

Alpine Racing SAS Public Summary ABA / Article 6.32

An Accepted Breach Agreement (“**ABA**”) dated 11 October 2024 has been entered into by the Cost Cap Administration and Alpine Racing SAS (“**Alpine**”) pursuant to Article 6.28 of the FIA Formula 1 Power Unit Financial Regulations (“**Power Unit Financial Regulations**”). The Power Unit Financial Regulations are issued by the FIA and form part of the terms and conditions for the homologation of Power Units to be supplied to F1 Teams for participation in the Championship from 2026 onwards.

The Cost Cap Administration recognised that:

- Alpine has acted cooperatively and in a spirit of good faith throughout the review process and has sought to provide additional information and evidence when requested in a timely manner;
- 2023 is the first year of application of the Power Unit Financial Regulations, which are a complex set of rules that the Power Unit Manufacturers were required to adapt to;
- there is no accusation or evidence that Alpine sought at any time to act in bad faith, dishonestly or in a fraudulent manner, nor that it wilfully concealed any information from the Cost Cap Administration;
- there is no evidence that Alpine gained or sought to gain any advantage in committing the breach; and
- notwithstanding the Cost Cap Administration’s determination of Procedural Breach, the nature of the breach did not directly relate to Alpine’s Relevant Costs in respect of the 2023 Reporting Period, which were below the 2023 Cost Cap.

The Cost Cap Administration considered it appropriate, in these circumstances, to offer to Alpine an ABA to resolve this matter on the terms set out below, given the limited nature of the Procedural Breach in issue, and Alpine’s willingness to accept the breach and to cooperate with the Cost Cap Administration. That offer was accepted by Alpine.

The ABA concerns:

- a Procedural Breach committed by Alpine pursuant to Articles 8.1, 8.2(d) and 8.2(e) of the Power Unit Financial Regulations in delaying the exercise by the Cost Cap Administration of its regulatory function and in submitting Reporting Documentation in respect of the 2023 Reporting Period that was inaccurate by omitting relevant information.

Summary of ABA terms and sanctions:

In accordance with the findings of the Cost Cap Administration, Alpine has acknowledged the following:

- the assessment report submitted by Alpine to Cost Cap Administration on 2 April 2024, as required pursuant to Article 5.1(d) as part of its Reporting Documentation in respect of the 2023 Reporting Period, contained significant deficiencies. Several required procedures had not been performed at all, and several other procedures had only been partially completed.
- an updated assessment report dated 6 May 2024 was submitted by Alpine to the Cost Cap Administration on 7 May 2024. The Cost Cap Administration has reviewed the updated assessment report and has concluded that it addresses all of the deficiencies previously identified.

Alpine has therefore accepted that it has breached Articles 8.1, 8.2(d) and 8.2(e) of the Power Unit Financial Regulations, in delaying the exercise by the Cost Cap Administration of its regulatory function and in submitting Reporting Documentation in respect of the 2023 Reporting Period that was inaccurate by omitting relevant information.

On that basis, Alpine has accepted the imposition of the following sanctions in full and final settlement of the Procedural Breach:

- Alpine must pay a Financial Penalty of USD 400,000 to the FIA within 30 days of the date of execution of the ABA (Article 9.5 of the Power Unit Financial Regulations); and
- Alpine 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 Alpine with any terms of the ABA will result in a further Procedural Breach under Articles 6.30 and 8.2(f) of the Power Unit Financial Regulations and automatic referral to the Cost Cap Adjudication Panel.