire the player; or
- (8)** Whether a new team is seeking to acquire the player in a sign-and-trade transaction.

If a team employee or representative is asked by the media about a potential free agent prior to the July 1 following the last season covered by the player's contract, or about any other person under contract to another NBA team, the most prudent response is to decline comment.

If your team is interested in the coaching or other non-playing employment services of an impending free agent and would like to speak with or comment publicly about the player prior to July 1, the proper first step is to call the player's existing team and obtain permission to speak with the player for this purpose. Similarly, if your team is interested in the employment services of any employee under contract to another NBA team (other than a player), the proper first step is to call the team and obtain permission to speak with the employee.

123. What is the anti-drug policy?

No Marijuana Testing

There will be no testing for marijuana, and marijuana will no longer be on the Prohibited Substance List.

No More Needles

All HGH blood testing will be done via Dried Blood Spot Testing (drops of blood gathered via a small prick), and there will be no more use of needles.

Reduced Penalties for Xanax, Valium

Players who test positive for Benzodiazepines (e.g., Xanax, Valium) will no longer be dismissed and disqualified and will instead be subject to the same penalties as players who test positive for SPEDs (25-game suspension for first offense).

Reduced Reinstatement Time Following Dismissal & Disqualification

Players dismissed and disqualified from the NBA for the use of hard drugs may apply for reinstatement in 12 months, reduced from 24 months.

Random Testing

In addition to the testing procedures set forth, a player shall be required to undergo urine testing for Prohibited Substances at any time, without prior notice to the player, no more than four (4) times each Season and no more than two (2) times during each Off-Season. The last day of a Season for a player shall be the day before that player's Off-Season begins.

Penalties

Any player who (i) tests positive for a SPED, Benzodiazepine, or Diuretic pursuant to Section 5 (Reasonable Cause Testing or Hearing), Section 6 (Random Testing), or Section 16 (Additional Bases for Testing), or (ii) is adjudged by the Grievance Arbitrator pursuant to Section 5(e) above to have used or possessed a SPED, Benzodiazepine, or Diuretic, shall suffer the following penalties:

For the first such violation, the player shall be suspended for twenty-five (25) games and required to enter the SPED Program (or the Drugs of Abuse Program if the positive test or the use or possession is for a Benzodiazepine);

For the second such violation, the player shall be suspended for fifty-five (55) games and, if the player is not then subject to in-patient or aftercare treatment in the SPED or Drugs of Abuse Program (as applicable), be required to enter the SPED Program (or the Drugs of Abuse Program if the positive test or the use or possession is for a Benzodiazepine); and

For the third such violation, the player shall be immediately dismissed and disqualified from any association with the NBA or any of its Teams in accordance with the provisions of Section 12(a) below .

The penalties set forth above with respect to a player's use of a SPED or Benzodiazepine may be reduced or rescinded by the Grievance Arbitrator.

Note: See Exhibit 1-3 and 1-4 in the CBA for the list of banned drugs.

Reinstatement

After a period of at least one(1)year from the time of a player's dismissal and disqualification, such player may apply for reinstatement as a player in the NBA.

However, such players shall have no right to reinstatement under any circumstance and the reinstatement shall be granted only with the prior approval of both the NBA and the Players Association, which shall not be unreasonably withheld. The approval of the NBA and the Players Association shall rest in their absolute and sole discretion, and their decision shall be final, binding, and unappealable. Among the factors that may be considered by the NBA and the Players Association in determining whether to grant reinstatement are (without limitation): the circumstances surrounding the player's dismissal and disqualification; whether the player has satisfactorily completed a treatment and rehabilitation program; the player's conduct since his dismissal, including the extent to which the player has since comported himself as a suitable role model for youth; and whether the player is judged to possess the requisite qualities of good character and morality.

For a First-Year Player, the NBA and the Players Association will consider an application for reinstatement only if the player has, in the opinion of the Medical Director or the SPED Medical Director (as applicable), successfully completed any in-patient treatment and/or aftercare prescribed by the Medical Director or the SPED Medical Director (as applicable). For a Veteran Player who was dismissed and disqualified in connection with a Drug of Abuse, the NBA and the Players Association will consider any application for reinstatement only if the player can demonstrate, by proof of random urine testing acceptable to the Medical Director (conducted on at least a weekly basis), that he has not tested positive (i) for a Drug of Abuse or synthetic cannabinoid within the twelve (12) months prior to the submission of his application for reinstatement and during any period while his application is being reviewed, and (ii) if the Medical Director deems it necessary in his or her

professional judgment, for marijuana and/or alcohol for the six (6) months prior to the submission of his application for reinstatement and during any period while his application is being reviewed. For a Veteran Player who was dismissed and disqualified under Section 12(a) above in connection with a SPED, the NBA and the Players Association will consider any application for reinstatement only if the player can demonstrate, by proof of random urine and/or blood testing acceptable to the SPED Medical Director (conducted on at least a weekly basis), that he has not tested positive for a SPED within the twelve (12) months prior to the submission of his application for reinstatement and during any period while his application is being reviewed.

The granting of an application for reinstatement may be conditioned upon random testing of the player or such other terms as may be agreed upon by the NBA and the Players Association.

Any player who has been reinstated and is subsequently dismissed and disqualified from any association with the NBA or any of its Teams shall therefore be ineligible for reinstatement.

In the event that the application for reinstatement of a First-Year Player dismissed and disqualified pursuant to Section 6(b) above is approved, such player, by reason of his Player Contract having been rendered null and void, shall be deemed not to have completed his Player Contract by rendering the playing services called for thereunder. Accordingly, such player shall not be a Free Agent and shall not be entitled to negotiate or sign a Player Contract with any NBA Team, except with his prior team.

A First-Year Player who has been reinstated, immediately upon such reinstatement, notify the Team to which he was under contract at the time of his dismissal and disqualification (the "previous Team"). Upon receipt of such notification, the previous Team shall then have thirty (30) days in which to make a Tender to the player with a stated term of at least one (1) full NBA Season (or, in the event that the Tender is made during a Season, of at least the remainder of that Season) and calling for at least the Minimum Player Salary then applicable to that player but not more than the Salary provided for in Section 13(f)(iii) below. If the previous Team makes such a Tender, it shall, for a period of one (1) year from the date of the Tender, be the only NBA Team with which the player may negotiate and sign a Player Contract. If the player does not sign a Player Contract with the previous Team within the year following such Tender, the player shall thereupon be deemed a Restricted Free Agent, subject to a Right of First Refusal. If the previous Team fails to make a Tender, the player shall become an Unrestricted Free Agent.

124. What is the player conduct policy? When can a player get suspended or fined?

In addition to any other rights a Team or the NBA may have by contract (including but not limited to the rights set forth in Paragraphs 9 and 16 of the Uniform Player Contract) or by law:

When a player (A) fails or refuses, without proper and reasonable cause or excuse, to render the services required by a Player Contract or this Agreement, or (B) is suspended by his Team or the NBA for failing or refusing, without proper and reasonable cause or excuse, to render the services required by a Player Contract or this Agreement, the Current Base Compensation payable to the player for the year of the Contract during which such failure or refusal and/or suspension occurs shall be reduced by 1/91.6th of the player's Base Compensation for each missed Exhibition, Regular Season, Play-In, or playoff game; and

If a player has a salary of \$35,640,000 the fine for missed game is \$389,082

When a player is, for proper cause other than the player's failure or refusal to render the services required by a Player Contract or this Agreement, suspended by his Team or the NBA in accordance with the terms of such Contract or this Agreement, the Current Base Compensation payable to the player for the year of the Contract during which such suspension occurs shall be reduced by (i) 1/145th of the player's Base Compensation for each missed Exhibition, Regular Season, Play-In, or playoff game for any suspension of fewer than twenty (20) games and (ii) 1/110th of the player's Base Compensation for each missed Exhibition, Regular Season, Play-In, or playoff game for any suspension of twenty (20) games or more (including any indefinite suspension that persists for twenty (20) games or more or consecutive suspensions for continuing acts or conduct that persist for twenty (20) games or more).

Example

Player A has a salary of \$20 million and is suspended for 5 games. The per game amount is \$137,931 and a total amount is \$689,655.

Player B has a salary of \$35 million and is suspended for 25 games. The per game amount is \$318,182 and total amount is \$7,954,545.

New CBA rule

If such suspension is for conduct on the playing court and is a one-game suspension, the Current Base Compensation payable to the player for the year of the Contract during which such suspension occurs shall be reduced by an amount equal to the player's Current Base Compensation for such Season multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of days in the Regular Season.

For clarity, for any other game for which such player is suspended by his Team or the NBA during such Season, the Current Base Compensation payable to the player for the year of the Contract during which such suspension occurs shall be reduced.

Example

John Smith is suspended for one-game for failure to leave the court and has a salary of \$5M.

The one game suspension is \$28,736-1/174 (total days of the regular season).

Carryover Suspensions (New CBA rule)

If (i) a player has games remaining on a suspension at the time his Contract ends (because the player has completed the playing services thereunder or because the Contract has been waived), or (ii) a suspension is imposed upon a player when that player is a free agent, and – in either case – he, though otherwise able to play, remains a free agent at the start of the next Regular Season (the "Next Season"):

His suspension will be deemed to have been served once his prior team has played a number of games in the Next Season equal to 1.5 times the number of games that remained on the term of the suspension (with any half games rounded up to the nearest whole number)

EXAMPLE: Patrick Beverley is suspended 4 games for the 2024-25 regular season.

Beverley signed a player contract in Israel for the 2024-25 season.

The suspension will be deemed served after Milwaukee (his prior team) plays six regular season games.

If the player subsequently signs one or more Player Contracts, the player's total Compensation for the Next Season (or the first subsequent Season thereafter for which he signs a Player Contract if he does not sign a Player Contract for the Next Season) under one or more Contracts will be reduced in accordance with Article VI, Section 1 of the CBA for the number of games that had been remaining on the suspension at the start of the Next Season.

For clarity, if a player remains unsigned at the start of the Next Season for some number of games but not the total number of games for which he needed to remain unsigned to be deemed to have served his suspension, he will be credited for two-thirds of the games he missed while he remained unsigned (rounded to the nearest whole number) and he will serve the remainder of the suspension upon signing a Contract.

125. What happens if a player fails to report?

A player who withholds playing services called for by a Player Contract for more than thirty (30) days after the start of the last Season covered by his Player Contract shall be deemed not to have "completed his Player Contract by rendering the playing services called for thereunder." Accordingly, such a player shall not be a Veteran Free Agent and shall not be entitled to negotiate or sign a Player Contract with any other professional basketball team unless and until the Team for which the player last played expressly agreed otherwise.

Example

If James Harden were to withhold services for more than thirty days, he would not be allowed to negotiate a new contract as a free agent in 2024 unless the 76ers agreed.

126. What are the maximum fines for conduct detrimental or when a player asks to be traded?

Conduct or Statements Detrimental; Tampering. The maximum player fine that may be imposed for (1) conduct or statements prejudicial or detrimental to the best interests of basketball, the NBA, or a team, or (2) violations of the tampering rules, will be \$100,000.

Public Trade Demands. Any player (or, for clarity, any player representative or person acting with authority on behalf of a player) who publicly expresses a desire to be traded to another Team shall be subject to a fine

and/or a suspension. The maximum fine that may be imposed by the NBA on a player pursuant to the foregoing shall be \$150,000.

Certain On- and Off-Court Conduct

Leaving the Bench Area

In administering the rule regarding a player leaving the bench area in connection with an altercation during a game and determining whether discipline will be imposed, the league office will take into account the following factors, as well as any other relevant facts and circumstances: (1) the distance the player traveled from the bench, and (2) the extent to which he entered the immediate proximity of the altercation.

Throwing Objects into the Stands

A player who throws or kicks an object into the stands (including a player who throws or kicks an object at the basket stanchion when the object lands in the stands) will receive a technical foul and be subject to an automatic ejection and a fine and/or suspension, provided that throwing or kicking the ball into the stands or at the basket stanchion will only result in an automatic ejection and a fine and/or suspension if the ball was thrown or kicked with force.

Profanity

The use of profanity will not result in discipline in the following instances, provided that, in all circumstances, any egregious and/or persistent use of profanity will result in discipline: (1) outside the arena, including in media appearances or interviews; (2) in an interview conducted courtside immediately following the end of a quarter or the game; and (3) in addressing the media before or after a practice or game. For clarity, use of racist, sexist, homophobic, or other discriminatory or derogatory language will remain prohibited at all times and will subject a player to appropriate discipline.

Criticism of Game Officials

Rule I.O.3 of the annual Player Conduct, NBA Uniform Requirements, Dress Code, and Other Player-Related Matters memorandum will be revised to provide that a player who publicly criticizes game officials will be considered to be acting in a manner prejudicial or detrimental to the NBA and subject to appropriate discipline only when the criticism is unprofessional or inappropriate.

Player and Game Official Conduct

On a quarterly basis, the NBA and Players Association will meet to discuss the relationship and interactions between players and NBA referees, including any discipline imposed by the NBA on referees for conduct on the playing court.

Fines Imposed on Teams

For any fine imposed on a team, team Governor, or other team personnel by the NBA for violations of league rules regarding (A) injury, illness, rest, and game status reporting, (B) timing of free agency discussions, (C) tampering, (D) leaving the bench area during a game, or (E) team criticism of game officials, 50% of such fine amount will be payable to the NBA and 50% will be payable to an NBPA-Selected Charitable Organization (as defined in Article VI, Section 6(a) of the CBA); provided, however, that the maximum amount payable to an NBPA-Selected Charitable Organization will be 50% of the amount of the maximum fine that could be imposed on a player for engaging in the conduct at issue and provided further that where there is no specified maximum fine for a player, the maximum amount payable to the NBPA-Selected Charitable Organization will be \$50,000 (i.e., 50% of \$100,000).

How the rule works: *If the Mavericks were fined \$750K under the new CBA, \$375K would have gone to the Players Association.*

Practices

When a player, without proper and reasonable excuse, fails to attend a practice session scheduled by his Team, he shall be subject to the following discipline: (i) for the first missed practice during a Season – \$2,500; (ii) for the second missed practice during such Season – \$5,000; (iii) for the third missed practice during such Season – \$7,500; and (iv) for the fourth (or any additional) missed practice during such Season – such discipline as is reasonable under the circumstances.

When a player, without proper and reasonable excuse, refuses or intentionally fails to attend any practice session scheduled by his Team, he shall be subject to such discipline as is reasonable under the circumstances.

Other Fines

- Mandatory Programs: \$20K
- Promotional Appearances: \$20K
- Media Training: \$20K
- Business of Basketball: \$5K
- Anti-Gambling Sessions: \$100K

Unlawful Violence

When a player is convicted of (including by a plea of guilty, no contest, or nolo contendere to) a violent felony, he shall immediately be suspended by the NBA for a minimum of ten (10) games.

Firearms and Other Weapons.

Whenever a player is physically present at a facility or venue owned, operated, or being used by a Team, the NBA, or any League-related entity, and whenever a player is traveling on any NBA-related business, whether on behalf of the player's Team, the NBA, or any League-related entity, such player shall not possess a firearm of any kind or any other deadly weapon. For purposes of the foregoing, "a facility or venue" includes, but is not limited to: an arena; a practice facility; a Team or League office or facility; a facility or venue used for an NBA

event (such as an In-Season Tournament, All-Star, or NBA playoff venue); and the site of a promotional or charitable appearance.

At the commencement of each Season, and if the player owns or possesses any firearm, the player will provide the Team with proof that the player possesses a license or registration as required by law for any such firearm. Each player is also required to provide the Team with proof of any modifications or additions made to this information during the Season.

(c) Any violation shall be considered conduct prejudicial to the NBA under Article 35(d) of the NBA Constitution and By-Laws, and shall therefore subject the player to discipline by the NBA in accordance with such Article.

One Penalty

The NBA and a Team shall not discipline players for the same act or conduct. The NBA's disciplinary action will preclude or supersede disciplinary action by any Team for the same act or conduct.

When the NBA becomes aware of any potential or actual disciplinary action which may be or has been imposed by a Team for a player's act or conduct, the NBA may, within forty-eight (48) hours, prohibit the discipline from being imposed or rescind the discipline that has been imposed, as applicable. If the NBA prohibits or rescinds the discipline, only the NBA shall thereafter be permitted to impose discipline on the player for that act or conduct. If the NBA does not prohibit or rescind the Team's discipline, the Team may impose its proposed discipline or the Team's discipline will remain in effect, as applicable, and, if the Team's discipline becomes effective or remains in effect, the NBA may not thereafter impose discipline on the player for that act or conduct.

The same act or conduct by a player may result in both a termination of the player's Uniform Player Contract by his Team and the suspension of the player by the NBA if the egregious nature of the act or conduct is so lacking in justification as to warrant such double penalty, and (ii) both the NBA and the Team to which a player is traded may impose discipline for a player's failure to report for a trade.

League Investigations.

Players are required to cooperate with investigations of alleged player misconduct conducted by the NBA. Failure to so cooperate, in the absence of a reasonable apprehension of criminal prosecution, will subject the player to reasonable fines and/or suspensions imposed by the NBA. Any investigations of alleged misconduct that is covered by the Joint NBA/NBPA Policy on Domestic Violence, Sexual Assault, and Child Abuse shall be governed by the terms of that Policy.

The NBA shall provide the Players Association with such advance notice as is reasonable in the circumstances of any interview or meeting to be held (in person or by telephone) between an NBA representative and a player under investigation

Player Arrests

A Team shall not impose discipline on a player solely on the basis of the fact that the player has been arrested. Notwithstanding the foregoing, (a) a Team may impose discipline on a player for the conduct underlying the

player's arrest if it has an independent basis for doing so, (b) nothing herein shall permit a Team to discipline a player for his failure to cooperate with a Team's investigation of his alleged misconduct if he has a reasonable apprehension of criminal prosecution, and (c) nothing herein shall prevent a Team from precluding a player from participating in Team activities without loss of pay to the extent it otherwise has the right to do so.

127. What is the league's domestic violence program?

The parties have agreed to the Joint NBA/NBPA Policy on Domestic Violence, Sexual Assault, and Child Abuse (and any amendments thereto), which is attached below.

Any evaluation, counseling, treatment, and/or discipline of a player for engaging in acts covered by this Policy shall be governed by the terms of the Policy.

EXHIBIT F

JOINT NBA/NBPA POLICY ON DOMESTIC VIOLENCE, SEXUAL ASSAULT, AND CHILD ABUSE

Through this Policy, the National Basketball Association (“NBA”) and the National Basketball Players Association (“NBPA”) (collectively, “the Parties”) have agreed to work together to address domestic violence, sexual assault, and child abuse in the NBA.

Covered Behavior

Acts that constitute domestic violence, sexual assault, and child abuse are prohibited at all times and regardless of where they occur.

For purposes of this Policy, “domestic violence” includes, but is not limited to, any actual or attempted violent act that is committed by one party in an intimate or family relationship against another party in that relationship. Such an act may include physical assault or battery, sexual assault, stalking, harassment, or other forms of physical or psychological abuse. It may also include behavior that intimidates, manipulates, humiliates, isolates, frightens, terrorizes, coerces, threatens, injures, or places another person in fear of bodily harm. Domestic violence can be perpetrated by current or former spouses, current or former domestic or same sex partners, persons who are living together or have cohabitated, persons with children in common, persons who have or had an intimate or dating relationship, and family members. Domestic violence can be a single act or a pattern of behavior in a relationship.

For purposes of this Policy, “sexual assault” includes, but is not limited to, any actual or attempted sexual contact or act to which one party has not consented. Lack of consent is deemed to exist when a person uses or threatens the use of force, harassment, or any other form of coercion against another. Lack of consent is also deemed to exist when a person is mentally incapable of giving consent, as a result of disability, incapacitation, intoxication, or otherwise.

For purposes of this Policy, “child abuse” includes, but is not limited to, any act or failure to act by a parent, caregiver, or adult that results in death,

serious physical or emotional harm, or sexual or other exploitation of a child. Child abuse also includes behavior that poses an imminent risk of such harm to a child.

Policy Committee

The Parties shall establish a joint committee to provide education, support, treatment, referrals, counseling, and other resources for players, their family members, and others at risk (the “Policy Committee”). The Policy Committee will be comprised of two representatives from the NBA and two representatives from the NBPA (the “Party Representatives”), as well as three independent experts with experience in domestic violence, sexual assault, and/or child abuse (the “Expert Representatives”). All decisions of the Policy Committee shall be made by a majority vote, unless otherwise stated in this Policy, and shall be final, binding, and unappealable.

The Party Representatives shall jointly select the three Expert Representatives to serve on the Policy Committee within 60 days of the issuance of this Policy. There shall be at least one Expert Representative on the Policy Committee at all times with specific expertise in each of the three subject areas (*i.e.*, domestic violence, sexual assault, and child abuse). The Expert Representatives will each serve for the duration of this Policy; provided, however, that either the NBA or the NBPA may discharge any of them on an annual basis by serving written notice upon the Expert Representative(s) and upon the other Party within 60 days of the anniversary of the appointment of such person. If an Expert Representative is discharged, the Party Representatives shall jointly select a successor Expert Representative within 30 days of the notice of discharge.

In the event that the Party Representatives are unable to agree upon and jointly select any or all of the Expert Representatives within 60 days of the issuance of this Policy or within 30 days of the notice of any discharge of an Expert Representative, the following process will be implemented. Within five days following the deadline to select the Expert Representative(s), the Party Representatives shall exchange lists containing the names and qualifications of three proposed Expert Representatives per open position. Within five days following the exchange of such lists, the Party Representatives shall jointly select from that group of individuals the Expert Representative(s) needed to serve on the Policy Committee. If they are

unable to do so, then, within an additional three-day period, the Party Representatives shall engage in a process of alternatively striking names from the lists until one name remains for each open position, and such person(s) shall be appointed as the Expert Representative(s).

Training and Education

The Parties seek to prevent incidents of domestic violence, sexual assault, and child abuse from occurring through educational programs and awareness training.

The Policy Committee will implement and oversee all training and educational programs for NBA players that address issues of domestic violence, sexual assault, and child abuse, and shall make all determinations related thereto including, but not limited to, the staffing, content, format, and frequency of such programs. The Policy Committee will annually review such programs to ensure that they are effective and that the content is appropriate, thorough, and properly communicated to the players.

Hotline

Within 60 days of the issuance of this Policy, the Parties shall jointly select a service provider to support a 24-hour, confidential hotline that can be used by players, their families, and other victims of domestic violence, sexual assault, and child abuse as defined by this Policy to seek assistance and referrals (the “Service Provider”).

If the Parties are unable to do so, then, within five days following the deadline to select the Service Provider, they shall exchange lists containing the names, qualifications, and cost of three proposed Service Providers. Within five days following the exchange of such lists, the Parties shall jointly select the Service Provider. If the Parties are unable to do so, then, within an additional three-day period, they shall engage in a process of alternatively striking names from the lists until one name remains, and such organization shall be appointed as the Service Provider.

Treatment and Intervention

1. General

The NBA or the NBPA may refer a player to the Policy Committee in any of the following circumstances:

- a. As part of a disciplinary determination of the Commissioner for conduct in violation of this Policy; or
- b. After a Player is criminally convicted of an offense that involves conduct in violation of this Policy.

The Policy Committee will also be available as a resource to any player who voluntarily seeks assistance.

Once a player has been referred to the Policy Committee, an expert selected by the Policy Committee will conduct an initial evaluation of the player as soon as is practicable. Following such evaluation, the Policy Committee will develop a Treatment and Accountability Plan (“TAP”) for the player, as may be appropriate. As part of the TAP, the Policy Committee may require that the player submit to psychological or other evaluations and/or attend counseling sessions with a licensed professional, and take other steps that it deems necessary. In developing the TAP, the Policy Committee will take into account any treatment or counseling that the player may have initiated on his own or pursuant to a criminal resolution of any charges against him.

The Policy Committee will oversee the player’s compliance with any TAP, and shall provide additional support to the player as needed. Any treating professionals shall provide regular, written status reports to the Policy Committee that detail the player’s progress and compliance with the TAP. The Policy Committee may periodically revise, modify, extend, or close the TAP on its own initiative, on the recommendation of the player’s treating professional(s), or upon petition of the player. All information related to a player’s involvement with the Policy Committee shall be kept confidential.

The Policy Committee shall determine whether the player has successfully completed his TAP, and may also issue a revised TAP at any time. A player must receive a certification of completion from the Policy Committee in order to conclude his treatment and the oversight of the Policy Committee.

2. Non-Compliance

Players are required to comply with the directives of the Policy Committee, including with his TAP. If the Policy Committee determines that a player has failed to comply without a reasonable explanation, it shall notify the NBA. For the first such instance of non-compliance, the NBA shall issue a warning to the player. If such non-compliance continues for three additional days after the warning is issued, or for the second or any additional instances of non-compliance as determined by the Policy Committee, the NBA shall fine the player in the amount of \$10,000 for each day that he fails to comply. Such fines shall continue until the player has, in the judgment of the Policy Committee, resumed full compliance.

If the Policy Committee determines that a player has demonstrated substantial non-compliance, without a reasonable explanation, through a pattern of behavior that demonstrates a mindful disregard for his treatment responsibilities, it shall notify the NBA, which shall thereupon impose:

- a. A one-game suspension for the first instance of substantial non-compliance; and
- b. A suspension that is at least one game longer than his immediately-preceding suspension for each additional instance of substantial non-compliance and that shall continue until, in the judgment of the Policy Committee, the player resumes full compliance with its directives, including with his TAP.

Costs

Any and all costs of the training, education, treatment, intervention, and other resources described above including, but not limited to, the Policy Committee, Expert Representatives, education and training programs, hotline, experts, and counselors, will be shared equally by the Parties (unless

otherwise covered by the NBA Players Group Health Plan or other insurance plan provided to NBA players). The NBPA's share shall be paid by the NBA and included in Player Benefits under Article IV, Section 6 of the CBA. The NBA's share will be excluded from the calculation of Benefits under the CBA.

Investigation of Incidents

The NBA will give the NBPA and the player prompt notice of the commencement of any investigation into an alleged violation of this Policy.

The NBA's investigation may include the use of third party resources including, but not limited to, outside legal counsel, outside investigators, or other individuals with relevant experience or expertise.

The NBA will notify the NBPA when it has concluded its investigation and report whether it believes a violation of the Policy has occurred.

Cooperation

Except in circumstances where the player has a reasonable apprehension of criminal prosecution, players shall cooperate fully with any NBA investigation under this Policy. Any player interviewed by the NBA as part of its investigation is entitled to have a representative from the NBPA present during the interview, and the NBA will provide the NBPA with at least 48 hours' notice before any in-person interview.

Failing to cooperate in full, or interfering in any manner, with an NBA investigation will subject the non-cooperative individual to discipline consistent with the terms of Article VI, Section 11(a) of the CBA. It may constitute a violation of this cooperation requirement for a player to attempt to or enter into any agreement with a witness, victim, or other party that would discourage or prevent that individual from cooperating with an NBA investigation. However, the player is under no obligation to demand, request, or otherwise encourage anyone to cooperate with an NBA investigation.

Administrative Leave

While an investigation is pending, the Commissioner may at any time place the player on administrative leave with pay for a reasonable period of time. The parties agree that administrative leave is not intended to be routinely applied during the pendency of every player investigation under this Policy. Instead, administrative leave should be applied in only those cases in which a balancing of all relevant factors clearly establishes that it is reasonable to do so under the totality of the circumstances.

In deciding whether to place a player on paid administrative leave, the Commissioner shall consider among other relevant factors the following non-exhaustive list of factors:

- The nature and severity of the allegation(s), including whether a weapon was involved and whether any injury was suffered by anyone (including the player);
- Whether the allegations are supported by credible information;
- The relationship between the player and accuser;
- Information regarding the player's history of prior similar conduct, or lack thereof;
- The prior criminal or disciplinary history of the player, or lack thereof;
- The status of any criminal investigation and/or prosecution regarding the alleged incident, including whether any arrests have been made;
- The character of the player;
- The player's reputation within the NBA community;
- The NBA's past practice regarding discipline imposed on a player for similar allegations; and
- The risk of reputational damage to the NBA and/or the player's team.

The NBA will give prompt notice to the NBPA, the player's team, and the player of any decision to place a player on paid administrative leave pursuant to this Policy. The decision to place the player on paid administrative leave pending an investigation shall not preclude further

disciplinary action by the Commissioner against the player in accordance with the provisions of this Policy.

While on administrative leave, the player shall be ineligible to play in any of his team's games. However, the player will continue to receive his salary and other welfare benefits to which he would be entitled as an active player. The player and the player's team may also request that the player be allowed to participate in non-public practices, workouts, or other team activities with the consent of the NBA, which shall not be unreasonably withheld.

A player may challenge the decision to be placed on paid administrative leave under the Grievance and Arbitration Procedure of the CBA. In evaluating such a challenge, the Grievance Arbitrator will determine whether it was reasonable for the Commissioner to place the player on administrative leave. A player may also request the Grievance Arbitrator review the length of a period of administrative leave that exceeds seven days. In such a proceeding, the Grievance Arbitrator will determine whether administrative leave in excess of seven days is reasonable based on the totality of the circumstances. Once a player challenges the decision to be placed on paid administrative leave, or the duration of such leave, the hearing before the Grievance Arbitrator must take place within 72 hours.

Discipline

Based on a finding of just cause, the Commissioner may fine, suspend, or dismiss and disqualify from any further association with the NBA and its teams a player who engages in prohibited conduct in violation of this Policy. Repeat offenders will be subject to enhanced discipline.

Notwithstanding the foregoing, an admission to, or conviction for, any offense that involves conduct that violates this Policy, whether after trial or upon a plea of guilty, as well as any plea of no contest or nolo contendere, will conclusively establish a violation of this Policy. A violation based on this ground, however, shall in no way limit or prevent the NBA from continuing to investigate the incident. Additionally, such admission, conviction, or plea is not required in order for a Policy violation to have occurred. However, a player who is acquitted after trial in a criminal proceeding may not be subject to disciplinary penalties under this Policy.

In conjunction with any discipline imposed by the Commissioner for a violation of this Policy, the NBA may also require the player to undergo an evaluation under the supervision of the Policy Committee, to participate in relevant training, education, or counseling programs as determined by the Policy Committee, and/or to perform community service. Any discipline determined by the Commissioner may be referred to the player's team for imposition.

Prior to the determination of any discipline, the Parties shall meet to discuss the matter. This conference shall be considered confidential, and no statements made during the discussion shall be admissible in any subsequent challenge to any discipline imposed on the player.

The Commissioner will determine all discipline under this Policy on a case-by-case basis, upon consideration of all facts and circumstances, including aggravating and mitigating factors.

Potential aggravating factors include, but are not limited to:

- Prior allegations of, or convictions for, prohibited conduct;
- The use of a weapon or other means of coercion;
- The use of, or threat to use, force or violence;
- The vulnerability of the victim;
- The presence of a minor;
- The nature and extent of any injury to the victim; and
- A civil verdict against the player for the underlying conduct.

Potential mitigating factors include, but are not limited to:

- Acceptance of responsibility;
- Evidence of self-defense;
- Complete and truthful cooperation with the investigation;
- Voluntary participation in any treatment or counseling programs;
- The player's overall good character;
- The player's reputation in the NBA community; and
- A civil verdict in favor of the player for the underlying conduct.

In cases where the Commissioner imposes a suspension, any period of time the player spent on paid administrative leave will be credited toward the suspension provided that the player remits to the League the applicable portion of salary that the player received while on paid administrative leave.

Challenges to any disciplinary action shall be made through the Grievance Arbitration process of the CBA.

Confidentiality

The Parties recognize the importance of confidentiality and privacy to the success of this Policy. Accordingly, the Parties will maintain confidentiality throughout the investigatory, disciplinary, and treatment process, and will take reasonable measures to protect the information gathered pursuant to this Policy, including by any outside advisors or experts. Any medical information obtained during the investigatory, disciplinary, and treatment process will be kept confidential as required by applicable law.

At the same time, the Parties recognize that disclosure of certain information may be necessary to further the NBA's investigation or may be required by law, including by court order or subpoena. Accordingly, the Parties cannot and do not guarantee that complete confidentiality will be maintained. The Parties also reserve the right to make notifications to law enforcement or other appropriate authorities if either the NBA or the NBPA becomes aware that there is a threat of imminent harm to any individual or in cases where the victim is a child or is either mentally or physically incapacitated. Additionally, in matters where a violation is found and discipline is imposed, such findings and discipline may be the subject of public statements by the NBA and/or the NBPA.

Retaliation

Under this Policy, it is prohibited to retaliate, or threaten to retaliate, against any individual who, in good faith, reports a potential violation of this Policy or who honestly participates in an investigation of such a report. It does not matter whether the investigation establishes that a violation of the Policy occurred, as long as the report of the violation or participation in the investigation is in good faith. Such retaliation includes, but is not limited to,

threats, intimidation, harassment, and any adverse employment or other action, whether express or implied. Anyone who retaliates, or threatens to retaliate, against an individual who reports, or participates in an investigation into, an alleged violation of this Policy, or against any victim or other witness, will be subject to independent disciplinary action.

As with any complaint brought in bad faith, any individual, including coaches, general managers, or other team officials, who reports a violation of this Policy knowing such claim is malicious, false, or fundamentally frivolous shall be subject to disciplinary action.

Reporting

Anyone who is the victim of or acting on behalf of a victim of domestic violence, sexual assault, or child abuse, as defined by this Policy, is strongly encouraged to call the hotline established under this Policy as soon as possible after the incident to discuss the availability of counseling, treatment, security, and other appropriate resources.

If you are in immediate danger or involved in a situation in which another person is in immediate danger, the Parties recommend that you contact 911 or your local police department. Support and crisis intervention is also available from the National Domestic Violence Hotline at 1-800-799-SAFE (7233).

Trades

Any player (or, for clarity, any player representative or person acting with authority on behalf of a player) who publicly expresses a desire to be traded to another Team shall be subject to a fine and/or a suspension. The maximum fine that may be imposed by the NBA on a player pursuant to the foregoing shall be \$150,000.

Gambling by Former NBAGL Players.

A player shall be subject to discipline imposed by the NBA for violations of NBAGL rules pertaining to gambling involving the NBA, NBAGL, and/or NBA-affiliated leagues that were committed during any prior period of time

during which the player was subject to NBAGL rules relating to gambling. The NBA may impose such discipline only in circumstances where, and only to the extent that, discipline would be authorized by the NBA under this Agreement for the same conduct under NBA rules pertaining to gambling by players involving the NBA, NBAGL, and/or NBA-affiliated leagues.

Any player suspended by the NBAGL for violations of the NBAGL rules pertaining to gambling involving the NBA, NBAGL, and/or NBA-affiliated leagues who signs a Uniform Player Contract before the full term of the suspension is served shall serve the remainder of the suspension in the NBA. In addition, any player suspended under NBAGL rules pertaining to gambling involving the NBA, NBAGL, and/or NBA-affiliated leagues whose NBAGL contract ends before the full term of the suspension is served shall be subject to Article VI, Section 1(c) of this Agreement with respect to the NBAGL suspension if, at the start of the following NBA Regular Season, he is a Free Agent who has games remaining to be served on the NBAGL suspension. For purposes of Article VI, Section 1(c), the "Team to which he was under contract when the suspension was imposed" shall be deemed to be the NBA team, with which the player first signs a Player Contract following imposition of the NBAGL suspension.

What is the process when a player wants to file a grievance?

Grievances May Be Initiated, as set forth below, by player, a Team, the NBA, or the Players Association, except that the Players Association may not initiate a Grievance involving player discipline without the approval of the player(s) concerned.

A Grievance must be initiated, within thirty (30) days from the date of the occurrence upon which the Grievance is based, or within thirty (30) days from the date upon which the facts of the matter became known or reasonably should have become known to the party initiating the Grievance, whichever is later.

Upon at least thirty (30) days' written notice to the other side, the NBA and the Players Association may arrange to have a hearing scheduled on a date that is mutually convenient to the parties to the dispute, the NBA, the Players Association, and the Grievance Arbitrator; provided, however, that if the NBA and the Players Association cannot agree on a hearing date, the Grievance Arbitrator shall set a reasonable hearing date that follows the expiration of the thirty-day notice period. Only the NBA and the Players Association may schedule or postpone hearings before the Grievance Arbitrator.

Dispute Involving (i) a fine of \$50,000 or less or suspension of twelve (12) games or fewer (or both such fine and suspension) imposed upon a player by the Commissioner (or his designee) for (x) conduct on the playing court or (y) for in-game conduct involving another player, or (ii) action taken by the Commissioner (or his designee) (A) concerning the preservation of the integrity of, or the maintenance of public confidence in, the game of basketball and (B) resulting in a financial impact on the player of \$50,000 or less, shall not give rise to a Grievance, shall not be subject to a hearing before, or resolution by, the Grievance Arbitrator, and shall not be determined by arbitration; but instead shall be processed exclusively as follows:

Within twenty (20) days following written notification of the action taken by the Commissioner (or his designee), the Players Association (with the approval of the player involved) may appeal in writing to the Commissioner.

Upon the written request of the Players Association, the Commissioner shall designate a time and place for a hearing as soon as is reasonably practicable following his receipt of the notice of appeal.

As soon as reasonably practicable, but not later than twenty (20) days, following the conclusion of such hearing, the Commissioner shall render a written decision, which decision shall, constitute full, final, and complete disposition of the dispute, and shall be binding upon the player(s) and Team(s) involved and the parties to this Agreement.

In the event such appeal involves a fine and/or suspension imposed by the Commissioner's designee, the Commissioner, as a consequence of such appeal and hearing, shall have authority only to affirm or reduce such fine and/or suspension, and shall not have authority to increase such fine and/or suspension.

If a dispute is not resolved in a manner satisfactory to the player, then the Players Association may (with the approval of such player) seek review of the financial impact of the Commissioner's decision by filing a written request for such review with the Player Discipline Arbitrator (as provided for below) within ten (10) days following the issuance of such decision, and the following procedures shall apply:

Following receipt of the written request for review, the Player Discipline Arbitrator shall schedule a meeting with the player, the Players Association, and the NBA (and such representatives as each may designate), shall review the relevant facts and circumstances, and shall issue a decision affirming or reducing the financial penalty imposed by the Commissioner. All such meetings shall be in person, shall be held in New York (alternating between the NBA and Players Association offices), and shall be conducted during the month of September following the conclusion of the Season in which the in-game conduct involving another player occurred.

128. What are the health and safety protocols?

Streamlined EMR Access: Players will have full and easy access to their medical reports via a new mobile app.

No Mandatory Vaccines or Wearable Use: The current practice of vaccinations not being required and wearable use being voluntary will continue.

Stricter Reporting Guidelines for Player Injuries: For a player projected to miss more than two weeks, the first public injury disclosure from the team may only describe when the player will be re-evaluated by the team, as opposed to when he will return to play, thereby reducing the stress on players to return too early from injury.

Quality Control of Player Health via EMR Reports to NBPA: NBA will provide EMR summary reports to enable NBPA to monitor and complete quality-control checks regarding team/NBA medical practices.

Third-Party Trainers: Third-party trainers used by players will have to meet industry- standard certification requirements.

129. Can a player earn additional finances outside of their contract?

Sports Betting Promotion: Players will be entitled to do endorsement deals relating to sports betting and fantasy, so long as they are not promoting NBA basketball.

Sports Betting Investment: Players will be entitled to own an interest in sports betting and fantasy companies.

Cannabis Investment: Players will be entitled to invest in companies that make products containing marijuana.

CBD Promotion & Investment: Players will be entitled to endorse and invest in companies that make CBD products.

Investment in WNBA Teams: Players will be entitled to invest in independently owned WNBA teams (not owned by NBA governors).

Investment Alongside Governors: Players will have increased flexibility to invest alongside governors in non-NBA businesses (5% safe harbor limit increased to 12.5%).

130. What are the licensing agreements in the CBA?

Protective Group License Language: The group license participation provision will be reinserted in the Uniform Player Contract to strengthen and protect the program and players' distribution amounts. Participation in the NBPA group license program – and only our program – would be the rule going forward.

Access to Game Footage and Photos: Better and easier access for players and the NBPA to game footage and photos for non-commercial use.

NBA App and NBA TV Opportunities: Devoted section on the NBA App for NBPA content and opportunities to access time for players and the NBPA on NBA TV.

Expanded Appearance Provisions: If requested, players will participate in one content- creation session made available for use by the league or the player involving a sit-down interview or performance in a major NBA brand campaign (i.e., NBA Lane).

131. What are the player benefits that improved in the CBA?

Post-Career Income Plan Pandemic Catch-up: Contributions will be made in 2025-26 to the Post-Career Income Plan accounts for all eligible players from 2019-20 and 2020-21 players. Those contributions had been forfeited as part of the *force majeure* settlement covering the two pandemic seasons but will now be reinstated. Total cost of funding is in excess of \$125 million.

Pension Increase: The plan's actuarial calculations will be modified to provide the highest benefit level allowed by law.

Two-Way Player Benefit Improvements: Two-Way Players will no longer need to contribute to the cost of their health insurance, will receive a full 401k match, and will receive credit for years of service toward pension and health reimbursement benefits.

Increased Tuition Reimbursement Plan: The maximum reimbursement for Tuition Assistance players will increase from \$101,000 to \$125,000, and more liberal tolling provisions will be installed to allow for a greater time period in which the benefit can be used.

Playoff Pool: The playoff pool amounts, which grow annually with BRI, will not be permitted to decrease, and will increase next season by 15%. Provisions have also been put in place to address issues regarding non-player team personnel sharing in the players' pool.

Legacy Fund: The funding of the Legacy Fund assisting retired players in need will increase by 50%, shared equally by the NBA and NBPA.

Benefits Portal: A new portal will be created allowing players better and easier access to specific benefits information.

132. What BRI impacted the players in this CBA?

- **Licensing:** For the first time since the inception of the Salary Cap / Revenue Sharing system 40 years ago, team and league licensing revenue from deals where players are not already directly receiving payment as part of the transaction will be included in Basketball Related Income (BRI). This is expected to add approximately \$160M to BRI in 2023-24, growing annually.
- **BRI Improvements:** Revenue sharing formula will be enhanced in multiple ways, including with respect to the treatment of complimentary tickets, team watch parties, barter expenses, plaza naming rights, and treatment of equity transactions. Under the negotiated formula for "Forecasted BRI," players are again expected to receive 51% of BRI throughout the course of the agreement, resulting in a projected \$250 million collective increase in Salaries and Benefits in the 2023-24 Season. Depending on the success of our business, players are expected to earn between \$45-50 billion in Salaries and Benefits over the full 7-year term of the CBA.

- **Team Audits:** The maximum number of NBPA team audits will increase from 10 per year to an average of 15 per year. A two-year “lookback” effectively allows for the NBPA to make adjustments each year for all 30 teams. The NBPA also continues to have the right to audit the NBA league office annually. These audits are in addition to the annual joint NBPA/NBA comprehensive audit of all 30 teams by PricewaterhouseCoopers.

133. What dates should we pay attention to during the season?

July 1

Free agency moratorium (12:01 AM ET.)

- First-round selections can sign contracts
- Minimum contracts (2 less years) can sign
- Restricted free agent can sign an offer sheet
- 3rd and 4th year rookie options can be exercised
- Offer sheets can be extended to a player
- Two-Way contracts can be signed and converted
- Restricted free agents can sign an offer sheet

July 6

Free agency begins (12:00PM ET.)

- Teams can sign free agents
- Trades can become official
- Rookie scale and veteran contracts can be extended
- Clock on offer sheets now begins

July 5-6, 8

- California summer league

July 5, 7-8

- Utah summer league

July 9-19

- NBA 2K Vegas Summer League

July 13

- Last day to withdraw a Qualifying Offer

August 29

- Last day to use the waive and stretch provision

September 22

- Training camp begins for teams playing outside North America

September 29

- Training camp begins for teams not playing outside North America

October 1

- Last day to sign a Qualifying Offer

October 17

- Last day to waive a player on a non-guaranteed contract and not incur a salary cap charge

October 19

- Last date to sign a rookie scale or veteran extension (if more than one season is left. If a player has an option, he is allowed to extend up until June 30)
- Last day a player can sign a Designated Veteran Extension
- Rosters set for NBA opening day (5PM ET.)
- Last day to sign-and-trade a free agent
- Last day a player with an Exhibit 10 contract can be converted to a Two-Way

October 20

- Regular season begins

October 24

- G-League Draft

November 2

- 3rd and 4th year team options on rookie contracts must be exercised

December 8 or 9

- Emirates NBA Cup- Finals

December 15

- Free agents that signed a contract on or before Sept. 15 can be traded

December 19-22

- NBA G League Winter Showcase

January 5

- 10-Day contracts can be signed

January 7

- All NBA contracts are guaranteed for the remainder of the season if not waived by 5PM Et.
- Two-Way contracts become guaranteed

January 15

- Free agents (early or bird rights) that signed with their prior team for a contract greater than 120% of their previous salary can now be traded.
- Last day to apply for a Disabled Player Exception.

February 11

- NBA Trade deadline (3PM ET.)

February 12

- Salary cap exceptions begin to prorate

February 19-21

- NBA All-Star Weekend (Phoenix)

March 1

- Players that are waived after 11:59 PM ET. are now ineligible for the playoffs
- Last day for a restricted free agent to accept a Qualifying Offer

March 4

- Last day to sign a player to a Two-Way contract

March 10

- A Disabled Player Exception if granted expires

April 11

- Regular season ends
- Last day to sign a player to a contract
- Team salaries are frozen except if a player has a trade bonus is traded in the offseason and a player earns what was deemed an unlikely bonus.
- Exceptions expire
- Last day to convert a Two-Way player

April 12

- Rosters set for the playoffs

April 13-16

- NBA Play-in

April 18

- First round of the playoffs begin

TBD

- Second round of the playoffs begin

May TBD

- NBA G League Elite Camp (Chicago)

May TBD

- NBA Draft Combine

May TBD

- Draft Lottery (Chicago)

May TBD

- Conference Finals

May TBD

- Withdrawal date for college players (11:59 PM ET.)

NBA Finals

- TBD

June TBD

- Early entry entrant withdrawal deadline (non-college players)

June TBD (first day after the NBA Finals)

- Teams can begin negotiating with their own free agents

June TBD

- 2027 NBA draft

June 29

- Last day for a team or player option to be exercised
- Last day for a player to receive a Qualifying Offer

June 30

- Free agent negotiations can begin with players not on your own team (6PM ET.)