



INVITATION TO TENDER FOR SOLE SUPPLY CONTRACT

TENDER SUMMARY AND ADDITIONAL TENDER REQUIREMENTS

The FIA's objective is to select an exclusive supplier for **brake pads and friction discs** (hereinafter "the brake friction materials") whose task shall be to ensure the production, delivery and maintenance of the brake friction materials for the 2021, 2022, 2023 and 2024 seasons of the FIA Formula One World Championship (hereinafter "the Championship").

All tenderers are invited to complete the technical form attached and to provide all relevant technical and financial documents demonstrating that they are capable of supplying the brake friction materials to the competitors under the conditions referred to in the draft contract.

The FIA reserves the right to request any additional information from, and to organise meetings with, tenderers who have submitted the most interesting bids.

The FIA reserves the right not to select any exclusive supplier if no offer is finally deemed capable of being beneficial for the Championship and its competitors (for example, if the tendering procedure does not allow any cost savings for the competitors).

Should a tenderer be selected, it will be invited to enter into a contract with the FIA that will establish the terms of the tenderer's appointment as exclusive supplier. The exclusive supplier will supply the products directly to the competitors (not to the FIA) under terms and conditions to be agreed.

For reasons related to the regulatory stability of the FIA Formula One World Championship, the FIA may decide at its absolute discretion that the exclusive supply contract will also include the 2025 season. Tenderers are therefore required to submit two different bids; a first one, which will cover the 2021, 2022, 2023 and 2024 seasons of the Championship, and a second one, which will cover the 2021, 2022, 2023, 2024 and 2025 seasons of the Championship. The draft contract attached to this invitation to tender refers only to the first scenario, but the rights and obligations would remain substantially the same in the event of a contract that includes the 2025 season.

Bids must be submitted in accordance with the FIA's "Invitation to Tender for sole supply contract - tendering instructions" available on the FIA's website: www.fia.com, **apart from Article 1.1.8 and Article 3 of the same, which will not apply to the present invitation to tender.**

Bids must be sent to the FIA Administration by e-mail to the following address: tenderingprocedure@fia.com. Bids which do not comply with these supply conditions will not be taken into consideration.

Publication of invitation to tender:
Submission date:
Notification of decision:

25 April 2019
22 May 2019
14 June 2019

FORM TO BE COMPLETED

BY TENDERER

All manufacturers interested in supplying the brake friction materials in the 2021, 2022, 2023 and 2024 FIA Formula One World Championship are required to complete Parts 1 and 3 of this form, and to provide all relevant documentation containing the information listed in Part 2.

Part 1

We, the undersigned:

Name of tenderer:

.....
.....

Registered Office of tenderer:

.....
.....

Company Number of tenderer:

.....
.....

Contact Person responsible for tender and contact details:

.....
.....

are prepared to supply brake friction materials respecting all the conditions set out in the draft contract below in the 2021, 2022, 2023 and 2024 FIA Formula One World Championship.

Part 2

1. Description of the tenderer’s experience.
2. Detailed technical description setting out all the relevant qualities and specifications of the brake friction materials the tenderer proposes to supply, together with evidence that the product would be in compliance with the requirements.
3. List of the activities that the tenderer would intend to subcontract within the context of the supply of the brake friction materials, and details and identities of the subcontractors it intends to commission for such activities.
4. Pricing form stating the prices at which the brake friction materials will be supplied.

The documentation is to be sent to tenderingprocedure@fia.com, with each page initialled.

Part 3

Provided that our tender is selected by the FIA, we undertake to enter into a contract with the FIA under, substantially, the terms and conditions stated in the present document, as well as to comply with all sporting, technical and any other regulations applicable to the Championship.

Name:

Title:

Company:

In:

On:

Signature:

DRAFT CONTRACT FOR SUPPLYING THE BRAKE FRICTION MATERIALS

IN THE 2021, 2022, 2023 AND 2024

FIA FORMULA ONE WORLD CHAMPIONSHIP

BETWEEN

THE FEDERATION INTERNATIONALE DE L'AUTOMOBILE (FIA)

Place de la Concorde 8

75008 Paris

France

hereinafter referred to as the "**FIA**"

ON THE ONE HAND,

AND

[•]

hereinafter referred to as the "**PROVIDER**"

ON THE OTHER HAND,

Hereinafter together referred to as "**the PARTIES**".

PART 1 – GENERAL CONDITIONS

RECITALS

- (A) The FIA is the sole body governing international motor sport and is recognised by its members as the sole authority having the sporting power with the right to organise international FIA championships, including the CHAMPIONSHIP.
- (B) The FIA has an absolute obligation conferred on it by its members to safeguard its authority over all safety, sporting, technical and disciplinary matters relating to the CHAMPIONSHIP, as well as traditional values.
- (C) The FIA is responsible for the publication of the GOVERNING RULES.
- (D) The FIA has determined that the interests of the CHAMPIONSHIP require that a single supplier of the PRODUCT should be appointed for a limited term.
- (E) It is intended that the FIA and the PROVIDER will enter into this CONTRACT, pursuant to which the PROVIDER will be appointed as the sole supplier of PRODUCT to the CHAMPIONSHIP for the term set out herein.

1. APPOINTMENT AND SUPPLY

- 1.1 The FIA hereby appoints the PROVIDER to be the exclusive supplier of the PRODUCT to the COMPETITORS for the CHAMPIONSHIP and the PROVIDER hereby accepts this appointment and agrees to supply the PRODUCT to the COMPETITORS for the CHAMPIONSHIP, in accordance with the terms of this CONTRACT.
- 1.2 Following its appointment, the PROVIDER shall enter into a SUPPLY AGREEMENT with each COMPETITOR setting out the terms upon which the PRODUCT shall be supplied.
- 1.3 The PRODUCT that is supplied by the PROVIDER to the COMPETITORS shall be compliant with the TECHNICAL REGULATIONS and the technical specifications.

2. RELATIONS BETWEEN THE PROVIDER AND THE COMPETITORS

- 2.1 The PROVIDER shall treat all COMPETITORS in accordance with the PRINCIPLES OF SPORTING EQUALITY.
- 2.2 The PROVIDER shall supply the PRODUCT to all COMPETITORS on equivalent terms. It shall enter into a standard SUPPLY AGREEMENT with each COMPETITOR.
- 2.3 All SUPPLY AGREEMENTS shall be fully compliant with the PRINCIPLES OF SPORTING EQUALITY, the CONTRACT, the SPORTING REGULATIONS and the TECHNICAL REGULATIONS.
- 2.4 If requested by the FIA, the PROVIDER shall provide a copy of each SUPPLY AGREEMENT in order to demonstrate that the PRINCIPLES OF SPORTING EQUALITY are maintained. With respect to the

FIA, the PROVIDER hereby waives and confirms that it shall not assert or seek to rely on any confidentiality provision in any SUPPLY AGREEMENT or other agreement relevant to the supply of the PRODUCT to prevent the FIA from reviewing relevant agreements or carrying out its regulatory functions (including ensuring that the PRINCIPLES OF SPORTING EQUALITY are maintained).

- 2.5 The FIA may request amendments to a SUPPLY AGREEMENT if it considers that the SUPPLY AGREEMENT is not consistent or compatible with, or is otherwise contrary to, the PRINCIPLES OF SPORTING EQUALITY. For the avoidance of doubt, the PROVIDER's obligation to abide by the PRINCIPLES OF SPORTING EQUALITY shall not be limited or otherwise affected by the FIA's review of a SUPPLY AGREEMENT and/or a request for an amendment to be made.
- 2.6 In the event of uncertainty regarding whether any action taken or proposed to be taken by the PROVIDER may breach the PRINCIPLES OF SPORTING EQUALITY, the PROVIDER shall request guidance from the FIA, which shall make a determination in this regard. Where such a determination is made by the FIA, the PROVIDER's actions in complying with that determination shall be deemed to be in compliance with the PROVIDER's obligation in GENERAL CONDITION 2.1 to treat all COMPETITORS in accordance with the PRINCIPLES OF SPORTING EQUALITY.
- 2.7 Each SUPPLY AGREEMENT shall include a clause permitting the COMPETITOR and/or PROVIDER to terminate the SUPPLY AGREEMENT without a penalty of any kind in the event of expiry or early termination of the CONTRACT.

3. LIABILITY

- 3.1 Without prejudice to the other rights set out in the CONTRACT, the PROVIDER shall indemnify and hold harmless the INDEMNIFIED PERSONS from and against all reasonably foreseeable losses incurred by the INDEMNIFIED PERSONS as a direct result of the PROVIDER's:
 - (a) failure to supply the PRODUCT of the requisite quantity;
 - (b) failure to supply the PRODUCT of the requisite quality or type; and
 - (c) negligence in the supply of the PRODUCT,
- 3.2 The PROVIDER represents and warrants that it is in a position to meet any liability that may arise under GENERAL CONDITION 3.1, and hereby covenants for the benefit of each INDEMNIFIED PERSON to maintain such position for the period of time during which the PROVIDER may be liable.
- 3.3 Notwithstanding GENERAL CONDITIONS 3.1 and 3.2 above, the PROVIDER that enters into a CONTRACT will produce an attestation certifying that an insurance policy has been contracted in its name with a top-ranking international insurance company for covering its liability as PROVIDER for any and all action which might be taken to obtain compensation for prejudice caused by a manufacturing defect affecting the PRODUCT used pursuant to the CONTRACT.

4. WARRANTIES

- 4.1 The PROVIDER represents and warrants that it has full power and authority to enter into and fully perform its obligations under the CONTRACT, and the provisions of the CONTRACT, when executed, will constitute valid and binding obligations on the PROVIDER in accordance with its terms. The PROVIDER also represents and warrants that it has full power and authority to enter into and fully perform its obligations under the SUPPLY AGREEMENTS when executed.
- 4.2 The FIA represents and warrants that it has full power and authority to enter into and fully perform its obligations under the CONTRACT, and the provisions of the CONTRACT, when executed, will constitute valid and binding obligations on the FIA in accordance with its terms.

5. TERMINATION

- 5.1 Notwithstanding any other provision hereof, either party may terminate the CONTRACT with immediate effect by written notice to the other if any of the following events occur:
- (a) the other party has committed a material breach of the CONTRACT which is not capable of remedy or, if remediable, has not remedied it within 30 days of the non-breaching party's written notice requiring the default to be remedied (for the avoidance of doubt, a breach by the PROVIDER of any of the GENERAL CONDITIONS 1.2, 1.3, 2, 3 and 4.1 and any of the SPECIAL CONDITIONS is acknowledged by the PARTIES to be a material breach);
 - (b) steps (including any steps analogous to those following) have been taken to wind up the other party or to place the other party into administration or to have a receiver appointed over any of its assets, other than as part of a scheme of solvent reconstruction or amalgamation; or
 - (c) the other party shall cease or threaten to cease carrying on business or the other party shall make any composition or arrangement with its creditors or become subject to any other insolvency process or proceeding (other than as part of a scheme of solvent reconstruction or amalgamation) or have all or any of its assets or undertakings seized by a government or governmental agency or authority (including any acts analogous to the above).

6. GOVERNING RULES

- 6.1 The GOVERNING RULES constitute the legal, administrative and technical framework of the CHAMPIONSHIP and the conditions set forth therein shall have binding force and prevail among the PARTIES.
- 6.2 The CONTRACT shall in principle be interpreted in a manner that gives effect to the provisions of the GOVERNING RULES, the intention of the PARTIES being to construe the provisions of the CONTRACT in the context of the more general framework of the GOVERNING RULES.
- 6.3 The PROVIDER acknowledges that the technical specifications and GOVERNING RULES are subject to amendment from time to time. The PROVIDER will be responsible (at its own cost) for all research and development associated with the manufacture of the PRODUCT, including the making of any changes to the PRODUCT to be supplied pursuant to the CONTRACT that may be necessitated by any amendment to the technical specifications or the GOVERNING RULES.

6.4 The PROVIDER acknowledges that the FIA may take decisions regarding the supply of the PRODUCT, this CONTRACT and any obligations accruing from the GOVERNING RULES through whatever structure it deems appropriate, including through its disciplinary structures. The PROVIDER shall not challenge the competence of the disciplinary body acting in accordance with the GOVERNING RULES.

7. GOVERNING LAW AND LANGUAGE

7.1 The language that shall prevail for the interpretation of the CONTRACT shall be English and the CONTRACT and all documents connected with the CONTRACT shall be written in English. In the event of any conflict between the language of the CONTRACT and any translation thereof, the language of the CONTRACT shall prevail. In the event of any conflict between the language of any document connected with the CONTRACT and any translation thereof, the language of the document connected with the CONTRACT shall prevail.

7.2 The governing law of the CONTRACT shall be French law.

7.3 The Tribunal de Grande Instance de Paris, France, shall have sole jurisdiction to settle any dispute that may arise between the FIA and the PROVIDER in connection with the CONTRACT, subject at all times to the provisions of GENERAL CONDITION 6.4.

7.4 The PROVIDER undertakes to strictly respect the Statutes and Code of Ethics of the FIA as well as the GOVERNING RULES. The PROVIDER hereby agrees to be subject to the internal judicial and disciplinary bodies of the FIA.

7.5 Each party undertakes to the other party that in the exercise of its rights and performance of its obligations under this CONTRACT, it shall comply with all applicable laws, including without limitation all applicable laws relating to anti-corruption measures. In particular, and in accordance with such laws, each party undertakes to abstain (and to cause its directors, employees and officers to abstain) from corruptly, directly or indirectly, offering, promising, giving, paying or accepting any Public Official's request for a gift, or authorising anyone to give or pay, directly or indirectly, any sums, other benefits or advantages or anything of value to or for a Public Official.

For the purpose of this clause:

"Public Official" shall mean (i) anyone who performs public functions in a legislative, judicial or administrative capacity; (ii) anyone acting in an official capacity for or on behalf of a Public Body; (iii) anyone in charge of providing a public service; or (iv) any other person, individual or entity at the suggestion, request or instruction or for the benefit of any of the persons or entities referred to in (i) to (iii) above; and

"Public Body" shall mean (i) a supranational, national, regional or local government, (ii) an agency, department or instrumentality of a supranational, national, regional or (partially) government-owned company, and/or (iv) a public international organisation.

8. GENERAL

- 8.1 Nothing in the CONTRACT guarantees or shall be construed as guaranteeing the solvency of a COMPETITOR. The FIA is not responsible for ensuring that the COMPETITORS satisfy the terms of the SUPPLY AGREEMENTS and the FIA shall not be liable for a failure by any COMPETITOR to satisfy the terms of a SUPPLY AGREEMENT.
- 8.2 No delay or omission or failure to exercise any right or remedy provided herein shall be deemed to be a waiver thereof.
- 8.3 The CONTRACT shall be binding on and ensure to the benefit of the PARTIES and their respective successors and permitted assigns. The PROVIDER shall not be entitled to assign or sub contract its rights or obligations under the CONTRACT in whole or in part without the prior written consent of the FIA.
- 8.4 Any notice to be given under the CONTRACT shall be given in writing delivered to the other party by any one or more of the following methods:
- (a) personal delivery to one of its corporate officers, in which case notice shall be deemed as having been given at the time of such personal delivery;
 - (b) first class registered post or courier delivery service (such as DHL or UPS) to the above-mentioned address (or such other address as may be notified to the other party in writing from time to time), in which case notice shall be treated as having been given on the date of actual receipt at that address (or on the next local business day, if delivered on a local non-business day or after 4.00 p.m. local time on a local business day), which shall refutably be presumed to be the second local business day after posting.
- 8.5 Any variations of the CONTRACT shall be ineffective, unless agreed in writing and signed by the PARTIES.
- 8.6 If any term, provision or condition of the CONTRACT is held by a court of competent jurisdiction to be invalid, void or unenforceable, such invalidity, voidness or unenforceability shall not invalidate the remainder of the CONTRACT, all of which shall remain in full force and effect.
- 8.7 The CONTRACT may be executed in any number of counterparts (whether original or facsimile counterparts) and upon due execution of all such counterparts by all parties, each counterpart shall be deemed to be an original hereof.
- 8.8 GENERAL CONDITIONS 3, 7 and 8 shall survive expiry or termination of the CONTRACT for any reason (but shall terminate at the time expressly provided in the relevant GENERAL CONDITION, if any).

PART 2 – SPECIAL CONDITIONS

[Some parts of these Special Conditions are more informative than binding in their current wording. They will be subject to significant rewording in the supply contract with the selected supplier].

1 OBJECTIVES FOR THE SUPPLY OF COMMON BRAKE DISCS AND PADS

The aim of a single source supply is to retain current levels of Formula One braking performance for all cars at a much reduced cost for the COMPETITORS, while also removing the requirement for COMPETITORS to design or source their own brake discs and pads. The discs and pads can be carried over between seasons, thus removing the need for costly continual performance development.

2 SAFETY

The entire braking system is safety critical, and all analysis, design and development should be approached with this in mind. Detailed analysis of the peak loads should be provided to the FIA at least one week before the final design review. A full FMEA (Failure Mode and Effects Analysis) should be provided at the same time. An updated FMEA that takes into account the results of physical testing should be made available to the FIA and all COMPETITORS before the end of 2020.

3 OVERVIEW OF TENDER DELIVERABLES

- 3.1 The brake discs and pads are to be used in conjunction with a brake hydraulics system (front and rear brake callipers, a master cylinder and a brake-by-wire system) which will also be single source, of fixed design and subject to a separate invitation to tender.
- 3.2 The discs and pads must be nominally identical for all COMPETITORS. The PROVIDER shall guarantee that all discs and pads are of equal size, weight and performance irrespective of which COMPETITOR is supplied.
- 3.3 It is envisaged that there will be a maximum of two designs of front disc and one design of rear disc. If subsequent analysis shows that the braking requirements for all circuits can be economically covered by a single design of front disc, then the FIA will default to a supply of that single design of front disc and a single design of rear disc.
- 3.4 It is also envisaged that there will be a single design of front pad and a single design of rear pad appropriate for all circuits (and all races).
- 3.5 A base quantity for each PRODUCT supplied will be defined in accordance with **Appendix II**. This will cover quantities and delivery dates expected to be used for track testing and races. The PROVIDER will ensure that there are enough components to supply at least base quantities to all COMPETITORS by the dates defined.
- 3.6 COMPETITORS may purchase additional quantities of discs and/or pads, but the PROVIDER may only supply additional quantities once the supply of base quantities within the defined delivery schedule is guaranteed for all COMPETITORS.

3.7 The PROVIDER will provide technical support to all COMPETITORS. Details of the support requirements are given in SPECIAL CONDITION 10.

4 SUPPLY AGREEMENTS

4.1 The PROVIDER will enter into supply agreements with each COMPETITOR to supply brake discs and pads and the required support.

4.2 Such supply agreements should include prices and conditions of supply for each of the components along with the technical support associated with the supply.

5 PRICING OF THE PRODUCT

5.1 The pricing of the PRODUCT supplied pursuant to the CONTRACT shall be quoted in euros and in accordance with Article 3 of **Appendix II**. The stated price shall be inclusive of all taxes and charges and shall not be increased for any reason.

5.2 VAT (value added tax) shall not be charged to those COMPETITORS that are exempt from VAT and that have supplied proof of such exemption to the PROVIDER.

6 DESIGN AND DEVELOPMENT OF THE BRAKE DISCS AND PADS

6.1 The brake discs and pads shall be designed in conjunction with the FIA, the selected provider of brake callipers/hydraulic parts of the braking system and all of the current COMPETITORS to ensure they will provide the necessary performance and will fit within the surrounding components' constraints. The operating envelope (for example torques, speeds and temperatures) will also be explicitly agreed and will become part of the final overall specification. The FIA will arbitrate should the PROVIDER feel any of the COMPETITORS' requests are either unreasonable or incompatible with the best overall operation of the braking system, or incompatible with the objective of the supply agreement defined by this document.

6.2 Appropriate testing of the brake discs and pads will be undertaken by the PROVIDER to include confirmation of the required performance as specified in **Appendix I** and the PRODUCT's lifetime as specified in SPECIAL CONDITION 8. Test results for the final specification of discs and pads should be shared with the FIA and all COMPETITORS. The exact specification (including tolerances) of all components should also be provided to the FIA, along with certified samples for the purpose of confirming no change in specification is made in the future.

7 SUPPLY OF COMPONENTS

Components should be supplied as described in SPECIAL CONDITION 3.5. Dates and prices refer to availability ex-works from the PROVIDER. COMPETITORS will be responsible for transportation costs and any delays arising from their preferred method of delivery.

8 PRODUCT LIFETIME

The discs and pads' lifetime should be in excess of any complete race event. In accordance with Article 1.2 of **Appendix II**, the PROVIDER must specify the expected lifetime of the brake discs and pads and overall supply numbers and prices will be calculated accordingly. It is understood that the lifetime of components is affected by factors such as the required braking torque, wheel speeds and operating temperatures. As provided for in SPECIAL CONDITION 6.1, limits for all parameters contributing to the lifetime of the components will form part of the final FIA-approved specification.

9 EQUALITY OF TREATMENT AND PERFORMANCE

- 9.1 All COMPETITORS shall be treated equally in terms of supply and support. Individual unit pre-delivery sign-off test results, along with individual delivery weights, should be maintained and supplied to the FIA. Should the spread between units become a concern for the FIA, the latter will register that concern and expect the COMPETITORS to work together with the selected tenderer to remedy the situation.
- 9.2 Selection of which components go to each COMPETITOR must also be equitable as described in Article 2 of **Appendix II**.

10 TECHNICAL SUPPORT

- 10.1 Technical support for all COMPETITORS should cover factory-based design, development and analysis activities and trackside support. The tender should put forward a proposed level of support, along with the associated prices.
- 10.2 Should a COMPETITOR wish to have additional dedicated support at their factory or at the track, a price for such support should be included in the tender.

11 TREATMENT OF FAILURES

- 11.1 COMPETITORS and the PROVIDER will both be responsible for informing the FIA of any failures in any of the components or systems, whether this is on track or on a test rig. Information should be shared between the affected COMPETITOR and the PROVIDER with the aim of reaching a failure analysis agreed by both PARTIES. Should an agreement not be forthcoming, the FIA should arbitrate. The PROVIDER should subsequently produce a failure report agreed by the COMPETITOR and/or the FIA to include the most likely cause of the failure and a description of actions to take to avoid such failures from happening again.
- 11.2 Once a report is agreed, it should be modified to remove any COMPETITOR's specific data and then circulated to all other COMPETITORS.
- 11.3 Any parts scrapped as a result of proven manufacturing issues should be replaced free of charge as quickly as possible and as fairly across all COMPETITORS as possible. Furthermore, if the issue

was one of manufacture, appropriate action should be taken to remedy the root cause of the issue to the satisfaction of the FIA.

- 11.4 Any modifications required, whether to the detailed specifications of the components or new operating limits required, must be agreed with the FIA and communicated to all COMPETITORS, along with the plan to modify or replace parts as necessary.

12 OVERALL TIMING TO END OF 2020

12.1 A notional schedule is shown below to cover the time from the invitation to tender through to the supply of 2021 car components:

		2019												2019												2021																
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M														
Invitation to tender	23/04/19				■																																					
Tender submission	20/05/19				■	■																																				
Final tender decision	14/06/19					■	■																																			
Detail design							■	■	■	■	■																															
Liaison with FIA, teams and hyds provider							■	■	■	■	■	■																														
Tech reviews (FIA+teams)							■	■	■	■	■	■																														
Prototype manufacture/rig test							■	■	■	■	■	■	■	■	■	■																										
System integration tests with hyds provider														■	■	■	■	■	■	■	■	■	■																			
System sign-off	10/07/20																																									
Optional team pre-production rig testing																																										
Optional team track testing																																										
Integration into 2021 car design																																										
Technical liaison with teams - ongoing																																										
Production Quantities																																										
Raw material production																																										
Manufacture blanks																																										
Machining																																										
Deliveries for tests and races																																										

Note: "Hyds provider" refers to the single supplier of callipers and BBW, which is being selected through a parallel tender process.

- 12.2 Once the PROVIDER has been appointed, a more detailed schedule should be produced and agreed with the FIA. The FIA will monitor the project against the agreed schedule and any significant delays will require a recovery plan to be produced and actioned.

13 ASSOCIATION RIGHTS

The PROVIDER shall have no rights to refer to itself or authorise any third party to refer to the PROVIDER (whether in marketing/promotional materials, on websites/social media platforms or otherwise) as a supplier or service provider (or similar) to the CHAMPIONSHIP or the Formula 1™ brand (or otherwise imply the same) without first entering into a separate written agreement with the Commercial Rights Holder of the CHAMPIONSHIP for the grant of this right.

14 CHANGE OF SPECIFICATION OR ADOPTION OF NEW TECHNOLOGIES

The current SUPPLY AGREEMENT assumes that subject to the necessary performance, reliability and cost objectives being met, the specification of the PRODUCT will remain unchanged.

In the event that the PROVIDER wants to embark on research and development activities for a new specification or new technology (with a possible adoption during the period of the SUPPLY AGREEMENT), the FIA will decide on such a possibility on the basis of performance, reliability, risk, cost, image and road relevance, and within the framework of the prevailing governance.

PART 3 – DEFINITIONS

The following terms shall be understood to have the following meanings for the purposes of the CONTRACT.

- 1.1 **CHAMPIONSHIP** means the 2021, 2022, 2023 and 2024 FIA Formula One World Championship.
- 1.2 **COMMERCIAL RIGHTS HOLDER** means the entity holding the commercial rights in the CHAMPIONSHIP, being Formula One World Championship Limited, a company incorporated under the laws of England with registered number 04174493.
- 1.3 **COMPETITION** (referred to as EVENT in the FIA Formula One World Championship Regulations) means any race forming part of the CHAMPIONSHIP and entered on the International Sporting Calendar of the FIA. A COMPETITION is deemed to commence at the scheduled time for scrutineering and sporting checks and includes all practice, qualifying and the race itself and ends at the expiry of the deadline for the lodging of a protest under the terms of the International Sporting Code.
- 1.4 **COMPETITORS** means the racing teams that have been accepted by the FIA to take part in the CHAMPIONSHIP.
- 1.5 **CONTRACT** means the GENERAL CONDITIONS, the SPECIAL CONDITIONS and the DEFINITIONS.
- 1.6 **DEFINITIONS** means the definitions set out in this Part 3 of the CONTRACT.
- 1.7 **DRIVER** means a person driving a car in the CHAMPIONSHIP for a COMPETITOR.
- 1.8 **FIA** means the Fédération Internationale de l'Automobile.
- 1.9 **FIA ENGINEER** means the technician appointed by the FIA to carry out all technical checks and controls and grant the necessary approval prior to the starting up of production.
- 1.10 **FINANCIAL REGULATIONS** means any Financial Regulations applicable to the CHAMPIONSHIP, as published and amended by the FIA from time to time.
- 1.11 **GENERAL CONDITIONS** means the provisions contained in Part 1 of the CONTRACT.
- 1.12 **GOVERNING RULES** means:
 - (a) the International Sporting Code and the Appendices thereto;
 - (b) the SPORTING REGULATIONS;
 - (c) the TECHNICAL REGULATIONS;
 - (d) Any FINANCIAL REGULATIONS;
 - (e) the Code of Ethics;
 - (f) The Judicial and Disciplinary Rules;
 - (g) Any other regulations applicable to the CHAMPIONSHIP.

- 1.13 **INDEMNIFIED PERSONS** means the FIA, the COMMERCIAL RIGHTS HOLDER and each of its affiliates, each of the COMPETITORS, each of the DRIVERS, each of the PROMOTERS, each of the ORGANISERS and each ASN together with, in each case, their respective directors, officers and employees.
- 1.14 **OFFICIAL TESTING** means tests as defined in and authorised by Article 22 of the SPORTING REGULATIONS.
- 1.15 **PRINCIPLES OF SPORTING EQUALITY** means the equal treatment by the PROVIDER of all COMPETITORS with respect to:
- (a) anything that may affect the performance of the PRODUCT;
 - (b) the terms under which the PRODUCT is supplied;
 - (c) the support, access and information made available to COMPETITORS in relation to the PRODUCT; and
 - (d) any other matter which affects or may have an effect, however minor, on sporting performance.
- 1.16 **PRODUCT** means the brake friction materials (discs and pads)
- 1.17 **PROVIDER** means [•].
- 1.18 **PRODUCTION SITE** means the factory that will produce the PRODUCT supplied pursuant to the CONTRACT.
- 1.19 **SPECIAL CONDITIONS** means the provisions contained in Part 2 of the CONTRACT.
- 1.20 **SPORTING REGULATIONS** means the Sporting Regulations applicable to the CHAMPIONSHIP as published and amended by the FIA from time to time.
- 1.21 **SUPPLY AGREEMENT** means any agreement, and all amendments thereto, between the PROVIDER and a COMPETITOR pursuant to which the PROVIDER shall supply the PRODUCT to the COMPETITOR.
- 1.22 **TECHNICAL REGULATIONS** means the Technical Regulations applicable to the CHAMPIONSHIP as published and amended by the FIA from time to time.

APPENDIX I

TECHNICAL SPECIFICATIONS

1 REGULATIONS

The brake discs and pads must be compliant with any relevant technical and sporting regulations. It is anticipated that the PROVIDER will work alongside the FIA from the start of the project to ensure a common understanding of both the letter and the intent of the regulations and to ensure that any subsequent changes are consistent with the project as it progresses.

2 DESIGN AND DEVELOPMENT PROCESS

- 2.1 It is expected that the design of the discs and pads for 2021 will be developments of components currently in use, modified to take into account anticipated changes to the car and also taking into account the FIA's overall objectives to provide significant cost savings for the COMPETITORS.

Changes to the car will include changes to mass, drag, downforce and power, alongside a move to 18-inch wheels and corresponding new tyre sizes. In addition, the rest of the braking system (callipers, hydraulics, BBW) will be provided by a single entity through a tender process in parallel to this one. Clearly, close liaison and early cooperation with the providers of the rest of the braking system will be expected and will be crucial.

Finally, to capture technical input from all COMPETITORS, it is expected that early liaison with each and all COMPETITORS will take place. The PROVIDER will be ultimately responsible for the design of the brake discs and pads, but best endeavours should be made to fulfil as many reasonable requests from COMPETITORS as practical. If any of these conflict with each other, the FIA will arbitrate.

- 2.2 During the notional design period (mid-June to early September 2019) it is anticipated that there will be an early review meeting (notionally on 16 July 2019) and a final review meeting (notionally on 10 September 2019) at which the PROVIDER and the provider of the hydraulic package (callipers, master cylinder and BBW unit) will meet with the FIA and all the COMPETITORS for a formal design review. The early review should be to ensure that the direction for the detail designs is understood by the FIA and all the COMPETITORS. The FIA should also give their approval of the proposed direction. The final review meeting will again be with the provider of the hydraulic package, the FIA and all the COMPETITORS. A detailed review of the complete system as designed should be presented. It is expected that the majority of the COMPETITORS will approve the system design, but the FIA will have the final say on approval or otherwise. Whilst it is strongly anticipated that approval will be given at this review meeting, if this is not the case, the PROVIDER will work with the FIA to formulate and deliver a revised action plan taking into account the issues arising and the practical constraints of delivering components for racing in 2021.

- 2.3 Testing and development of the discs and pads will be the responsibility of the PROVIDER. Testing and development of the braking system as a whole will be the joint responsibility of the PROVIDER and the provider of the hydraulic parts of the system.

Disc and pad development testing will be at the PROVIDER'S discretion but should have a target end date of the end of December 2019. System integration testing and system characterisation should start by early January 2020 and should be completed by the end of June 2020, targeting a full system test sign off on or before 10 July 2020. It is anticipated that the formal sign-off will take place at the third (and last) meeting between the PROVIDER, the provider of the hydraulic braking system components, the FIA and all the COMPETITORS. The FIA has the final authority to give this approval.

- 2.4 COMPETITORS should not be supplied any components prior to this final approval. Once final approval has been obtained, pre-production parts may be supplied to COMPETITORS for their own testing purposes providing that;
- (a) all COMPETITORS are offered the same quantities and delivery dates of pre-production parts.
 - (b) it does not impact on the ability to deliver production parts to the agreed schedule.

The tender should include pricing of pre-production parts, the anticipated maximum quantities available for each COMPETITOR and the corresponding earliest delivery dates.

3 COMPONENT CONSTRAINTS

- 3.1 As described in Article 2.1 of this Appendix, it is expected that the design of the discs and pads for 2021 will be developments of components currently in use, modified to take into account anticipated changes to the car, and also taking into account the FIA's overall objectives to provide significant cost savings for the COMPETITORS.

- 3.2 Front Discs: - In 2021, the wheel size will increase from a nominal 13" to a nominal 18" diameter. The intention is to increase the diameter of the front disc to between 320mm and 330mm, which should allow a more efficient design for the disc and the calliper. The starting point for disc thickness is 32mm.

If the PROVIDER considers an alternative diameter or thickness to be a significantly better compromise between performance, cost and lifetime, then a proposal needs to be provided, including a comparison with a 320mm OD x 32 thick disc.

The inner diameter drive feature is expected to be a simplified spline drive, but the PROVIDER should make their own recommendations, again taking into account performance and cost.

A large number of small-diameter cooling holes are a major source of cost for discs, so it is expected that hole diameters will be increased and hole numbers will consequently decrease, in order to achieve the major cost savings required. However, if this is done to provide sufficient cooling for the most demanding circuits, the FIA will be paying more than is necessary for all the other circuits.

Consequently, the FIA will allow two configurations of cooling holes. This will give a standard disc and a high duty disc. The high duty disc should cover the four highest duty circuits, while the standard duty and cheaper disc should cover the rest.

- 3.3 Rear Discs: - With rear discs being less constrained in terms of braking performance, the PROVIDER should provide details of their preferred option in terms of outside diameters and cooling holes and the associated disc mass and cost.

The rear brakes do not need to be sized to survive an MGUK failure.

Again, the inner drive feature is expected to be a simplified spline drive, but the PROVIDER should make their own recommendations taking account of performance and cost.

- 3.4 Brake Pads: - We anticipate there being a single (multi-directional) pad design for the front brakes and a single (multi-directional) pad design for the rear brakes. For cost reasons, the pads should not be of a 'wedge' design and they should not have cooling holes.

Evidently, the pads need to be designed in conjunction with the provider of the brake hydraulics, to ensure dimensional and performance compatibility.

4 INDIVIDUAL PARTS IDENTIFICATION AND RECORD-KEEPING

- 4.1 All parts should be marked with part identification and a serial number. Material and manufacturing batch information should be maintained for all parts to aid in failure analysis and other parts monitoring.

- 4.2 Only parts from the PROVIDER may be used on the cars. Parts must be unmodified and be identifiable with part marking and serial numbering. From time-to-time, the PROVIDER may be asked to assist the FIA to ensure parts are genuine and unmodified.

APPENDIX II

DETAILS OF SUPPLY

1. MINIMUM DELIVERIES AND LATEST DELIVERY DATES

1.1 Pre-production parts for COMPETITORS rig testing/characterisation

As shown in SPECIAL CONDITION 12, although COMPETITORS will be involved in the design of the braking system during mid-2019, it is proposed not to supply any components, even of pre-production specification, until full system sign-off on 10 July 2020. Once signed off and the specification has been fixed, the PROVIDER may sell up to three sets of pre-production parts to COMPETITORS who want to carry out their own rig testing or characterisation testing. These parts cannot be used on cars.

1.2 Subject to availability of one or more COMPETITORS, there may be opportunities for on-track testing of the PRODUCTS in combination with 18" tyre testing. Such testing opportunities may be possible after 1 July 2020, and the potential schedule will be finalised before 1 December 2019.

1.3 Production Parts

By the end of October 2020, each COMPETITOR shall receive:

- Three car sets of front discs (two Standard + one High duty)
- Three car sets of front pads
- Two car sets of rear discs and rear pads

These parts cannot be used for racing.

The PROVIDER must specify the expected car set number M of standard front discs, high duty front discs, rear discs, front pads and rear pads which will be sufficient for each DRIVER for a season of N races (where $N \leq 24$). These numbers must be conservative, but are fundamental for the calculation of the overall cost of an annual supply of the PRODUCT to the COMPETITORS. Moreover, these numbers may be introduced in the GOVERNING RULES as technical or sporting limitations.

The number M need not be the same for each of the above components. The value of M for the High Duty front discs should be 25% of the number of Standard front discs, rounded up to the nearest integer. In any case, these numbers should not assume more than one car set being used in a complete event by a DRIVER.

For each component of the PRODUCT, the delivery for each two-car COMPETITOR will follow the schedule below for each CHAMPIONSHIP year:

1. For testing:
 - 20% of M, but in any case not less than two car sets (or one for the high duty front discs). These sets will not be eligible for racing.
2. For racing:

- 3.4 Based on the assumed numbers of M in Article 1.3 of **Appendix II**, the PROVIDER should give an expected total cost of SUPPLY for each COMPETITOR and for each year of the SUPPLY AGREEMENT.
- 3.5 If there are options of different specifications of PRODUCTS, which require different supply numbers of M, but also entail a different unit price, the PROVIDER is invited to propose these alternative options, providing information about any additional differences between the various options (e.g. performance, operating envelope, weight, numbers, cost, etc.)

4 INFORMATION EXCHANGE AND INTELLECTUAL PROPERTY

- 4.1 The FIA remains the owner of the intellectual property rights in the technical specifications provided by the FIA to the selected provider.
- 4.2 As the supplier for all COMPETITORS, care must be taken to respect individual COMPETITORS' confidentiality and all COMPETITORS must be treated equally. However, information regarding safety or reliability should be shared with the FIA and all COMPETITORS simultaneously, ensuring that no COMPETITORS' specific confidential information is included.
- 4.3 The final design specification and associated operating parameters will remain the intellectual property of the PROVIDER. However, they will be expected to provide detailed CAD models (and drawings where appropriate) to the FIA and all COMPETITORS as required to support their reasonable analytical modelling and for installation purposes.
- 4.4 The PROVIDER shall grant a perpetual license to the COMPETITORS and the FIA for the use of the models, drawings, documentation and other information referred to above. However, for the avoidance of doubt, proprietary processes and other manufacturing process information shall not be included in this disclosure.

5 SUPPLY AGREEMENTS

- 5.1 The PROVIDER should enter into a common supply agreement with each COMPETITOR. This should cover the parts and services detailed in this tender document to be provided, the prices associated with those services and the associated terms and conditions. This must be the same for all COMPETITORS.
- 5.2 In addition to the standard supply agreements, the PROVIDER shall be free to enter into separate agreements with COMPETITORS, containing such commercial terms, including in relation to advertising, publicity and other promotional arrangements that those parties may agree. However, any such arrangements must not compromise the principles of sporting equality or be contrary to the supply agreements entered into with all COMPETITORS. In particular, the conclusion of any extra arrangement must in no way confer any sporting advantage upon one competitor over another.

6 LEGACY RUNNING

Provision should be made to facilitate running of 2021, 2022, 2023 and 2024 cars in the future as part of COMPETITORS' legacy programmes or future historic F1 car running. This will entail ensuring there is sufficient documentation (independent of current personnel) to allow third parties to operate cars with the PROVIDER'S braking components in a safe manner. The PROVIDER should agree to make best endeavours to provide such services and spare parts to allow these activities to continue, either through their own company or through a supported sub-contractor.

7 BUSINESS CONTINUITY PROTECTION

By definition, the selected provider shall be the only source of brake friction components for the entire F1 grid. To protect the series from any scenario when supply cannot be maintained (for example serious factory damage or business failure), the PROVIDER should indicate what contingency plans it can make to avoid such a scenario.

In the case of serious factory damage for example, the PROVIDER should detail what arrangements could be made, such as using alternative factories to produce the same components and how the stock level will be maintained to cover the gap in manufacturing. This should not necessarily provide full service cover, but should be enough for racing to continue.

In the case of potential business failure, early dialogue with the FIA will be expected in order to formulate a plan to keep cars racing. All design and production information necessary to allow production to be continued elsewhere should be lodged with the FIA. The PROVIDER and/or any liquidator, administrator or other insolvency practitioner acting on the PROVIDER'S behalf, shall sign all such documents and do such acts as are necessary to facilitate use of this information by the FIA in order to secure ongoing supply for Formula One. This information will be kept secret and assuming it is never needed, will be destroyed at the end of the contract period.

8 CONSULTATION AND APPROVAL

The PROVIDER shall regularly consult and cooperate with the FIA throughout the contract period. Furthermore, all designs, specifications and other deliverables developed by the PROVIDER as part of this project must be approved in writing by the FIA