FORMULA 1 FINANCIAL REGULATIONS

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ISSUE 25

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1. GENERAL PRINCIPLES

Scope

1.1 These Financial Regulations came into force on 1 January 2021. They form part of the terms and conditions of participation in the Championship. Each F1 Team participating in the Championship agrees to be bound by and undertakes to comply with these Financial Regulations.

Objectives

1.2 These Financial Regulations define a Cost Cap that limits certain costs that may be incurred by or on behalf of an F1 Team in each Full Year Reporting Period, while leaving that F1 Team free to decide how to allocate resources within that Cost Cap.

1.3 These Financial Regulations are designed to achieve the following objectives (the "**Objectives**"):

(a) to promote the competitive balance of the Championship;

(b) to promote the sporting fairness of the Championship; and

(c) to ensure the long-term financial stability and sustainability of the F1 Teams,

while preserving the unique technology and engineering challenge of Formula 1.

1.4 These Financial Regulations will be interpreted and applied by the Cost Cap Administration, the Cost Cap Adjudication Panel and the ICA in a consistent manner that treats all F1 Teams equally and that achieves the Objectives.

1.5 The definitive version of these Financial Regulations is the English version, which will be used should any dispute arise as to their interpretation. Defined words and phrases in these Financial Regulations (denoted by initial capital letters) have the meaning indicated in the Appendix to these Financial Regulations, unless otherwise defined in the body of these Financial Regulations. Unless otherwise specified, references to "Articles" are to Articles of these Financial Regulations, references to "may" shall mean in the sole discretion of such person or entity (as the context so requires), and any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and not as limiting the sense of the words preceding those terms.

1.6 If any part of these Financial Regulations is found by a court or authority of competent jurisdiction to be illegal, invalid or unenforceable, that part will be deemed not to form part of these Financial Regulations, and the legality, validity or enforceability of the remainder of these Financial Regulations will not be affected.

1.7 The Cost Cap Administration shall periodically review these Financial Regulations. These Financial Regulations may be amended and/or supplemented by the FIA World Motor Sport Council from time to time.

Accountability

1.8 Each F1 Team must ensure that all Personnel are made aware:

(a) of the Objectives, content and substance of these Financial Regulations; and

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(b) that the F1 Team is subject to these Financial Regulations.

1.9 Each F1 Team must ensure that all relevant Personnel are appropriately informed and trained with respect to the ways in which their areas of responsibility may impact the F1 Team's compliance with these Financial Regulations.

1.10 Each F1 Team must ensure that the FIA ethics and compliance policy in force from time to time with respect to these Financial Regulations is clearly communicated to all Personnel.

2. F1 TEAM OBLIGATIONS

2.1 Each F1 Team must:

(a) demonstrate its ongoing compliance with the Cost Cap by submitting Reporting Documentation in respect of its Reporting Group to the Cost Cap Administration by the Reporting Deadline in respect of each Reporting Period and by providing any further information requested from time to time by the Cost Cap Administration;

(b) cooperate fully and in a timely manner with the Cost Cap Administration in the exercise of its regulatory function, including any investigation conducted by or on behalf of the Cost Cap Administration pursuant to these Financial Regulations;

(c) provide any information and documentation requested by or on behalf of the Cost Cap Administration relevant to any actual, potential or suspected instance of non-compliance with these Financial Regulations; and

(d) faithfully execute its obligations under these Financial Regulations and act at all times in a spirit of Good Faith and cooperation.

Cap on Relevant Costs

2.2 An F1 Team must:

(a) determine and report its Relevant Costs against the Cost Cap in the F1 Team's Presentation Currency; and

(b) not have Relevant Costs in excess of the Cost Cap in the applicable Full Year Reporting Period.

The Cost Cap

2.3 The amount of the "**Cost Cap**" shall be as follows, in each case adjusted (if applicable) for Indexation:

(a) in the Full Year Reporting Period ending on 31 December2025:

(i) in the event that 21 Competitions take place in that Full Year Reporting Period, US Dollars 135,000,000; or

(ii) in the event that fewer than 21 Competitions take place in that Full Year Reporting Period, US Dollars 135,000,000, decreased by an amount equivalent to US Dollars 1,800,000 multiplied by "X", where "X" is equal to 21 minus the number of Competitions taking place in that Full Year Reporting Period; or

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(iii) in the event that more than 21 Competitions take place in that Full Year Reporting Period, US Dollars 135,000,000, increased by an amount equivalent to US Dollars 1,800,000 multiplied by "X", where "X" is equal to the number of Competitions taking place in that Full Year Reporting Period minus 21;

provided that if any Competition in a Full Year Reporting Period is cancelled less than three months prior to the proposed start date of that Competition (or, where applicable, any rescheduled date), such Competition shall be deemed to have taken place in the applicable Full Year Reporting Period for the purposes of Article 2.3(a).

2.4 Where an F1 Team has a Presentation Currency other than US Dollars, the Cost Cap for that F1 Team shall be converted from US Dollars into that F1 Team's Presentation Currency at the Initial Applicable Rate. For illustrative purposes, the amount of the Cost Cap in selected Presentation Currencies for the Full Year Reporting Period ending on 31 December 2025, as referred to in Article 2.3(a) (assuming 21 Competitions and Indexation of zero) is as follows:

Presentation Currency			
US Dollars ('000)	**Pounds Sterling ('000)**	**Euros ('000)**	**Swiss Francs ('000)**
135,000	106,375	122,928	134,462

Reporting Group

2.5 For the purposes of reporting Total Costs of the Reporting Group, an F1 Team's Reporting Group shall comprise the F1 Team together with, where the F1 Team has incurred less than 98% of the costs of the F1 Activities undertaken by or on behalf of the F1 Team in the Reporting Period, such additional entities within the F1 Team's Legal Group Structure as are determined in accordance with Article 2.6.

2.6 The additional entities to be included within the Reporting Group where an F1 Team has incurred less than 98% of the costs of the F1 Activities undertaken by or on behalf of that F1 Team in the Reporting Period shall be the entity (other than the F1 Team) within the F1 Team's Legal Group Structure that incurred the greatest amount of costs of the F1 Activities undertaken by or on behalf of the F1 Team in the Reporting Period, followed (to the extent required) by the entity within the F1 Team's Legal Group Structure that incurred the next greatest amount of such costs, and so on, until the entities included within the Reporting Group have incurred, in aggregate, 98% or more of the costs of the F1 Activities undertaken by or on behalf of the F1 Team in the Reporting Period.

2.7 In addition to those entities included in the Reporting Group pursuant to Articles 2.5 and 2.6, an F1 Team may elect to include additional entities in its Reporting Group from within its Legal Group Structure which have incurred costs of F1 Activities undertaken on behalf of the F1 Team in the Reporting Period.

2.8 For the purposes of Articles 2.5 to 2.7 (inclusive), the calculation of the costs of F1 Activities undertaken by or on behalf of the F1 Team in the Reporting Period:

(a) shall not include costs within the scope of Articles 3.1(a) and 3.1(f) ;

(b) shall be made having adjusted out any amounts in connection with F1 Activities recharged from one member of the F1 Team's Legal Group Structure to another.

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2.9 No entity shall be included in the Reporting Group of more than one F1 Team. If, but for the provisions of this Article 2.9, an entity would be included in the Reporting Group of more than one F1 Team pursuant to the provisions of Articles 2.5 to 2.8 (inclusive), then that entity shall only be included in the Reporting Group of the F1 Team in respect of which it incurs the greatest amount of costs of F1 Activities, excluding costs within the scope of Articles 3.1(a) and 3.1(f).

2.10 In the calculation of Relevant Costs, the costs of any F1 Activities incurred by entities within the F1 Team's Legal Group Structure but outside its Reporting Group, other than costs within the scope of Articles 3.1(a) and 3.1(f) undertaken by any such entity, must either be:

(a) recharged at Fair Value to a Reporting Group Entity and thereby included within Total Costs of the Reporting Group; or

(b) included in Relevant Costs at Fair Value by way of an Adjustment to Total Costs of the Reporting Group, as a Related Party Transaction pursuant to Article 4.1(a)(i).

2.11 The F1 Team should seek clarification from the Cost Cap Administration if it is uncertain whether an entity should be included in its Reporting Group.

3. EXCLUSIONS

3.1 In calculating Relevant Costs, the following costs and amounts within Total Costs of the Reporting Group must be excluded ("**Excluded Costs**"):

(a) All costs Directly Attributable to Marketing Activities;

(b) All costs of Consideration provided to an F1 Driver, or to a Connected Party of that F1 Driver, in exchange for that F1 Driver providing the services of an F1 Driver to or for the benefit of the F1 Team, together with all travel and accommodation costs in respect of each F1 Driver;

(c) All costs of Consideration provided to an Other Racing Driver, or to a Connected Party of that Other Racing Driver, in exchange for that Other Racing Driver providing the services of an Other Racing Driver to or for the benefit of the F1 Team, together with, all travel and accommodation costs in respect of each Other Racing Driver;

(d) All costs of Consideration provided to the three individuals (other than any individual in respect of whom all costs of Consideration are excluded pursuant to any other sub-Article of this Article 3.1) in respect of whom the highest aggregate amount of Consideration has been recognised in Total Costs of the Reporting Group during the Reporting Period (the "**Excluded Persons**"), or to a Connected Party of any Excluded Person, in each case in exchange for that Excluded Person providing services to or for the benefit of the F1 Team, together with associated employer's social security contributions and all travel and accommodation costs in respect of each Excluded Person;

(e) With respect to Heritage Asset Activities:

(i) all costs Directly Attributable to Heritage Asset Activities; and

(ii) if the F1 Team can prove to the satisfaction of the Cost Cap Administration that an identifiable portion of the Consideration provided to any Heritage Asset

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Personnel relates to Heritage Asset Activities, that portion of those costs, together with associated employer's social security contributions;

(f) All Finance Costs;

(g) All Corporate Income Tax;

(h) With respect to Non-F1 Activities:

(i) all costs Directly Attributable to Non-F1 Activities; and

(ii) if the F1 Team can prove to the satisfaction of the Cost Cap Administration that an identifiable portion of the following costs relates to Non-F1 Activities, that portion of those costs:

(A) Consideration provided to, and associated employer's social security contributions incurred in respect of any Personnel engaged in both F1 Activities and Non-F1 Activities;

(B) electricity, gas and water costs incurred in the course of both F1 Activities and Non-F1 Activities;

(C) lease costs in respect of plant and equipment used in the course of both F1 Activities and Non-F1 Activities; and

(D) costs of parts and consumables, and outsourced services, incurred for the maintenance of an item of plant or equipment used in the course of both F1 Activities and Non-F1 Activities;

(i) All costs Directly Attributable to Human Resources Activities, Finance Activities or Legal Activities;

(j) All Property Costs;

(k) All Employee Bonus Costs, subject to a maximum amount in any Full Year Reporting Period of the lower of:

(i) 20% of the Total Fixed Employee Remuneration; and

(ii) the Excluded Bonus Maximum Amount, adjusted (if applicable) for Indexation;

plus the amount of any employer's social security contributions in respect of the amount of such Employee Bonus Costs excluded pursuant to this Article 3.1(k);

(l) The following amounts:

(i) payable to the FIA by an F1 Team in relation to its entry to, and participation in, the Championship taking place in the applicable Reporting Period; and

(ii) payable to the FIA by an F1 Team in relation to the FIA Super Licence of any F1 Driver in respect of the Championship taking place in the applicable Reporting Period; and

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(iii) payable to the Commercial Rights Holder to the Championship by an F1 Team pursuant to its acceptance as a signatory to a contract with the Commercial Rights Holder and/or the FIA relating to the F1 Team's participation in the Championship;

(m) All Financial Penalties in respect of any breach of these Financial Regulations;

(n) All costs of goods and services within the Power Unit Supply Perimeter for use by the F1 Team, up to an amount in any Full Year Reporting Period equal to the applicable maximum price as set out in the Technical Regulations;

(o) All amounts of depreciation, amortisation, impairment loss, and amounts as a result of revaluation or disposal of tangible assets and intangible assets;

(p) All foreign exchange gains and losses recognised in profit or loss, whether arising from settlement and/or re-measurement of monetary items denominated in a foreign currency, or otherwise;

(q) Where a Reporting Group Entity is required by applicable laws to pay employer's social security contributions, the amount by which such mandatory contributions exceed 11.3% of the Total Employee Remuneration;

(r) All flight, rail travel and hotel costs in connection with a Competition or Testing of Current Cars by Personnel;

(s) All costs incurred with a Power Unit supplier that are Directly Attributable to the development, testing and validation of an Alternative Fuel and Oil for use with the Power Unit in F1 Cars of the F1 Team;

(t) All costs Directly Attributable to entertainment provided for the benefit of all employees of all Reporting Group Entities on a substantially equal basis, subject to a maximum amount of US Dollars 1,000,000, adjusted (if applicable) for Indexation;

(u) All costs of Consideration provided to employees in respect of maternity leave, paternity leave, shared parental leave or adoption leave (together with associated employer's social security contributions) in each case pursuant to a bona fide formal written policy that applies substantially equally to all employees of all Reporting Group Entities;

(v) All costs of Consideration (together with associated employer's social security contributions) provided to an individual (excluding existing Personnel) engaged as cover for an employee on sick leave during the period that the relevant employee is not working, subject to a maximum amount equal to: (i) the Consideration that would have been provided to the relevant employee over the same period were that employee not on sick leave; plus (ii) the employer's social security contributions associated with that Consideration. For the avoidance of doubt, an individual engaged to replace an employee whose costs of Consideration have been excluded pursuant to Article 3.1(w) is not engaged as cover;

(w) All costs of Consideration (together with associated employer's social security contributions) that an F1 Team demonstrates to the reasonable satisfaction of the Cost Cap Administration have been provided to an employee that has been formally placed on indefinite sick leave or disability leave and is not expected to return to work, to the extent provided during the relevant employee's period of absence;

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(x) All Employee Termination Benefits (together with associated employer's social security contributions), incurred in the Full Year Reporting Periods ending on 31 December 2021 and 31 December 2022; and

(y) All Sustainability Initiative Costs.

3.2 If a cost within Total Costs of the Reporting Group is Directly Attributable to any combination of the following activities:

(a) Marketing Activities;

(b) Heritage Asset Activities;

(c) Non-F1 Activities;

(d) Human Resources Activities;

(e) Finance Activities;

(f) Legal Activities; and

(g) Sustainability Initiative Costs,

such cost shall be an Excluded Cost.

3.3 For the purposes of this Article 3, where an F1 Team has a Presentation Currency other than US Dollars, amounts expressed in US Dollars shall be converted into that F1 Team's Presentation Currency at the Initial Applicable Rate.

4. ADJUSTMENTS

4.1 Unless stated otherwise in this Article 4, in calculating Relevant Costs, the following adjustments to Total Costs of the Reporting Group must be made:

(a) Related Party Transactions, Exchange Transactions, Inter-Team Transactions, Power Unit Transactions and transactions pursuant to which a Customer Competitor uses a Transferable Component or a sub-assembly of a Transferable Component:

(i) Any Related Party Transaction, Exchange Transaction, Inter-Team Transaction (except for a transaction pursuant to which a Customer Competitor uses a Transferable Component or a sub-assembly of a Transferable Component) or Power Unit Transaction in connection with an F1 Activity must be included in Relevant Costs at not less than Fair Value.

(ii) In respect of any transaction pursuant to which a Customer Competitor uses a Transferable Component or a sub-assembly of a Transferable Component, the cost in connection with the use of that Transferable Component or sub-assembly of a Transferable Component must be included in Relevant Costs at not less than the minimum amount calculated in accordance with the methodology communicated by the Cost Cap Administration via a Determination no later than 30 November of the preceding Full Year Reporting Period in respect of each Full Year Reporting Period.

(b) Offsetting of income and costs:

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(i) If a Reporting Group Entity has offset any income or gains within its Total Costs, or any costs or losses within its revenue, the F1 Team must make an upward adjustment in the calculation of Relevant Costs to gross up these amounts, unless such offsetting is permitted under its applicable accounting standards or it falls under the following:

(A) finance income may be offset against Finance Costs, provided that any exclusion made pursuant to Article 3.1(f) is made net of finance income; or

(B) tax credits in respect of Corporate Income Tax may be offset against tax charges in respect of Corporate Income Tax, provided that any exclusion made pursuant to Article 3.1(g) is made net of tax credits in respect of Corporate Income Tax.

(ii) If a Reporting Group Entity has recognised income from a government incentive scheme within its revenue in respect of certain research and development costs included within its Total Costs, the F1 Team must make a downward adjustment in the calculation of Relevant Costs to offset such income against those research and development costs.

(iii) If a Reporting Group Entity has recognised a cost of materials or supplies within its Total Costs for the Reporting Period, and the F1 Team can prove to the satisfaction of Cost Cap Administration that, within the same Reporting Period:

(A) those materials or supplies are sold to a third party, in order to manufacture finished goods to be purchased by the Reporting Group Entity for use on the F1 Team's F1 Cars, and the sale of those materials or supplies is recognised as income by the Reporting Group Entity; and

(B) the finished goods are purchased by the Reporting Group Entity and recognised as a cost within its Total Costs,

then the F1 Team must make a downward adjustment in the calculation of Relevant Costs to exclude an amount equivalent to the lower of either the cost of the materials or supplies initially recorded within Total Costs or the income recognised on the sale of those materials or supplies.

(c) Research and Development costs:

(i) All costs in respect of Research and Development for F1 Activities must be included in Relevant Costs in the Reporting Period in which they are incurred.

(ii) If a Reporting Group Entity has deferred recognition of any costs in respect of Research and Development for F1 Activities to a subsequent Reporting Period, an adjustment must be made in the calculation of Relevant Costs to ensure such costs are recognised within the Reporting Period in which they are incurred.

(d) Capitalisation of F1 Cars:

If a Reporting Group Entity has capitalised any costs in respect of an F1 Car during the Reporting Period, an adjustment must be made in the calculation of Relevant Costs to

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ensure such costs are recognised within the Reporting Period in which they are incurred.

(e) Capital Expenditure:

(i) The amount (if any) by which the Capital Expenditure Amount for the Full Year Reporting Period exceeds the Capital Expenditure Limit must be included in the calculation of Relevant Costs.

(ii) If the costs incurred as part of a Related Party Transaction, Exchange Transaction or Inter-Team Transaction (except for a transaction pursuant to which a Customer Competitor uses a Transferable Component or a sub-assembly of a Transferable Component) meet the definition of paragraphs (a) or (b) of the definition of Capital Expenditure, such costs must be included in Capital Expenditure at not less than Fair Value.

(f) Inventories:

(i) If the accounting treatment of Inventories within Total Costs of the Reporting Group varies from the following requirements, the F1 Team must make an adjustment in the calculation of Relevant Costs to reflect these requirements:

(A) the cost of an item of Used Inventories must be recognised in full as an expense in the Full Year Reporting Period in which it was first used in respect of the F1 Team's Current Cars or any cars intended for future participation in the Championship;

(B) the cost of an item of Unused Inventories must not be recognised in the Reporting Period; and

(C) the cost of an item of Redundant Inventories (which has not been recognised in a previous Full Year Reporting Period pursuant to any other provision of this Article 4.1(f)(i)) must be recognised in full as an expense in the Reporting Period. Where practicable, the identification of Redundant Inventories must be carried out on an item-by-item basis. Otherwise, groups of similar items may be considered together.

(ii) the cost of an item of Inventories must comprise:

(A) all costs of purchase, determined on the same basis as that used by the F1 Team in its Audited Annual Financial Statements in respect of the previous Full Year Reporting Period;

(B) costs of conversion (including fixed production overheads allocated on a basis that is appropriate to the nature of the product and method of production and on the basis of the entity's normal level of activity, and applied consistently from one Reporting Period to another); and

(C) other costs incurred in bringing the item of Inventories to its present location and condition.

(iii) In the event that an item of Redundant Inventories written off in a previous Reporting Period pursuant to paragraph (i)(C) of this Article is used in a subsequent Reporting Period, the F1 Team must make an adjustment in the

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calculation of Relevant Costs for that subsequent Reporting Period to add an amount equal to that written off in the previous Reporting Period.

(g) Use of Power Units and Standard Supply Components:

Where a Reporting Group Entity undertakes Activities To Enable The Supply Of Power Units or activities to enable the supply of Standard Supply Components for use by the F1 Team, that F1 Team must include in its Relevant Costs an amount reflecting the Fair Value of the goods and services in connection with the Power Units or Standard Supply Components that are used by the F1 Team.

(h) Unrecorded costs or losses:

If costs or losses incurred by a Reporting Group Entity are not recognised within its Total Costs, which under the applicable accounting standards should have been recognised within profit or loss during the Reporting Period, an adjustment must be made in the calculation of Relevant Costs to ensure such costs are recognised within Relevant Costs for the Reporting Period.

(i) Foreign exchange transaction costs:

(i) Subject to Article 4.1(i)(ii), if a Reporting Group Entity incurs a cost for a transaction in a currency other than the F1 Team's Presentation Currency, the F1 Team may choose to make an adjustment in the calculation of Relevant Costs to reflect the difference between such cost retranslated into the F1 Team's Presentation Currency using the Applicable Rate, and the value at which those costs were recorded on initial recognition within Total Costs of the Reporting Group.

(ii) If an F1 Team chooses to make such an adjustment, it must be made for all costs within Total Costs of the Reporting Group that have been transacted in all currencies other than the F1 Team's Presentation Currency, unless any such costs have otherwise been excluded from Total Costs of the Reporting Group pursuant to Article 3.

(j) Employee Termination Benefits:

In the event that an individual in respect of whom the exclusion at Article 3.1(x) has been applied is re-engaged (either as an employee or otherwise), to undertake any F1 Activities at any time during either:

(i) the same Full Year Reporting Period; or

(ii) one of the subsequent two Full Year Reporting Periods,

the amount of the Employee Termination Benefits and associated employer's social security contributions so excluded must be included in Relevant Costs in the Reporting Period in which the individual is re-engaged.

(k) Tyre test days:

For each day the F1 Team has participated in Testing in accordance with Article 10.8(e) and for each day the F1 Team has participated in testing for the purpose of providing the appointed tire supplier with a means of track testing of its future products in

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accordance with Article 10.10(k) of the 2025 Sporting Regulations during the Full Year Reporting Period ending on 31 December 2025, and in each subsequent Full Year Reporting Period, the F1 Team must make a downward adjustment in the calculation of Relevant Costs for the relevant Reporting Period equal to the amount communicated by the Cost Cap Administration via a Determination.

(l) Sprint:

For each Competition that included a Sprint session that took place in the Full Year Reporting Period the F1 Team must make a downward adjustment in the calculation of Relevant Costs equal to US Dollars 300,000.

(m) RDEC equivalence:

If an F1 Team incorporated outside of the United Kingdom has incurred costs within its Total Costs that would qualify as research and development expenditure under the United Kingdom's research and development expenditure credit ("RDEC") scheme, the F1 Team may choose to make a downward adjustment in the calculation of Relevant Costs for the relevant Reporting Period equal to the amount that the RDEC that would have been received were the Reporting Group Entity based in the United Kingdom exceeds any actual amount of credits recognised by the Reporting Group Entity (whether within its revenue, or offset within its Total Costs) from a government incentive scheme in respect of its research and development costs, provided that:

(i) the adjustment has been validated by an FIA appointed UK tax specialist, in accordance with the requirements communicated by the Cost Cap Administration via a Determination; and

(ii) the maximum value of the downward adjustment that an F1 Team may make in a Full Year Reporting Period pursuant to this Article 4.1(m), when aggregated across all relevant Reporting Group Entities, shall not exceed the RDEC Equivalent Maximum Amount.

(n) If, during the Reporting Period, conditions that led an F1 Team to consider that a given activity undertaken in the previous two Full Year Reporting Periods is a Non-F1 Activity pursuant to FIA technical directive TD045 cease to exist, all costs in respect of that activity that were excluded in the previous two Full Year Reporting Periods pursuant to Article 3.1(h) must be included in Relevant Costs in the Reporting Period.

4.2 In calculating Relevant Costs, the order in which costs must be excluded pursuant to Article 3.1, and adjustments must be made pursuant to Article 4.1, shall be determined by the Cost Cap Administration and set out in the Reporting Documentation.

4.3 For the purposes of this Article 4, where an F1 Team has a Presentation Currency other than US Dollars, amounts expressed in US Dollars shall be converted into that F1 Team's Presentation Currency at the Initial Applicable Rate.

5. REPORTING REQUIREMENTS

Full Year Reporting Documentation

5.1 By the Full Year Reporting Deadline, an F1 Team must submit the following to the Cost Cap Administration (the "**Full Year Reporting Documentation**"):

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(a) the Reporting Group Documentation;

(b) the Full Year Financial Reporting Documentation;

(c) the Declarations;

(d) an assessment report provided by the same Independent Audit Firm that signs the F1 Team's Audited Annual Financial Statements, in the format prescribed by the Cost Cap Administration from time to time via a Determination, in respect of the completeness and accuracy of the Full Year Reporting Documentation submitted by the F1 Team; and

(e) if the F1 Team chooses to make a downward Adjustment pursuant to Article 4.1(m), a Findings Report in line with the requirements of the Determination referred to at Article 4.1(m).

Interim Reporting Documentation

5.2 By the Interim Reporting Deadline, an F1 Team must submit the following to the Cost Cap Administration (the "**Interim Reporting Documentation**"):

(a) the Reporting Group Documentation;

(b) the Interim Financial Reporting Documentation; and

(c) the Declarations.

6. COST CAP ADMINISTRATION

6.1 The Cost Cap Administration is responsible for administering these Financial Regulations, including exercising the powers and carrying out the functions set out in this Article 6.

6.2 The Cost Cap Administration will monitor compliance with these Financial Regulations, investigate instances of suspected non-compliance, and take appropriate enforcement action in respect of any breaches of these Financial Regulations.

6.3 The Cost Cap Administration will have appropriate procedures in place to maintain the confidentiality of any Confidential Information provided to it by an F1 Team.

6.4 All correspondence between the F1 Teams and the Cost Cap Administration, the Independent Audit Firm appointed by the Cost Cap Administration, the Cost Cap Adjudication Panel and/or the ICA shall be in one of the two FIA official languages (English and French). The F1 Team may be required to provide a certified translation of any Reporting Documentation into English at its own expense.

6.5 The Cost Cap Administration may issue guidance notes from time to time to assist the F1 Teams in complying with these Financial Regulations. Such guidance notes shall be advisory only and shall not constitute Financial Regulations.

Clarification of the Financial Regulations

6.6 The CFO of an F1 Team may submit a written request to the Cost Cap Administration in order to clarify the operation or interpretation of these Financial Regulations. The Cost Cap Administration will respond in writing to any such request and will make available to the CFOs

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of all other F1 Teams a summary of the written request along with the response, omitting any Confidential Information. Such clarifications shall be advisory only and shall not constitute Financial Regulations.

Review of Reporting Documentation

6.7 The Cost Cap Administration will review the Reporting Documentation submitted by an F1 Team to assess whether that F1 Team has complied with these Financial Regulations.

6.8 The Cost Cap Administration may engage an Independent Audit Firm to assist in reviewing an F1 Team's Reporting Documentation and to undertake a comparative financial analysis of the Reporting Documentation in order to help identify potential anomalies.

6.9 Each F1 Team shall provide such additional information, documentation or clarification in relation to its compliance with these Financial Regulations as the Cost Cap Administration may require from time to time.

6.10 Once the Reporting Documentation has been reviewed, the Cost Cap Administration shall conclude either:

(a) that an F1 Team has complied with these Financial Regulations, in which case the Cost Cap Administration shall issue a compliance certificate to the applicable F1 Team; or

(b) that an F1 Team has not complied with these Financial Regulations, in which case the Cost Cap Administration shall either:

(i) enter into an ABA pursuant to the terms of Article 6.28 below with the F1 Team concerned; or

(ii) refer the case to the Cost Cap Adjudication Panel for a hearing.

6.11 There shall be no right of appeal against any decision by the Cost Cap Administration to issue a compliance certificate to an F1 Team.

Regulatory function

6.12 The Cost Cap Administration may during a Reporting Period require an F1 Team to provide information and/or documentation for the sole purpose of enabling the Cost Cap Administration to perform its regulatory function as contemplated by these Financial Regulations, including:

(a) reviewing the controls being applied by that F1 Team to ensure that F1 Team’s compliance with these Financial Regulations;

(b) reviewing any Related Party Transaction, Exchange Transaction, Inter-Team Transaction, or Power Unit Transaction;

(c) assisting in identifying any part of these Financial Regulations which may require clarification by the issuance of guidance; and

(d) mitigating the risk of an F1 Team submitting incomplete, inaccurate or misleading Reporting Documentation.

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6.13 In relation to any request pursuant to Article 6.12, an F1 Team must, and must procure that the other members of the F1 Team's Legal Group Structure shall, facilitate access to such of its premises, individuals, information and documentation as may be reasonably requested by the Cost Cap Administration.

6.14 Following any request pursuant to Article 6.12, the Cost Cap Administration may issue feedback to the relevant F1 Team in order to assist that F1 Team in complying with these Financial Regulations. Such feedback shall be advisory only and shall not constitute Financial Regulations.

Investigations

6.15 The Cost Cap Administration may conduct investigations into an F1 Team's compliance with these Financial Regulations, assisted, if it chooses, by an Independent Audit Firm. The time limitation on the prosecution of infringements by the Cost Cap Administration is five years. This five-year time period shall run from the date of the Full Year Reporting Deadline for the Full Year Reporting Period in which the infringement is alleged to have occurred. The Cost Cap Administration shall notify the F1 Team in writing in the event that a formal investigation is to be conducted.

6.16 Upon completion of an investigation, any decision by the Cost Cap Administration as to whether or not to take further action in accordance with these Financial Regulations will be at the sole discretion of the Cost Cap Administration taking into consideration the substance of the information disclosed and the merits of each case.

6.17 The Cost Cap Administration may grant partial or total immunity to any natural person who discloses facts that are likely to constitute an infringement referred to in Article 8 of these Financial Regulations, and/or who provides evidence allowing such facts to be prosecuted and penalised. The degree of immunity granted to this person by the Cost Cap Administration depends on the following factors:

(a) whether or not the Cost Cap Administration already had the information;

(b) the extent of the person's cooperation;

(c) the importance of the case;

(d) the importance of the offence in question and the conduct of the accused; and

(e) past conduct of this person.

6.18 Immunity, whether partial or total, where granted, is always granted in writing. This document is signed by the Cost Cap Administration and by the person benefiting from the immunity. It specifies the type of immunity granted and sets out the sanctions that the FIA will not take against the person benefiting from the immunity. The immunity granted by the Cost Cap Administration, whether partial or total, is subject to the following conditions (the "**Immunity Conditions**"):

(a) cooperating with the Cost Cap Administration, telling the whole truth, refraining from destroying, falsifying or concealing useful information or evidence, and at all times acting in Good Faith; and

(b) providing the Cost Cap Administration with genuine, total and permanent cooperation throughout the entire investigation, which involves in particular:

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(i) giving and repeating their testimony in accordance with any request and in any form required by the Cost Cap Administration; and

(ii) remaining at the disposal of the Cost Cap Administration to reply swiftly to any questions it may have.

These Immunity Conditions are repeated in the document granting immunity. The person benefiting from the immunity may, depending on the circumstances, be permitted to testify in a manner which safeguards their anonymity.

6.19 The immunity granted by the Cost Cap Administration is irrevocable, provided that it is not subsequently demonstrated, that the person benefiting from the immunity has not complied with the Immunity Conditions.

6.20 In the event that the person benefiting from the immunity does not comply with the Immunity Conditions, the Cost Cap Administration may ask the Cost Cap Adjudication Panel or, in the event of an appeal of the Cost Cap Adjudication Panel's decision, the ICA to revoke the immunity by written decision, with no possibility of appeal by the person concerned, who then would become liable to incur the sanctions permitted under the International Sporting Code.

6.21 The Cost Cap Administration and all persons taking part in an investigation are bound by an obligation of confidentiality vis-à-vis persons or organisations not concerned with the investigation. Nevertheless, the Cost Cap Administration may at any time make public its decision to conduct an investigation and the outcome thereof, provided at all times it maintains the confidentiality of any Confidential Information provided to it in connection with such investigation.

6.22 In relation to any investigation, an F1 Team must, and must procure that the other members of the F1 Team's Legal Group Structure shall:

(a) cooperate fully with any such investigation and must procure that all Personnel cooperate fully with the investigation, as may be required;

(b) grant access to the information and records of that F1 Team and/or of any member of the F1 Team's Legal Group Structure to any of the Cost Cap Administration, the Independent Audit Firm appointed by the Cost Cap Administration, the Cost Cap Adjudication Panel and/or the ICA;

(c) make electronic devices of that F1 Team and/or of any member of the F1 Team's Legal Group Structure available for inspection and download to any of the Cost Cap Administration, the Independent Audit Firm appointed by the Cost Cap Administration, the Cost Cap Adjudication Panel and/or the ICA; and

(d) facilitate access to such of its premises, individuals, information, and documentation as may be required.

6.23 Each F1 Team must retain and preserve its accounting books and records in a manner that shall enable the Cost Cap Administration, the Independent Audit Firm appointed by the Cost Cap Administration, the Cost Cap Adjudication Panel and/or the ICA, on inspection pursuant to Article 6.22, to understand to its satisfaction, the content of the Full Year Financial Reporting Documentation submitted by that F1 Team in respect of the previous five Full Year Reporting Periods.

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Complaints procedure

6.24 If an F1 Team (a "**Complainant Team**") believes that another F1 Team has not complied with these Financial Regulations, it may submit a report to the Cost Cap Administration as set out in Article 6.25.

6.25 Upon receipt of a written report from a Complainant Team, the Cost Cap Administration shall conduct an investigation into the reported non-compliance, subject to the following mandatory conditions being met:

(a) the report identifies the non-complying F1 Team and clearly summarises the relevant non-compliance in each case. If a Complainant Team wishes to report non-compliance in respect of more than one F1 Team, the Complainant Team must submit a separate report in respect of each F1 Team to the Cost Cap Administration;

(b) the report clearly specifies the relevant provision(s) of these Financial Regulations which have not been complied with;

(c) the report is made in Good Faith and the signatories to the relevant report have reasonable grounds to believe that the information reported is true, accurate and duly supported by evidence;

(d) the report includes sufficient valid evidence in support of each reported instance of non-compliance;

(e) the report must be submitted in the period between 1 January and 30 April (inclusive) immediately following the Full Year Reporting Period in which the non-compliance is reported to have occurred; and

(f) the report shall be signed by the CEO and CFO of the Complainant Team.

6.26 The Cost Cap Administration may, in its sole discretion, decline to conduct an investigation if one or more of the mandatory conditions listed at Article 6.25 have not been met. The Cost Cap Administration shall inform the Complainant Team in writing of any such decision not to investigate. There shall be no right of appeal against any such decision not to investigate under this complaints procedure.

6.27 Upon completion of an investigation of a complaint reported pursuant to Article 6.24, the Cost Cap Administration shall prepare a recommendation report, which shall be submitted to the Cost Cap Adjudication Panel for consideration. The Cost Cap Administration shall inform the Complainant Team in writing of the submission of the report to the Cost Cap Adjudication Panel. The Cost Cap Adjudication Panel shall conduct a hearing and reach a decision in accordance with the provisions of Article 7.3.

Accepted Breach Agreement

6.28 If the Cost Cap Administration determines that an F1 Team has committed a Procedural Breach or a Minor Overspend Breach, the Cost Cap Administration may propose sanctions for such breach, which should be based on the same factors, including aggravating and mitigating factors, that the Cost Cap Adjudication Panel would take into account under these Financial Regulations for such breach pursuant to Article 8. If the F1 Team accepts the breach and the proposed sanctions the Cost Cap Administration may enter into an accepted breach agreement (an "**ABA**") with the F1 Team reflecting the acceptance. There shall be no right of

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appeal in respect of any decision by the Cost Cap Administration as to whether to enter into an ABA or not.

6.29 An ABA may:

(a) set out certain obligations or conditions to be fulfilled or satisfied by the relevant F1 Team, either within a specified timeframe or on an ongoing basis; and/or

(b) provide for enhanced monitoring procedures to be put in place in respect of the F1 Team; and/or

(c) impose any Financial Penalty or Minor Sporting Penalties that would be available to the Cost Cap Adjudication Panel pursuant to Article 9 in respect of the relevant type of breach, save that the Cost Cap Administration shall not be entitled to impose the Minor Sporting Penalties specified in Articles 9.1(b)(ii), 9.1(b)(iii) and 9.1(b)(vi); and/or

(d) set out details of the costs to be borne by the F1 Team, calculated by reference to the reasonable costs incurred by the Cost Cap Administration in connection with any investigations into that F1 Team's compliance with these Financial Regulations and/or the preparation of an ABA.

6.30 The Cost Cap Administration shall oversee the implementation of, and monitor compliance with, the terms of any ABA. If the relevant F1 Team fails to comply with any of the terms of the ABA, the Cost Cap Administration shall refer that F1 Team to the Cost Cap Adjudication Panel. Such non-compliance shall be treated as a Procedural Breach.

6.31 In order for the Cost Cap Administration to enter into an ABA, the relevant F1 Team must:

(a) acknowledge that it has breached these Financial Regulations;

(b) accept, observe and satisfy the sanction(s) and/or enhanced monitoring procedures levied;

(c) agree to bear the costs detailed in the ABA, as referred to in Article 6.29(d); and

(d) waive its right to challenge the ABA.

6.32 The Cost Cap Administration will publish a summary of the terms of the ABA, detailing the breach, any sanctions, and any enhanced monitoring procedures, omitting any Confidential Information.

7. COST CAP ADJUDICATION PANEL

7.1 The Cost Cap Adjudication Panel will comprise a panel of independent judges who will hear and determine cases of alleged breach of these Financial Regulations that are referred to it by the Cost Cap Administration, in accordance with these Financial Regulations. Decisions of the Cost Cap Adjudication Panel may be appealed to the ICA. The Cost Cap Adjudication Panel and, ultimately, the ICA have final authority in determining whether or not an F1 Team has complied with these Financial Regulations.

7.2 The Cost Cap Administration will refer a case to the Cost Cap Adjudication Panel in the following circumstances:

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(a) the Cost Cap Administration determines the F1 Team has committed a Procedural Breach and/or a Minor Overspend Breach and an ABA has not been entered into or is not deemed appropriate; or

(b) the Cost Cap Administration determines the F1 Team has committed a Non-Submission Breach or a Material Overspend Breach; or

(c) an F1 Team has entered into an ABA but has failed to comply with the terms of such ABA; or

(d) following an investigation by the Cost Cap Administration of a complaint reported by a Complainant Team pursuant to Article 6.24 of these Financial Regulations.

7.3 Following a referral from the Cost Cap Administration the Cost Cap Adjudication Panel shall conduct a hearing and reach a decision.

7.4 The Cost Cap Adjudication Panel shall comprise a minimum of six judges and a maximum of twelve judges (the "**Judges**") elected by the FIA General Assembly in accordance with the FIA Statutes from among the candidates proposed by either:

(a) the FIA Sport Members entitled to vote (as per Articles 3.1 and 3.3 of the FIA Statutes); or

(b) a group of not less than five F1 Teams.

7.5 Every two years the Judges shall elect amongst themselves a President (the "**President of the Cost Cap Adjudication Panel**") and a Vice-President of the Cost Cap Adjudication Panel.

7.6 In case of impediment, the President of the Cost Cap Adjudication Panel shall be replaced by the Vice-President.

7.7 Each Judge's mandate shall take effect on 1 January following their election. They shall each serve a four-year mandate, which shall be capable of renewal twice, subject to the transitory provisions specified in the FIA Statutes.

7.8 If a seat becomes vacant for whatever reason and should the number of serving Judges fall below six, the General Assembly shall elect a replacement for the remainder of the mandate.

7.9 For each case, the judging panel shall comprise at least three Judges of which at least one Judge shall have been elected to the Cost Cap Adjudication Panel following his or her proposal by a group of five F1 Teams. The members of the relevant judging panel shall be appointed by the President of the Cost Cap Adjudication Panel.

7.10 Members of the relevant judging panel must have no conflict of interest (as defined in the FIA Code of Ethics) with the matter in question. In cases of doubt, the President of the Cost Cap Adjudication Panel (or, if he or she are themselves concerned, the Vice-President) shall determine whether or not a Judge has a conflict of interest but will not be required to explain their decision.

7.11 If a member of the relevant judging panel is unable, unwilling or unfit to hear the matter (whether because of a conflict of interest, as described in Article 7.10, or otherwise) the President of the Cost Cap Adjudication Panel shall appoint a replacement member to the judging panel.

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Hearings before the Cost Cap Adjudication Panel

7.12 In respect of each hearing, one of the members of the judging panel will be appointed by the President of the Cost Cap Adjudication Panel to act as the President of the judging panel (the "**President of the Hearing**"). The President of the Hearing will be responsible for the conduct of the proceedings, verifying the regularity of the proceedings, ensuring that the rights of the Parties are respected (including their right to confidentiality at the hearing), keeping order during the hearing, and arranging for the drafting of the decision, (which shall be authenticated by his/her signature) as well as his/her notification to the FIA and the Respondent and its publication.

7.13 Those present at each hearing may include (together the "**Parties**" and each a "**Party**"):

(a) the parties to the proceedings, namely the FIA (as the body responsible for enforcement of these Financial Regulations) and the relevant F1 Team (as the "**Respondent**");

(b) the representatives of the FIA and the Respondent;

(c) any Witnesses, as permitted under Articles 7.15 and 7.18; and

(d) any third party observer(s), as permitted under Article 7.17.

7.14 The Cost Cap Adjudication Panel will make public its decision to conduct the hearing, and will publish the final decision of the judging panel resolving the proceedings in accordance with Article 7.27, but otherwise the proceedings before the Cost Cap Adjudication Panel will be confidential and no Party may disclose any facts or other information (including Confidential Information) relating to the proceedings either before, during or after the proceedings.

7.15 The FIA and the Respondent may submit written evidence from their respective Witness(es) to the President of the Hearing within the prescribed timeframes. If the President of the Hearing considers the evidence to be relevant, he may invite such Witness(es) to attend the hearing in order to answer any questions from the President of the Hearing, and/or the judging panel, and/or the FIA and/or the Respondent. Any Witness invited to attend shall not be authorised to present evidence on any issue which has not been addressed in their written evidence, unless (exceptionally) permission is granted by the President of the Hearing. Requests for the hearing of Witnesses may be refused by the President of the Hearing if he or she, in their sole discretion, considers them to be frivolous, vexatious, excessive and/or unnecessary.

7.16 The President of the Hearing will also invite the FIA and the Respondent to set out their respective arguments, where appropriate without the Witnesses being present.

7.17 Third parties may only attend the hearing with the permission of the President of the Hearing, which he may grant or deny in his sole discretion. If permission is granted, the third party shall attend the hearing in an observer capacity only. The third party shall not be permitted to make submissions, to present evidence, or to question Witnesses.

7.18 The President of the Hearing may decide, if he considers that fairness to the FIA or the Respondent requires it, or that it would assist the judging panel, to hear from any other Witness, in addition to the FIA, the Respondent and each of their Witnesses.

7.19 After they have made their statements, the President of the Hearing may direct any Witness to remain in the courtroom and not to speak to any other Witness.

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7.20 The President of the Hearing will then invite each of the FIA and the Respondent to make their closing statements.

7.21 The President of the Hearing may permit a Party to attend via videoconference or other means of communication.

7.22 At any point during the hearing, the judging panel may decide, after hearing the Parties but before making a final decision:

(a) to request further information; or

(b) to postpone proceedings to a later hearing, in particular in order to hear Witnesses.

7.23 After the Respondent has had the last word, the hearing will be declared closed and no further submissions or evidence shall be permitted, unless requested by the judging panel after a hearing has been re-opened.

7.24 After the close of the hearing, the President of the Hearing will announce the likely time and date when the decision will be pronounced.

7.25 The judging panel may decide to re-open the hearing at any point in its deliberation, for instance if it becomes aware of any new fact. In this case, each of the FIA and the Respondent shall be informed by a new notification for the further hearing.

Decision

7.26 Following a hearing, the judging panel shall make its decision, which shall:

(a) be reached unanimously or else by a majority vote with each member of the judging panel having one vote and in the event of a deadlock the President of the Hearing having a further casting vote;

(b) be in writing in the English language;

(c) state the reasons for its decision;

(d) be notified to each of the FIA and the Respondent;

(e) in the event that an F1 Team is found to have been in breach of these Financial Regulations, contain details of:

(i) any sanction (which shall be determined in accordance with Article 9); and

(ii) the costs to be borne by the F1 Team, which shall be calculated by reference to the reasonable costs incurred by the Cost Cap Administration and the Cost Cap Adjudication Panel in connection with any investigation and/or adjudication. In the event that the reasonable costs incurred by the Cost Cap Administration are disputed, the judging panel shall determine them; and

(f) in the event that an F1 Team is found to have complied with these Financial Regulations, contain instructions to the Cost Cap Administration to issue a compliance certificate.

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7.27 The Cost Cap Adjudication Panel will publish the decision of the judging panel and the grounds upon which they are based, save for any Confidential Information.

7.28 If, within three months of the date of notification of a decision by the Cost Cap Adjudication Panel, any important new evidence is discovered which was unknown during the case before the Cost Cap Adjudication Panel and which could call into question, or cause the Cost Cap Adjudication Panel to modify, its decision, the Cost Cap Adjudication Panel may, within three months from the date of it being notified of such important new evidence, choose to re-examine its decision, following a process that respects both the rights of the Parties and the terms of these Financial Regulations.

Appeals

7.29 The ICA is the independent judicial body of that name, established under the FIA Statutes and the FIA Judicial and Disciplinary Rules to act as the final appeal court for international motor sport.

7.30 An appeal of a decision by the Cost Cap Adjudication Panel can be made by either the F1 Team in question, the FIA or those individuals listed in Article 9.8(b) of these Financial Regulations who are the subject of a decision by the Cost Cap Adjudication Panel, and shall be heard by the ICA in accordance with the FIA Judicial and Disciplinary Rules.

8. CATEGORIES OF BREACH

Procedural Breach

8.1 A "**Procedural Breach**" arises when an F1 Team breaches a procedural aspect of these Financial Regulations (including any Determination), except that a Non-Submission Breach, as defined in Article 8.7, does not constitute a Procedural Breach.

8.2 Examples of Procedural Breaches include:

(a) making a Late Submission;

(b) failing to submit Interim Reporting Documentation by the Interim Reporting Deadline;

(c) failing to cooperate with or respond to a written request for information, documentation or clarification from the Cost Cap Administration within the timeframe imposed by the Cost Cap Administration;

(d) delaying, impeding or frustrating the exercise by the Cost Cap Administration of its regulatory function, including an investigation conducted under the Financial Regulations, or any attempt to do so;

(e) submitting Reporting Documentation that is inaccurate or misleading (e.g. by including inaccurate or misleading information or by omitting relevant information);

(f) failing to comply with the terms of an ABA;

(g) failing to comply with the requirements of Articles 1.8, 1.9 or 1.10;

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(h) failing to submit information or documentation required by any Determination by the applicable deadline included in that Determination; or

(i) failing to submit a Used Inventory Incremental List in accordance with the requirements set out within FIA technical directive TD017 as renumbered and/or amended from time to time.

8.3 In the event the Cost Cap Adjudication Panel determines that an F1 Team has committed a Procedural Breach, the Cost Cap Adjudication Panel shall impose a Financial Penalty, unless:

(a) the Cost Cap Adjudication Panel determines that sufficient mitigating factors exist to justify taking no further action; or

(b) the Cost Cap Adjudication Panel determines that a sufficient aggravating factor(s) exist, in which case it shall impose a Minor Sporting Penalty in addition to the Financial Penalty, or in lieu of the Financial Penalty.

Late and Non-Submission of Full Year Reporting Documentation

8.4 In the event that an F1 Team does not submit all of the Full Year Reporting Documentation, fully completed, by the Full Year Reporting Deadline (a "**Late Submission**"), the Cost Cap Administration shall issue a late submission notice ("**Late Submission Notice**") to the F1 Team (the "**Late Submitting Team**").

8.5 Each Late Submitting Team shall, within 48 hours of receipt of the Late Submission Notice, provide the Cost Cap Administration with a written explanation of the reasons for its Late Submission.

8.6 The Cost Cap Administration may grant the Late Submitting Team an extension to the Full Year Reporting Deadline provided that it is satisfied with the written explanation pursuant to Article 8.5 (the "**Extended Reporting Deadline**").

8.7 In the event that a Late Submitting Team:

(a) does not provide a written response to a Late Submission Notice within the specified time;

(b) provides a written response to a Late Submission Notice within the specified time but such response is deemed unsatisfactory by the Cost Cap Administration; or

(c) does not submit all of the Full Year Reporting Documentation, fully completed, by the Extended Reporting Deadline,

the Late Submitting Team shall have committed a Non-Submission Breach and shall be immediately referred to the Cost Cap Adjudication Panel.

8.8 An F1 Team that submits a Subset Cost Cap Reporting Template as part of its Full Year Reporting Documentation when such F1 Team has failed to meet the applicable deadlines in order to use Subset Accounts stipulated by the Cost Cap Administration via a Determination shall have committed a Non-Submission Breach.

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8.9 In the event the Cost Cap Adjudication Panel determines that an F1 Team has committed a Non-Submission Breach, the Cost Cap Adjudication Panel shall impose a Constructors' Championship points deduction in accordance with Article 9.1(c)(i) and additionally may impose a Financial Penalty and/or any other Material Sporting Penalties.

Minor Overspend Breach

8.10 A "**Minor Overspend Breach**" arises when:

(a) an F1 Team submits its Full Year Reporting Documentation and Relevant Costs reported therein exceed the Cost Cap by less than 5%; or

(b) following the review of an F1 Team's Full Year Reporting Documentation (including, where applicable, the conclusion of any investigation undertaken by the Cost Cap Administration and/or the Independent Audit Firm appointed by the Cost Cap Administration), the F1 Team's Relevant Costs have been determined to exceed the Cost Cap by less than 5%.

8.11 In the event the Cost Cap Adjudication Panel determines that an F1 Team has committed a Minor Overspend Breach, the Cost Cap Adjudication Panel may impose a Financial Penalty and/or any Minor Sporting Penalties.

Material Overspend Breach

8.12 A "**Material Overspend Breach**" arises when:

(a) an F1 Team submits its Full Year Reporting Documentation and Relevant Costs reported therein exceed the Cost Cap by 5% or more; or

(b) following the review of an F1 Team's Full Year Reporting Documentation (including, where applicable, the conclusion of any investigation undertaken by the Cost Cap Administration and/or the Independent Audit Firm appointed by the Cost Cap Administration), the F1 Team's Relevant Costs have been determined to exceed the Cost Cap by 5% or more.

8.13 In the event the Cost Cap Adjudication Panel determines that an F1 Team has committed a Material Overspend Breach, the Cost Cap Adjudication Panel shall impose a Constructors' Championship points deduction in accordance with Article 9.1(c)(i) and additionally may impose a Financial Penalty and/or any other Material Sporting Penalties.

Aggravating or mitigating factors

8.14 In determining the sanctions appropriate for a particular case, the Cost Cap Adjudication Panel shall take into account any aggravating or mitigating factors.

8.15 Examples of aggravating factors include:

(a) any element of bad faith, dishonesty, wilful concealment or fraud;

(b) multiple breaches of these Financial Regulations in the Reporting Period in question;

(c) breaches of these Financial Regulations in respect of a previous Reporting Period;

(d) quantum of breach of the Cost Cap; and

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(e) failure to co-operate with the Cost Cap Administration and/or Independent Audit Firm appointed by the Cost Cap Administration.

8.16 Examples of mitigating factors include:

(a) voluntary disclosure of a breach to the Cost Cap Administration;

(b) track record of compliance with these Financial Regulations in previous Reporting Periods;

(c) unforeseen Force Majeure Events; and

(d) full and unfettered co-operation with the Cost Cap Administration and/or the Independent Audit Firm appointed by the Cost Cap Administration.

9. SANCTIONS FOR BREACH

Sanctions

9.1 The following sanctions may be imposed for breach of these Financial Regulations as set out in Article 8:

(a) A "**Financial Penalty**", meaning a fine in an amount to be determined on a case by case basis.

(b) A "**Minor Sporting Penalty**", meaning one or more of the following:

(i) public reprimand;

(ii) deduction of Constructors' Championship points awarded for the Championship that took place within the Reporting Period of the breach;

(iii) deduction of Drivers' Championship points awarded for the Championship that took place within the Reporting Period of the breach;

(iv) suspension from one or more stages of a Competition or Competitions, excluding for the avoidance of doubt the race itself;

(v) limitations on ability to conduct aerodynamic or other Testing; and/or

(vi) reduction of the Cost Cap,

provided that the penalty specified in Article 9.1(b)(vi) shall only be applied with respect to the Full Year Reporting Period immediately following the date of the imposition of the sanction (and subsequent Full Year Reporting Periods, where applicable).

(c) A "**Material Sporting Penalty**", meaning one or more of the following:

(i) deduction of Constructors' Championship points awarded for the Championship that took place within the Reporting Period of the breach;

(ii) deduction of Drivers' Championship points awarded for the Championship that took place within the Reporting Period of the breach;

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(iii) suspension from one or more stages of a Competition or Competitions, excluding for the avoidance of doubt the race itself;

(iv) limitations on the ability to conduct aerodynamic or other Testing;

(v) suspension from an entire Competition or Competitions, including for the avoidance of doubt the race itself;

(vi) exclusion from the Championship; or

(vii) reduction of the Cost Cap,

provided that the penalty specified in Article 9.1(c)(vii) shall only be applied with respect to the Full Year Reporting Period immediately following the date of the imposition of the sanction (and subsequent Full Year Reporting Periods, where applicable).

Enhanced monitoring and suspended sanctions

9.2 In addition to any of the sanctions listed in Article 9.1, the Cost Cap Adjudication Panel has the power to impose enhanced monitoring in respect of an F1 Team.

9.3 At its sole discretion, the Cost Cap Adjudication Panel may suspend the application of any imposed sanction in whole or in part.

9.4 For the avoidance of doubt, in the event of an appeal of any decision, the application of all imposed sanctions shall be suspended until final decision is made by the ICA.

Payment of a Financial Penalty

9.5 Payment of all fines under these Financial Regulations shall be made within 30 days of the date of the relevant decision. In the event an appeal is made, payment shall be suspended until the outcome of the appeal is determined.

9.6 Subject to Article 9.5, any delay in the payment of all fines under these Financial Regulations automatically divests the F1 Team concerned of the right to participate in the Championship until that payment has been made.

9.7 Without prejudice to Article 9.6, interest shall be payable by the F1 Team to the FIA in respect of any fines not paid by the due date, accruing daily on the principal amount outstanding from the due date until the date of actual payment, at a rate of 2% above the US Federal Reserve System federal funds rate on the relevant due date.

Individual responsibility

9.8 In the event that:

(a) an F1 Team's Full Year Reporting Documentation is incomplete, inaccurate or misleading in any material respect; and

(b) the Cost Cap Adjudication Panel determines that that F1 Team's CEO, CFO, Team Principal and/or Technical Director was aware, or ought reasonably to have been aware, of the same,

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the Cost Cap Adjudication Panel may impose any of the sanctions permitted under the International Sporting Code on the individual(s) concerned, with the exclusion of fines.

10. ARRANGEMENTS FOR NEW ENTRANTS

An F1 Team that has been granted an FIA Super Licence for participation in the Championship must comply with these Financial Regulations in respect of the Full Year Reporting Period ending on 31 December immediately prior to the first Championship season in which such F1 Team participates, except that it shall not be required to comply with Article 5.2 in respect of that period.

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APPENDIX 1

DEFINITIONS AND INTERPRETATION

In these Financial Regulations, the following words and expressions have the meanings set out opposite them:

"**ABA**" means an accepted breach agreement entered into between the Cost Cap Administration and the relevant F1 Team, as set out in Article 6.28.

"**Activities To Enable The Supply Of Power Units**" means:

(a) the research, development and design of Power Units;

(b) the manufacture and assembly of Power Units, including the testing of systems and components that comprise Power Units, supplied to any F1 Team;

(c) the provision of track support activities relating to the operation of Power Units by any F1 Team, as set out in Appendix 3 of the Technical Regulations; and

(d) the purchase and / or manufacture of F1 Car components provided to a Power Unit supplier for the Sole Purpose Of Testing Power Units For Performance And Reliability on either a Power Unit Test Bench or a Power Train Test Bench.

"**Adjustments**" means the adjustments to Total Costs of the Reporting Group set out in Article 4.

"**Alternative Fuel and Oil**" means fuel and oil from a supplier other than the supplier that has been specified by the Power Unit supplier to be used with the Power Units that it supplied to the F1 Team;

"**Applicable Rate**" means:

(a) the Initial Applicable Rate; or

(b) the average of the daily exchange rates published by the US Federal Reserve System (which are available at https://www.federalreserve.gov/releases/h10/) as at such date, +/- 60 days, as the Cost Cap Administration, in its absolute discretion, decides and communicates to the F1 Teams via a Determination no later than 31 October of the Full Year Reporting Period preceding the Full Year Reporting Period in which the Applicable Rate is to take effect.

"**Associate**" means, with respect to an entity, any other entity over which that entity holds Significant Influence, but not Control or Joint Control.

"**Audited Annual Financial Statements**" means annual financial statements prepared in accordance with International Financial Reporting Standards or national accounting standards (as applicable), which have been audited by an Independent Audit Firm. Audited Annual Financial Statements must include:

(a) a statement of financial position (balance sheet) at the end of the period;

(b) a statement of financial performance for the period (income statement/profit and loss account);

(c) if applicable, a statement of other comprehensive income for the period;

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(d) a statement of changes in equity for the period; and

(e) notes, comprising a summary of significant accounting policies and other explanatory notes.

"**Buildings**" means any building classified as such in the Audited Annual Financial Statements of each Reporting Group Entity and any of the following assets integrated into such building:

(a) walls, floors, ceilings, doors, gates, shutters, windows and stairs;

(b) mains services and systems for electricity, gas and water;

(c) waste disposal systems;

(d) sewerage and drainage systems;

(e) shafts or other structures in which lifts are installed; and

(f) fire safety systems, lighting systems and air conditioning systems.

"**Capital Expenditure**" means the higher of zero and an amount equal to:

(a) all costs incurred and recognised in the Audited Annual Financial Statements of each Reporting Group Entity in the Full Year Reporting Period or a previous Full Year Reporting Period as tangible assets and/or as intangible assets, which either:

(i) have become available for use during the Full Year Reporting Period, except any such costs in respect of:

(A) land, Buildings and leasehold improvements;

(B) a tangible asset or an intangible asset for which the depreciation/amortisation is Directly Attributable to Marketing Activities, Heritage Asset Activities, Non-F1 Activities, Human Resources Activities, Legal Activities or Finance Activities;

(C) Research and Development costs recognised as intangible assets;

(D) goodwill arising from a business combination;

(E) amounts capitalised in respect of an F1 Car;

(F) Transitional Capital Expenditure; and

(G) Sustainability Initiative Costs; or

(ii) became available for use during any of the four preceding Full Year Reporting Periods, that were originally excluded from Capital Expenditure under paragraph (a)(i)(B) of this definition, but no longer satisfy this exclusion in the Full Year Reporting Period;

plus

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(b) all costs incurred and recognised in the annual financial statements of entities within the F1 Team's Legal Group Structure but outside its Reporting Group in the Full Year Reporting Period or a previous Full Year Reporting Period as tangible assets and/or intangible assets relating to F1 Activities, but excluding any costs in respect of a Power Train Dynamometer, which either:

(i) have become available for use during the Full Year Reporting Period, excluding any such costs:

(A) set out in paragraphs (a)(i)(A) to (G) (inclusive) of this definition; and

(B) incurred and recognised in the annual financial statements of an entity that is within the Reporting Group of another F1 Team;

or

(ii) became available for use during any of the four preceding Full Year Reporting Periods but not prior to 1 January 2024, that were originally excluded from Capital Expenditure under paragraph (b)(i)(A) of this definition, but no longer satisfy this exclusion in the Full Year Reporting Period;

plus

(c) the Fair Value of any tangible assets and/or intangible assets relating to F1 Activities that became available for use prior to the start of the relevant Full Year Reporting Period and are held by an entity within the F1 Team's Legal Group Structure in the relevant Full Year Reporting Period where that entity was not in the Legal Group Structure of the F1 Team in the previous Full Year Reporting Period, excluding any such costs set out in paragraphs (a)(i)(A) to (G) (inclusive) of this definition;

less

(d) an amount equal to the aggregate of:

(i) in respect of any Related Party Transaction or Inter-Team Transaction pursuant to which a Relevant Asset is disposed of, the lower of:

(A) the sale proceeds attributable to the disposal of each Relevant Asset; and

(B) the Fair Value of each Relevant Asset as at the date of the disposal, as determined by an independent valuation specialist to the satisfaction of the Cost Cap Administration; and

(ii) in respect of any other transaction pursuant to which a Relevant Asset is disposed of, the sale proceeds attributable to the disposal of each Relevant Asset,

in each case provided that the Relevant Asset was recorded as a disposal during the Full Year Reporting Period within the Audited Annual Financial Statements of the relevant Reporting Group Entity and was not part of a sale and leaseback arrangement;

less

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(e) Eligible Wind Tunnel Capital Expenditure, provided that:

(i) once an F1 Team has made any deduction in a Full Year Reporting Period pursuant to this sub-paragraph (e) in respect of an Eligible Wind Tunnel Asset Element, that F1 Team may not make any deductions in respect of that Eligible Wind Tunnel Asset Element in any subsequent Full Year Reporting Period;

(ii) the maximum amount that an F1 Team may deduct in a Full Year Reporting Period pursuant to this sub-paragraph (e) in respect of an Eligible Wind Tunnel Asset Group shall not, when aggregated with all such amounts deducted in prior Full Year Reporting Periods in respect of that Eligible Wind Tunnel Asset Group, exceed a cumulative total equal to the amount set out in column 3 of Appendix 2; and

(iii) the maximum amount that an F1 Team may deduct in a Full Year Reporting Period pursuant to this sub-paragraph (e) shall not, when aggregated with all such amounts deducted in prior Full Year Reporting Periods exceed a cumulative total of US Dollars 55,000,000, adjusted (if applicable) for Indexation.

"**Capital Expenditure Amount**" means in respect of the Full Year Reporting Period ending on 31 December 2025, the aggregate amount of Capital Expenditure for the relevant Full Year Reporting Period and the three preceding Full Year Reporting Periods, less the cumulative amount of the Adjustments, (if any), made pursuant to Article 4.1(e) in respect of the preceding three Full Year Reporting Periods.

"**Capital Expenditure Limit**" means in respect of the Full Year Reporting Period ending on 31 December 2025 the relevant amount indicated in Column 2 of Appendix 3, adjusted (if applicable) for Indexation. Capital Expenditure Limit for that F1 Team in the relevant Full Year Reporting Period shall be converted from US Dollars into that F1 Team's Presentation Currency at the Initial Applicable Rate.

"**CEO**" means the individual designated as chief executive officer for each F1 Team under the F1 Team's Competitor Staff Registration Submission to the FIA in respect of the Reporting Period.

"**CFO**" means the individual designated as chief financial officer for each F1 Team under the F1 Team's Competitor Staff Registration Submission to the FIA in respect of the Reporting Period.

"**Championship**" means the FIA Formula One World Championship, which includes both the Constructors' Championship and the Drivers' Championship.

"**Competitor Staff Registration Submission**" means the competitor's staff registration submission in accordance with the International Sporting Code.

"**Competition**" has the meaning set out in the Sporting Regulations in force during the applicable Reporting Period and "**Competitions**" shall be construed accordingly.

"**Complainant Team**" means a F1 Team that submits a report of non-compliance with these Financial Regulations as set out under Article 6.24.

"**Confidential Information**" means all confidential information relating to a member of an F1 Team's Legal Group Structure (whether written, oral or in any other format), including any information that would be regarded as confidential by a reasonable business person relating to the business, affairs, customers, clients, suppliers, plans, operations, processes, know-how, financial data, commercially

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sensitive information, designs, trade secrets or software of the F1 Team and/or of any member of the F1 Team's Legal Group Structure.

"**Connected Party**" means, in relation to a Relevant Person:

(a) any family member of such Relevant Person, where family member means:

(i) a spouse, domestic partner or civil partner;

(ii) any other person with whom the Relevant Person lives as partner in an enduring family relationship;

(iii) children or step-children of the Relevant Person or of any person falling within paragraph (a)(i) of this definition;

(iv) any children or step-children of a person falling within paragraph (a)(ii) of this definition who live with the Relevant Person and have not attained the age of 18;

(v) siblings;

(vi) parents; and

(vii) dependants of the Relevant Person or of any person falling within paragraph (a)(i) of this definition;

(b) any agent or representative acting on behalf of the Relevant Person;

(c) any body corporate in relation to which a Relevant Person or any of the categories of person identified within paragraphs (a) and (b) of this definition is:

(i) beneficially entitled to 20% or more of the entire issued share capital of that body corporate; or

(ii) entitled to exercise or control the exercise of more than 20% of the voting power at any general meeting of that body corporate; and

(d) any company, trust, partnership, or other body, organisation or mechanism established or operating directly or indirectly in whole or in part for the benefit of or in respect of the Relevant Person or any or all of the other categories of person referred to in this definition.

"**Consideration**" comprises:

(a) in the context of an employee:

(i) short term employee benefits (including basic salaries and bonuses);

(ii) post-employment benefits;

(iii) other long-term employee benefits;

(iv) termination benefits; and

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(v) any other consideration in exchange for any other service provided (whether written or unwritten); and

(b) in the context of a person who is not an employee:

(i) fees;

(ii) performance or other contractual payments, including payments in connection with the use of image rights;

(iii) termination payments; and

(iv) any other consideration in exchange for any other service provided (whether written or unwritten).

"**Constructors' Championship**" means the FIA Formula One World Constructors' Championship.

"**Control**" means the power to conduct the affairs of an entity and to direct its financial and operating policies which affect returns by means of shareholding, or voting power, or by constitutional documents (statutes) or agreement, or otherwise. "**Controlling**" and "**Controlled**" shall be construed accordingly.

"**Corporate Income Tax**" means any domestic and/or foreign taxes which are based on taxable profits, including unrecoverable withholding taxes on corporate income.

"**Cost Cap**" has the meaning set out in Article 2.3.

"**Cost Cap Adjudication Panel**" means the independent decision-making panel comprised in accordance with Article 7.

"**Cost Cap Administration**" means the staff designated by the FIA from time to time to administer and monitor the operation of these Financial Regulations.

"**Cost Cap Reporting Template**" means the reporting template, in the format prescribed by the Cost Cap Administration from time to time via a Determination, which shall:

(a) include Total Costs of the Reporting Group;

(b) include, in respect of the Full Year Reporting Documentation, a reconciliation of the costs reported in the Cost Cap Reporting Template to the costs recorded in the Audited Annual Financial Statements in respect of each Reporting Group Entity;

(c) calculate Relevant Costs for the applicable Reporting Period;

(d) contain an appropriate level of disclosure to enable the Cost Cap Administration to assess compliance with these Financial Regulations; and

(e) include details of relevant Related Party Transactions, Exchange Transactions, Inter-Team Transactions, Power Unit Transactions and transactions pursuant to which a Customer Competitor uses a Transferable Component or a sub-assembly of a Transferable Component.

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"**Current Cars**" means cars which were designed and built in order to comply with the Technical Regulations either in force during the applicable Reporting Period or in force during the Championship season immediately preceding or following the applicable Reporting Period.

"**Customer Competitor**" has the meaning set out in the Technical Regulations in force during the applicable Reporting Period.

"**Declarations**" means declarations, in the format prescribed by the Cost Cap Administration from time to time via a Determination:

(a) signed by each of the Team Principal, CEO, CFO and Technical Director of the F1 Team, and, in respect of the Full Year Reporting Documentation only, signed by an authorised signatory for and on behalf of the F1 Team, each confirming that:

(i) the Reporting Documentation with which the Declarations are supplied is complete, accurate, not misleading and in compliance with these Financial Regulations; and

(ii) the F1 Team has complied with the requirements of Articles 1.8, 1.9 and 1.10;

(b) in respect of the Full Year Reporting Documentation only, signed by or on behalf of the F1 Team's Ultimate Controlling Party confirming that the Reporting Group Documentation with which the Declarations are supplied is complete, accurate, not misleading and in compliance with these Financial Regulations.

"**Demonstration Event**" has the meaning set out in the Sporting Regulations in force during the applicable Reporting Period.

"**Determination**" means an official written communication issued by the Cost Cap Administration to all of the F1 Teams which is expressed to be a determination and which shall be binding on the F1 Teams.

"**Development**" means the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services prior to the commencement of commercial production or use.

"**Directly Attributable**" means, in relation to a particular activity, if:

(a) the cost would have been avoided if that particular activity was not undertaken; and

(b) the cost is separately identifiable without apportionment.

"**Drivers' Championship**" means the FIA Formula One World Drivers' Championship.

"**Eligible Wind Tunnel Assets**" means those assets set out in Appendix 2.

"**Eligible Wind Tunnel Asset Group**" means a group of Eligible Wind Tunnel Assets set out in Column 1 of Appendix 2.

"**Eligible Wind Tunnel Asset Element**" means an item or sub-group of Eligible Wind Tunnel Assets set out in Column 2 of Appendix 2.

"**Eligible Wind Tunnel Capital Expenditure**" means costs that:

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(a) fall within limb (a), limb (b) or limb (c) of the definition of Capital Expenditure; and

(b) are in respect of assets that an F1 Team has sought pre-approval from Cost Cap Administration prior to being brought into use by or on behalf of that F1 Team, and Cost Cap Administration has confirmed in writing to be Eligible Wind Tunnel Assets in respect of that F1 Team. Such approval will only be provided in respect of a single set/unit of any given Eligible Wind Tunnel Asset Element that is required to operate a wind tunnel for Testing; and

(c) are in respect of assets that became available for use on or after 1 January 2023.

"**Employee Bonus Costs**" means those amounts payable pursuant to a Formal Bonus Scheme, to the extent such amounts are determined solely by reference to the F1 Team's and/or its F1 Drivers' classification in the Championship or by reference to the F1 Team's and/or its F1 Drivers' points, podiums or race wins in respect of the Championship, or any combination of the foregoing, in the Reporting Period.

"**Employee Medical Benefits**" means any medical benefits made available to all employees of all Reporting Group Entities, or to a specifically identified sub-category of employees of all Reporting Group Entities, in each case on a substantially equal basis and excluding any private medical insurance.

"**Employee Termination Benefits**" means the costs of all employee benefits in connection with terminating the engagement of a Reporting Group Entity's employee as a result of either:

(a) termination of an employee's engagement prior to the automatic expiry date of such engagement; or

(b) an employee's decision to accept an offer of benefits in exchange for the termination of engagement.

"**Engineering Trailer**" means a branded temporary standalone structure, and any irremovable fixtures, fittings and equipment integrated into such structure that is brought into the paddock and constructed by an F1 Team to provide a working environment for engineering purposes during a Competition or Testing of Current Cars. For the avoidance of doubt this does not include any structures, fixtures, fittings or equipment that are constructed or installed into any permanent or existing paddock buildings, such as the pit garages.

"**Exchange Transaction**" means a transaction between a Reporting Group Entity and a third party that results in one of the parties acquiring assets or services or satisfying liabilities by surrendering other assets or services or incurring other obligations.

"**Excluded Bonus Maximum Amount**" means:

(a) for each F1 Team that either wins the Constructors' Championship taking place in the applicable Reporting Period, or achieves a higher finishing position in the Constructors' Championship taking place in the applicable Reporting Period than it achieved in any of the previous three Reporting Periods, US Dollars 12,000,000; and

(b) for each other F1 Team, US Dollars 10,000,000.

"**Excluded Costs**" means those costs that must be excluded from Total Costs of the Reporting Group pursuant to the exclusions set out in Article 3.

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"**Excluded Persons**" has the meaning set out in Article 3.1(d) and "**Excluded Person**" shall be construed accordingly.

"**Extended Reporting Deadline**" has the meaning set out in Article 8.6.

"**F1 Activities**" means:

(a) all activities undertaken by or on behalf of the F1 Team relating to the operation of that F1 Team and its participation in the Championship, including all activities in connection with the research, development, design, manufacture, Testing and racing of F1 Cars and marketing activities of the F1 Team, but excluding:

(i) Activities To Enable The Supply Of Power Units for use by any F1 Team(s); and

(ii) activities undertaken in order to participate in an FIA Project.

(b) all activities undertaken by or on behalf of the F1 Team in connection with the research, development and design of Transferable Components, Open Source Components and Standard Supply Components, but excluding activities to enable the supply of, or participate in a tender process to supply, any Standard Supply Component, as the sole supplier of that Standard Supply Component appointed by the FIA;

(c) the planning, directing, management, control and/or execution of the activities defined as F1 Activities within paragraphs (a) and (b) of this definition; and

(d) the management, directing, control and use of the assets used to undertake the activities defined as F1 Activities within paragraphs (a) and (b) of this definition.

"**F1 Cars**" means Current Cars, Previous Cars, Historic Cars and any cars intended for future participation in the Championship.

"**F1 Driver**" means any person:

(a) engaged by a Reporting Group Entity whose primary role is as a driver engaged in the racing of F1 Cars in the Championship for or on behalf of the F1 Team during the Reporting Period; and

(b) who has driven in a race for the F1 Team in the Championship during the Reporting Period.

"**F1 Team**" means a legal entity that holds an FIA Super Licence to participate in the Championship (being referred to in the Sporting Regulations as the "competitor", or the "constructor").

"**Fair Value**" means the price that would have been received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date.

"**FIA**" means the Fédération Internationale de l'Automobile.

"**FIA Code of Ethics**" means the FIA Code of Ethics adopted by the FIA General Assembly, as amended from time to time.

"**FIA General Assembly**" means the supreme decision-making body of the FIA.

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"**FIA Judicial and Disciplinary Rules**" means the FIA Judicial and Disciplinary Rules adopted by the FIA General Assembly, as amended from time to time.

"FIA Project" means any F1 safety-related FIA project or initiative, or any other F1 related FIA project, in each case as notified to the F1 Teams by the Cost Cap Administration via a Determination.

"**FIA Statutes**" means the official statutes of the FIA adopted by the FIA General Assembly, as amended from time to time.

"**FIA Super Licence**" has the meaning set out in the International Sporting Code.

"**FIA World Motor Sport Council**" means the World Motor Sport Council as constituted under the FIA Statutes.

"**Finance Activities**" are the undertaking of payroll administration, processing of payments to/from third parties, financial record keeping, accounting and taxation matters, and preparation of financial statements and internal financial analysis.

"**Finance Costs**" mean:

(a) interest on bank overdrafts and loans;

(b) interest on convertible loan notes;

(c) any related charges arising from these borrowings such as transaction fees, account maintenance fees or fees charged for late payment;

(d) interest on and any related charges arising from any other form of borrowing of funds; and

(e) interest on lease liabilities.

"**Financial Penalty**" has the meaning set out in Article 9.1(a) and "**Financial Penalties**" shall be construed accordingly.

"**Financial Regulations**" means these FIA Formula One Financial Regulations, as amended from time to time.

"**Findings Report**" has the meaning set out in the Determination “Requirements in respect of RDEC Equivalent Adjustment”, as amended from time to time.

"**Flyaway Event**" means a Competition or Testing of Current Cars to which F1 Teams do not transport their paddock motorhome and Engineering Trailer.

"**Force Majeure Event**" means any circumstances beyond the reasonable control of an F1 Team affecting its compliance with these Financial Regulations, including terrorist action or the threat thereof, civil commotion, disruption due to general or local elections, invasion, war, threat of or preparation for war, fire, explosion, storm, flood, earthquake, or any other such natural physical disaster, epidemic and any legislation, regulation or ruling of any government, court or other such competent authority.

"**Formal Bonus Scheme**" means an employee bonus scheme that either:

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(a) has been formally communicated in writing (including, for these purposes, by email) to the relevant employee(s); or

(b) has been formally approved by the board of directors of the F1 Team and is supported by a board resolution,

in either case prior to the first Competition of the Championship to which the Reporting Period relates.

"**Full Year Reporting Deadline**" means the deadline for submission of the Full Year Reporting Documentation, which is 19.00 CET on 31 March, or if such day is not a business day on the next business day, in respect of the Full Year Reporting Period ending on 31 December in the previous calendar year, unless any later time or date is otherwise communicated to the F1 Teams by the Cost Cap Administration via a Determination.

"**Full Year Financial Reporting Documentation**" means either:

(a) if the F1 Team submitted a Cost Cap Reporting Template within its Interim Financial Reporting Documentation in the Reporting Period, the following documents:

(i) the Audited Annual Financial Statements in respect of each Reporting Group Entity for the Full Year Reporting Period; and

(ii) a completed Cost Cap Reporting Template; or

(b) if the F1 Team submitted a Subset Cost Cap Reporting Template within its Interim Financial Reporting Documentation in the Reporting Period, either:

(i) the documents set out in paragraph (a) of this definition; or

(ii) the following documents:

(A) the Audited Annual Financial Statements for each individual Reporting Group Entity for the Full Year Reporting Period;

(B) the Subset Accounts; and

(C) a completed Subset Cost Cap Reporting Template.

"**Full Year Reporting Documentation**" has the meaning set out in Article 5.1.

"**Full Year Reporting Period**" means a 12-month financial reporting period commencing on 1 January and ending on 31 December.

"**Good Faith**" means with due diligence and in a spirit of honesty, sincerity and integrity.

"**Heritage Asset Activities**" means activities for the preservation, management, operation, Testing and maintenance of Previous Cars and Historic Cars.

"**Heritage Asset Personnel**" means any Personnel spending 90% or more of their total working hours in the applicable Reporting Period undertaking Heritage Asset Activities.

"**Historic Cars**" means cars which were designed and built in order to comply with the Technical Regulations in force within any Championship season preceding those referred to within the definition of Previous Cars.

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"**Human Resources Activities**" means the undertaking of recruitment of Personnel, Personnel communications, health and safety matters, Employee Medical Benefits, and grievance, disciplinary or termination procedures relating to Personnel.

"**ICA**" means the FIA International Court of Appeal.

"**Immunity Conditions**" has the meaning set out in Article 6.18.

"**Independent Audit Firm**" means an independent audit firm acting in compliance with the International Code of Ethics for Professional Accountants (including International Independence Standards) and who have been approved by the Cost Cap Administration.

"**Indexation**" means in respect of the Full Year Reporting Period ending on 31 December 2025, the compound rate obtained by applying the average annual inflation rate for the G7 countries for the calendar year to 31 December of the previous Reporting Period, as published on the International Monetary Fund website, to the Indexation rate of the preceding Full Year Reporting Period, as communicated by the Cost Cap Administration via a Determination.

The average annual inflation rate for the G7 countries is published on the International Monetary Fund website at https://www.imf.org/external/datamapper/PCPIPCH@WEO/MAE. If such rate ceases to exist, the Cost Cap Administration will use an alternative rate which it deems to be reasonably comparable.

"**Initial Applicable Rate**" means:

(a) in respect of the exchange rate between US Dollars and each of Pounds Sterling, Euros and Swiss Francs, the following rates:

US Dollars / Pounds Sterling	US Dollars / Euros	US Dollars / Swiss Francs
1.2691	1.0982	1.0040

(b) in respect of all other currencies, the average of the daily exchange rates published by the US Federal Reserve System over the period 29 February 2020 +/- 60 days.

"**Interim Financial Reporting Documentation**" means:

(a) a completed Cost Cap Reporting Template; or

(b) if the F1 Team has submitted a notice in writing to the Cost Cap Administration of its intention to use Subset Accounts as part of its Full Year Financial Reporting Documentation by the deadline communicated by the Cost Cap Administration via a Determination, a completed Subset Cost Cap Reporting Template.

"**Interim Reporting Deadline**" means the deadline for submission of the Interim Reporting Documentation, which is 19.00 CET on 30 June, or if such day is not a business day on the next business day, in respect of the Interim Reporting Period ending on 30 April in the same calendar year, unless any later time or date is otherwise communicated to the F1 Teams by the Cost Cap Administration via a Determination.

"**Interim Reporting Documentation**" has the meaning set out in Article 5.2.

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"**Interim Reporting Period**" means a four-month financial reporting period commencing on 1 January and ending on 30 April in any given year.

"**International Sporting Code**" means the FIA International Sporting Code, as amended from time to time.

"**Inter-Team Transaction**" means a transaction between a Reporting Group Entity in respect of an F1 Team and a member of the Legal Group Structure of another F1 Team.

"**Inventories**" means only those assets which are:

(a) finished goods purchased or produced, and held for use in respect of the F1 Team's Current Cars or any cars intended for future participation in the Championship;

(b) in the process of production for such use under paragraph (a) of this definition; and

(c) in the form of materials or supplies to be consumed in the process of production for such use under paragraph (a) of this definition.

"**Joint Control**" means the contractually agreed sharing of Control of an arrangement, which exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing Control. "**Jointly Controlling**" and "**Jointly Controlled**" shall be construed accordingly.

"**Joint Venture**" means a joint arrangement whereby the parties that have Joint Control of the arrangement have rights to the net assets of the arrangement.

"**Judges**" has the meaning set out in Article 7.4.

"**Key Management Personnel**" means those persons having authority over and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

"**Late Submission**" has the meaning set out in Article 8.4.

"**Late Submission Notice**" has the meaning set out in Article 8.4.

"**Late Submitting Team**" has the meaning set out in Article 8.4.

"**Legal Activities**" means the provision of legal advice and guidance, legal document preparation and drafting, ensuring compliance with applicable laws, legal contract management, litigation management and representation in respect of legal matters.

"**Legal Group Structure**" means:

(a) the F1 Team;

(b) any direct or indirect Controlling, or Jointly Controlling, entity of the F1 Team (up to and including the Ultimate Controlling Party);

(c) any Subsidiary, Associate or Joint Venture of the F1 Team or any entity pursuant to paragraph (b) of this definition; and

(d) any party that has Significant Influence over the F1 Team.

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"**Marketing Activities**" means:

(a) the creation, development and deployment of Marketing Outputs;

(b) the identification, negotiation, agreement and servicing of sponsorship agreements;

(c) the application of paint and stickers to F1 Cars or to any plant or equipment assets used to undertake F1 Activities; and

(d) carrying out Promotional Events, Demonstration Events or other demonstration events organised by the Commercial Rights Holder.

"**Marketing Outputs**" means branded F1 Team clothing, branded F1 Team merchandise, website, customer relationship management database, eSports players/teams, public relations external communications, the paddock motorhome, Engineering Trailer, Team Building at a Flyaway Event and any other outputs as may be determined and communicated as such by the Cost Cap Administration via a Determination from time to time.

"**Material Overspend Breach**" has the meaning set out in Article 8.12.

"**Material Sporting Penalty**" has the meaning set out in Article 9.1(c) and "**Material Sporting Penalties**" shall be construed accordingly.

"**Minor Overspend Breach**" has the meaning set out in Article 8.10.

"**Minor Sporting Penalty**" has the meaning set out in Article 9.1(b) and "**Minor Sporting Penalties**" shall be construed accordingly.

"**Non-Submission Breach**" has the meaning set out in Article 8.7 or 8.8, as applicable.

"**Non-F1 Activities**" means activities that are not F1 Activities.

"**Objectives**" has the meaning set out in Article 1.3.

"**Open Source Components**" has the meaning set out in the Technical Regulations in force during the applicable Reporting Period.

"**Other Racing Driver**" means any person engaged by a Reporting Group Entity whose primary role is as a driver engaged in the racing and/or Testing of automobiles for or on behalf of the F1 Team during the Reporting Period, but who is not an F1 Driver.

"**Parent**" means an entity that Controls one or more other entities (known as Subsidiaries). Together a Parent and its Subsidiaries are a "**Group**".

"**Parties**" (and in its singular form "**Party**") has the meaning set out in Article 7.13.

"**Personnel**" means any individual engaged in the undertaking of F1 Activities by an entity in the Legal Group Structure of the F1 Team.

"**Power Train Dynamometer**" has the meaning set out in the 2026 Power Unit Sporting Regulations.

"**Power Train Test Bench**" has the meaning set out in the Sporting Regulations in force during the applicable Reporting Period.

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"**Power Unit**" has the meaning set out in the Technical Regulations in force during the applicable Reporting Period.

"**Power Unit Supply Perimeter**" has the meaning set out in the Technical Regulations in force during the applicable Reporting Period.

"**Power Unit Test Bench**" has the meaning set out in the Sporting Regulations in force during the applicable Reporting Period.

"**Power Unit Transaction**" means a transaction, other than a Related Party Transaction, Exchange Transaction or Inter-Team Transaction, between a Reporting Group Entity and a Power Unit supplier.

"**Presentation Currency**" means, in relation to a Reporting Group Entity, the currency in which the Audited Annual Financial Statements of that entity are presented, and "**Presentation Currencies**" shall be construed accordingly.

"**President of the Hearing**" has the meaning set out in Article 7.12.

"**President of the Cost Cap Adjudication Panel**" has the meaning set out in Article 7.4.

"**Previous Cars**" means cars which were designed and built in order to comply with the Technical Regulations in force in any of the three Championship seasons falling immediately prior to the Championship season preceding the applicable Reporting Period.

"**Procedural Breach**" has the meaning set out in Article 8.1.

"**Promotional Event**" has the meaning set out in the Sporting Regulations in force during the applicable Reporting Period.

"**Property Costs**" means any property rent, property lease costs, business rates and property taxes.

"**RDEC Equivalent Maximum Amount**" means the amount calculated in accordance with the methodology communicated by the Cost Cap Administration via a Determination no later than 30 April of the relevant Full Year Reporting Period.

"**Redundant Inventories**" means Inventories held at the end of the Reporting Period but not held for future use in respect of the F1 Team's Current Cars or any cars intended for future participation in the Championship, as:

(i) they are damaged or destroyed;

(ii) they are obsolete; or

(iii) the F1 Team determine they will not be used in the future in respect of the F1 Team's Current Cars or any cars intended for future participation in the Championship.

"**Related Party**" means, with respect to a Reporting Group Entity:

(a) a person who:

(i) has Control or Joint Control of that Reporting Group Entity;

(ii) has Significant Influence over that Reporting Group Entity; or

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(iii) is a member of the Key Management Personnel of that Reporting Group Entity or of a Parent of that Reporting Group Entity;

(b) a family member (such term being construed as set out in the definition of Connected Party) of any person listed in paragraph (a) of this definition;

(c) an entity to which any of the following paragraphs apply:

(i) both it and the Reporting Group Entity are members of the same Group;

(ii) it or the Reporting Group Entity is an Associate or Joint Venture of the other (or an Associate or Joint Venture of a member of a Group of which the other is a member);

(iii) it and the Reporting Group Entity are Joint Ventures of the same third party;

(iv) it or the Reporting Group Entity is a Joint Venture of a third party and the other is an Associate of the third party;

(v) the entity is a post-employment defined benefit plan for the benefit of the employees of the Reporting Group Entity;

(vi) the entity is Controlled or Jointly Controlled by a person falling within paragraphs (a) or (b) of this definition;

(vii) a person falling within paragraph (a)(i) of this definition, or a family member of such a person, has Significant Influence over the entity or is a member of the Key Management Personnel of the entity (or of a Parent of the entity); and/or

(viii) the entity, or any member of a Group of which it is a part, provides Key Management Personnel services to a Reporting Group Entity or to the Parent of a Reporting Group Entity.

"**Related Party Transaction**" means, with respect to a Reporting Group Entity:

(a) a transfer of resources, services or obligations between that Reporting Group Entity and a Related Party, regardless of whether a price has been charged; or

(b) any transaction between that Reporting Group Entity and a third party where:

(i) a commercial relationship exists between that third party and a Related Party; and

(ii) the transaction is entered into on terms that are different to those that the third party would have agreed if the commercial relationship referred to in paragraph (b)(i) of this definition had not existed.

"**Relevant Asset**" means each tangible asset held on the fixed asset register within the underlying books and records of each Reporting Group Entity that:

(a) is plant and equipment or IT hardware; and

(b) either:

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(i) the costs in respect of which have been treated as Capital Expenditure; or

(ii) if it became available for use prior to 1 January 2021, the costs in respect of which would have been treated as Capital Expenditure had that asset become available for use on or after 1 January 2021.

"**Relevant Costs**" means the Total Costs of the Reporting Group less any Excluded Costs, and subject to any applicable Adjustments.

"**Relevant Person**" means each of an F1 Driver, Other Racing Driver and Excluded Persons from time to time.

"**Reporting Deadline(s)**" means the Interim Reporting Deadline and/or the Full Year Reporting Deadline, as the context so requires.

"**Reporting Documentation**" means the Interim Reporting Documentation and/or the Full Year Reporting Documentation, as the context so requires.

"**Reporting Group**" means the F1 Team and, if applicable, those entities within the Legal Group Structure of the F1 Team determined to be included in the Reporting Group of the F1 Team in accordance with Articles 2.5 to 2.11 (inclusive). Each entity within the Reporting Group shall be a "**Reporting Group Entity**".

"**Reporting Group Documentation**" means documentation, in the format prescribed by the Cost Cap Administration from time to time via a Determination, containing:

(a) details of each Reporting Group Entity for the applicable Reporting Period; and

(b) confirmation that the exclusion from the F1 Team's Reporting Group of all other entities in the F1 Team's Legal Group Structure is in accordance with Articles 2.5 to 2.11 (inclusive).

"**Reporting Period**" means the Interim Reporting Period and/or the Full Year Reporting Period, as the context so requires.

"**Research**" means any original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.

"**Respondent**" has the meaning set out in Article 7.13(a).

"**Significant Influence**" means the power to participate in the financial and operating policy decisions of the entity, but not in Control or Joint Control of that entity. Significant Influence may be gained by means of shareholding, or voting power, or by constitutional documents (statutes), or by agreement, or otherwise.

"Sole Purpose Of Testing Power Units For Performance And Reliability" has the meaning set out in the Sporting Regulations in force during the applicable Reporting Period.

"**Sporting Regulations**" means the FIA Formula One Sporting Regulations, as amended from time to time.

"**Sprint**" has the meaning set out in the Sporting Regulations in force during the applicable Reporting Period.

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"**Standard Supply Components**" has the meaning set out in the Technical Regulations in force during the applicable Reporting Period and "**Standard Supply Component**" shall be construed accordingly.

"**Subset Accounts**" means, annual accounts for the Full Year Reporting Period for a clearly identifiable component of the F1 Team, the format of which shall be prescribed by the Cost Cap Administration via a Determination and which shall:

(a) include Total Costs of the F1 Team less any costs Directly Attributable to Non-F1 Activities;

(b) be prepared by reference to the same financial reporting framework and under the same accounting policies used by the F1 Team in its Audited Annual Financial Statements; and

(c) comprise:

(i) an income statement with line items down to profit or loss before Finance Costs and Corporate Income Tax;

(ii) balance sheet line items for tangible assets, intangible assets, inventories and research and development costs; and

(iii) explanatory notes,

which have been audited by the same Independent Audit Firm that signs the F1 Team's Audited Annual Financial Statements; and

(d) be derived from best practice accounting separation and regulatory financial reporting requirements.

"**Subset Cost Cap Reporting Template**" means the reporting template, in the format prescribed by the Cost Cap Administration from time to time via a Determination, which shall:

(a) include:

(i) Total Costs of the F1 Team less any costs Directly Attributable to Non-F1 Activities; and

(ii) if the Reporting Group includes entities other than the F1 Team, the Total Costs of each Reporting Group Entity (other than the F1 Team);

(b) include, in respect of the Full Year Reporting Documentation, a reconciliation of the costs reported in the Subset Cost Cap Reporting Template to the costs recorded in:

(i) the Subset Accounts; and

(ii) if the Reporting Group includes entities other than the F1 Team, the Audited Annual Financial Statements in respect of each Reporting Group Entity (other than the F1 Team);

(c) include, in respect of the Full Year Reporting Documentation, a reconciliation of the costs recorded in the Subset Accounts to the costs recorded in the Audited Annual Financial Statements of the F1 Team;

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(d) calculate Relevant Costs for the applicable Reporting Period;

(e) contain an appropriate level of disclosure to enable the Cost Cap Administration to assess compliance with these Financial Regulations;

(f) include details of relevant Related Party Transactions, Exchange Transactions Inter-Team Transactions, Power Unit Transactions and transactions pursuant to which a Customer Competitor uses a Transferable Component or a sub-assembly of a Transferable Component; and

(g) prescribe reporting obligations no less onerous than those to which that F1 Team would have been subject had it reported using the Cost Cap Reporting Template.

"**Subsidiary**" means an entity that is Controlled by another entity (known as the Parent).

"**Sustainability Initiative Costs**" means:

(a) Consideration provided to, and associated employer's social security contributions incurred in respect of Personnel engaged by a Reporting Group Entity or costs of outsourced services incurred, that are in either case Directly Attributable to defining and identifying ESG sustainability objectives and the strategy envisaged to achieve these objectives, and the monitoring, collation and production of reports to measure progress against carbon foot-print and emissions targets and overall ESG sustainability objectives and all travel and accommodation cost in respect to these Personnel;

(b) costs incurred with an external specialist to provide audit and assurance services for the purpose of obtaining environmental sustainability accreditations and/or certifications;

(c) feasibility study costs and costs to procure and install solar panels, wind turbines, geothermal/air source heat pumps, heat recovery units, hydrogen or biomethane fuelled fuel cells and any related monitoring equipment;

(d) costs to procure up to a maximum in aggregate and across different Reporting Periods of 50 fully electric or hydrogen powered road vehicles and to install associated refuelling infrastructures at the F1 Team's premises;

(e) costs Directly Attributable to the procurement and operation of fully electric or hydrogen powered buses used to facilitate daily commuting of Personnel between pre-defined pick-up points and the F1 Team premises;

(f) costs of IT software and IT licenses to monitor, collate, measure and report data in respect of carbon foot-print and emissions targets and overall environmental sustainability objectives;

(g) Donations to charities or non-profit organizations engaged in the promotion, development and deployment of environmental sustainability projects;

(h) costs Directly Attributable to the purchase of carbon removal credits, carbon offset credits or green energy certificates and cost Directly Attributable to the funding of external projects for greenhouse gases removal and/or mitigation;

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(i) costs of bio-fuel, bio-gas and/or hydrogen purchased for use in the F1 Team's road vehicles and generators used during Competitions and Testing of Current Cars;

(j) costs Directly Attributable to the purchase of certificates related to sustainable aviation or sustainable marine fuel purchased to offset and reduce greenhouse gases emissions from air/sea travel by Personnel and air/sea-freight to Competitions or Testing of Current Cars;

(k) costs Directly Attributable to optional logistics surcharges levied by the Commercial Rights Holder for the purpose of developing or utilising sustainable logistics solutions and separately identified as such within the logistics recharges made by the Commercial Rights Holder to the F1 Team; and

(l) costs of charges levied by Commercial Right Holder for the purpose of developing or utilising the event energy transition solution during Competitions and Testing of Current Cars and separately identified as such within the logistics recharges made by the Commercial Rights Holder to the F1 Team

"**Team Building**" means a structure with roof and walls in the paddock made available by the organiser of a Flyaway Event to an F1 Team for the primary purpose of facilitating Marketing Activities. For the avoidance of doubt, this does not include the F1 Team pit garage.

"**Team Principal**" means the individual designated as team principal for each F1 Team under the F1 Team's Competitor Staff Registration Submission to the FIA in respect of the Reporting Period.

"**Technical Director**" means the individual designated as technical director for each F1 Team under the F1 Team's Competitor Staff Registration Submission to the FIA in respect of the Reporting Period.

"**Technical Regulations**" means the FIA Formula One Technical Regulations, as amended from time to time.

"**Testing**" means all on track and off-track testing, including any virtual testing and simulation of either a car, chassis or chassis system or components, (including for the avoidance of doubt Testing of Current Cars).

"**Testing of Current Cars**" has the meaning set out in the Sporting Regulations in force during the applicable Reporting Period.

"**Total Costs**" means all costs and losses recognised within profit or loss of the underlying books and records.

"**Total Costs of the Reporting Group**" means the aggregate of Total Costs of each Reporting Group Entity, having adjusted (to the extent applicable) for any amounts recharged from one Reporting Group Entity to another Reporting Group Entity.

"**Total Employee Remuneration**" means the aggregate annual basic salaries and bonuses of all employees within Total Costs of the Reporting Group, excluding any such amounts falling within Articles 3.1(a) to 3.1(e) (inclusive), 3.1(h) to 3.1(k)(inclusive), 3.1(t) to 3.1(w) (inclusive), 3.1(y) and 3.2.

"**Total Fixed Employee Remuneration**" means the aggregate annual basic salaries of all employees within Total Costs of the Reporting Group, excluding any such amounts falling within Articles 3.1(a) to 3.1(e) (inclusive), 3.1(h) to 3.1(j)(inclusive), 3.1(t) to 3.1(w) (inclusive) , 3.1(y) and 3.2.

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"**Transferable Components**" has the meaning set out in the Technical Regulations in force during the applicable Reporting Period.

"**Transitional Capital Expenditure**" means all costs incurred and recognised in the Audited Annual Financial Statements of each Reporting Group Entity up to and including 31 December 2020 as tangible assets and/or as intangible assets that:

(a) were classified as assets in the course of construction as at 31 December 2020 in the Audited Annual Financial Statements of the relevant Reporting Group Entity; and

(b) became available for use during the Full Year Reporting Period ending on 31 December 2021 or the Full Year Reporting Period ending on 31 December 2022; and

(c) in respect of which the F1 Team can provide evidence that the cost was formally approved by the board of directors of the applicable Reporting Group Entity prior to 31 October 2019, to the satisfaction of the Cost Cap Administration.

"**Ultimate Controlling Party**" means, in respect of an F1 Team, the entity or individual which has ultimate Control, directly or indirectly, of that F1 Team.

"Used Inventories" means Inventories held for future use in respect of the F1 Team's Current Cars or any cars intended for future participation in the Championship, that have been used in respect of the F1 Team's Current Cars or any cars intended for future participation in the Championship in the Reporting Period.

"Used Inventory Incremental List" has the meaning set out in the FIA technical directive TD017, as renumbered and/or amended from time to time.

"Unused Inventories" means Inventories held for future use in respect of the F1 Team's Current Cars or any cars intended for future participation in the Championship, excluding Used Inventories.

"**Witness**" means a fact witness and/or an expert witness and "**Witnesses**" shall be construed accordingly.

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APPENDIX 2

ELIGIBLE WIND TUNNEL ASSETS

(1)	(2)	(3)
Eligible Wind Tunnel Asset Group	**Eligible Wind Tunnel Asset Element**	**Capped amount US Dollars ('000)**
(1) Wind tunnel fan system	(1a) Wind tunnel fan assembly. (1b) Fan motor up to 3.5MW power output. (1c) Associated power transformers, cabinets. (1d) Gearboxes. (1e) Motor drives and PLCs. (1f) Associated power cables up to their connection with the building main power distribution, motor field wiring. (1g) Fan housing and duct section from joint with fan inlet contraction section to joint with outlet expansion section.	15,000
(2) Wind tunnel airline circuit duct and test section	(2a) Wind tunnel airline circuit duct including walls, floor and ceiling of all contraction, expansion, collector and corner sections up to a wind tunnel nozzle area of 17m2. (2b) Turntable and road interface and ceiling where they are exposed to the wind tunnel air stream. (3c) Turning vanes, screens, flow conditioners within the airline circuit duct. (2d) Doors and hatches that are included in the airline circuit duct but not any windows and doors or lighting external to the airline circuit duct. (2e) Test Section plexiglass or transparent walls and windows, wall support structure and positioning or shaping systems (passive or adjustable as permitted by the Sporting Regulations). (2f) Flexible configuration test section designs (solid wall, slotted wall, open jet). (2g) Breather slot or openings and boundary layer re-injection duct.	40,000
(3) Wind tunnel rolling road system	(3a) Continuous single belt rolling road where such design is specified for and capable of <=80m/s road speed and is no larger than 3.5m width and 10m overall	18,000

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	length (when measured perpendicular to axes parallel and perpendicular to the direction of belt travel respectively). (3b) Road support and yaw motion turntable platform where turntable rotation is specified and capable of <=15deg. in either direction about an axis normal to the road plane. (3c) Rolling road motors, motor drives, rollers and bearing systems up to two spare belts but excluding any kind of road belt surface coating to simulate road roughness or modify friction. (3d) Through belt load measurement systems and under belt load measurement pad location systems. (3e) Boundary layer suction system. (3f) Compressors and vacuum systems and associated plant directly serving the rolling road system. (3g) Hydraulic systems directly serving the rolling road system. (3h) Electrical power systems and cabinets directly serving the rolling road system. (3i) Road exchange platform but no other external lifts or cranes.	
(4) Wind tunnel balance and model motion system	(4a) Wind tunnel model support structure frame and motion system (e.g. Hexapod or Internal type) that moves the entire model vertically and/or in roll in pitch or in yaw relative to the ground plane and only up to the junction with the wind tunnel model spine (as agreed by the FIA). Following items are not included in a): any component or system that forms part of the wind tunnel model representation of the F1 Car itself such as actuator systems internal to the wind tunnel model. (4b) Load measurement system or balance for measurement of the total forces or moments acting on the entire model only and not the components of those forces or moments created by parts of the car (except under Eligible Wind Tunnel Asset Element (3d) above) and up to the junction with the wind tunnel model spine.	10,000
(5) Wind tunnel cooling and heating system	(5a) Heat exchangers and/or associated plant suitable for +/-0.5deg.C accuracy stable control of the temperature of the wind tunnel air.	5,000

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	(5b) Heat exchangers and/or associated plant for the control of the temperature of the rolling road system.	
(6) Wind tunnel control system	(6a) Control electronics for the rolling road system and wind tunnel. (6b) Wind tunnel and rolling road system control sensors (e.g. static ring). (6c) Wind tunnel fan control system and software, boundary layer control system and software. (6d) Safety systems. (6e) Wind tunnel rolling road system control system software for road tension, temperature, speed, tracking and motion control. (6f) Wind tunnel model motion control software applicable to the degrees of freedom specified in the aerodynamic testing restrictions set out in the Sporting Regulations. (6g) Wind tunnel data acquisition system PC and software.	5,000

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APPENDIX 3

CAPITAL EXPENDITURE LIMIT

(Column 1) **F1 Team [(1)]**	**(Column 2)** **Capital Expenditure Limit for the Reporting Periods ending on 31 December 2025** **(US Dollars '000)**
Red Bull Racing Limited	42,000
Mercedes-Benz Grand Prix Limited	42,000
Ferrari S.p.A.	42,000
McLaren Racing Limited	49,000
Alpine Racing Limited	49,000
AMR GP Limited	49,000
Scuderia Alpha Tauri S.p.A.	56,000
Sauber Motorsport AG	56,000
Haas Formula LLC	56,000
Williams Grand Prix Engineering Limited	56,000
New entrant (reference to Article 10)	56,000

[(1)]: as renamed from time to time

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