



FEDERATION INTERNATIONALE DE L'AUTOMOBILE

FIA FORMULA 2 CHAMPIONSHIP

CALL FOR EXPRESSIONS OF INTEREST AND SELECTION PROCESS

The Fédération Internationale de l'Automobile (FIA) is the governing body for world motor sport and the federation of the world's leading motoring organisations. It is a non-profit making association and brings together 237 national motoring and sporting organisations from 142 countries on five continents. Its member clubs represent millions of motorists and their families.

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 FIA Formula 2 Championship ("Championship").

After consolidating the position of the FIA F3 European Championship and after deploying the FIA Formula 4 project at national level, the creation of a FIA F2 Championship should complete and consolidate the FIA pyramid structure from karting to Formula One. The FIA F2 Championship will establish the last step of the FIA Single-Seater formation ladder to F1, after FIA F4 and FIA F3.

The FIA is now calling for expressions of interest to identify candidates interested in getting involved as a Promoter of the Championship with a view to concluding a multi-year contract and with the target to start the Championship in 2016.

The selection process will consist of two stages:

Stage 1:

Interested candidates are invited to register a formal expression of interest with the FIA Legal Department (legal@fia.com), together with their full contact details, a complete dossier complying with the requirements stated hereafter and a letter introducing their candidacy **before 5 pm CET on 13th May 2015** as set out below.

The letter of candidacy shall include information on:

- The organisational ability and resources of the candidate;
- Evidences of the ability of the candidate to raise and maintain sufficient funding to conduct and/or develop the promotion of the Championship;
- The candidate's experience and human resources;
- The candidate's experience in the promotion of events including media production and distribution, sponsorship sales and servicing, stakeholder management, etc;

- An outline of a multi-year business plan for the Championship, including the investment the candidate is ready to commit in order to develop the Championship together with projected return on investment;
- The level of contribution offered to the FIA in terms of the exploitation of the promotion rights;
- A description of how key promotion rights will be implemented (including considerations about the media offering (Live vs non Live) and the strategy to grow the audience of the Championship (Traditional vs New media);
- An undertaking that the candidate accepts the Minimum Terms of the Promotion Agreement listed below;
- Any other details considered as relevant for the assessment of such proposal.

Stage 2:

The FIA will contact the entities that have sent a formal request of interest within the deadline stated in Stage 1 and a first discussion phase will start with the candidates which will last until 5th of June 2015. Candidates may then be requested to update their dossier by 10th of June 2015. The final discussion phase will last until **26th June 2015**.

According to the results of the various exchanges and discussions with the candidates, the FIA shall pre-select the candidate(s) which, in the FIA's sole opinion, best serve(s) the interests of the Championship and the interests of motor sport in general.

The FIA will not be required to give reasons for the acceptance or refusal of any particular proposal.

The preferred candidate(s) shall be informed of his/their pre-selection no later than 26th June 2015 and will be required to sign a Promotion Agreement with the FIA. Entry into force of such Promotion Agreement will be subject to final decision on the selection and approval of the terms thereof by the FIA World Motor Sport Council and FIA Senate.

For the avoidance of doubt, the pre-selection and the selection by the FIA of (a) candidate(s) does not impose any obligations on the FIA, or entitle the selected candidate(s) to any contract.

Miscellaneous

The FIA reserves the right, at its sole discretion, to interrupt or make changes to this selection process at any time.

Nothing in this selection process or any communication made by the FIA or its representatives or employees shall constitute a contract between the FIA and any prospective candidate. The FIA shall be under no obligation to accept any expression of interest submitted. Furthermore, if, at the sole discretion of the FIA, the FIA considers that no candidate meets with the FIA's criteria for the appointment as promoter of the Championship, the FIA may, inter alia, elect not to appoint any of the candidates.

By submitting its expression of interest to the FIA, each and every candidate consents to and agrees to be bound by the conditions set forth herein as well as the minimum terms set forth below.

MINIMUM TERMS

The following points are the 'core terms' of the Promotion Agreement to be concluded between the FIA and the selected party/ies:

1. Term

- The Promoter will be appointed for a period of 7 years on an exclusive basis, to be renewed for an additional period of 6 years subject to meeting of a set of KPIs (to be determined but including number of competitors, number of competitions, media coverage, level of FIA revenues, etc.).
- The FIA may terminate the agreement in case the Promoter does not meet a defined set of KPIs over a certain period, including without limitation the Championship requirements as listed under 3 below, media coverage, level of revenues, etc.
- The FIA reserves the right to impose an early termination penalty.

2. Grant of rights

- The Promoter will be granted an exclusive licence to exploit and the duty to commercialise certain rights in and to the Championship, including media rights and the exploitation of intellectual property rights, including without limitation trademarks, domain names, rights in audiovisual material ("IPR").
- All IPR in connection with the Championship shall be registered in the name of, and shall vest in, FIA.
- Betting activities as well as commercial rights on the safety car and medical car shall be excluded from the Grant of rights.
- The Promoter will be responsible for positioning and maintaining the core values, prestige of an FIA Championship and to maintain the perennality of the Championship and will use its best endeavours to enhance the value, image and level of coverage on all media of the Championship.
- The Promoter shall comply at all times with the FIA Brand guidelines, including without limitation the FIA logo in Championship guidelines and the Action for Road safety in Championship Guidelines.

3. Championship requirements

- The Promoter will guarantee the participation of at least 20 cars and 10 teams. Additional conditions may be imposed after the launch phase of the Championship.
- The calendar of the Championship will include no less than 10 competitions of 2 races each per season, spread on a minimum of 2 continents.
- The Championship competitions shall be either supporting races of an FIA World Championship, or a standalone high quality event.
- The Championship shall take place on circuits of FIA safety level grade 2 minimum.
- The drivers shall be at least grade B licence holder to participate in the Championship.

4. Regulatory aspects, entries

- The FIA will retain ultimate control over all regulatory, sporting, disciplinary, safety and technical aspects of the Championship.

- A steering committee will be jointly set up by the FIA and the Promoter (6 members, 3 representatives of each party), which will make recommendations with respect to the strategy of the Championship and its evolutions upon decision of the simple majority of its members. Proposals made by such committee will be reviewed by the Single Seater Commission and submitted to the approval of the FIA World Motor Sport Council.
 - Such proposal may cover the following topics:
 - Global orientation of the Championship, including team selection validation;
 - Sporting and technical regulations;
 - Calendar;
 - appointment of a single supplier for certain categories of equipment and consumables imposed by regulations on the Competitors of the Championship, as well as all related on site services in order to meet certain minimum objective safety, cost reduction or fairness standards in any of the sporting and technical categories (but not limited to) of chassis, engine suppliers, ECU, tyres, fuel, oil.

The tender process shall remain under the aegis of the FIA.
- The FIA will exercise independently the sporting and technical control over the Championship and the Promoter shall pay to the FIA a regulatory fee of 60.000 Euros per competition and 12.000 Euros per day of testing, in compensation of the costs incurred by the FIA for the exercise of such control. In addition, the Promoter shall pay the costs of the dedicated scrutineering as well as additional FIA equipment and will be in charge of transportation and related costs thereof.
- The FIA shall determine the level of entry fees applicable for the Championship and collect such entry fees, which shall be no less than 50 000 Euros per team and per season.
- The respective obligations of Promoter and Competitors shall be defined in the Competitors Agreement which shall be subject to FIA's prior approval.

5. Cars requirements

- Cars entering the Championship shall comply with the framework requirements set forth in Appendix 1. The regulations will be finalised by end of 2015 and will be specified in Art. 276 of the Appendix J of the International Sporting Code.
- For the launch phase of the Championship, which shall not last longer than the first two seasons, the FIA may, at its own discretion, request that the Promoter provides suitable material, which shall comply with FIA regulations, including without limitation safety regulations as set forth in Appendix 1 hereto under "Transition Cars minimum requirements". Should the Promoter not be able to fully comply with the Transition Cars minimum requirements, with regards to the specifications, the required timeframe to reach full compliance shall be presented to the FIA.

6. Calendar

- The calendar of the Championship will include no less than 10 competitions of 2 races each per season.
- The Steering committee shall have the right to propose a draft calendar for the following season to the FIA World Motor Sport Council for its approval.
- The FIA shall determine the level of calendar fees applicable for the Championship and collect such calendar fees from its ASNs, which shall be no less than 50 000 Euros per competition (not taking into account any ASNs mark-up).
- Organisers shall only have their Competitions placed on the Calendar if they have entered into a contract with the Promoter.

7. Organisers

- The Promoter will enter into a standard form agreement with Organisers, approved in advance by FIA, which sets out the main terms of the relationship between the Promoter and the Organisers and which is in accordance with a number of principles as set out in the draft contract attached hereto as Appendix 2.
- The Organisers will have reserved to them certain rights in relation to the organisation, regulation and domestic commercialisation of the Competitions taking place in their respective territories, including sponsorship rights, signage rights, hospitality rights, sponsor conflict resolution rights and a minimum proportion of air time for their local sponsors, as described in the draft contract.
- A separate organisation agreement will be signed between the FIA and the Organisers which shall list the services to be provided to the FIA at no cost in order to enable the FIA to exercise its missions.

8. Broadcast

- The Promoter shall produce or shall procure that a third produces, at Promoter's costs, a high standard LIVE TV feed as well as the recording of moving picture images of the Competitions suitable for international broadcast using the latest and, where practically possible, the highest standard of accepted international broadcasting equipment.
- The Promoter will, at its own cost if necessary, use its reasonable endeavours to ensure free-to-air/premium cable television coverage of each Competition in the territory in which that Competition takes place.
- The Promoter will use its best endeavours to ensure a fair broadcasting exposure to all Competitors and Competitions.
- The Promoter shall provide sufficient competent personnel to ensure the running the Championship website (including provision of contents, live streaming, integration with social media, etc.), with a view to such website and social media presence being of high international standard.

9. Passes

- All passes will be produced by and at the cost of the Promoter under the supervision of FIA.
- The Championship Promoter will supply FIA with quantities of Passes requested by the FIA in appropriate categories for FIA Officials, stewards, permanent delegates, staff and suppliers to FIA, as well as FIA guests and all the media.
- FIA will supply all Passes reasonably required for distribution to major newspapers, news agencies, magazines and motoring periodicals.

10. Timing

- All timing equipment for use in the Competitions - provided either by an Organiser or by the Championship Promoter according to the applicable rules of FIA - shall be subject to the prior approval of FIA, which shall have final authority over its operation.
- The full cost of which will be borne by the Promoter.
- FIA (or its nominees) will retain all rights needed to appoint an official timing partner for this purpose, though the timing data itself may be commercially exploited by the Promoter. In the alternative, if an appropriate proposal is received, FIA may appoint the Promoter to provide, operate and develop this system, including the selection and appointment of an official timing

partner. In this case the Promoter will be bound to provide a system approved by FIA and to operate that system under the close supervision of FIA.

11. Logistics

- The Promoter shall offer some sort of logistics support to Competitors for overseas competitions, whether in cash or value in kind.
- The Promoter's logistics services shall comply with the requirements set forth under Appendix 2 hereto.

12. Prize

- The Promoter is invited to propose a mechanism where the winner of the FIA F3 European Championship would have access in the best possible conditions to a full season in the Championship the year following the obtention of its title.
- The Promoter is invited to propose mechanisms where each season the FIA F2 Championship and its stakeholders would benefit from of privileged access and contacts with the FIA Formula One World Championship stakeholders.

13. Financial terms

- FIA shall be entitled to retain 100% of the calendar fees, entry fees and regulatory fees.
- The promoter is invited to make a financial offer to FIA in consideration of the grant of rights, which shall notably include a revenue share mechanism such as :
 1. X % share of the EBITDA of the Championship, X % share of any capital gain or, any equivalent alternative option;
 2. 20% share of any revenues derived from any single-supplier agreement; and 20% share of any commercial agreement introduced by the FIA to the Promoter.Alternatively, a global fee proposed by the Promoter might be considered as a financial compensation for the grant of rights and services.
- The FIA will pay particular attention to the progressivity over the course of the agreement of any financial offer, in particular in respect of fix revenues.

14. Other activities

In addition to the usual criteria referred to when assessing the bids (compliance with the technical specifications and other applicable regulations, sporting equity, safety, cost reduction, compliance with the minimum requirements...), the FIA will pay particular attention to the following parameters, taking into account the particular context of and the aims pursued by the Championship :

- Commitments, actions, credibility and experience from the tenderer in the provision of some testing facilities and services in the single seater field.
- Commitments, actions, credibility and experience from the tenderer in favour the motorsport pyramid, from grassroots to top level (including the future FIA Academy).
- Commitments, actions, credibility and experience from the tenderer in favour of a more sustainable motorsport and mobility (including road safety environmental and Women in Motorsport initiatives).

15. General

- The Promoter shall be exploiting the Rights under the Promotion Agreement as a separate, dedicated legal entity.

- Any assignment or change of control over the Promoter will be subject to FIA's consent and may trigger termination of the agreement.
- The FIA shall have a reasonable right to approve the designation (and replacement) of the Promoter's CEO.
- The contract shall be drafted in English and subject to the laws of Switzerland.
- The present call for expression of interest and the interpretation and execution thereof shall be subject to the laws of Switzerland.

The selected tenderer will be invited to enter into a Promotion agreement with the FIA Switzerland. The core terms as described above under Minimum Terms are not for negotiation. By submitting a bid, each tenderer acknowledges and accepts that the Promotion Agreement for which it is bidding will contain clauses reflecting in full these core terms without reservation, exception or qualification. In areas other than those covered by the core terms, each bidder is required to submit with its bid a list of any essential changes (i.e. changes which, if not made, would prevent it from entering into the final contract) and any significant additional points it would wish to see added, provided always that such additional points do not compromise in any way the core terms. The fact that a term has not been identified as a 'core' term and may be open for discussion does not imply any obligation on the part of the FIA to accept any change that may be proposed to the Promotion Agreement.

APPENDIX I

FRAMEWORK REQUIREMENTS



FIA Formula 2 Technical Specifications

Please find below some technical specifications guidelines, which will allow you to have a technical framework regarding the future FIA F2 car.

Transition F2 specification	
Safety	
Safety Requirements	<ul style="list-style-type: none"> Minimum 2010 F1 safety regulations is expected
Power	
Power output	<ul style="list-style-type: none"> Minimum 500 BHP

Future F2 specification	
General	
Power output	<ul style="list-style-type: none"> Approx. 600 BHP
Weight (incl. driver)	<ul style="list-style-type: none"> 640 to 670 kg
Power to weight ratios (without driver)	<ul style="list-style-type: none"> 1,2 kg/BHP
Downforce	<ul style="list-style-type: none"> Depending on F2 positioning Cz.S = 4.0 – 5.0 (Cx.S = 1.3 – 2.0)
Overall width	<ul style="list-style-type: none"> Maximum 1800 mm
Wheelbase	<ul style="list-style-type: none"> 2800 mm – 3100 mm

Safety	
Safety Requirements	<ul style="list-style-type: none"> According to the F1 requirements of the homologation date.
Crash tests	
Chassis	
Front crash structure	
Rear crash structure	
Side impact structures	

Drivetrain	
Gearbox	<ul style="list-style-type: none"> 7 speed sequential with paddle shift Limited slip differential
Brakes	<ul style="list-style-type: none"> Carbon brake discs

Wheels	
Rims	<ul style="list-style-type: none"> In line with F1 specifications of the date
Tyres	

Bodywork / Aero configuration	
Bodywork material	<ul style="list-style-type: none"> Carbon
Front Wing	<ul style="list-style-type: none"> Max. width: 1650 mm Gurneys / Flaps attached
Rear wing	<ul style="list-style-type: none"> Max. width: 900 / 1000 mm depending on diffuser Lower wing beam DRS

Electronic system	
Hybrid system	<ul style="list-style-type: none">• A hybrid approach is expected in the car concept
ECU system	<ul style="list-style-type: none">• One make ECU system
Engine	
	<ul style="list-style-type: none">• Min rebuilding mileage 8,000 km
Season costs	
Season cost (target)	<ul style="list-style-type: none">• € 1 million.- per season per car
Car cost (target)	<ul style="list-style-type: none">• € 300,000.-
Engine lease & rebuilt cost (target)	<ul style="list-style-type: none">• No more than € 100,000.-
Number of events per season (target)	<ul style="list-style-type: none">• Minimum 10 events – Maximum 12 events
Number of Km per season (target)	<ul style="list-style-type: none">• 8,000 km/season
Number of Km per event (target)	<ul style="list-style-type: none">• Between 600 and 700 Km per event