ANAS Directorate-General (*ANAS Direzione Generale*)
Motorway Concession Supervisory Inspectorate (*Ispettorato Vigilanza Concessioni Autostradali*)

Master Agreement

ANAS S.p.A.

AUTOSTRADE PER L'ITALIA S.p.A.

ANNEX: O

CAPITAL STRENGTH REQUIREMENTS

Capital strength requirements

Capital strength ratio

In accordance with Article 3(o) of the Master Agreement, at the end of each financial year, the concessionaire must show due compliance with the following capital strength ratio, calculated on the basis of the final data in the latest approved financial statements:

OCF

——— > 1.2

DS

where:

OCF = operating cash flow available for debt servicing

DS = debt servicing

The operating cash flow available for servicing the debt (OCF) of each financial year is calculated on the basis of the final data appearing in the latest approved financial statements, and results from the algebraic sum of the following accounting entries:

(+) Profit for the year

(+) Tax expense (income)

(-) Income tax paid

(+) Net financial expenses

(+) Amortisations

(+) Provisions for risks

(+) Provisions for charges

(+) Variation on expense account for repair and replacement of revertible assets

(+) Impairment charges (reversals of impairment loss)

(+) Ascertained share of revenues relating to (X) investments

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(=) operating cash flow available for servicing the debt

Debt servicing (DS) is equal to the constant annual rate, inclusive of interest and principal, required to repay by the expiry date of the concession the net financial debt at year-end as it appears in the latest approved financial statements, on condition that a market interest rate is applied.

The value of debt servicing (DS) is the result of solving the following equation:

$$\sum_{t=1}^{s} \frac{DS}{(1+i)^{t}} + NFD$$

where:

s = years of residual term of the concession

i = market interest rate equal to the average 3 month Euribor rate recorded in the last month of the relevant fiscal year increased by a 1% margin.

NFD: net financial debt at year-end appearing in the latest approved financial statements.

The net financial debt (NFD) is the result from the algebraic sum of the following accounting entries:

(+) Current financial liabilities
(+) Non-current financial liabilities
(-) Cash and cash equivalents
(-) Other current financial assets
(-) Other non-current financial assets

(=) Net financial debt

The net financial debt (NFD), calculated as per the above, on the basis of the accounting entries appearing on the latest approved financial statements, is furthermore increased by the value of collaterals (pledges and mortgages) and/or personal guarantees (sureties) and the funds granted by the Concessionaire to its direct or indirect subsidiaries or companies in which it has an equity interest operating in the infrastructures sector.

In the event that the licensing Concessionaire has, among its own funding sources, non-interest bearing (or soft loans), the value of the aforementioned net financial debt (NFD) at year-end is adjusted by the difference between the nominal value of the non-interest bearing debt and the actual net value of the same calculated at the same market rate as referred to above.

Within 15 (fifteen) days from date of approval of the financial statements, the Concessionaire must annually notify to the Grantor, the calculation of the said ratio attesting to the due compliance with the capital strength requirement equal to 1.2. At the same time, the Concessionaire shall transmit to the Grantor the necessary information for ascertaining the correct computation of the ratio, additionally attaching a statement issued by the company tasked with auditing the financial statements and attesting to the correctness of the computation supplied.

Whenever the computation of the net financial debt (NFD), calculated as per the above on the basis of the approved financial statements, shows a net financial credit, compliance with the capital requirement is considered proven, subject to the proviso that the Concessionaire must transmit to the Grantor, by the same deadline as the one referred to in the preceding paragraph, (i) the necessary information for ascertaining the correct computation of the financial credit and (ii) the accompanying statement by the company tasked with auditing the financial statements.

Whenever the approved financial statements show the said ratio to be below the minimum required level equal to 1.2, in accordance with Article 8 of the Master Agreement, the Grantor shall see to the task of notifying the Concessionaire of the material breach by setting a suitable deadline, which in any event may not be less than 3 months. By the said deadline, the Concessionaire shall rebalance the ratio to the minimum required level via capital increases subscribed and paid by the shareholders via equivalent instruments, other suitable instruments or transactions aimed at reducing the debt exposure. In the event that, upon expiry of the aforementioned 3 months' deadline, the Concessionaire has not remedied the breach, the Grantor may trigger the revocation procedure referred to in Article 9 of the Master Agreement.

Financial resources

In compliance with the provisions of Article 3(v) of the Master Agreement, the Concessionaire shall annually notify to the Grantor, within 15 (fifteen) days from date of approval of the financial statements, a statement formally attesting to the availability of non-revocable funding lines with at least 12 months' term, or cash and bank deposits tied up to the realisation of investments. The overall amount of the available financial resources, calculated as at the closing date of each financial year, must be at least equal to the difference, if negative, due to the delayed execution of the works, between the final investments appearing on the closing date of the latest approved financial statements and the forecasts set out in the following timelines:

<u>Timeline for the quantification of financial benefits in respect of delayed investments</u>

Network enhancement arising from obligations laid down under the Agreement dated 4 August 1997

(Thousands of Euros)	**pre-2002**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Bologna-Firenze enhancement	93,300	74,350	215,100	419,900	721,000	954,000	1,573,821
Third and fourth lanes	169,760	43,700	78,900	100,406	49,931	5,200	1,100
Annual total	**263,060**	**118,050**	**294,000**	**520,306**	**770,931**	**959,200**	**1,574,921**
Cumulative total	**263,060**	**381,110**	**675,110**	**1,195,416**	**1,966,347**	**2,925,547**	**4,500,468**

Network enhancement arising from works under the Additional Agreement IV dated 23 December 2002

IV AA Validation plans	312,856	228,728	330,578	186,476	378,131	840,148	923,597	769,873	272,535	557,497	627,603
IV AA Works Progressive total	312,856	541,584	872,162	1,058,638	1,436,769	2,276,917	3,200,513	3,970,386	4,242,921	4,800,418	5,428,021

As for those ventures concerning which, upon expiry of a 12-month period running from the date set out in the timeline provided in Annex M for approval by the Grantor of the final plan, the final plan itself has not yet been approved, the amounts that have in any event included in the amount of the funding lines (accrued as at that date) remain fixed. Following approval of the final plan, for purposes of calculating the funding lines, the forecast of the investment not yet implemented for the relevant venture is automatically deferred by the period supervened between the date of approval of the final plan and the approval date set out in the timeline. Upon updating the 2012-2017 financial plan referred to in Article 11 of the Master Agreement, whenever the Grantor has not approved the relevant final plans for some works under the "Additional Agreement IV", the estimated amount for such works will commensurately reduce the amount of the activated lines of credit/funding lines and/or the amount of any tied up cash or enforced guarantees.

Guarantees

In compliance with the provisions of Article 3(aa), the Concessionaire may not grant loans or guarantees to parent companies, subsidiaries or related companies, in accordance with Article 2359 of the Italian Civil Code, or subsidiaries or related companies of the same parent company, save for the subsidiaries or related companies operating in the road infrastructure sector, provided that the capital strength requirements set out in this Annex O are abided by. The above provision does not apply in the event that the aim is to indirectly obtaining, through intercompany loans, greater financial resources at market conditions which are more effective in the view of carrying out the activities falling within the [Concessionaire's] business purpose.

In any event, the foregoing will not affect the loans and guarantees already provided as at the effective date of this Master Agreement. In the aforementioned instances, the Concessionaire shall timely notify the Grantor in relation thereto.