



ANAS Directorate General
Motorway Concession Supervisory Inspectorate

Master Agreement
ANAS S.p.A.
AUTOSTRADALE PER L'ITALIA S.p.A.

ANNEX: N

PROCEDURAL GUIDELINES FOR APPLYING
FINES AND PENALTIES



Anas SpA Società con Socio Unico
Cap. Soc. € 2.269.892.000,00 – Iscr. R.E.A. 1024951 – P.IVA 02133681003 – C.F. 80208450587
Via Monzambano, 10 – 00185 Roma – Tel. 06 44461
Fax 06 4456224 – 06 4454956 – 06 4454948 – 06 44700852

Via Monzambano, 10 - 00185 Rome - Tel. 06 44461

**Motorway Concession Supervisory Inspectorate (Ispettorato Vigilanza
Concessioni Autostradali)**

Part 1 - Procedural Guidelines for levying administrative fines under Paragraph 86,
letter d) of Article 2 of Law Decree No. 262 of 23 October 2006 converted by Law No.
286 of 24 November 2006

Part 2- Procedural Guidelines for levying penalties for breaches of contract, under
Paragraph 83, letter h) of Article 2 of Law Decree No. 262 of 3 October 2006 converted
by Law No. 286 of 24 November 2006



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Clause 1

General scope of the fine and procedure

1.1. Scope of application of the fine.

The fine is applied to the Concessionaire, unless the breach in question constitutes a crime, in the event of non-compliance with the obligations identified in these Procedural Guidelines and under Law Decree No. 262 of 3 October 2006, converted by Law No. 286 of 24 November 2006, and with the obligations under Article 11, Paragraph 5, of Law No. 498 of 23 December 1992, as amended by Paragraph 85 of Article 1 of Law Decree No. 262 of 3 October 2006 converted by Law No. 286 of 24 November 2006 as well as with the measures issued by the Grantor, or if the Concessionaire does not comply with requests for information or with requests resulting from controls being carried out, or if the information and documents obtained are untrue, as best specified in these Procedural Guidelines.

1.2. Amount of the fine.

These Procedural Guidelines establish the amount of the fine that the Concessionaire must pay for each type of breach.

The provisions of Article 16 of Law No. 689 of 24 November 1981 do not apply to the same fines.

1.3 Maximum administrative monetary fine on an annual basis.

The total maximum amount per year of the administrative fines may not exceed 10% of the Concessionaire's annual turnover. In any event, this amount may not exceed the threshold of EUR 150 million per year.

1.4. Competence.

The entity empowered to levy the fines provided for in these Procedural Guidelines is Anas S.p.A., in accordance with Article 2, Paragraph 86 of Law Decree No. 262/2006, converted with amendments by Law No. 286/2006 and subsequent amendments.

1.5. Disciplinary Procedure.

The disciplinary procedure is governed by Law No. 689 of 24 November 1981, published in the Official Gazette of the Italian Republic, No. 329 of 30 November 1981, ordinary supplement.

The fine is applied after verifying the reported breach of one of the obligations referred to below, also, subsequent to:

- a) Requests for documents, information, data;
- b) Access to the Concessionaire's databases; and
- c) Access to the competent Offices and/or to the places where the surveys useful to the control must be carried out.

If, as a result of the findings, a breach is found involving the application of a fine under the Procedural Guidelines clauses below, the person in charge of the disciplinary procedure at Anas will draft a specific report on his findings, indicating the breached obligation, the facts constituting the breach and the fine to be applied, together with the



amount due for postal and notification expenditure, instructing the Company to pay in the person of its legal representative. In addition to paying the fine, the Concessionaire is required, to perform the breached obligation within a reasonable period of time that is not less than thirty (30) days from the date of receipt of the fine's application notice. An exception is made for the performance of obligations related to earmarking the financial benefits provided for in the Master Agreement to be performed in the following year's financial statement.

If the Grantor establishes the failure to perform the breached obligation within the abovementioned terms, it will proceed to apply the same fine until the Concessionaire has performed the obligation, except in cases where the Concessionaire's performance is no longer possible. In the event of failure to comply, steps shall be taken in accordance with the law.

The Concessionaire must pay the penalties within twenty (20) days from receipt of the notice of their application by the Grantor; in the event of a delay of more than twenty days, the amount of the fine to be paid will be increased by 10%. In the event that the delay exceeds six months, the amount of the fine will be further increased by another 30%. In the event of failure to comply, the credit will be recovered in accordance with the law. The amount of such fines shall be paid into an escrow account, made payable to Anas S.p.A. - Motorway Concession Supervisory Inspectorate -.

In addition to the fine, the Concessionaire is required to compensate any greater damages sustained by the Grantor due to the delayed performance and/or for the breach of its obligations.

If, for the same breach, penalties are also provided in accordance with Article 30 of the Master Agreement, these are not intended as alternatives to the fines.

1.6 Forfeiture.

Without prejudice to the provisions of Article 9 of the Master Agreement, in the event of the recurrence, for two consecutive years, of breaches entailing the application of fines of an amount higher than that provided for in Sub-clause 1.3 of these Procedural Guidelines, the Grantor has the power to propose the suspension or termination of the concession to the competent Minister.



Clause 2
➤ The obligations of the Concessionaire deriving from the concession Master Agreement scheme, subject to fine
➤ The obligations of the Concessionaire deriving from Article 11, Paragraph 5 of Law No. 498 of 23.12.1992, as substituted by Paragraph 85 of Article 2 of Law Decree No. 262/2006

2.1. Identification of the obligations.

The Concessionaire is required to comply with the obligations listed below.

In the event of default, the relevant fine will be applied, determined as follows:

- Failure to submit to the Grantor's approval the extraordinary maintenance projects, intended as all of those interventions that do not fall under the works referred to in Article 3, Paragraph 1, Letters f) and g);
Article 3, Paragraph 1: **EUR 100,000.00**
Per project
- Failure to carry out, in accordance with the methods specified by the Grantor, the annual statistical traffic survey;
Article 3, Paragraph 1: **EUR 200,000.00**
- Failure to update the general accounts according to the standards prescribed by the applicable law;
Article 3, Paragraph 1: **EUR 200,000.00**
- Failure to set up analytical accounts for each section of the motorway under concession concerning the costs and revenues related thereto for the construction and maintenance activities, as well as for the management activities, in order to ensure, among other things, their correct division and allocation for each activity carried out, in accordance with the directives referred to in Letter c) of Paragraph 86, Article 2 of Law Decree No. 262/2006 and subsequent amendments and of CIPE Resolution of 15 June 2007, which will be issued by the Grantor;
Article 3, Paragraph 1: **EUR 100,000.00**
- Failure to keep separate analytical accounts for any activities carried out that are unrelated to the concession, as well as failure to submit the related information to the Grantor;
Article 3, Paragraph 1: **EUR 50,000.00**
- Failure to carry out the evaluation, in accordance with Article 2426, No. 4 of the Italian Civil Code, of each fixed asset consisting in investments in subsidiaries or related companies in accordance with Article 2359 of the Italian Civil Code, by providing in the special section of the note to the financial statement information on costs, revenues and investments, including those relating to the corporate structure of the Concessionaire itself, concerning transactions with parent companies, with the parent companies of the latter and with the subsidiaries and related companies. Where the Concessionaire adopts International Accounting Standards (IAS/IFRS),

the equity valuation of the investments will be made in accordance with the accounting principles referred to above;

Article 3, Paragraph 1:

EUR 100,000.00

- Failure to provide, on a quarterly basis, including electronically, based on the provisions of Article 2, Paragraph 83, Letter e) of Law Decree No. 262/2006 and subsequent amendments and CIPE Resolution of 15 June 2007, as well as the provisions of Article 7 of the Master Agreement, the information on the activities that are subject to the concession, on their costs and revenues, and on the control relationships and connections of the Concessionaire itself with other parties, as well as on the exercise of the power referred to in Article 33, Paragraph 1 of the same Convention;

Article 3, Paragraph 1:

EUR 25,000.00

- Failure to certify the financial statement, in accordance with Article 11, Paragraph 5, of Law No. 498/92, and subsequent amendments, by means of an audit firm, even though the company is not listed on the stock exchange, to be chosen in accordance with the applicable law;

Article 3, Paragraph 1:

EUR 1,000,000.00

- Failure to maintain adequate requirements for the purposes of equity soundness, as provided for by Article 3 of the Master Agreement;

Article 3, Paragraph 1

EUR 500,000.00

- Failure to provide and maintain appropriate measures in its by-laws for the purpose of preventing conflicts of interest of directors and, for the same directors, special requirements of integrity and professionalism, as well as, for at least some of these, of independence;

Article 3, Paragraph 1:

EUR 200,000.00

- Failure to comply with the duty to act, for all intents and purposes, as a contracting authority within the terms set out in Article 3 of the Master Agreement;

Article 3, Paragraph 1:

EUR 25,000.00

For each contract awarded in breach of the Master Agreement

- Failure to comply with the duty to submit concession tender schemes within the terms of Article 3 of the Single Convention;

Article 3, Paragraph 1:

EUR 25,000.00

Per breach

- Failure to comply with the duty to award contracts for the procurement procedures within the terms of Article 3 of the Master Agreement;


Article 3, Paragraph 1:

EUR 25,000.00

Per breach



- Failure to comply with the duty to prohibit the participation in tenders for the purpose of awarding works to businesses, however connected to the Concessionaires, which were in charge of their engineering;
Article 3, Paragraph 1: **EUR 25,000.00**
Per breach
- Failure to maintain, in its by-laws, an ANAS official on its Board of Auditors;
Article 3, Paragraph 1: **EUR 1,000,000.00**
- Failure to update and make available to the Grantor the computerised Motorway Register (Article 13, Paragraph 6 of Legislative Decree No. 285 of 30 April 1992, "New Motorway Code");
Article 3, Paragraph 2: **EUR 50,000.00**
- Failure to seek prior approval of the Grantor for the execution of operations within the terms of Article 10-*bis*, of the Agreement;
EUR 5,000,000.00
- Failure to comply with the duty to communicate the amount of the provisions referred to in Article 3, Paragraph 1, Letter t by no later than 28 February of each year;
EUR 1,000,000.00
- Failure to comply with the duty for provisions, within the terms of Article 3 of the Master Agreement, without prejudice to any calculation or interpretation inconsistencies that will not cause the application of penalties only if remedied by the Concessionaire within a reasonable period of time;
Article 3, Paragraph 1: **EUR 2,000,000.00**
- Failure to comply with the duty to give immediate notice to the Grantor, specifically in the event that it notes that new work has been implemented inside the motorway buffer zone;
Article 3, Paragraph 5: **EUR 25,000.00**
- Failure to comply with the duty to forward to the Grantor, within two months of its approval date, the annual financial statement approved by the Board and possibly the consolidated financial statement.
Article 10, Paragraph 1: **EUR 100,000.00**
- Failure to comply with the duty to notify the Grantor, within 30 days after the transaction, of changes in the shareholdings referred to in Paragraph 2 of Article 10 of the Agreement and, within 30 days from the date of registration in the Shareholders' Register, the variation in the shareholding structure referred to in Paragraph 3 of Article 10 of the Agreement, in cases where the latter variation is in excess of 2 per cent;
Article 10, Paragraph 4: **EUR 100,000.00**
- Failure to comply with the duty to inform the Grantor of any amendments to the by-laws within 30 days of their implementation;



- Article 10, Paragraph 4: **EUR 25,000.00**
- Failure to comply with the duty to pay to entitled entities a fixed annual fee equal to 2.4% of net toll proceeds.
Article 16: **EUR 100,000.00**
 - Failure to comply with the obligation to pay an annual fee, to the extent provided for in Article 17 of the Master Agreement, on all revenues from sub-concessions along the grounds of the motorways and from other related activities carried out therein, including those relating to the commercial use of the telecommunications networks
Article 17: **EUR 50,000.00**
 - Failure to draft, if not adopted, the Services Charter specifying the quality standards of the individual services;
Article 35: **EUR 1,000,000.00**
 - Failure to annually update the Services Charter by 31 December with indication of the quality standards of the individual services within the terms referred to in the Master Agreement;
Article 35: **EUR 100,000.00**
 - Failure to comply with the Grantor's requests for information relating to the concession activities, within a reasonable period of time of no less than five business days from the date of receiving the request, which may also be sent by fax to the number indicated by the Concessionaire. For special requests, the Grantor may set a different term within which to respond, which must nevertheless be appropriate to the type of information;
EUR 25,000.00
for each failure to reply
 - Failure to comply with requests for information by the Grantor connected with carrying out controls, within a reasonable period of time no less than ten business days from the date of receipt of the request;
EUR 25,000.00
for each failure to reply
 - Communicating misleading information and documents to the Grantor, except clerical errors;
 - Of a technical nature **EUR 25,000.00**
 - Of administrative nature **EUR 50,000.00**
 - Of financial nature **EUR 100,000.00**



Clause 3 - Penalties

3.1 Scope of application of penalties.

These Procedural Guidelines set out cases of failed application by the Concessionaire of the provisions of the Master Agreement to which penalties are applied, in accordance with Paragraph 83, Letter h) of Article 2, of Law Decree No. 262 of 3 October 2006, as converted, by way of amendments, by Law No. 286 of 24 November 2006, and subsequent amendments

3.2. Amount of the penalty.

The amount of the penalty is determined as a fixed amount.

3.3 Competence.

The competent authority to apply penalties specified in these Procedural Guidelines is Anas S.p.A., in accordance with Article 2, Paragraph 86 of Law Decree No. 262/2006, amended and converted into Law No. 286/2006 and subsequent amendments.

3.4 Scope and assessment of penalties.

Penalties are applied upon assessment, to be carried out in accordance with the applicable law, of the failure to perform one of the obligations set out below when discovered, also, as a result of:

- a) Requesting documents, information and data relating to the concession activities;
- b) Accessing the databases of the Concessionaire relating to the concession activities;
- c) Accessing the competent Offices and/or the places where conducting surveys useful to controlling the concession activities is necessary;

Defaults that may result in penalties concern the following types of duties:

- Planning
- Execution of works
- Accounting period

and misalignments detected after completing the annual monitoring program.

The penalties' application system, as regards the monitoring activity, becomes effective six months after the date of entry into force of the Master Agreement.



Clause 4 - Penalties on Planning

4. Planning

The Grantor applies the following penalties to the Concessionaire, for breaches pertaining to planning, in addition to the penalties set forth in Article 30 of the Convention:

- Failure to comply with the requirement that plans must indicate the characteristics of the works and the precautions to be observed for waterway and public road crossings, as well as for the connections to the latter;

EUR 10,000.00



Clause 5 - Penalties on the Execution of the Works

5. Performance of the works

The Grantor applies to the Concessionaire the penalties for breaches pertaining to the execution of the works set forth in Article 30 of the Master Agreement.



Clause 6 - Procedure for applying penalties for cases related to planning and execution

6.1 Procedure for applying penalties

Delays accumulated on each work and the total amount of the penalty are measured annually by the Grantor on the basis of information provided by the Concessionaire via the report referred to in Annex E of the Master Agreement.

In the event that the Grantor finds a default by the Concessionaire, relating to the obligations arising from the planning or the execution of the concession works, under these Procedural Guidelines, the Grantor itself must proceed to immediately transmit to the Concessionaire a the notice of default, establishing a reasonable term that may not, in any event, be less than twenty days, except for urgent cases, within which the Concessionaire must perform or arrange to provide its own justifications. Should the Concessionaire not perform or not provide its justifications or where these have not been justifiably accepted by the Grantor upon expiration of the aforementioned fixed term, the Grantor itself may apply the penalty in the amount established in these Procedural Guidelines for the specific default, together with the amount due for postal and notification expenditure, demanding payment from the Company to its legal representative

The Concessionaire must pay the penalties no later than twenty (20) days from receiving the notice of their application by the Grantor. The amount of such penalties shall be paid into an escrow account in the name of ANAS S.p.A. - Motorway Concession Supervisory Inspectorate. If the penalty is not paid after the subsequent twenty days from the abovementioned date, the amount of the penalty will be increased by 10%.

In the event of non-payment after the abovementioned term, steps will be taken in accordance with the law.

In addition to the penalties, the Concessionaire is required to compensate the greater damages sustained by the Grantor due to the delayed performance and/or breach of its obligations.

If, for the same breach, other fines are also provided in accordance with Article 29 of the Master Agreement, the penalties are not intended as alternatives to the fines.



Clause 7 - Penalties on operating activities

This section identifies the motorway operating activity areas and the service standards with which the Concessionaire must comply, as well as the criteria for calculating the penalties for default by the same Concessionaire.

7.1 Obligations subject to penalties deriving from the Agreement's provisions.

- Failure to comply with the duty to submit to the Grantor's consideration, within the month of November of each year, the ordinary maintenance work plan, as well as other improvement and/or replacement interventions, which it intends to carry out in the following year. The classification of the abovementioned interventions is shown in Annexes F1 and F2 to the Convention.
Article 3, Paragraph 1: **EUR 10,000.00**
For each day's delay
- Failure to activate and maintain a roadside assistance service;
Article 3, Paragraph 1: **EUR 1,000,000.00**
- Failure to fulfil the obligation to affix, at its own expense, signposts designating motorway access on public roads, at the request of the Grantor and/or local authorities, and in agreement with the Agencies owning said roads;
EUR 25,000.00
- Opening and operating each motorway or sections useful thereto or junctions without the express authorisation of the Grantor;
EUR 200,000.00
- Exercising the option under Clause 31 of the Convention, which affects the headquarters of motorways and their appurtenances, by establishing third-party obligations that exceed the remaining term of the motorway concession, lacking the Grantor's explicit authorisation;
Article 31: **EUR 25,000.00**
- Failure to comply with the requirement whereby on the concession's expiry all the works that, for the purpose of exercising the concessions referred to in Paragraph 1 of Article 31, are built by third parties, on the areas that constitute appurtenances of the motorway, are transferred in good condition to the Grantor on the expiration of the concession; the Concessionaire's documents, whereby the concessions under Letter b) of Paragraph 1 of Article 31 were granted to third parties must provide for a similar obligation of the third party towards the Grantor;
Article 31: **EUR 25,000.00**
- Failure by the Concessionaire to indicate the precautions that must be observed to the concessionaires of scheduled public services, to the concessions holders related to the use of the motorway headquarters and related appurtenances and to third parties that provide instrumental and ancillary services;



Article 31, Paragraph 4:

EUR 25,000.00

- Granting forms of subscription, without the prior consent of the Grantor, to specific categories of users for transit on the motorways or other facilities, aimed at facilitating toll collection or at increasing traffic on the motorways;

Article 32, Paragraph 1:

EUR 25,000.00

Per venture

- if the value of the Average Q for the five-year period ended on 30 June of each year, calculated according to Annex C to the Master Agreement, is lower than the Average Q determined for the five-year period ended on 30 June 2006, the Concessionaire is required to pay a penalty equal to:

EUR 2,000,000.00

7.2 Obligations subject to penalties deriving from the Grantor's provisions:

- Failure to comply with the duty to inform the Grantor of any official agreements between the Concessionaire and other entities or organisations that have a direct impact on operating the motorway;

EUR 10,000.00

- Failure to comply with the duty to ensure services to motorway users during bank holidays, within the terms indicated by the Grantor;

EUR 10,000.00

- Failure to comply with the provisions of the Decree of the Ministry of Infrastructure and Transport of 10.07.2002 - Technical Disciplinary Measure relating to signage schemes, separated by road category, to be adopted for the purpose of signalling temporary construction work sites;

EUR 10,000.00

Per breach

- Failure to comply with the obligation to apply Article 23 of the New Motorway Code - advertising along the motorway sections under concession. Unauthorised advertising affixed by third parties is not subject to penalties;

EUR 10,000.00

Per breach

- Failure to comply with the obligation to communicate the progress status of ordinary maintenance work expenditure for the 1st six months of the current year, no later than 31 July of each year;

EUR 10,000.00

- Failure to comply with the duty to send analytical accounts schedules on an annual basis by 31 March of each year and on a quarterly basis by 10 May for the first quarter, 10 August for the second quarter, and 10 November for the third quarter;



EUR 10,000.00

- Failure to comply with the duty to send, in advance, information on the start and end of the detours implemented during special and onerous works to be carried out along the relevant motorway network, which entails a significant impact on traffic lasting no less than five days;

EUR 10,000.00

Per breach

- Failure to restore, unless due to objective operational difficulties, portions of the damaged motorway structure that lost functionality due to road accidents, within a maximum of three days from the accident's occurrence;

EUR 10,000.00

Per breach

- Failure to keep records of significant traffic disruptions occurred on the motorway network for a period of twelve months;

EUR 500,000.00

7.3 Penalties Application procedure

In the event that the Grantor finds a default, by the Concessionaire, concerning the obligations relating to exercising the works granted in concession, as referred to in these Procedural Guidelines, the Grantor itself must immediately transmit to the Concessionaire a notice of default, establishing a reasonable term that in any case, excluding emergencies, may be no less than twenty days, within which the Concessionaire must perform it or arrange to provide its own justifications. Should the Concessionaire not perform or not provide its justifications or where these have not been justifiably accepted by the Grantor upon expiration of the aforementioned fixed term, the Grantor itself may apply the penalty in the amount established in these Procedural Guidelines for the specific default, together with the amount due for postal and notification expenditure, demanding payment from the Company to the legal representative.

The Concessionaire must pay the penalties no later than twenty (20) days from receiving the notice of their application by the Grantor. The amount of such penalties shall be paid into an escrow account.

In addition to penalties, the Concessionaire is required to compensate the greater damages sustained by the Grantor due to the delayed performance and/or for the breach of its obligations.

If, for the same breach, other fines are also provided in accordance with Article 29 of the Convention, the penalties are not intended as alternatives to the fines.



Clause 8 - Annual Monitoring Plan

8.1 Compliance with service levels

Without prejudice to the Grantor's ordinary supervision, the Concessionaire's compliance with the service levels is verified by the same Grantor on the basis of an annual monitoring and control plan carried out by the Grantor itself jointly with the Concessionaire.

The controls concerning the alignment with the relevant standards of the service levels are carried out following the procedures set out in the **Annual Monitoring Plan**. The Grantor will establish the Plan in agreement with the Concessionaire and will concern sections that are not affected by construction sites.

All possible reports of the Grantor must be verified jointly with the Concessionaire that will be invited to participate in the verification.

The Annual Monitoring Plan, updated annually, must provide for two annual visits on every section to be carried out together with the Concessionaire and must contain:

- The list of items subject to evaluation explicitly specifying:
 - The scope of application;
 - Parameters to be measured;
 - The relevant standard;
- The specification of the subdivision into trunks of the Concessionaire's network. Each trunk must not exceed 80 km. Each report must cover one of the trunks into which the network was divided;
- The list of ANAS personnel authorised to perform the controls as well as of the Concessionaire's personnel authorised to participate in the control visits;
- The number of controls required during the year, which is the same for all concessionaires.

8.2 Elements to be assessed and the related relevant standards

The penalties for any lack of efficiency of some motorway elements (and their proper maintenance) on the sections not affected by construction sites.

The elements to be assessed will concern:

- the lighting level of the motorway and its appurtenances;
- the condition of the road signs and markings;
- the efficiency status of the safety barriers;
- the maintenance status of the green areas;
- the state of integrity of the motorway fence network;
- the status of the road surface;
- the obstructions to circulation due to weather conditions;



- all technical parameters laid down by mandatory rules, within the terms imposed thereby.

For all the above elements, the following is established:

1. **Scope of Application.** The scope of application describes the motorway element to which the standard refers.
2. Parameters to be measured. **The evaluations will be based solely on objective measurements with quantitative parameters to be compared to precise and representative standards of the actual efficiency of the maintenance carried out.**
3. Relevant standard. **The relevant standard is an agreed measurement below which the penalty application procedure is triggered. The standards established by regulations on the components under evaluation are to be acquired as relevant standards.**
4. The operating procedure for detection. **The penalty detection procedure is usually carried out *inter partes*.**

Below, for each element of evaluation, the scope of application is explained and the values of the other parameters are established.

1. Toll stations lighting

- Parameter: No. of turned off lamps/total No. of lamps
- Reference standard: 20% of turned off lamps out of the total lamps monitored in the station

2. Junctions lighting

- Parameter: No. turned off lamps/total No. of lamps
- Reference standards: 15% of turned off lamps out of the total lamps monitored at the junction

3. Lighting of Service Area acceleration and deceleration lanes

- Parameter: No. of turned off lamps/total No. of lamps
- Reference standard: 15% of turned off lamps out of the total lamps monitored in the Service Area's access and exit lanes

4. Lighting of interconnections points

- Parameter: No. of turned off lamps/total No. of lamps
- Reference standard: 15% of turned off lamps out of the total monitored lamps in the interconnection areas

5. Tunnels lighting - entire length

- Parameter: No. of turned off lamps/total No. of lamps when no redundant lighting systems are available
- Reference standard: 10% of turned off lamps out of the total of those monitored in the tunnel

6. Tunnel lighting - entrance section



- Parameter: No. of turned off lamps/ Total No. of lamps when no redundant lighting systems are available
- Relevant standard: 10% of turned off extinguished lamps out of the total of those monitored in the tunnel

7. Road Markings - Motorway Axis and appurtenances - Retro reflectance

- Parameter: road markings retro reflectance;
- Relevant Standard: 100 cd/m² out of 90% on monitored sections with a minimum of 20 km

8. Road Markings - Motorway Axis and appurtenances - Presence and integrity

- Parameter: the presence of road markings.
- Relevant standard: 95% on monitored sections with a minimum of 20 km

9. Warning and Priority Road Signs - Motorway Axis and appurtenances

- Parameter: impaired readability of road signs
- Relevant standard: 95% of road signs visible on monitored sections with a minimum of 20 km

10. Road Signs indicating Motorway Axis and appurtenances

- Parameter: impaired readability of road signs
- Reference standards: 90% of visible road signs on monitored sections with a minimum of 20 km

11. Retro-Reflectors - efficiency

- Parameter: visibility impaired by obstacles or otherwise deprived of reflectance
- Relevance standard: 90% on monitored sections with a minimum of 20 km

12. Retro-Reflectors - presence

- Parameter: No. of missing retro-reflectors out of the total No. provided
- Relevant standard: 90% on monitored sections with a minimum of 20 km

13. Flash signalling on the station diverge tapers

- Parameter: No. of turned off signalling in relation to the totality of those present in the station.
- Relevant standard: 15% of turned off signalling of the total of those present in the monitored station

14. Safety barriers damaged by accidents

- Parameter: safety barriers damaged by accidents.
- Relevant standard: undamaged safety barriers along the entire length of the network, excluding barriers damaged by accidents that occurred during the 7 days prior or the damage of which was indicated or reported in the 7 days prior.

15. Condition of the paving - Motorway Axis and appurtenances

- Parameter: the presence of paving s erosions of h depth and S surface S .
- Relevant standard: $h >$ of the layer of wear over the entire surface considered; $S > 100 \text{ cm}^2$ for each erosion.

- This parameter should be excluded from the list of those that contribute to the fine for excessive signalling.

16. Maintenance of green areas - Motorway Axis and appurtenances

- Parameter: grass height "h" in the area included between the embankment and 1.5 metres from the same, for a minimum length of 100 m./km.
Relevant standard: $h < 40$ cm from the road surface.

17. Motorway fence including Service Areas

- Parameter: presence of openings in the fences equal to or greater than 20 cm.

18. Service and rest areas

As to the service areas a, further and defined parameters will be established, as agreed between the Grantor and the Concessionaire, and the related relevant standards will be decided, so as to supplement these Procedural Guidelines. The parties will establish said identification before signing the Master Agreement.

The controls concerning the alignment with the relevant standards, as established by the **Annual Monitoring Plan**, are carried out by authorised ANAS personnel carrying out the periodic visits, accompanied by the Concessionaire's representatives.

The penalty application procedure for failures to restore is divided into the following steps:

1. At the end of each visit, all notifications of misalignments of the parameters as to the standard are collected in a special report signed by the representatives involved;
2. In the event there are no notifications, the visit ends positively, always with a report, and no penalty procedure is triggered;
3. In the event that notifications were made, ANAS notifies the Concessionaire in writing of its non-compliance with the relevant standards on the sections under review; at the same time, a term equal to 10 business days is assigned to restore the standards;
4. Written notice to ANAS by the Concessionaire of the concluded restoration action within the schedule established for the relevant standard for notifications referred to in the preceding paragraph;
5. ANAS is entitled to arrange for verifications to control that restoration was carried out;
 - if the verification is positive, no penalty shall apply;
 - If the verification is negative, the Concessionaire is notified of the application of the penalty by written notice.

At the end of each year, the number of non-restorations on all the interested sections is counted.

The total annual penalties due in respect of the non-restorations is established by using the following



formula:

$$TP = N_{mr} l_{mr}$$

Where:

TP = Total annual penalties for non-restorations

N_{mr} = number of non-restorations

l_{mr} = unit amount of the penalty for non-restorations.

For the first year l_{mr} amounts to EUR 50,000.

For subsequent years, the amount is adjusted to 100% of the ISTAT index

Obstruction of the motorway due to snowfall and floods - Penalty application procedure

The possible penalty for a **motorway obstruction due to snowfall and floods** involving both management and infrastructure aspects, is governed by a special procedure that involves:

1. Verification by ANAS and cross-checked with the Concessionaire, that the obstruction is due to direct managerial failure by the Concessionaire itself on the basis of shared procedures;
2. If the verification is positive, the penalty is applied.

To establish the amount of the penalty in the event of obstruction (S), the *Sector Unit income* (I_{us}) of the entire motorway toll network is established in agreement with the motorway concessionaires. *Sector unit income* is intended as the income from tolls realised annually from the totality of all concessionaires on the total annual traffic expressed in vehicles*km. The income from the total annual tolls is considered net of VAT and of the surcharges referred to in Law No. 296/2006, Article 1, Paragraph 1021, and refers to the year prior to that of the possible application of the penalty.

The penalty amount in the event of obstruction due to snow/flooding S is calculated as follows:

$$S = I_{us} \times TGM \times L \times h / 24$$

Where:

- L is the number of kilometres of the motorway section subject to obstruction multiplied by the number of roadways included between two tolls with a minimum of 80 km;
- TGM is the average annual traffic volume of the section subject to obstruction;
- h is the duration of the obstruction expressed in hours;



- I_{us} (sector unit income) is the toll income realized annually from the totality of all Concessionaires on the total annual traffic expressed in vehicles*km.

8.3 Default notifications: Penalty application procedure

The number of notifications triggered under the Annual Monitoring Plan is counted for each section of the network under the Concessionaire's competence

At the end of each relevant period (one financial year), for each Concessionaire, the number of sections (N_{T15}) in which the number of verified notifications is greater than 15 (but less than 30) and the number of sections (N_{T30}) in which the number of verified notifications is greater than 30 are counted.

In addition to the foregoing, an additional penalty established with the following formula is due:

$$PS = N_{T15} I_{T15} + N_{T30} I_{T30}$$

Where:

PS = total annual penalty relating to the notifications.

I_{T15} = unit amount of the penalty owed on the sections where a number of notifications greater than of 15 but less than 30 was recorded.

I_{T30} = unit amount of the penalty owed as to the sections where a number of notifications greater than 30 was recorded.

For the first year I_{T15} and I_{T30} are worth EUR 20,000 and EUR 40,000, respectively.

For subsequent years, the amount is adjusted in the amount of 100% of the ISTAT index.



Clause 9 - Revisions and/or amendments.

9.1 Revisions and/or amendments.

These Procedural Guidelines may be amended and/or modified, upon agreement between the Grantor and the Concessionaire, every five years.

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