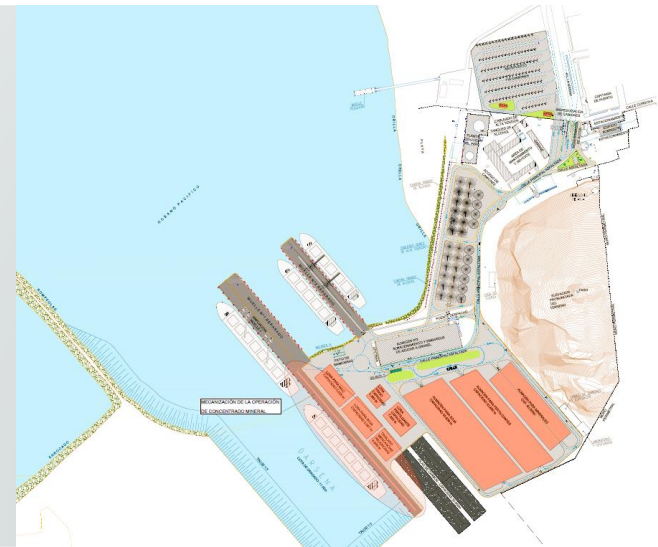


Modernisation and development of the Salaverry multi-purpose port terminal

Document to promote the Declaration of
Interest published on 4th August, 2017



On 4th August, 2017, PROINVERSION, published the Declaration of Interest concerning the Private Venture of Consorcio Transportadora Salaverry (CTS)*

Key Features of the Concession

Concession Authority

- The State of the Republic of Peru, represented by the Ministry of Transport and Communications (MTC) and the National Port Authority (NPA)

Scope

- **Design, financing, construction, conservation, operation and transfer of the Salaverry Port Terminal**

Deadline

- **30 years** from the signing of the concession agreement

Services

- Standard services to vessels: Use of terminal berths and vessel access services
- Standard freight services
- Standard passenger services
- Special services

Contractual type

- Self-financed Private-public Partnership, operating under Concession Contract

** Integrated by the companies TRAMARSA and NAVIERA TRAMARSA, each belonging to the Romero Group*

The execution of the project offers a clear solution to operability and traffic growth potential...

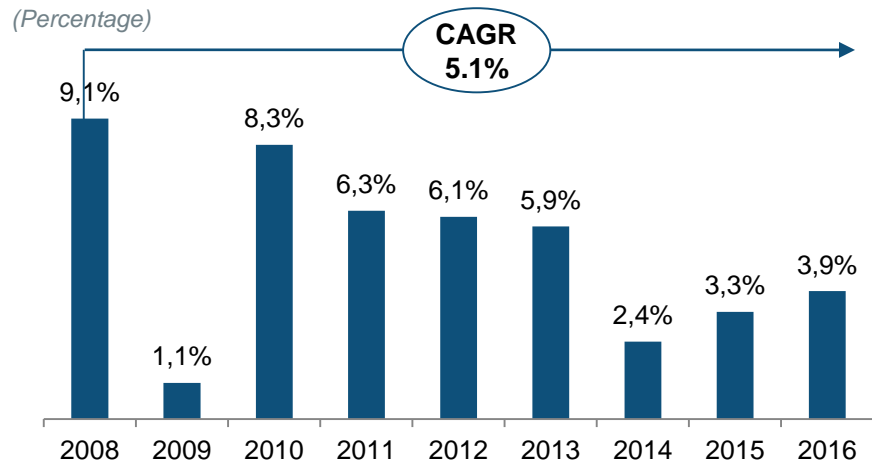
Foundations

- 1 **Stable dredging solution** to assure an operational depth of -10.5 m, dredging included in rate, with the possibility of reaching -14.0 m
- 2 **Increased operational capacity of the port** to face the expected traffic growth
 - Repair and commissioning of the current infrastructure to reduce the port downtime
 - Upgrading of port equipment
 - Provision of storage facilities to implement an efficient operation model
 - Construction of a new inner dock
 - Phased development of specialised operational systems for the main cargos
- 3 **Labour proposal** to employ all the **ENAPU staff**

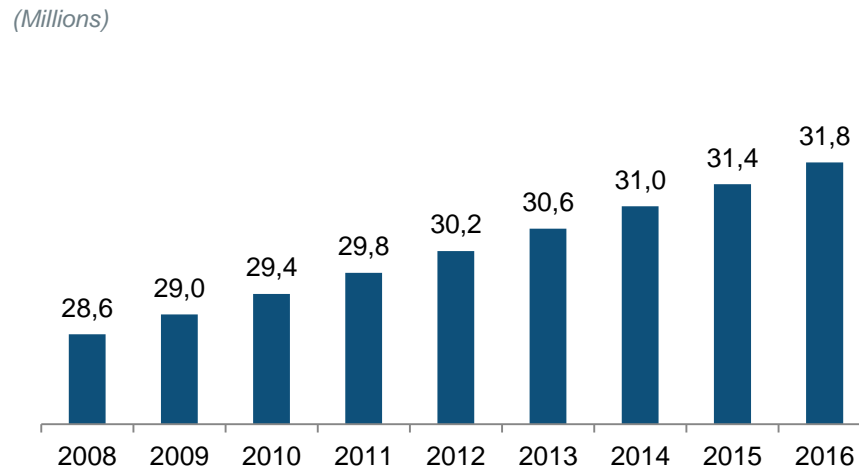
... through a stable dredging solution, improvement of marine works and progressive mechanisation of operation according to the traffic growth

Peru shows a solid socioeconomic evolution in the past years and is expected to keep it in the following ones

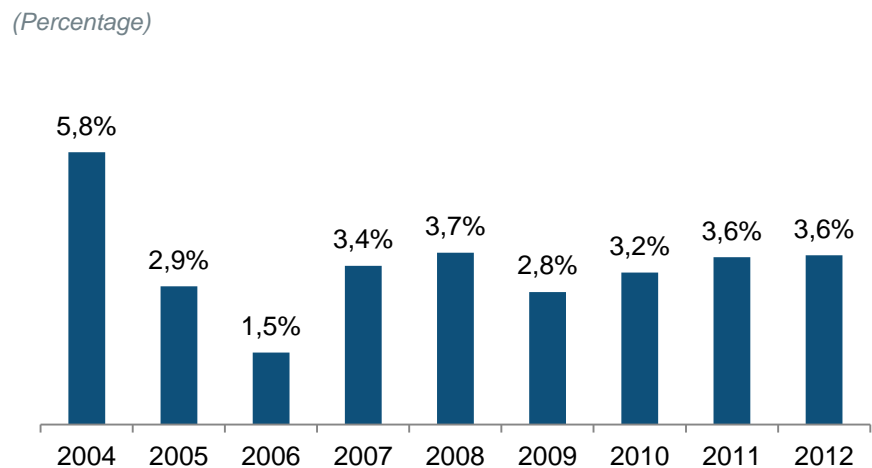
Annual GDP growth in Soles



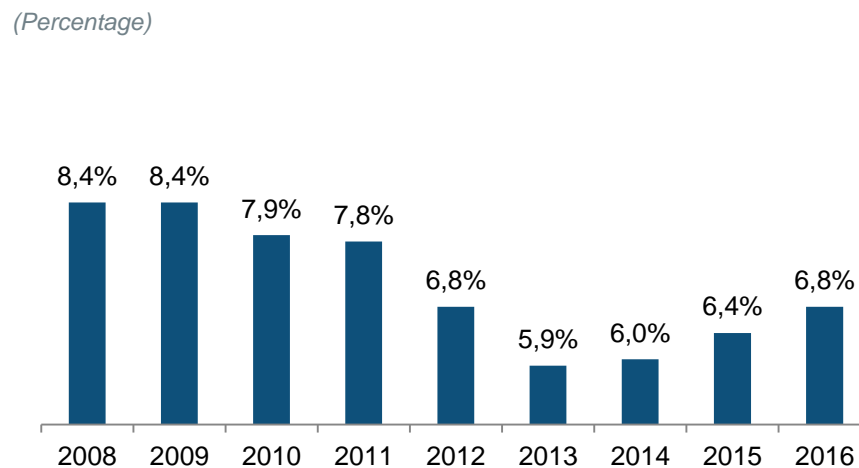
Development of the population



Annual inflation



Unemployment rate

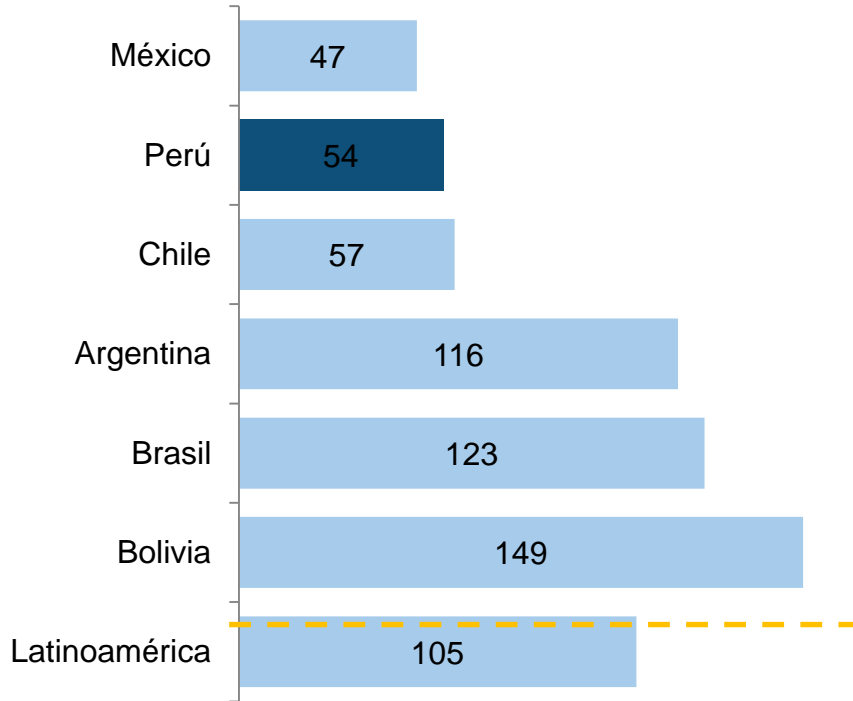


Source: FMI, July 2017

It is one of the States in Latin America with more ease of doing business, surpassing other countries such as Chile

Ease of doing business

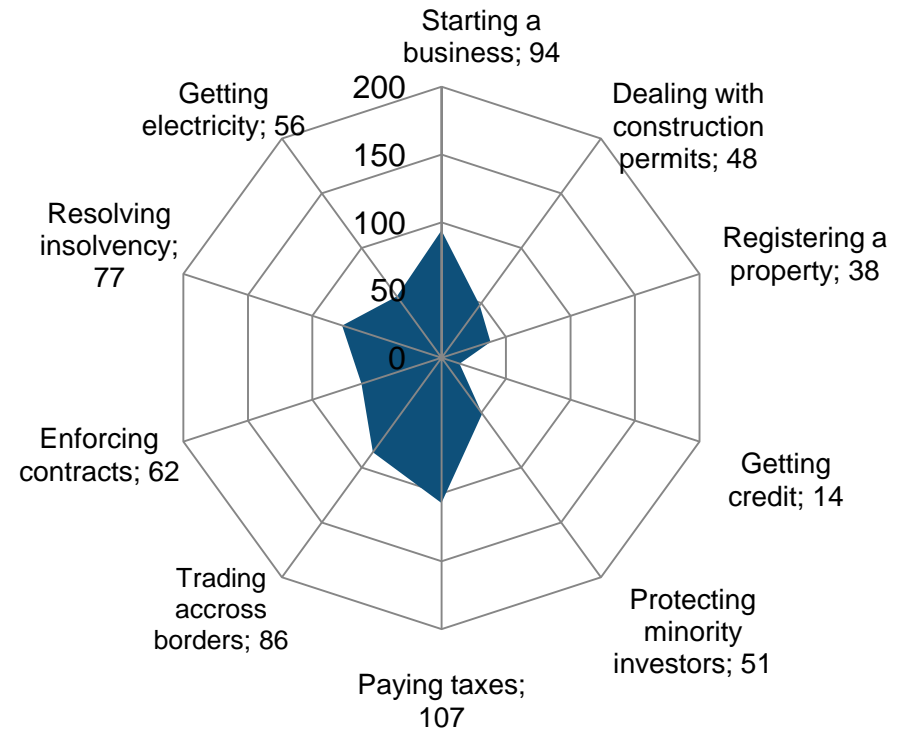
(Ranking wrt all States)



Source: World Bank 2016, IFC – International Finance Corporation

Doing Business in Perú

(Ranking wrt all States)



Peru excels in many aspects such as getting credit, ease in registering properties and dealing with construction permits

Additionally, Perú has a very favourable legal framework for foreign investors

Benefits of Perú

Perú offers a legal framework favourable to foreign investment:

- Non-discriminatory treatment
- Non-restriction access to most economic sectors
- Free transfer of capital
- Free competition
- Guarantee to private property
- Freedom to acquire shares held by national investors
- Freedom to access to internal and external credit
- Freedom to remittance of royalties
- Investment treaty network, member of CIADI and MIGA
- Member of the Organisation for Economic Co-operation and Development Committee (OECD)

Legal framework: Marco Legal: Constitutional provisions, Foreign investment law Legislative decree N° 662, Framework law to the growth of Private investment, Legislative decree N° 757, Law to promote the private investment in Public Works in Infrastructure and public services, TUO aprovesaprobado por el Decreto Supremo N° 059-96-PCM

Salaverry Terminal is located at the Libertad district, at a short distance from Trujillo

Location of the Salaverry PT



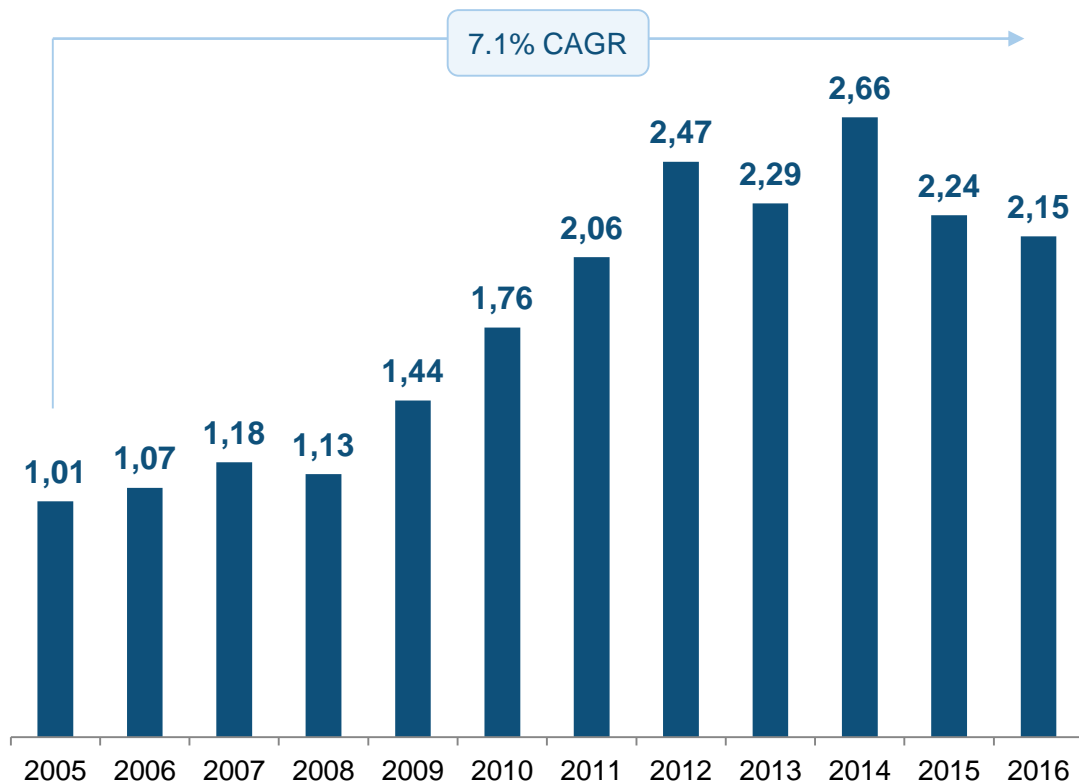
- La Libertad is the fourth department in the country in terms of GDP volume and Trujillo is the third in population
- In terms of farming, it is the second department in terms of contribution to the national GDP (sugar cane, asparagus, lentils, chickpea, avocado...)
- The mining sector is the main generator of exports in the region (Au, Ag, Cu, Pb, Mo)
- One of the most developed sectors is the agribusiness (sugar, canned food, flour, meat, beverages...)
- The tourism sector stands out because of the existence of ancient cultures and important spa sites
- Salaverry port is the third busiest public port after Callao and Matarani
- Salaverry is 550 km from Callao and 500 km from Paita

The region's economic activity focuses primarily on farming, mining and tourism

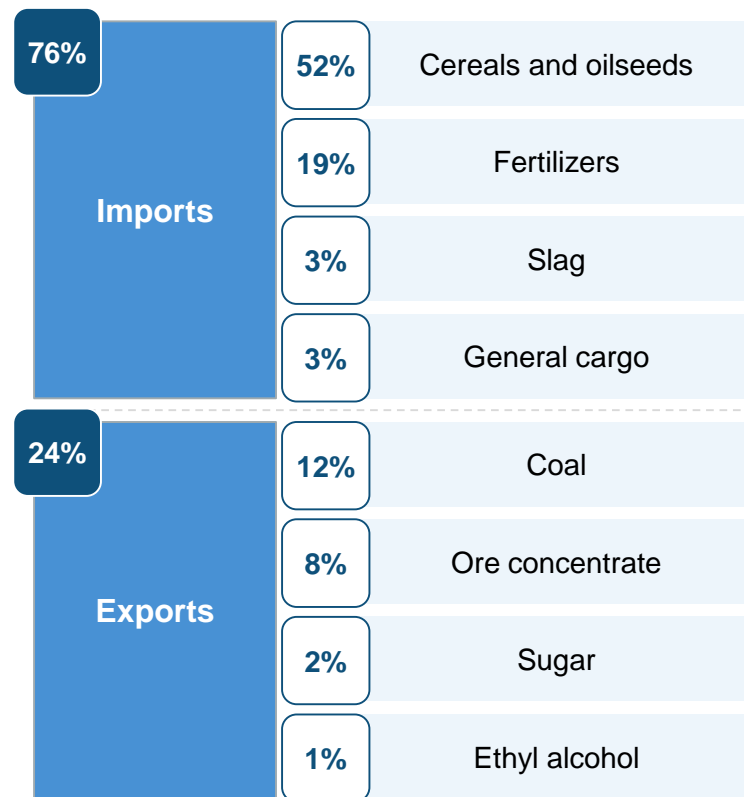
Salaverry Port terminal handled 2.15 Mt in 2016, experiencing an increase over 7% CAGR in the last ten years

Evolution of traffic and main traffics in Salaverry PT

Evolution of traffic (Mt; 2015)



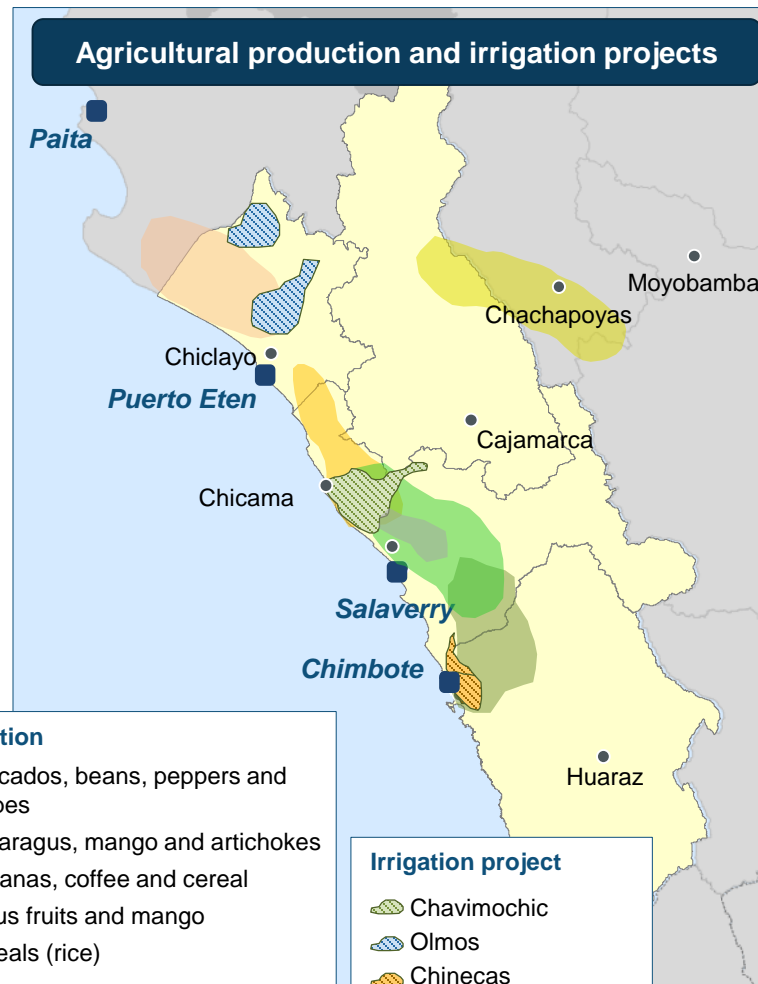
Flows of cargo and products (%t; 2015)



The main traffic is the import of cereals, soybeans and fertilizers; along with the export of coal and copper

The upgrading will make possible the operation of loads the region will be able to develop in the coming years, mainly mining and agricultural

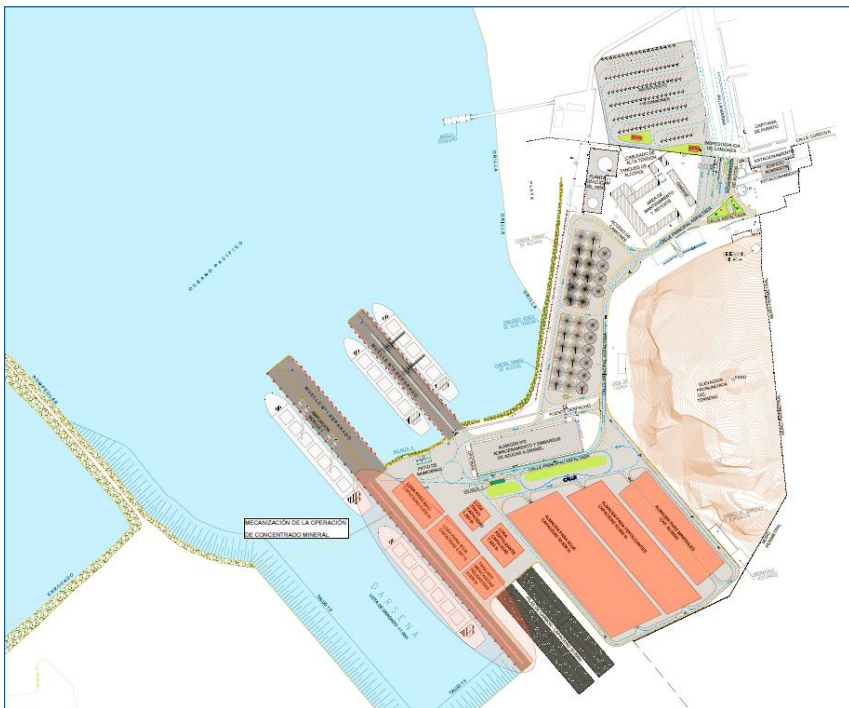
Opportunities for traffic development in Salaverry PT's catchment area



The project involves a referential investment of USD 215.8M of which USD 96.3M correspond to mandatory Phases that do not depend on demand

Established investment Phases

Plant distribution



Description of investment Phases

Phase	Phase	Investment without IGV (US\$ constant)
Mandatory Phase that does not depend on demand	Phase 1	US\$ 32,947,275
	Phase 2	US\$ 63,314,990
Mandatory Phase that depends on demand	Phase 3	US\$ 18,035,000
	Phase 4	US\$ 16,473,485
	Phase 5	US\$ 27,561,000
	New dock	US\$ 57,433,500

Moreover, the concession holder will be in charge of the port dredging maintenance

Different terminal development Phases have been defined, which are to be executed progressively based on demand levels

Triggers for the execution of investments subject to demand

Description of the Phase		Trigger
Phase 3	Mechanised unloading of clean bulk cargo	<ul style="list-style-type: none"> Clean bulk cargo: 1,200,000 t
Phase 4 Concentrates	Development of greater warehousing capacity for concentrates	<ul style="list-style-type: none"> Concentrate: 800,000 t
Phase 4 Soy and fertilizer	Development of warehousing capacity for soy and fertilizer	<ul style="list-style-type: none"> Soy and fertilizer: 1,800,000 t
Phase 5	Mechanisation of the loading of ore concentrates	<ul style="list-style-type: none"> Concentrate: 1,200,000 t
In any of the Phases: New dock	Opening of the new dock (at any of the Phases after the delivery of mandatory works)	<ul style="list-style-type: none"> Average dock occupancy factor: 65% o Concentrate: 1,800,000 t or Soy and fertilizer: 1,800,000 t

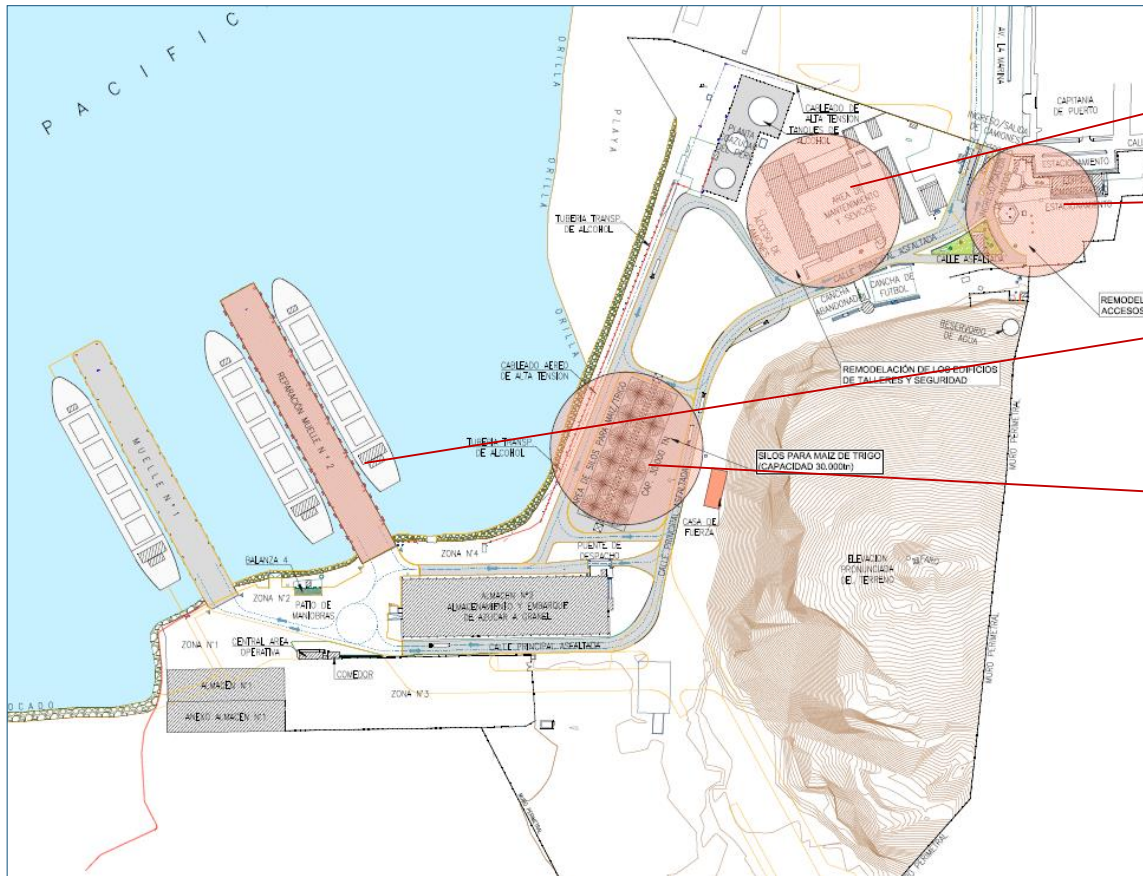
A new dock could be open at any of the operational Phases after the mandatory works

Phase 1 includes the construction of cereals silos and the repair of (pile berths, platform, defenses, bitts,...)



Phase 1

Phase 1: Layout and main actions



Phase 1 - Modernisation and development

Renovation of the workshops and security buildings

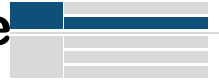
Remodelling of the terminal's accesses

Repair of dock 2

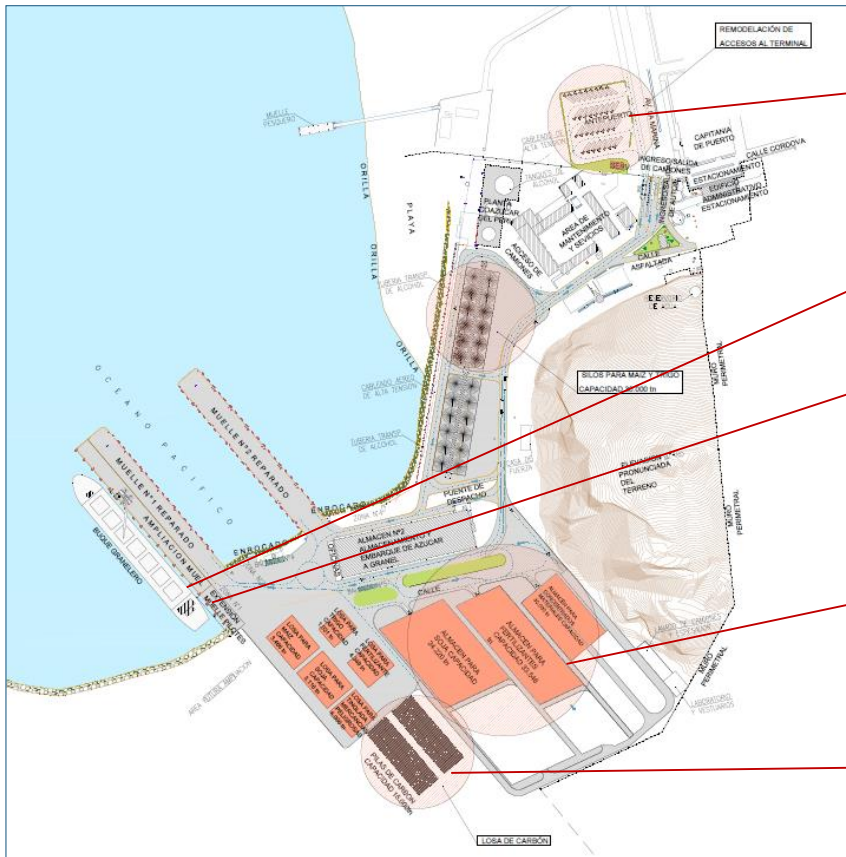
Corn and wheat silos

Phase 1 is to be carried out regardless of demand; and includes the first maintenance dredging

Phase 2 includes the extension and repairs of dock 2, as well as the construction of fertiliser, soy and concentrate warehouses



Phase 2: Layout and main actions



Phase 2 - Modernisation and development

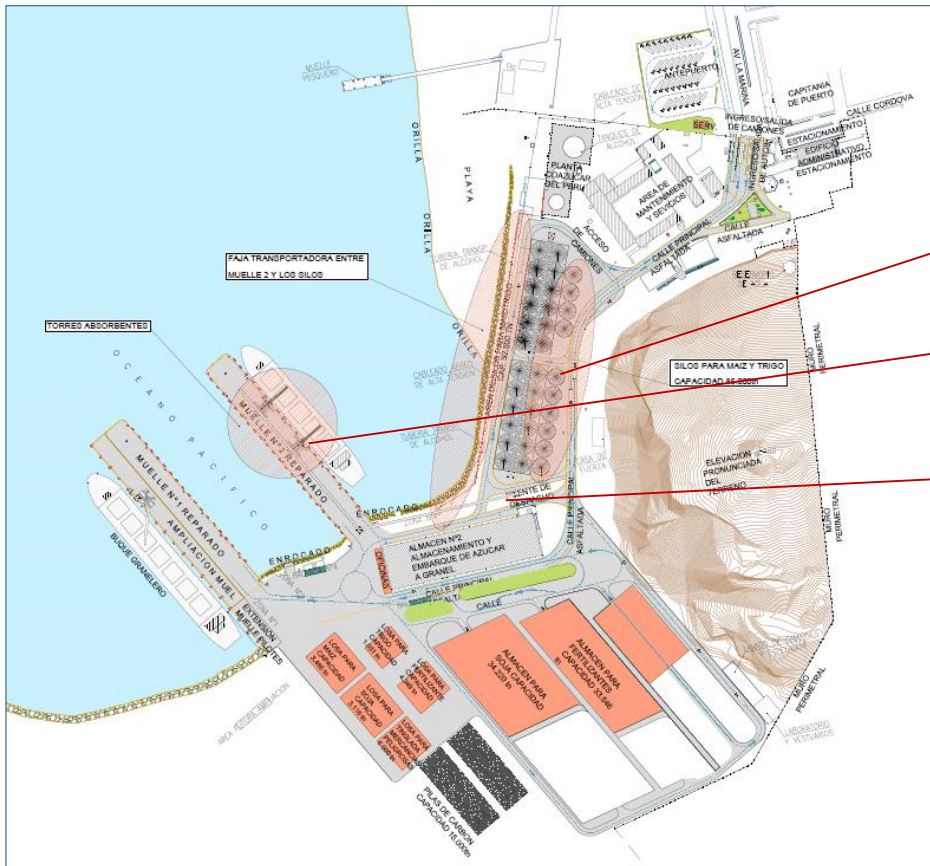
- Outer harbour
- Repair and widening of dock 1
- Purchasing of a dockside crane
- Extension of site 1A
- Ore concentrate warehouse
- Fertiliser warehouse
- Soy warehouse
- Coal storage area

The development of Phase 2 is mandatory and is no subject to demand

The Phase 3 will mechanise the unloading of clean bulk cargo by means of absorber towers



Phase 3: Layout and main actions



Phase 3 - Cereal mechanisation

Extension of silos

Absorber towers

Conveyor belt between the dock and silos

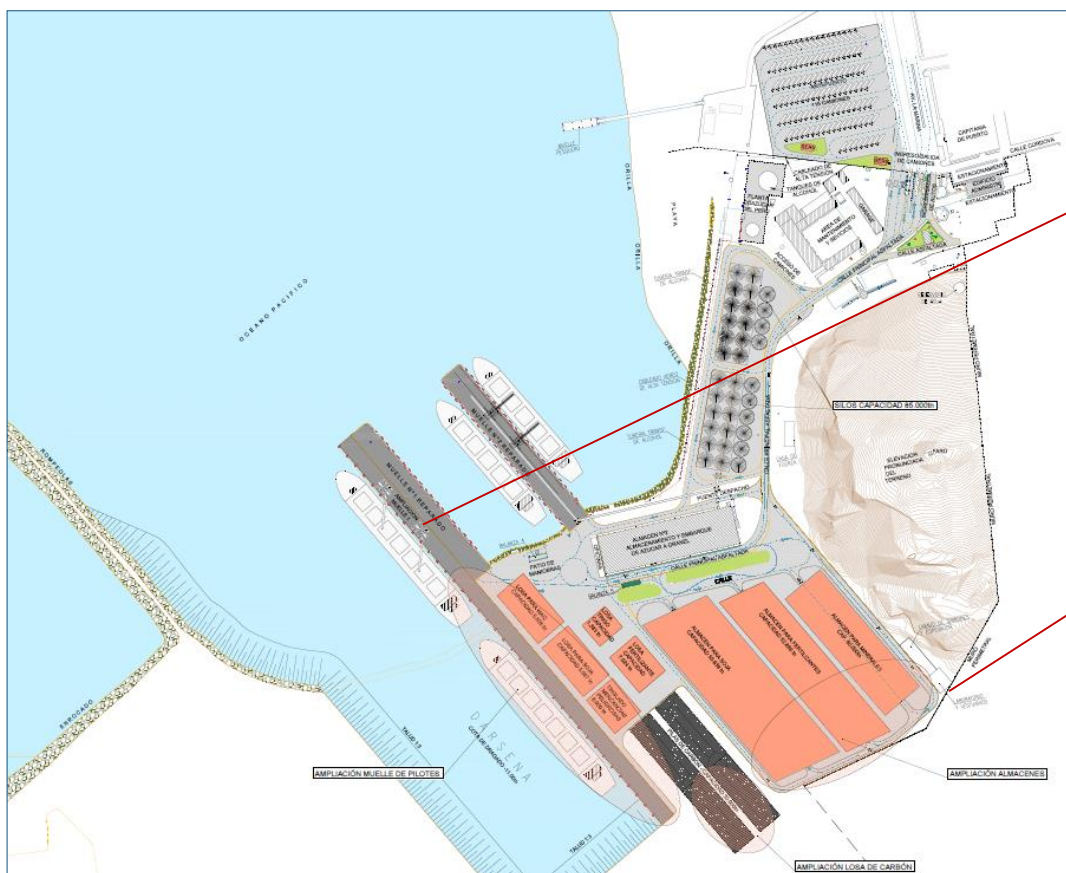
Phase 3 is subject to meeting a demand benchmark of 1.2 Mt of clean bulk cargo (wheat and corn)

The Phase will increase the warehousing capacity



Phase 4

Phase 4 and construction of a new dock: Layout and main actions



Phase 4 - Warehouse

New port crane for the site 1A

- Expansion of the soy warehouse
- Expansion of the fertilizers warehouse
- Expansion of the ore concentrate warehouse
- Extension of slab storages

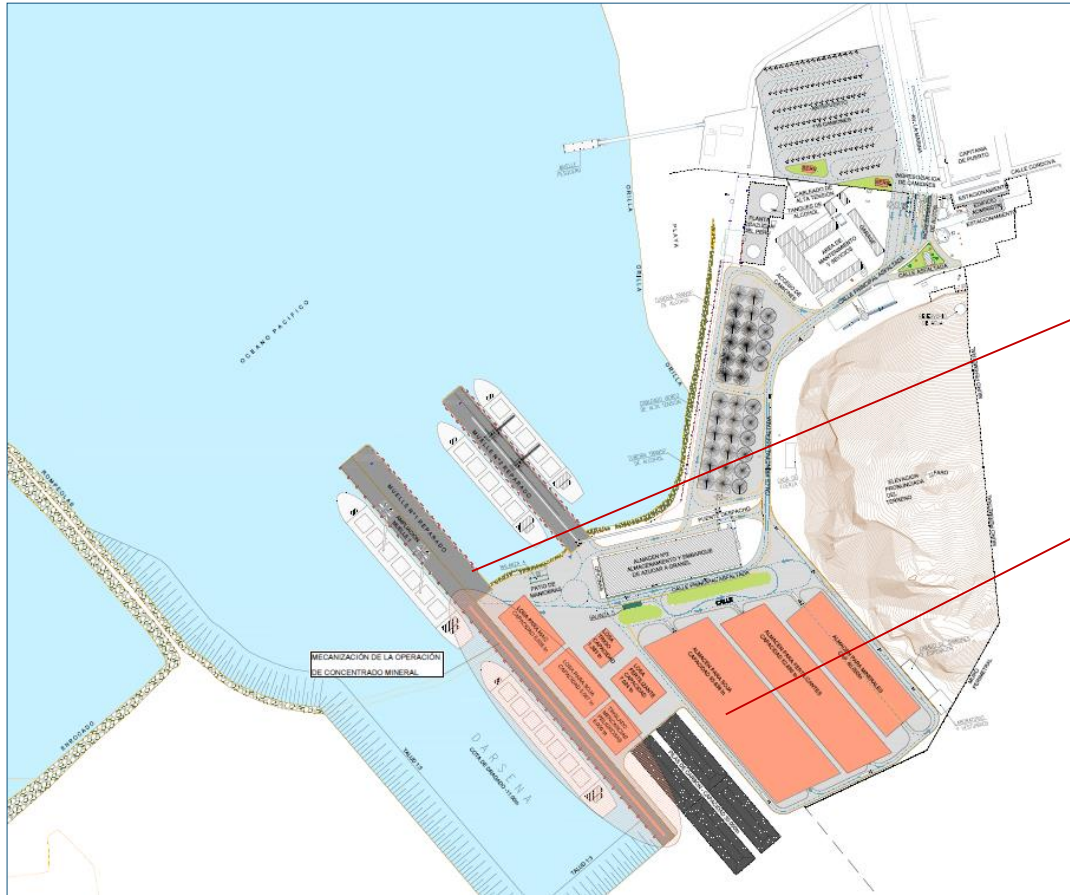
... with different volume benchmarks for fertiliser and soy (1.8 Mt) or for concentrate (0.8 Mt)

The Phase 5 will make possible more-specialised multi-purpose docks for loading minerals



Phase 5

Phase 5: Layout and main actions



Phase 5 - Mechanisation of minerals

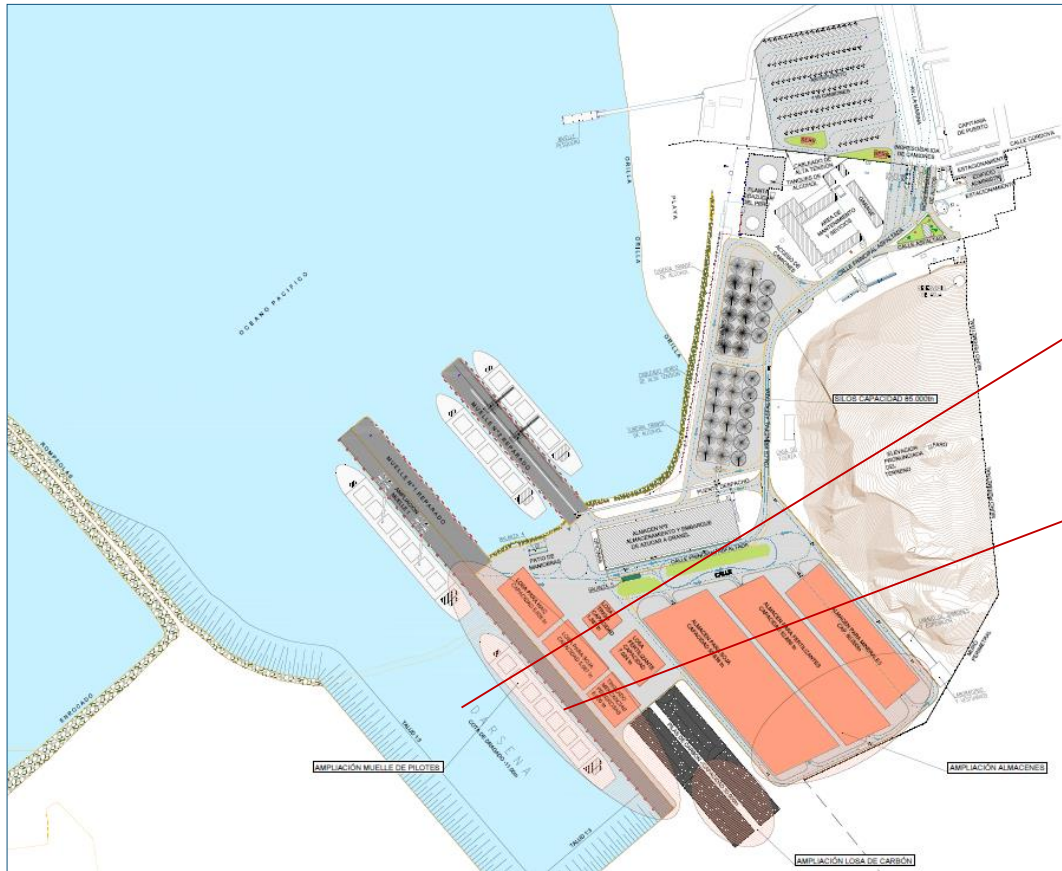
Mechanisation of the loading of ore concentrates
Shiploader system

Mechanisation of the ore concentrate warehouse
Tubular band dock-warehouses

The Phase 5 is subject to meeting a demand trigger of 1.2 Mt of ore concentrate

The dock will be implemented when the average dock occupancy reaches 65%

Development of a new dock: Layout and main actions



Opening of the new dock

Dock
Dredging of the new dock

Multi-purpose berth for Panamax vessels

... or when the traffic levels of fertiliser and soy or concentrates exceed certain levels (soy and fertiliser: 1.8 Mt; or concentrates: 1.8 Mt)

In addition to the basic tariffs scheme, a new fare has been introduced, related to Vessel Access Services in order to pay the dredging

Tariff scheme

Services to Freight

- Including cargo unloading and/or loading services, as well as the use of port infrastructure and equipment
 - The tariff is applied per tonne, with the exception of the containerized cargo applied per unit

Services to passengers

- It includes the passenger boarding/disembarkation service guaranteeing safe access from the vessel to the exit of the Terminal and vice-versa at any time; as well as the facilities and human resources necessary to carry out the passport and luggage control checks

Use of mooring

- This tariffs includes the vessel mooring and unmooring service
 - The tariff is applied based on: (i) vessel length metres; and, (ii) hour or fraction of hour

Vessel Access Services

- A new fare of Vessel Access has been incorporated, based on the vessel units of gross registered tonnes (GRT)
 - It includes dredging maintenance, towage towers, marking and navigational aids that are not within the competence of DICAPI
 - There will be an exemption during the first year, until the first dredging is executed
- The objective is to **cover all the operator expenses in the dredging maintenance**, that were paid by the Peruvian State so far; allowing **costs to be redistributed** among the different port and maritime agents

Maximum integrated fares have been defined, including 10 days of warehousing for free

Maximum tariffs defined

Standard services	Maximum tariffs
Services to Vessels	
Use of berth (by metre/vessel length/hour)	US\$ 1.25/m·h
Service to access the vessels (by GRT)	US\$ 1.75 US/UAB
Freight services (international loading unloading)	
Bulk cereal cargo	US\$ 10.11/t
Bulk minerals cargo	US\$ 15.00/t
Other dry bulk goods cargo	US\$ 10.11/t
Break bulk cargo	US\$ 15.00/t
Liquid Bulk	US\$ 2.00/t
Rolling cargo	US\$ 21.00/t
Contenerized cargo – 20' full	US\$ 120.0/container
Contenerized cargo – 20' empty	US\$ 120.0/container
Contenerized cargo – 40' full	US\$ 150.0/container
Contenerized cargo – 40' empty	US\$ 150.0/container
Boarding service or coastal shipping cargo	0.7 x International loading or unloading tariff
Services to passengers	
Passenger	US\$ 6.00/pax

Warehouse

10 days free of charge

There will be discounts on maximum rates until the concession holder executes the mandatory investments required to offer the standard service

Discounted tariffs and application period

From the terminal takeover, the concession holder will apply discounts above 50% over maximum tariffs established in the contract, for a period longer than 2 years.

Type of freight	Discounted cargo	Maximum tariffs	Minimum discount of maximum tariffs	Discount Tariffs	Minimum period of validity of discounts
Ore concentrate	Ore concentrate	US\$ 15.00 TM	56.67%	6.5 US\$ / TM	30 months
Other solid bulks	Bulk cereal // Other dry bulks cargo	US\$ 10.11 TM	50.54%	5.0 US\$ / TM	24 months

The discounts periods of validity mentioned in the above table will only conclude if, in addition to the verification of the term, the concession holder has executed the mandatory works that allow providing the standard service in the conditions established in the contract

The contract will include environmental protection clauses as well as anticorruption clause

- The contract will contain socio-environmental clauses with liabilities defined for the concession holder and the concession authority.
- In accordance with the Supreme Decree No. 410-2015-EF, the concession contract will include the anticorruption clause, which states that in the event of acts of corruption, the concession will be terminated.

The qualification requirements have been established for third parties interested in the project

Qualification requirements

Within 90 calendar days as from 5 August, 2017, the third parties interested shall express interest in the project in compliance with the content of the declaration of interest published on 4 August, 2017. There follows a summary of the technical and financial requirements:

Technical requirements

the Bidder will accredit experience operating at least 1,000,000 tonnes within the last three (3) years from the date of publication of the Declaration of Interest.

The accreditation mentioned before will be carried out by any of the following:

- i. As Port Manager
- ii. As Port Operator
- iii. As Logistics Operator
- iv. As Stowage Operator

Finance Requirements

the Bidder will confirm minimum net financial assets of US\$ 60,650,000.0. Moreover, he will provide a Letter Bank Deposit of US\$ 1,500,000.00 as a bid security deposit

In order to guarantee the liabilities established in the Contract, the concession holder will give the concessionaire a performance bond

Performance bond

- In order to guarantee each and every one of the liabilities established in the Concession Contract, including the design, financing, construction, conservation, exploitation and transfer of works, payment of penalties, and execution of complementary investments, if any, the concession holder will deliver to the concessionaire a performance bond of the concession contract, in accordance with the following:
 - From the closing date, until twelve (12) months after the expiration of the concession: ten percent (10%) of the referential investment amount of the Mandatory Works in constant values.
 - In addition, prior to the start of each Phase of the investment, the concession holder will increase the amount of the performance bond specified in the preceding paragraph, by ten percent (10%) of the works estimated budget established in the technical file approved by the APN corresponding to each Phase and maintain it in force until six (6) months after the issuance of the works approval report of the respective Phase.

Declaration of Interest of the Self-financed Private Initiative named "Modernisation and Development of the Multi-purpose Port Terminal of Salaverry" presented by the Transportadora Salaverry consortium

The Private Investment Promotion Agency of Peru, published on 04.08.2017 the Declaration of Interest of the Self-financed Private Initiative entitled *Modernización y Desarrollo del Terminal Portuario Multipropósito de Salaverry*", presented by the Transportadora Salaverry Consortium, integrated by the companies TRAMARSA y Naviera TRAMARSA. In this respect, in accordance with the legal framework, the third parties interested will be able to send to ProInversion their expressions of interest related to the execution of the same project, or an alternative one, within a 90 calendar days from 5th August, 2017. In this sense, interested parties are invited to consult the declaration of interest in the following link:

http://www.proyectosapp.pe/RepositorioAPS/0/2/JER/IP_006_2012/DI_El_Peruano.pdf

For complementary queries, please refer to Mr. Luis del Carpio, Project Director and send them to the following e-mail addresses: ldelcarpioc@proinversion.gob.pe; contact@proinversion.gob.pe.

Note: This presentation has been prepared for information and promotion purposes only. The document containing the description of the project, the essential aspects of the concession contract and the participation requirements is indicated in the link specified.

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