

## NFE Public Summary ABA / Article 8.23

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An Accepted Breach Agreement (“**ABA**”) dated 15 October 2024 has been entered into by the Cost Cap Administration and SAS Nissan Formula E Team (“**NFE**”) pursuant to Article 8.19 of the FIA Formula E Financial Regulations for Formula E Teams (“**Financial Regulations**”). The Financial Regulations are issued by the FIA and form part of the terms and conditions of participation in the ABB FIA Formula E World Championship.

The Cost Cap Administration recognized that NFE has acted cooperatively throughout the review process and has sought to provide additional information and evidence when requested in a timely manner, that this is the first year of the full application of the Financial Regulations which are a very complex set of rules that competitors were required to adapt to and that there is no accusation or evidence that NFE has sought at any time to act in bad faith, dishonestly or in a fraudulent manner, nor has it willfully concealed any information from the Cost Cap Administration.

The Cost Cap Administration considered it appropriate, in these circumstances, to offer to NFE an ABA to resolve this matter on the terms set out below, given (i) the limited nature of the Procedural Breach in issue, (ii) the fact that the Minor Overspend Breach falls at the lower end of the <5% minor overspend range, and (iii) NFE’s willingness to accept the breaches and to cooperate with the Cost Cap Administration. That offer was accepted by NFE.

The ABA concerns:

- NFE’s submitted Relevant Costs reported in the Reporting Documentation of the Reporting Period ending on 30 September 2023 of EUR 13,612,253;
- Subsequent to the findings of the Cost Cap Administration, a Procedural Breach committed by NFE pursuant to Article 10.1(g) of the Financial Regulations due to the submission of inaccurate Reporting Documentation in respect of the Reporting Period ending on 30 September 2023 because it inaccurately excluded and/or adjusted costs amounting to a total of EUR 324,998 in the Reporting Documentation; and
- Consequently, a Minor Overspend Breach committed by NFE under Article 10.7 of the Financial Regulations because its Relevant Costs, as adjusted by the FIA, exceeded the Cost Cap of EUR 13,668,000 by less than 5%, namely by EUR 269,252 (i.e., 2.0%).

### Summary of ABA terms and sanctions

In accordance with the findings of the Cost Cap Administration, NFE has acknowledged that the Reporting Documentation submitted by it included the following incorrectly excluded and/or adjusted costs that have resulted in an understatement of Relevant Costs:

1. Costs of simulator and travel excluded pursuant to Article 5.1(c) of the Financial Regulations;
2. Cost of car component pursuant to Article 6.3(b)(ii) of the Financial Regulations;

3. Costs of social contributions pursuant to Article 5.1(c) of the Financial Regulations;
4. Offsetting apprentice subsidy and other recharges pursuant to Article 6.1(e) of the Financial Regulations;
5. Cost of service received from the FE Manufacturer pursuant to Article 6.1(a) of the Financial Regulations;

and further that consequently its Relevant Costs for the Reporting Period ending on 30 September 2023 exceeded the Cost Cap by EUR 269,252 (2.0%). NFE has therefore accepted that it has breached: (i) Article 10.1(g) of the Financial Regulations due to its failure to file accurate Reporting Documentation in respect of the Reporting Period ending on 30 September 2023, and (ii) Article 10.7 of the Financial Regulations due to its failure to keep its Relevant Costs under the Cost Cap.

On that basis, NFE has accepted the imposition of the following sanctions:

- a) NFE must pay a Financial Penalty of EUR 300,000 to the FIA within 30 days of the date of execution of the ABA (Article 11.4 of the Financial Regulations);
- b) NFE receives a Minor Sporting Penalty in the form of the suspension of half day (3 hours) from official track testing to be applied during the first day of the pre-season collective tests scheduled on 4 November 2024; and
- c) NFE bears the costs incurred by the Cost Cap Administration in connection with the preparation of the ABA.

The decision of the Cost Cap Administration to enter into the ABA constitutes its final decision resolving this matter and is not subject to appeal. Non-compliance by NFE with any terms of the ABA will result in a further Procedural Breach under Articles 8.22 and 10.1(f) of the Financial Regulations and automatic referral to the Cost Cap Adjudication Panel.