

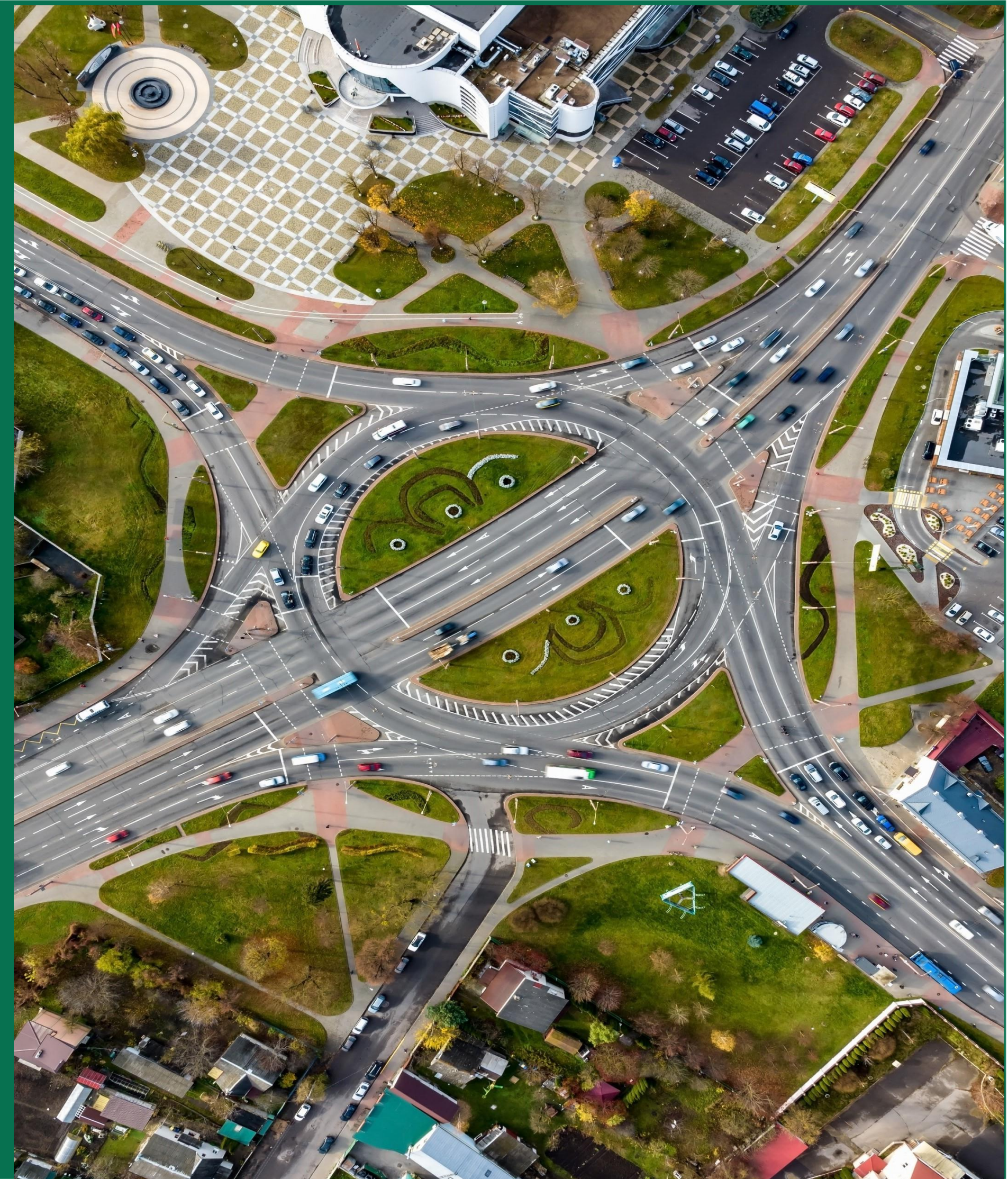


**ProInversión**

Agencia de Promoción de la Inversión Privada - Perú

***Co-financed  
Unsolicited Proposal  
“Peripheral Ring Road”  
-IPC AVP-***

*February 2024*





**ProInversión**

Agencia de Promoción de la Inversión Privada - Perú

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# 1. Description of the Project



# Description of the Project



The Peripheral Ring Road project consists of the design, construction, financing, operation and maintenance of a **34.8 km long** urban highway, to be executed through the Public Private Partnership (PPP) modality.

The Project will provide access to national highways to and from Lima (Panamericana Norte, Panamericana Sur and Carretera Central), and will be integrated with the local road network to improve vehicular circulation in Lima. Thus, with the execution of this project, the transport axes in the city will be consolidated, allowing for a more fluid traffic flow and, therefore, reducing the average travel time in the city, as well as reducing the operating costs of heavy and light vehicles.

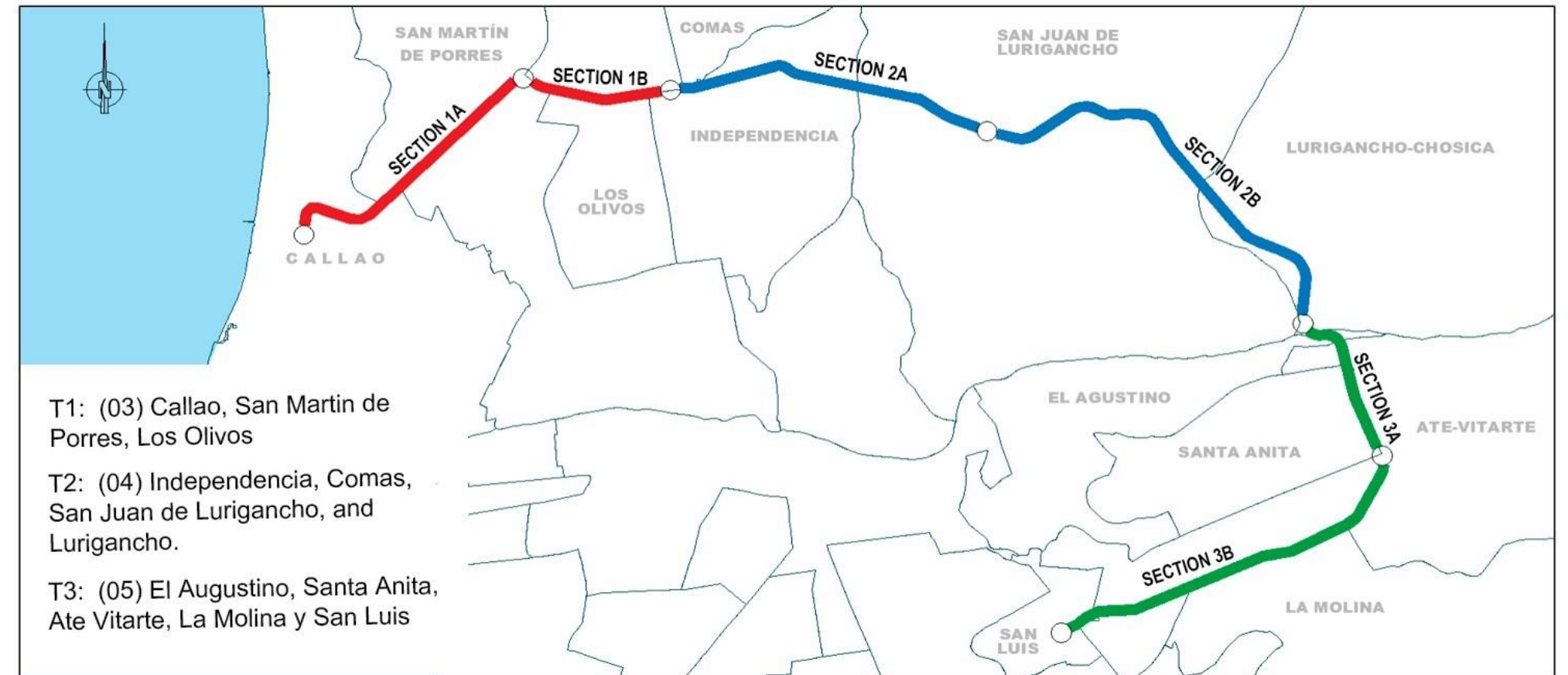
Estimated investment of **US\$ 3,400 million**.

- ✓ Impact equivalent to **2.5% of Lima's GDP**
- ✓ Reduction of 13% of the Transport infrastructure gap in Peru.
- ✓ Creation of **70,000** jobs in the construction phase and **20,000** jobs annually in the operation phase.
- ✓ Average investment of **US\$ 300 million annually for 7 years**, starting in 2026.
- ✓ Population benefited **4.3 Million** inhabitants

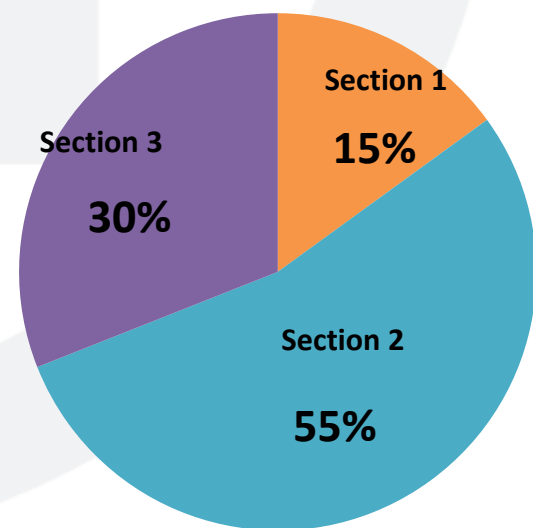
# Description of the Project

## Technical characteristics

- Toll Expressway with **3 lanes in each direction** and 34,8 km in length.
- **Toll-free side roads** to connect local traffic.
- Design speed of **80 km/h - 120 km/h**.
- At-grade intersections are eliminated.
- **4.22 km of double** and triple lane tunnels.
- **11 viaducts**, 16 underpasses, 18 overpasses, pedestrian crossings every 500m and connections of the expressway and side roads.
- **3 Trunk Toll Stations** (one per section)
- **2 Side Toll Stations** (1 in Section 2 and 1 in Section 3).



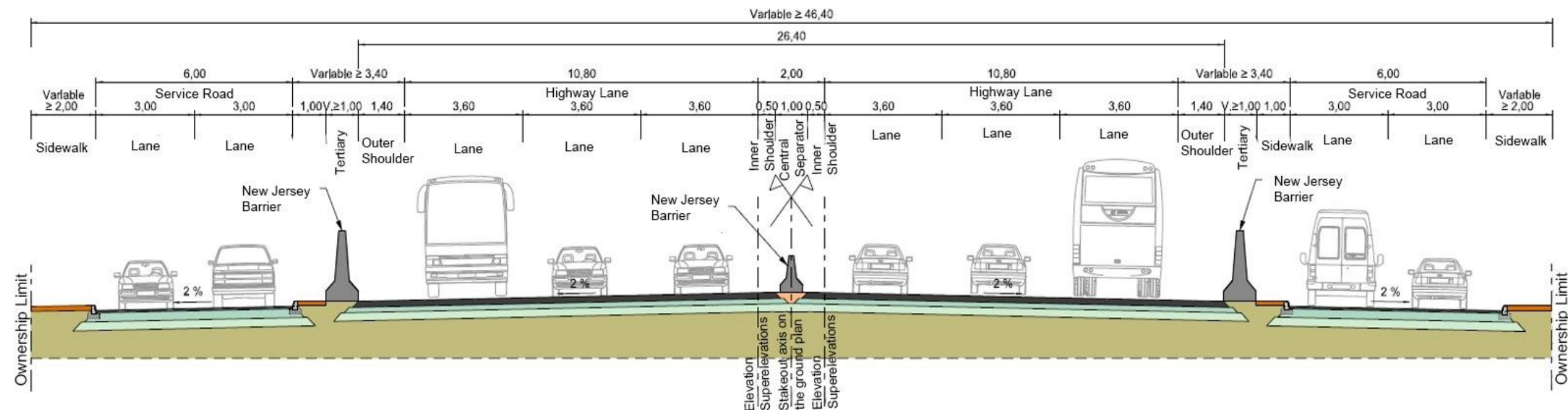
## Relative Weight per Section



## Execution term

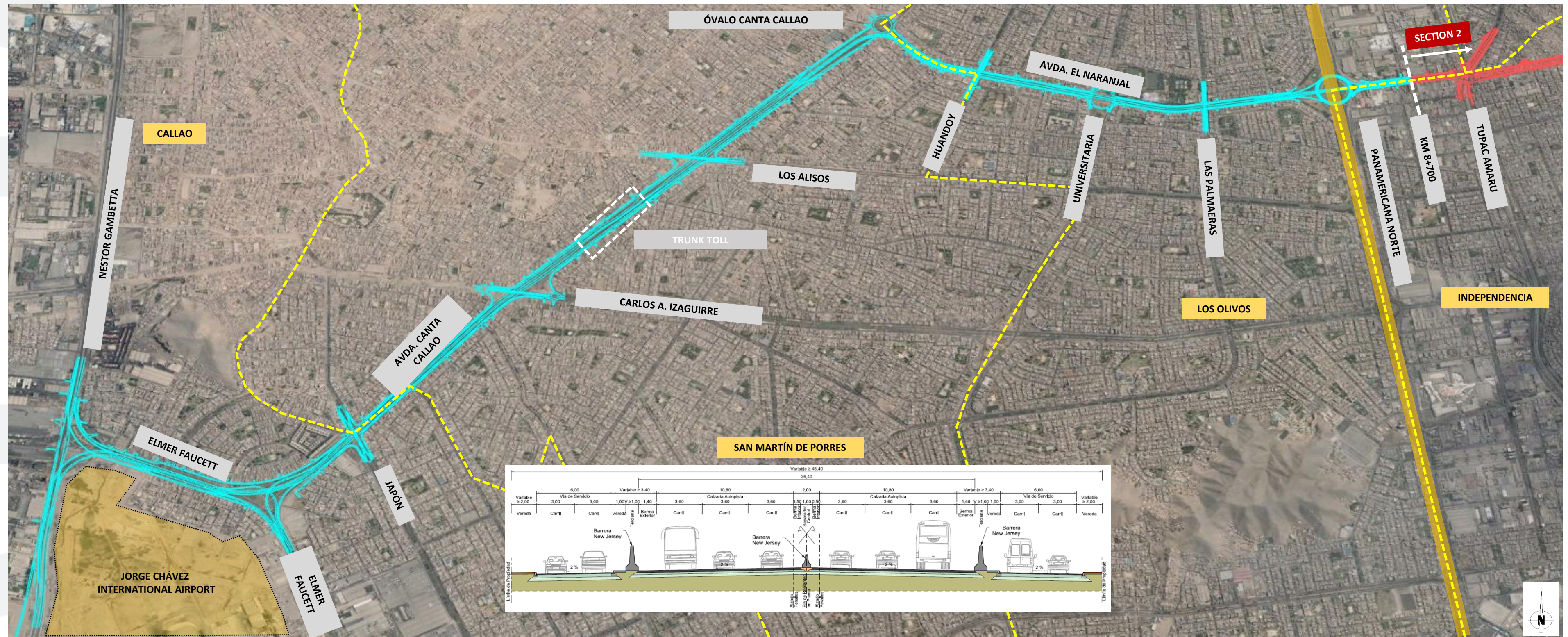
- Section 1 - 5,2 years
- Section 2 - 9,5 years
- Section 3 - 5,8 years

## Typical Section



# Description of the Project

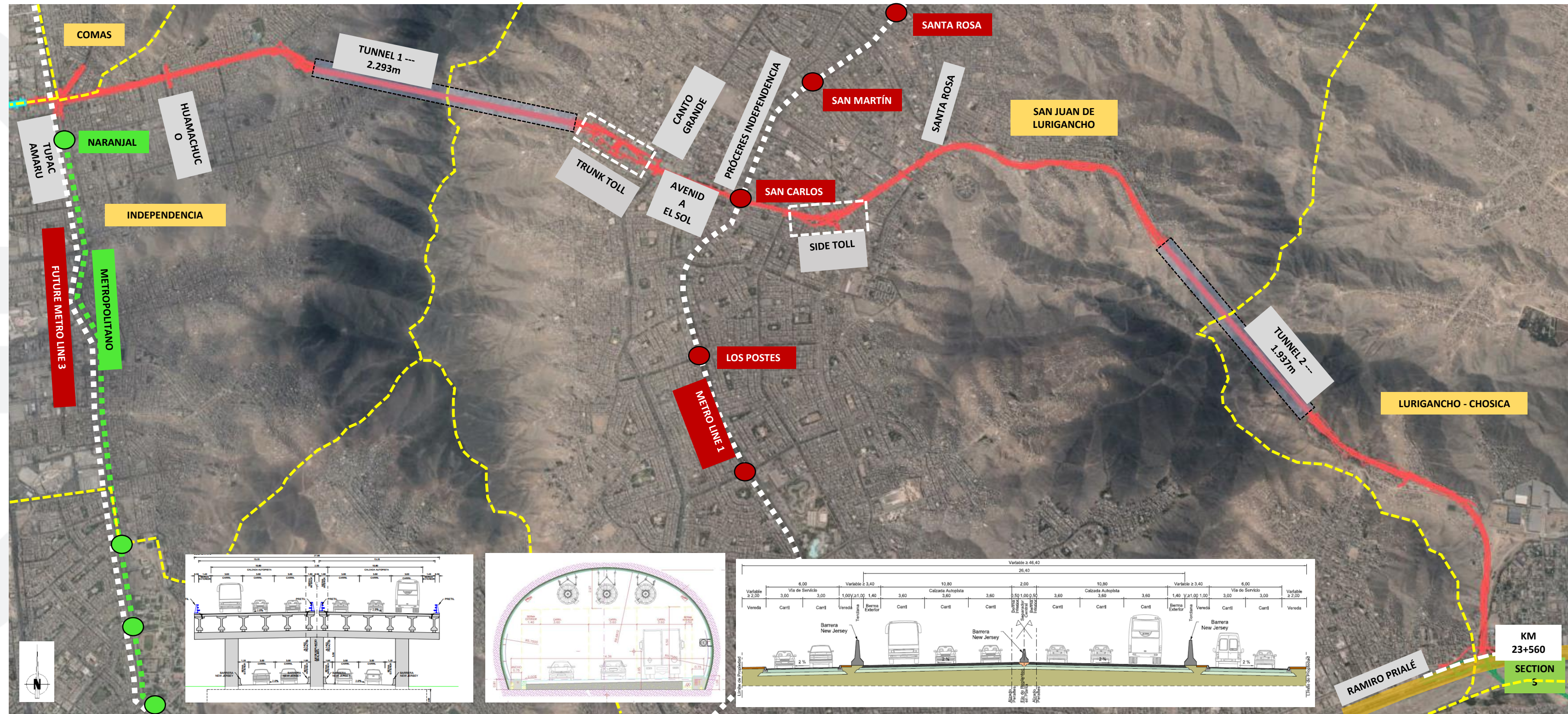
## Section 1





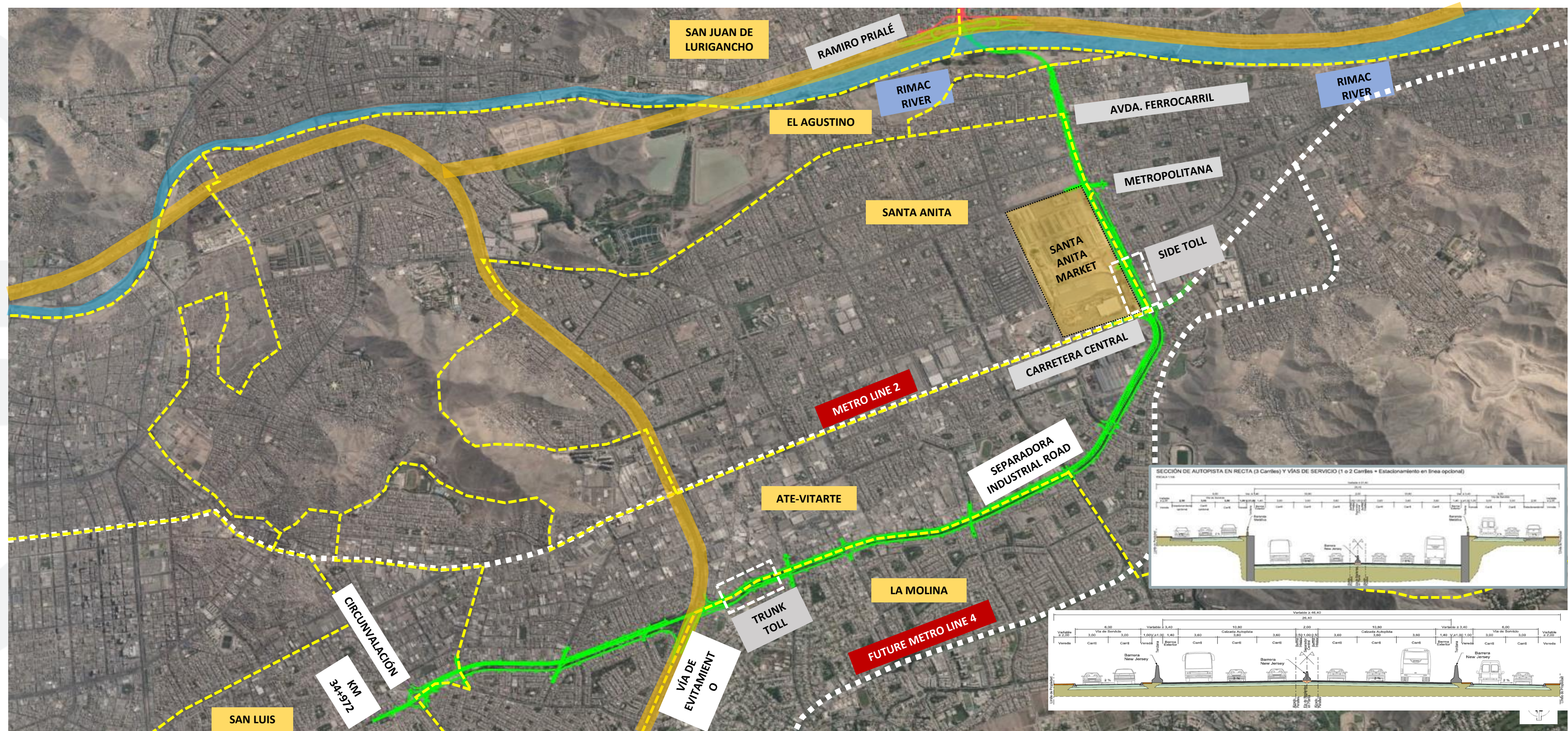
# Description of the Project

## Section 2



# Description of the Project

## Section 3



# Description of the Project

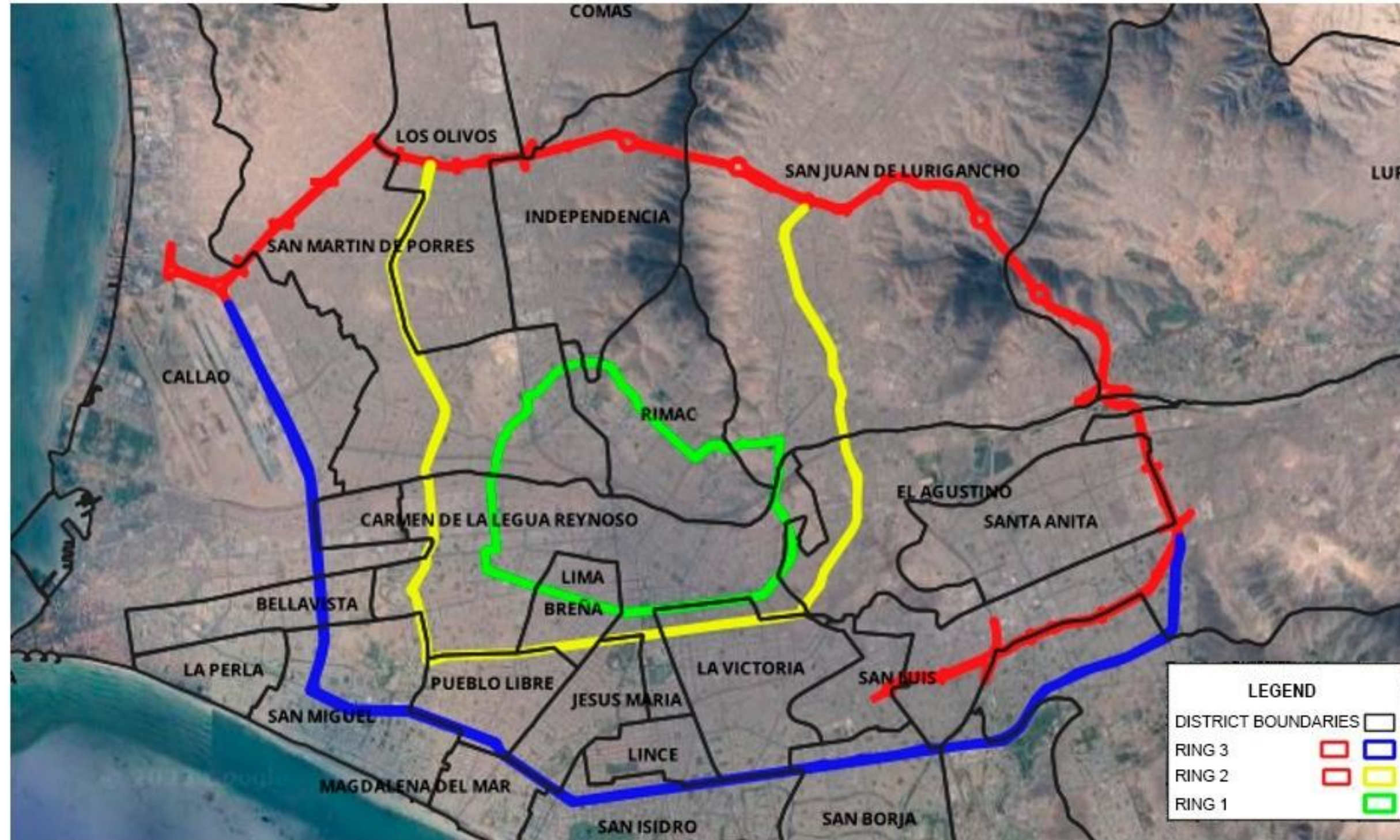
## PLAN MET 2040 - METROPOLITAN DEVELOPMENT PLAN

Ring 1 - existing

| DISTRICTS              | POPULATION       |
|------------------------|------------------|
| LA VICTORIA            | 260,650          |
| BREÑA                  | 227,876          |
| LIMA                   | 165,470          |
| EL AGUSTINO            | 198,862          |
| RIMAC                  | 342,581          |
| INDEPENDENCIA          | 287,533          |
| SAN MARTIN DE PORRES   | 716,648          |
| SAN JUAN DE LURIGANCHO | 1,079,065        |
| <b>TOTAL</b>           | <b>3,278,685</b> |

Ring 2

| DISTRICTS              | POPULATION       |
|------------------------|------------------|
| PUEBLO LIBRE           | 226,258          |
| JESUS MARIA            | 304,461          |
| SAN MIGUEL             | 239,917          |
| LA VICTORIA            | 260,650          |
| BREÑA                  | 227,876          |
| LIMA                   | 165,470          |
| EL AGUSTINO            | 198,862          |
| INDEPENDENCIA          | 287,533          |
| CALLAO                 | 226,224          |
| SAN MARTIN DE PORRES   | 716,648          |
| LOS OLIVOS             | 548,946          |
| COMAS                  | 554,937          |
| SAN JUAN DE LURIGANCHO | 1,079,065        |
| <b>TOTAL</b>           | <b>5,036,847</b> |



Ring 3

| DISTRICTS                  | POPULATION       |
|----------------------------|------------------|
| SAN ISIDRO                 | 178,056          |
| MAGDALENA DEL MAR          | 114,939          |
| SAN BORJA                  | 214,352          |
| LINCE                      | 238,100          |
| SANTIAGO DE SURCO          | 331,649          |
| PUEBLO LIBRE               | 226,258          |
| JESUS MARIA                | 304,461          |
| SAN LUIS                   | 52,082           |
| SAN MIGUEL                 | 239,917          |
| LA VICTORIA                | 260,650          |
| LA MOLINA                  | 227,733          |
| BELLAVISTA                 | 74,851           |
| SANTA ANITA                | 202,866          |
| CARMEN DE LA LEGUA REYNOSO | 198,862          |
| EL AGUSTINO                | 198,862          |
| ATE                        | 664,242          |
| INDEPENDENCIA              | 287,533          |
| CALLAO                     | 226,224          |
| SAN MARTIN DE PORRES       | 716,648          |
| LOS OLIVOS                 | 548,946          |
| COMAS                      | 554,937          |
| LURIGANCHO                 | 114,688          |
| SAN JUAN DE LURIGANCHO     | 1,079,065        |
| <b>TOTAL</b>               | <b>7,255,921</b> |

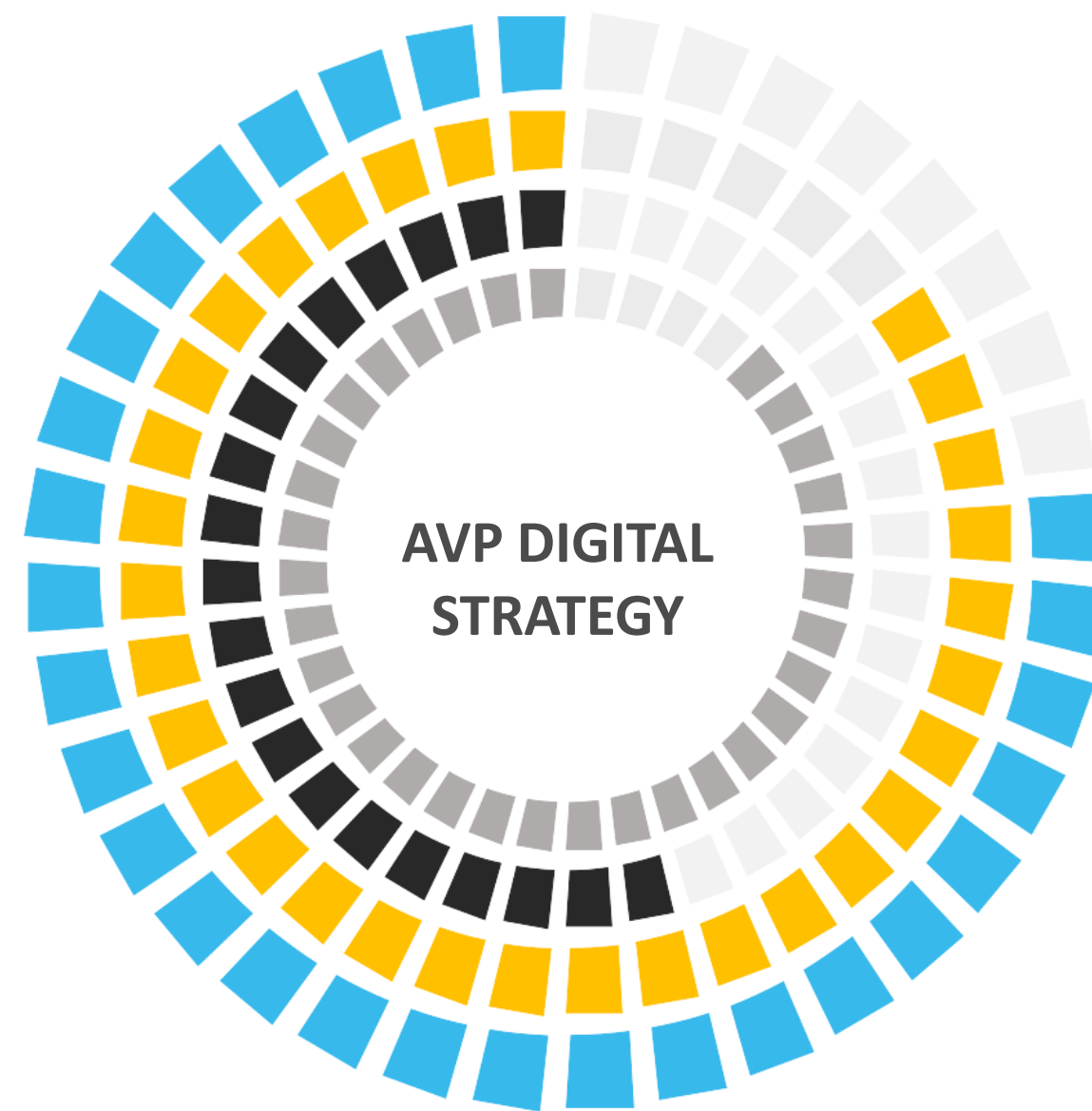
**LEGEND**

|                     |  |
|---------------------|--|
| DISTRICT BOUNDARIES |  |
| RING 3              |  |
| RING 2              |  |
| RING 1              |  |



# Description of the Project

AVP | New Technologies of Change for the Country



## LAYER 1

- Design Information Management (BIM - Building Information Modeling)

## LAYER 2

- Asset Management System (SGA) in Operation and Maintenance

## LAYER 3

- Real-time Control Systems (ITS-Intelligent Transport Systems)

## LAYER 4

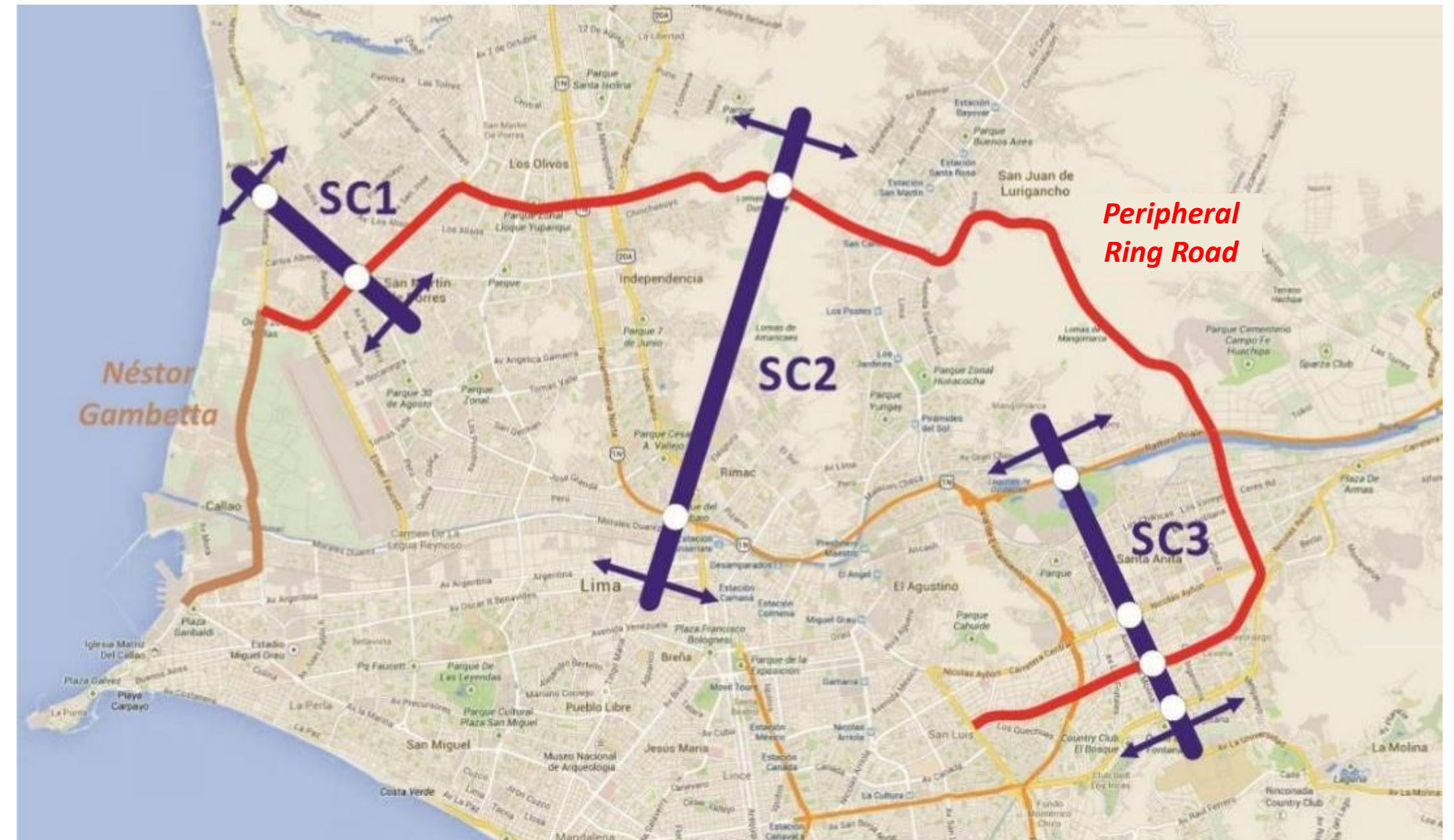
- Control and Monitoring Management by Service Levels (NS)



# Description of the Project

## Project Demand

In the year **2034** (first year of joint operation of the 3 sections), the project captures a core demand of approx. **173,000 total AADT** (annual average daily traffic) of which 38,000 correspond to **heavy vehicles** distributed by section as shown in the figure.



# Benefits:

1

Alternative to the Via de Evitamiento Highway for those who access via Panamericana Norte, Ramiro Prialé – Carretera Central and Panamericana Sur, with connection to the port of Callao and Jorge Chávez Airport.

2

Reduce private and heavy traffic jam on metropolitan roads.

3

Reduce vehicle operating costs and travel times.

4

Efficiency and competitiveness of the road system of Metropolitan Lima, and benefits for distressed urban sectors in the northern and eastern parts of the metropolitan area.

5

Reduced logistics costs for foreign trade of agricultural and mining products, with less travel on main roads to the port of Callao and Jorge Chavez Airport.





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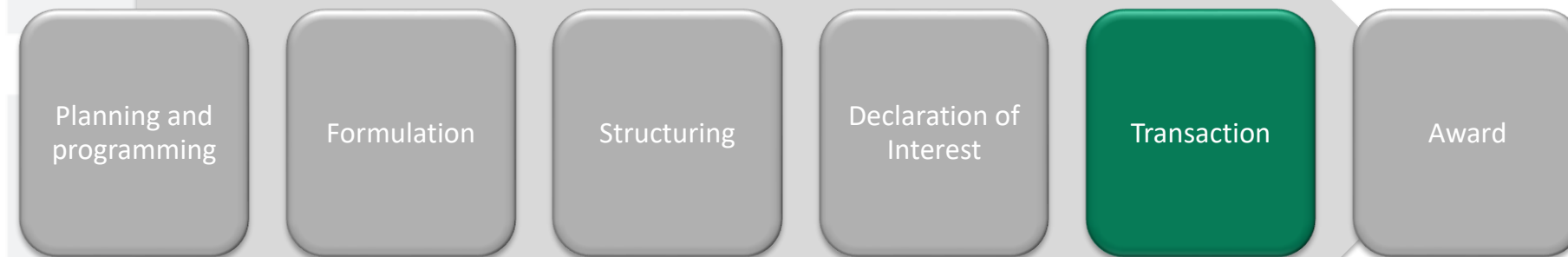
## 2. Status of the Project



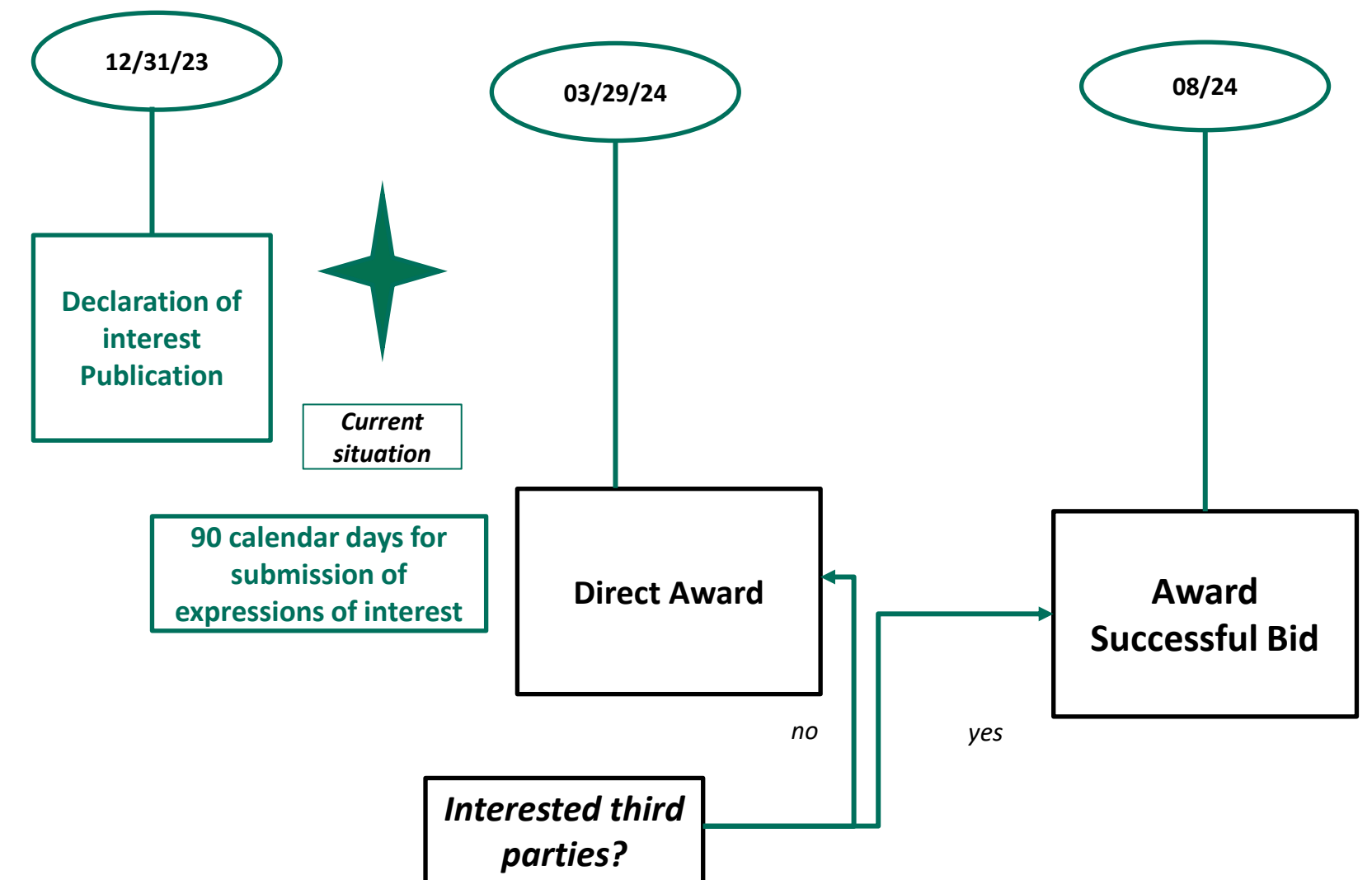
# Current situation

## Transaction Phase

Once the project has been incorporated into the promotion process and the Declaration of Interest has been published (which concludes the Structuring Phase), the **Transaction Phase** begins, which consists of opening the project to the market.



### Estimated periods of the Transaction Phase (2024)





# Prequalification requirements

## Declaration of Interest

### General requirements

- The bidder must be a legal entity (national or foreign) or a consortium.
- The bidder, or one of its members, or through a related company, must prove a participation of no less than 25% in a concession or PPP project for the development of road infrastructure for transport.
- Third parties interested in the Project must submit their **expression of interest** accompanied by a **Letter of Guarantee in the amount of USD 30,000,000.00**. This guarantee must be in force until the signing of the respective Concession Contract, and must be issued by one of the financial entities referred to in Annex No. 3 of the Declaration of Interest.

### Technical requirements

- Proof of experience in the construction of 2 or more road works in the last 30 years counted from the publication of the Declaration of Interest.
- Proof of experience in the construction of 2 or more tunnels in the last 30 years counted from the publication of the Declaration of Interest.
- Proof of experience in the construction of 2 or more bridges and/or viaducts in the last 30 years counted from the publication of the Declaration of Interest.
- Proof of 10 years of experience in the operation of 2 or more roads and/or urban roads in the last 30 years counted from the publication of the Declaration of Interest.
- Proof of 10 years of experience in the operation of 2 or more tunnels in the last 30 years counted from the publication of the Declaration of Interest.

### Financial requirements

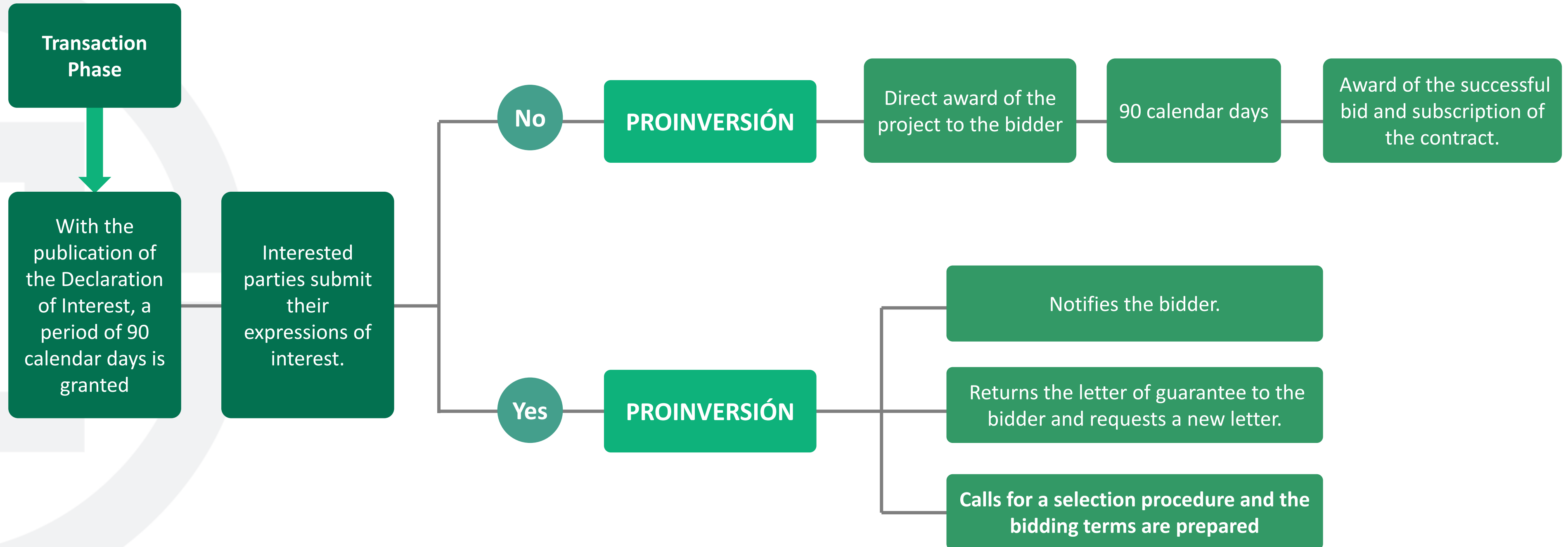
- The bidder must demonstrate a Minimum Net Worth of USD 600,000,000.00.
- Each member of the bidder must demonstrate a Minimum Net Worth of USD 120,000,000.00.
- The bidder must demonstrate its participation in 2 or more infrastructure projects that have obtained financing, in the last 30 years counted from the publication of this Declaration of Interest, for an aggregate amount greater than USD 1,000,000,000.00, with a minimum individual amount of financing of USD 200,000,000.00, where they have had a minimum participation of twenty percent (20%) of the entity, legal person or concessionaire or operating company corresponding to the date of subscription of the financing documents.

### Legal requirements

- The bidder must prove to be a consortium or legal person, duly constituted, accrediting the powers or faculties of its legal representatives. In the case of consortiums, the existence and powers of attorney of the representatives of each of the legal persons in the consortium must be evidenced-
- The bidder must submit affidavits and/or forms established in the Bidding Terms of the tender. The affidavits to be submitted shall include, among others, an affidavit whereby the bidder undertakes, in the event of being awarded the contract, to incorporate a special purpose company whose corporate purpose shall be exclusively to provide the services contained in the Declaration of Interest and in accordance with the Concession Contract.

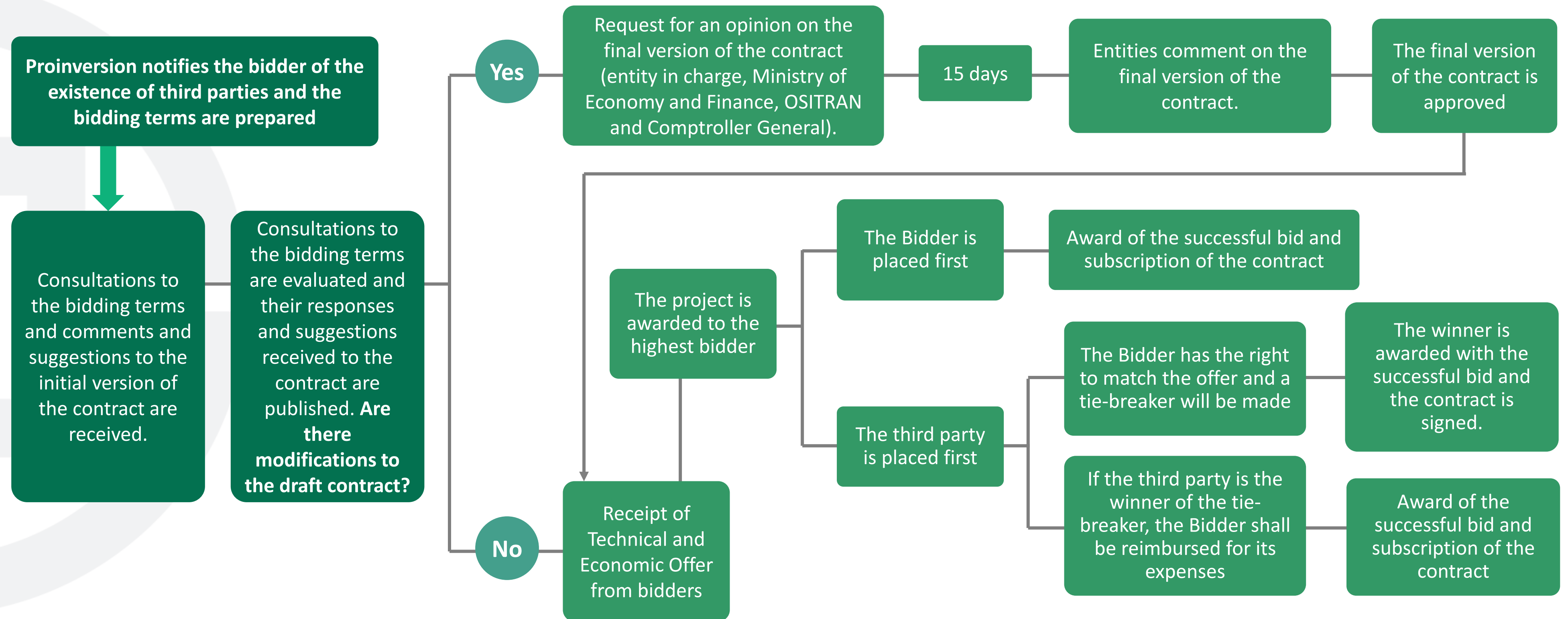


# Transaction Phase



# Transaction Phase

## Selection process: presentation of interested third parties





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# 3. Relevant affairs regarding the Concession Contract



# Purpose of the Concession Contract

The contract grants the Concessionaire the right of Concession for the **Design, Financing, Construction, Operation and Maintenance**

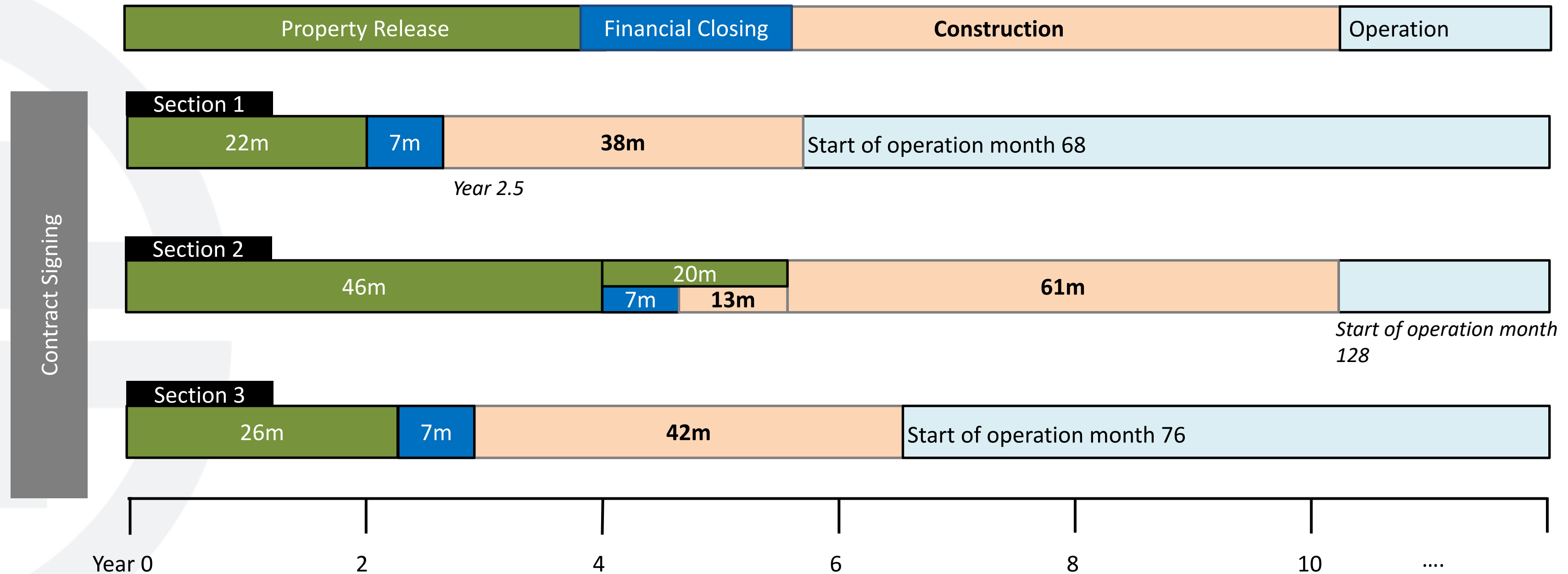
**Lump sum contract:** no readjustments shall be applied except for those expressly regulated in the Contract. This provision prevails over any other provision that could establish or allow an interpretation to the contrary.

Design, Finance, Build, Operate, Maintain and Transfer **(DFBOMT) Scheme.**

The activities or services that form part are: (i) the delivery, transfer, use and return of the Concession Assets; (ii) the Cofinancing; (iii) the design, financing, Construction and Operation of Sections 1, 2 and 3 of the Project; (iv) the Operation of the Sections; (v) the compliance with the Service Levels.



# Terms of the Concession Contract



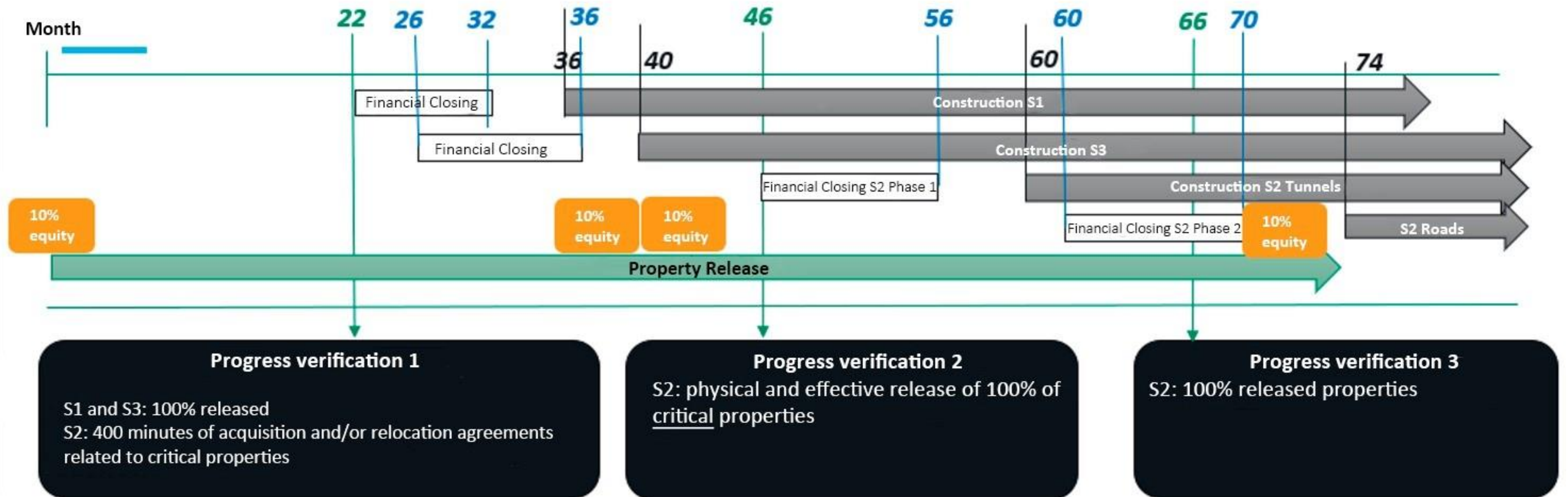
Variable term depending on obtaining the Present Value of Toll Revenue – VPIP (see payment mechanisms section)



# Terms of the Concession Contract

*Terms for verification of property release, financial closings, equity contributions and start of work.*

Maximum terms (without extension) and Financial Closing Section 2 in 2 phases



# Property Release

## Property Acquisition Process



### **Background:**

1. Social Baseline Study – diagnosis.
2. The MTC began the liberation works in 2022 and continues with that process
3. Incentives for Direct Deal – recognized value (up to +30% of the commercial value)

### **Learned Lessons**

The agility in the management depends on the availability of human resources and immediate availability of financial resources and is fundamental for the success of the property management, since it allows the direct deal to be immediately finalized.



### **Management of the Concessionaire**

- Management tasks that are assigned to the Concessionaire
- Compensation mechanisms for developing these activities
- Define schedules and goals

### **Financing of the Concessionaire**

- Immediate availability of resources.
- MTC alternative to taking short-term (working capital) or long-term financing (property release certificates CALP)





# Property Release

*Property release advances to November 2023*

## PROPERTIES WITHIN THE RIGHT OF WAY

| SECTION      | PROPERTIES  |            | TOTAL       |
|--------------|-------------|------------|-------------|
|              | housings    | roads      |             |
| Section 1    | 5           | 130        | 135         |
| Section 2    | 2347        | 304        | 2651        |
| Section 3    | 113         | 94         | 207         |
| <b>TOTAL</b> | <b>2465</b> | <b>528</b> | <b>2993</b> |

## ACQUIRED PROPERTIES

| SECTION          | HOUSINGS    | PAID       |
|------------------|-------------|------------|
| Section 1        | 5           | 0          |
| <b>Section 2</b> | <b>2347</b> | <b>168</b> |
| Section 3        | 113         | 0          |
| <b>TOTAL</b>     | <b>2465</b> | <b>168</b> |

**Note:** 118 acquired properties have been delivered to the Property Office.

## District of Independencia



**LEGEND**

- Properties in Coercive Execution
- Properties in Possession of the MTC
- Properties with M.R. pending Payment
- Properties with M.R. of Direct and Paid Deal
- Properties with Consignment of Payments
- Properties with M.R. of Expropriation
- Properties with Appraisal in M.R. process
- Properties in process for Appraisal
- Properties pending Appraisal
- Right of Way M.R. 1084-2017

# Property Risk

## *Property release schedule for 2023*



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| YEAR         | NUMBER OF PROPERTIES |
|--------------|----------------------|
| 2023         | 404                  |
| 2024         | 239                  |
| 2025         | 170                  |
| 2026         | 525                  |
| 2027         | 602                  |
| 2028         | 525                  |
| <b>TOTAL</b> | <b>2465</b>          |



# Property Risk

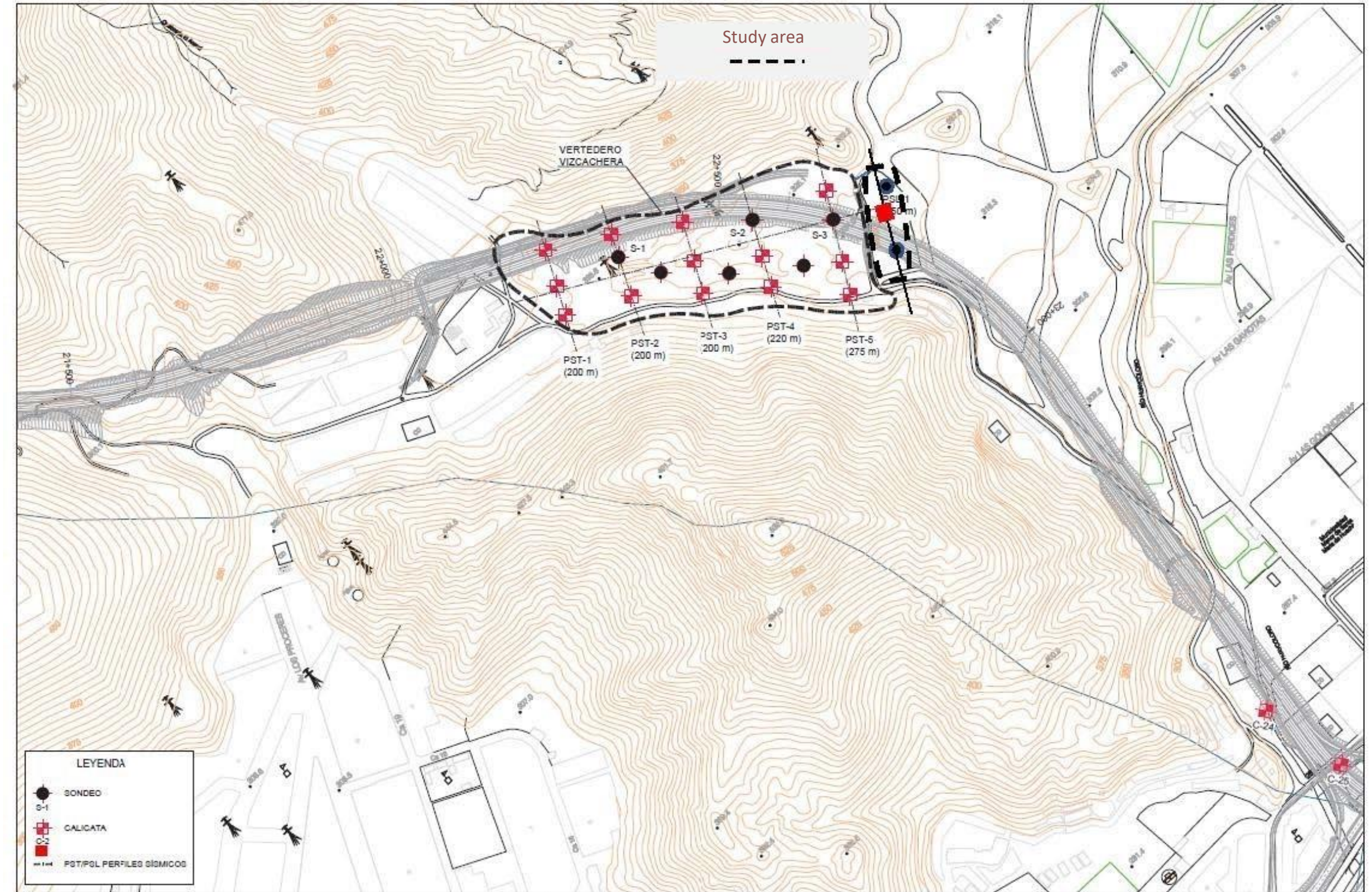
## Vizcachera Area

It requires **remediation and recovery of contaminated and/or degraded soils, removal and disposal of organic and inorganic wastes.**

Responsibility and obligation of the Grantor that is entrusted to the Concessionaire.

Risks maintained by the Grantor:

- The approval of the technical and/or environmental studies.
- The release of existing properties and Interferences in the Vizcachera Area.
- The approval of the Operating Permits necessary to carry out the remediation and recovery of contaminated soils.



RECOGNITION  
SITUATION PLANT

# Force Majeure



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“Events, conditions or circumstances not attributable to the Parties, of **an extraordinary, unforeseeable and irresistible nature**, which prevent any of them from complying with the obligations under their responsibility or cause their partial, late or defective compliance.”

The Grantor shall declare the suspension of the obligations, with prior non-binding opinion of OSITRAN.

If the obligation or the Concession is affected by a Force Majeure event, it shall be suspended from the occurrence of the event. The Grantor shall declare the resumption of the obligation.

In the event of a dispute regarding the declaration of a Force Majeure event, the Parties may resort to an Expert and, subsequently, to the Dispute Resolution procedure.

After 180 or 365 calendar days from the Grantor's declaration of suspension, any of the Parties may invoke the Expiration of the Concession due to Force Majeure.



# Suspension of Obligations

The obligations of the contract may be suspended only in case of: (i) agreement between the Parties, derived from circumstances other than force majeure, in which case it will be necessary to have the prior non-binding opinion of Ositran; and, (ii) causes for suspension of contractual obligations expressly provided for in the Contract.

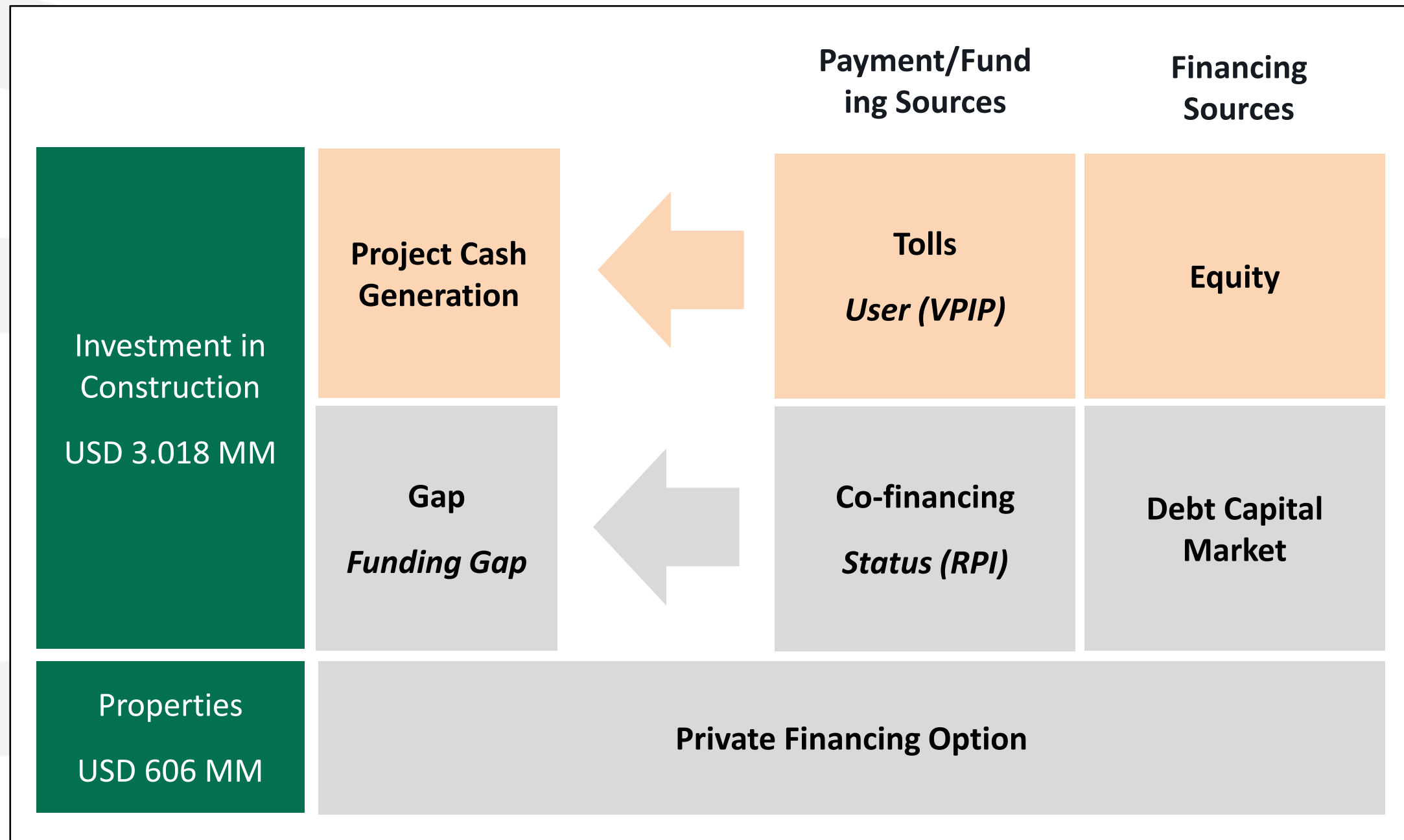
Among the **main express causes for suspension of the Contract** are: (i) that the Relevant Governmental Authorities do not issue an express pronouncement for the approval of the Environmental Management Instrument of each Section, within the terms set forth in the Applicable Laws and Provisions; (ii) that the Grantor does not deliver the Concession Area corresponding to the Sections within the applicable terms; (iii) that the Grantor does not approve the EDI within the terms and following the mechanism set forth in the Contract; among others.

In all cases, **the Grantor, after a non-binding opinion from Ositran, will be responsible for declaring the suspension** of the obligations or of the Concession, in accordance with the Applicable Laws and Provisions.

The Grantor may declare the total suspension of the obligations of any of the Parties, provided that the critical route of the Construction of the three (3) Sections as a whole or the Operation of the referred Sections as a whole and simultaneously is affected.

After 180 or 365 calendar days (e.g. archaeological remains), since the respective declaration of suspension by the Grantor, any of the Parties may invoke the Expiration of the Concession.

# Payment Mechanisms



**Reference amount of investment: USD 2.603 million.**

Construction: USD 2.301 MM

- Section 1: 360 MM
- Section 2: 1.287 MM
- Section 3: 654 MM

Property release, interferences and possible liabilities: USD 794 million

Other costs: USD 302 million

Tolls: The Project has the capacity to generate its own cash flow through the collection of user fees at the different toll stations located in each section.

The projected toll collection is sufficient to cover the operation and maintenance (O&M) costs of the infrastructure and partially repay the value of the investment. There is a gap in payment resources, which is covered by co-financing.

# Payment Mechanisms

Mixed structure of RPI and Tolls: allows the **bankability** of the Project and alignment of **incentives** between the parties

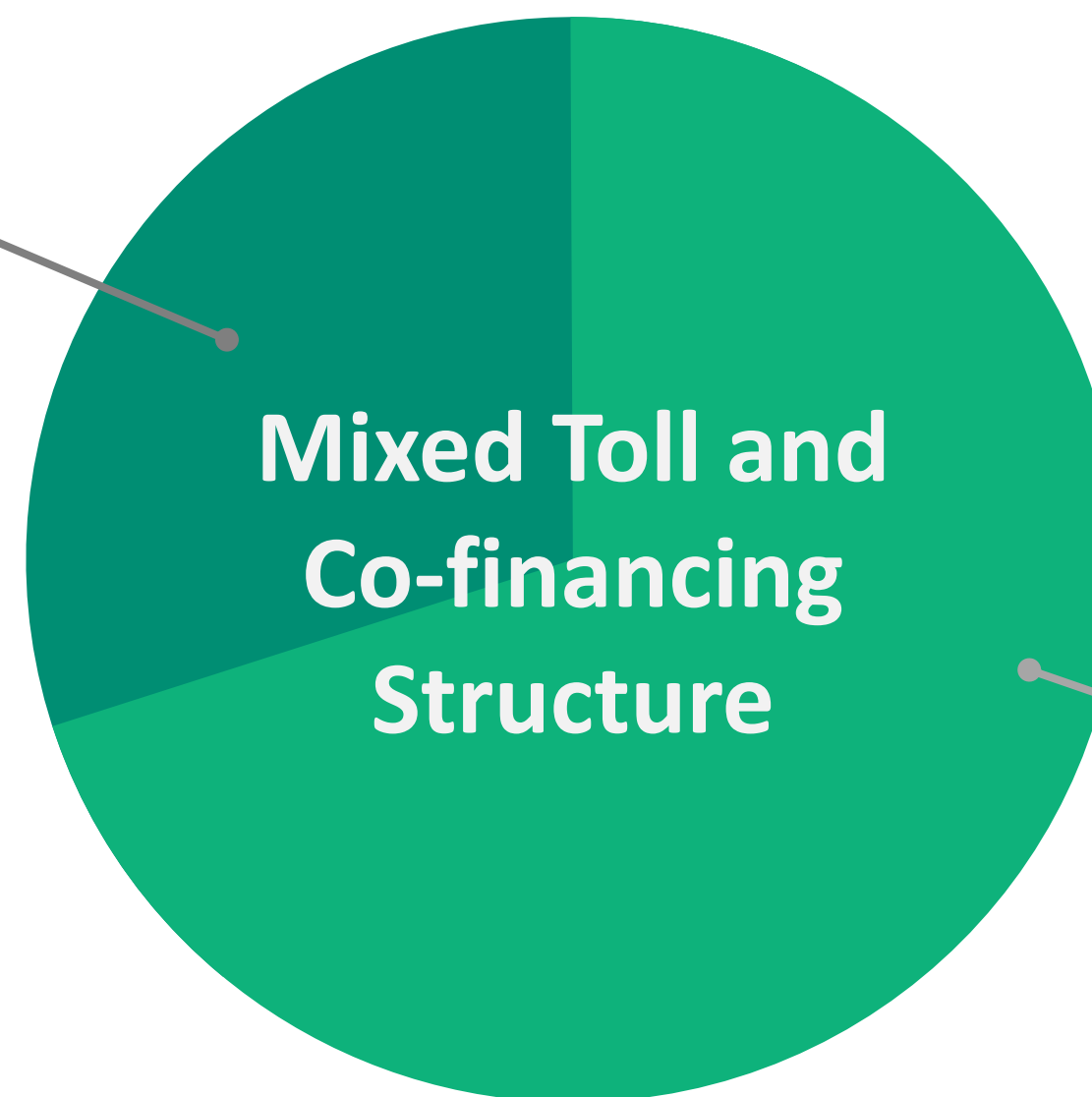
- Co-financed Component - RPIs (payment in installments): remunerates approximately 77% of the investment
- Toll Component - VPIP (Present Value of Toll Revenue): remunerates approximately 23% of the investment and covers O&M costs.

## Tolls

### Payment Instrument: VPIP (Present Value of Toll Revenue)

- Remunerates approx. 23% Investment
- 100% O&M

### Equity financing in construction



## Co-financing

### Payment Instrument: RPI (payment in installments)

- Remunerates approx. 77% Investment
- 0% O&M

### Debt Financing



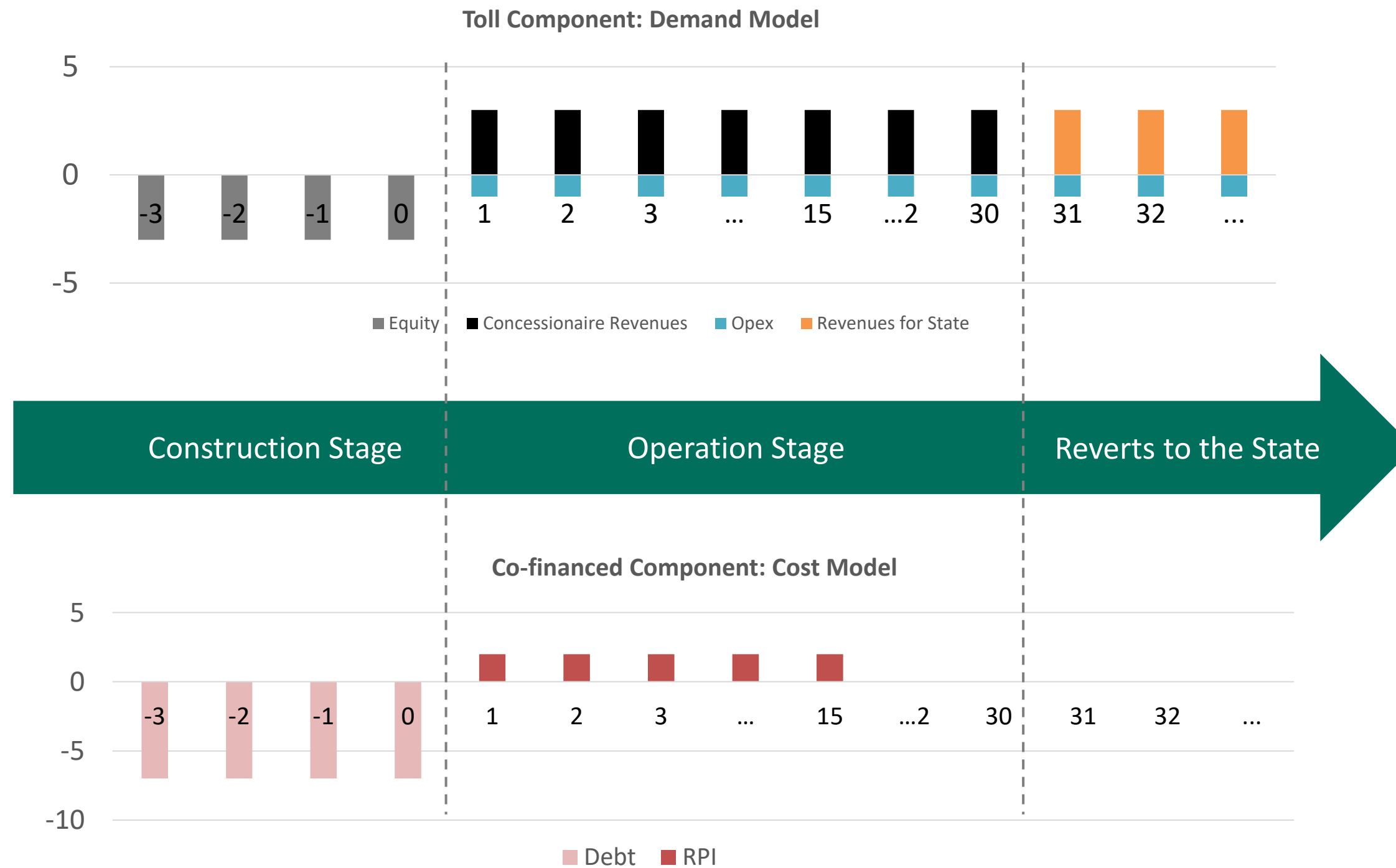
# Payment Mechanisms

## Mixed scheme: tolls and co-financing



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**VPIP:** Discounting of toll revenue flows  
 Monthly discount rate in soles:  
 0,6819%

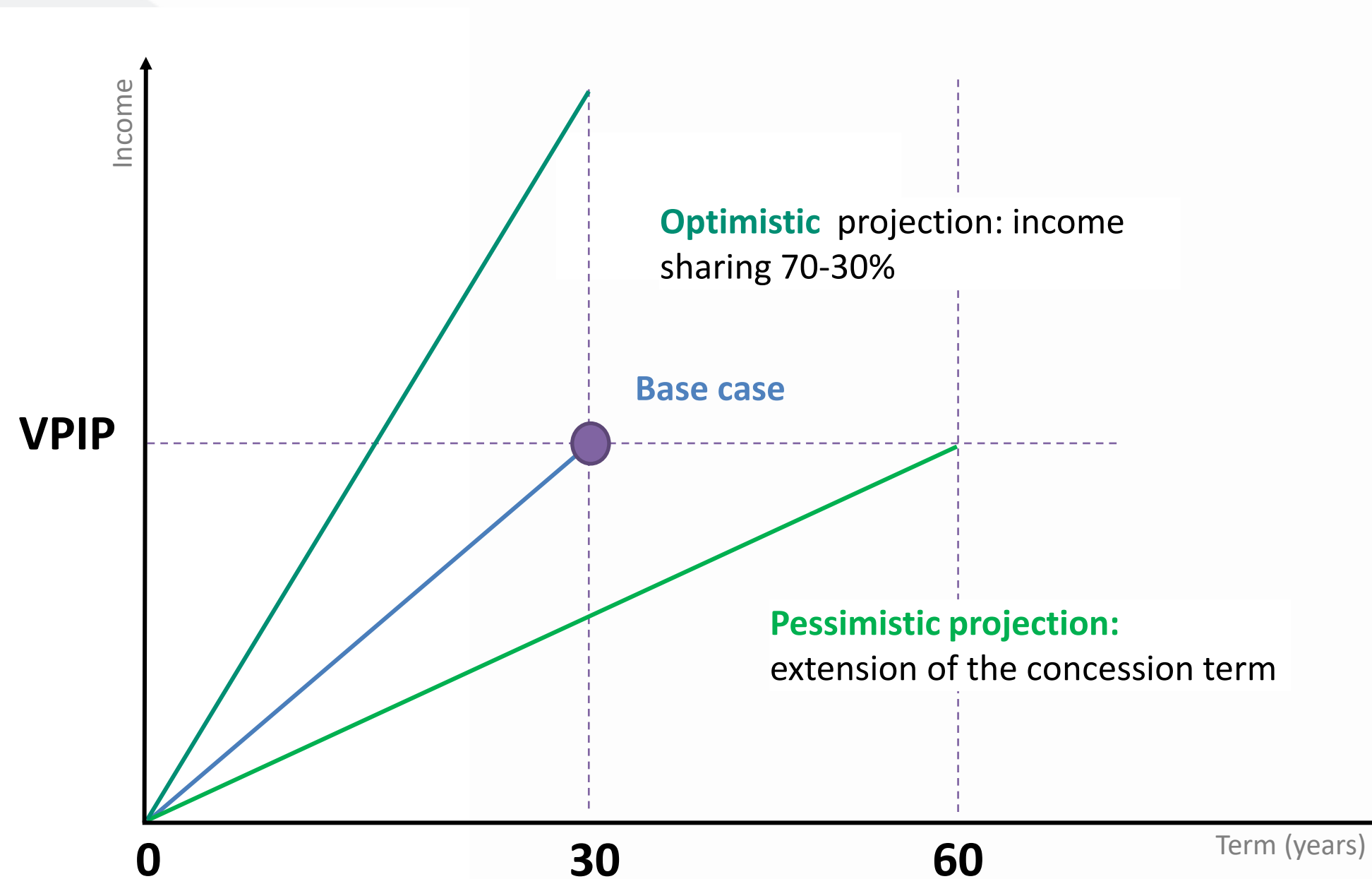
**RPI:** Constructed with the required value of the co-financing and the cost of debt financing (SCR + spread)



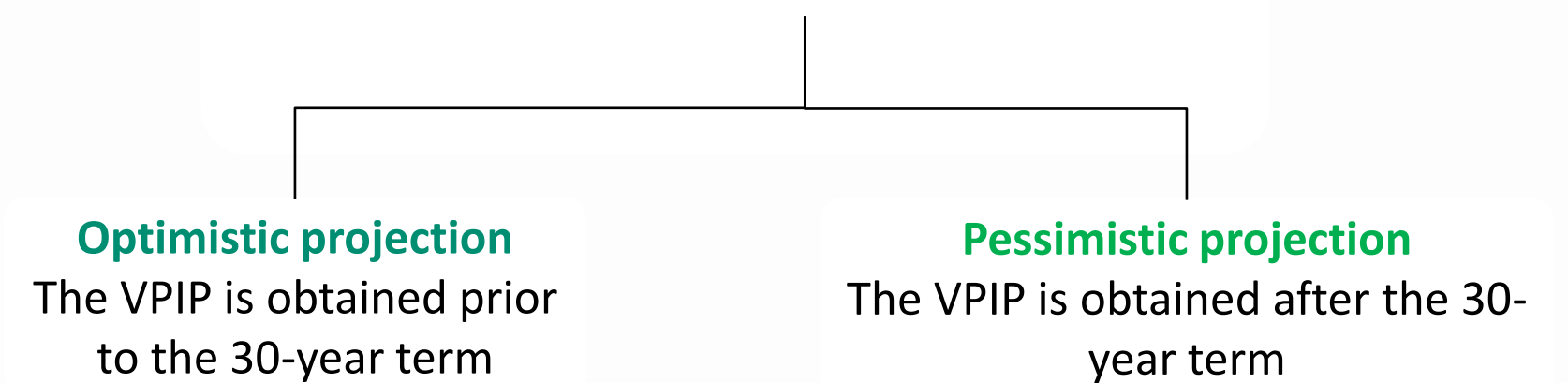


# Payment Mechanisms

## VPIP component



**VPIP:** The reference value fixed in the contract, which allows identifying the moment in which the investment has been remunerated and the expected profitability, amounts to approximately **S/. 3773 million**



### Optimistic projection

The VPIP is obtained prior to the 30-year term

### Pessimistic projection

The VPIP is obtained after the 30-year term

### Term variability

It is assumed by the Concessionaire, in relation to liquidity and reduction of profitability in a pessimistic scenario.

The VPIP is remunerated in soles. The accumulated VPIP<sub>m</sub> at the closing date is calculated on a monthly basis for comparison with the VPIP.

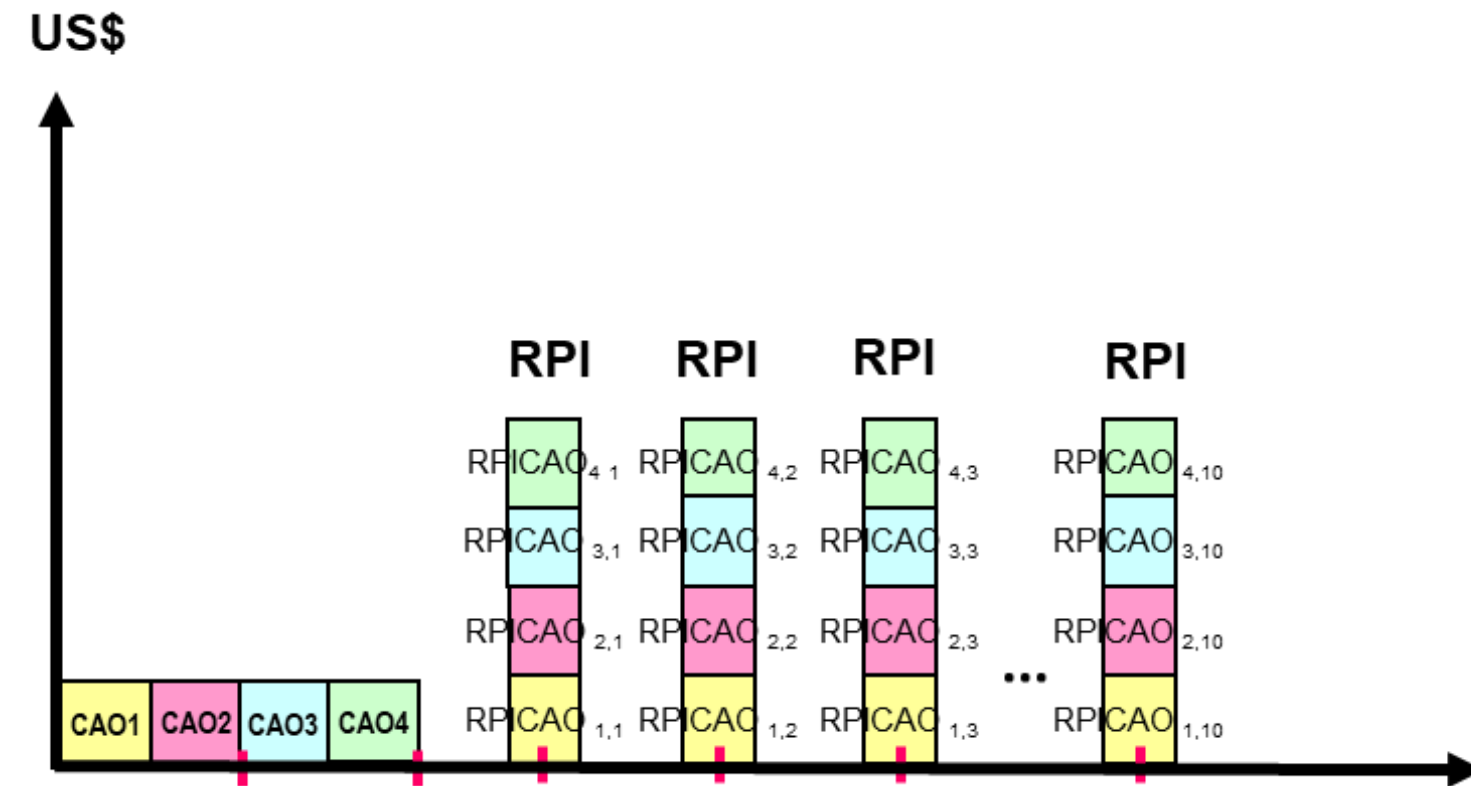
$$VPIP_m = \sum_{i=1}^m \frac{Peajes_i}{(1 + TD)^i} \quad Peajes_i = PeajesE_i * \left( \frac{IPC_r}{IPC_i} \right)$$



# Payment Mechanisms

## RPI component

Each CAO issued by the Regulator will give collection rights to the Concessionaire. Once each CAO has been issued, the Grantor shall have the irrevocable obligation to pay the **CONCESSIONAIRE**.



|               | Percentage | USD            |
|---------------|------------|----------------|
| RPI Section 1 | 18.28159%  | 58,243,677.36  |
| RPI Section 2 | 57.91513%  | 184,512,952.44 |
| RPI Section 3 | 23.80328%  | 75,835,338.20  |
| RPI TOTAL     | 100%       | 318,591,968.00 |

Work progress is certified when it accumulates:

- 10% of the EDI for Section 1.
- 5% of the EDI for Section 2.
- 10% of the EDI for Section 3.

### Characteristics

Direct, general, unconditional and irrevocable obligation of the GRANTOR to make such payments.

The RPI will be paid for 15 years, through semiannual payments that will correspond to 50% of the annual RPI.

The first payment of the RPI for each section will be after the Handover Certificate of each section or upon completion of the maximum construction periods (**Fixed Date**) counted from the date of subscription of the Commencement Certificate of the Section:

- For Section 1, 38 months
- For Section 2, 61 months
- For Section 3, 42 months



# Payment Mechanisms

## RPI component - readjustments

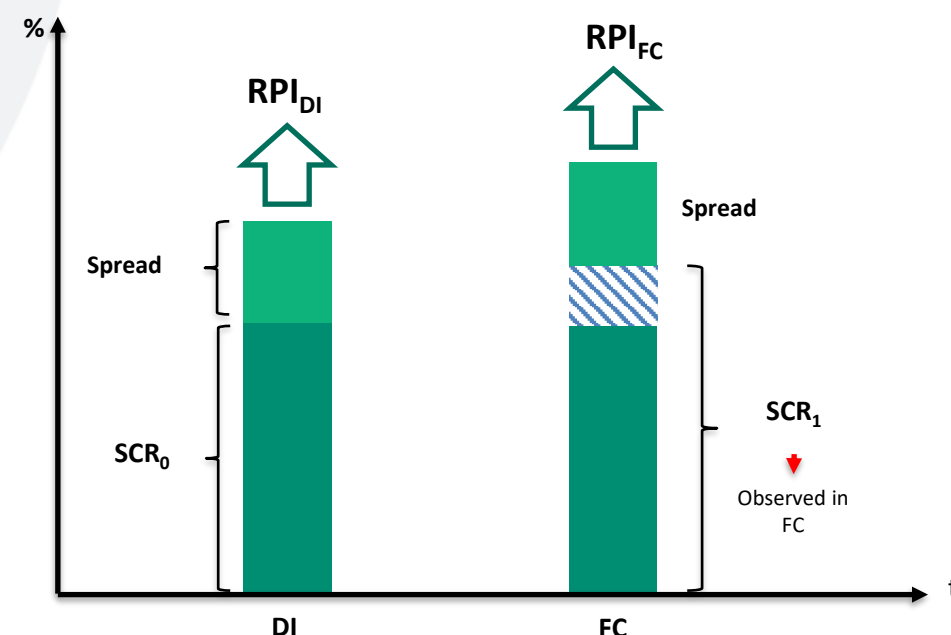
### Readjustment due to SCR variation

The approved reference Sovereign Credit Rating (SCR) for the RPI in the DI is:

|     | Section 1 | Section 2 | Section 3 |
|-----|-----------|-----------|-----------|
| SCR | 3.58234%  | 3.77272%  | 3.60830%  |

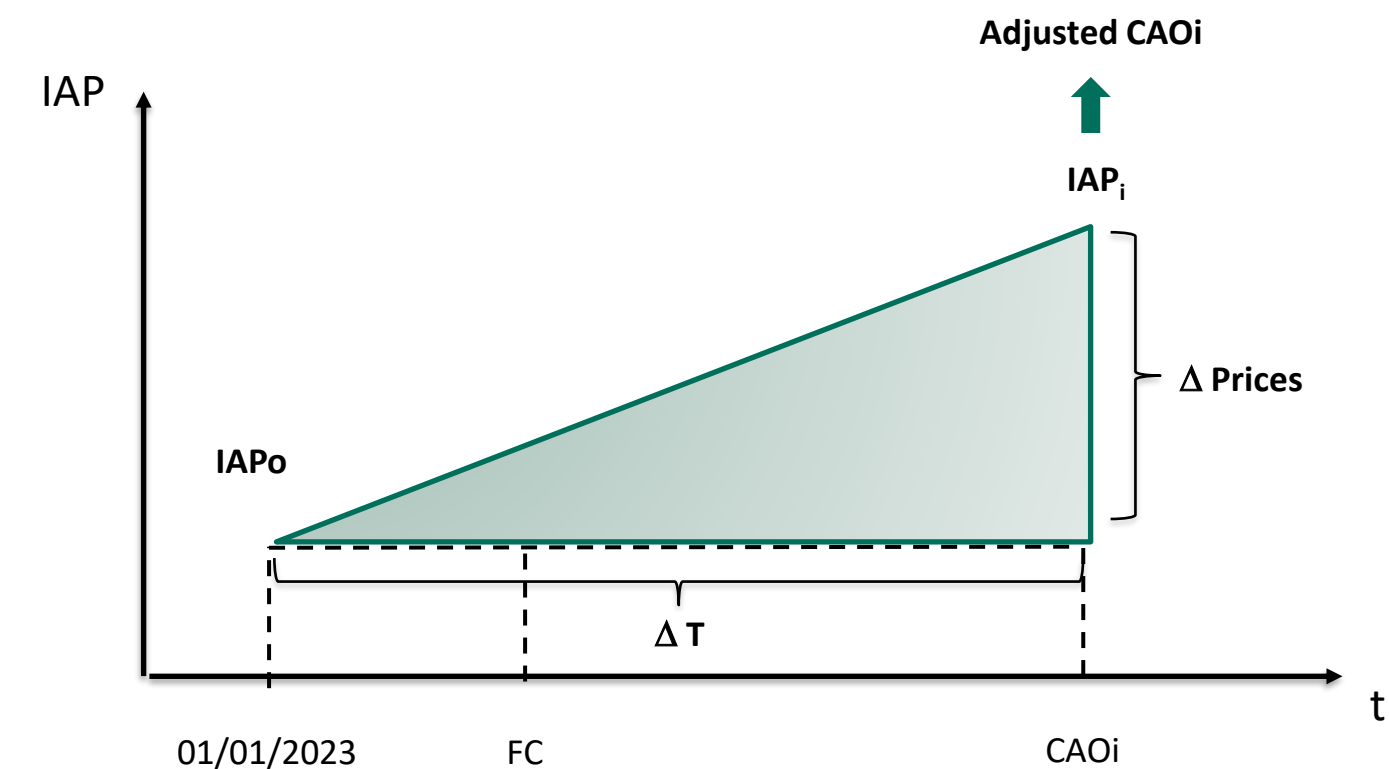
(\*) If interested third parties present themselves, the SCR will be the one informed in the Bidding Terms

The RPI of each Section will be updated, taking the SCR of the Financial Closing of each section. It should be noted that the financing spread is not adjusted.



### Readjustment by IAP

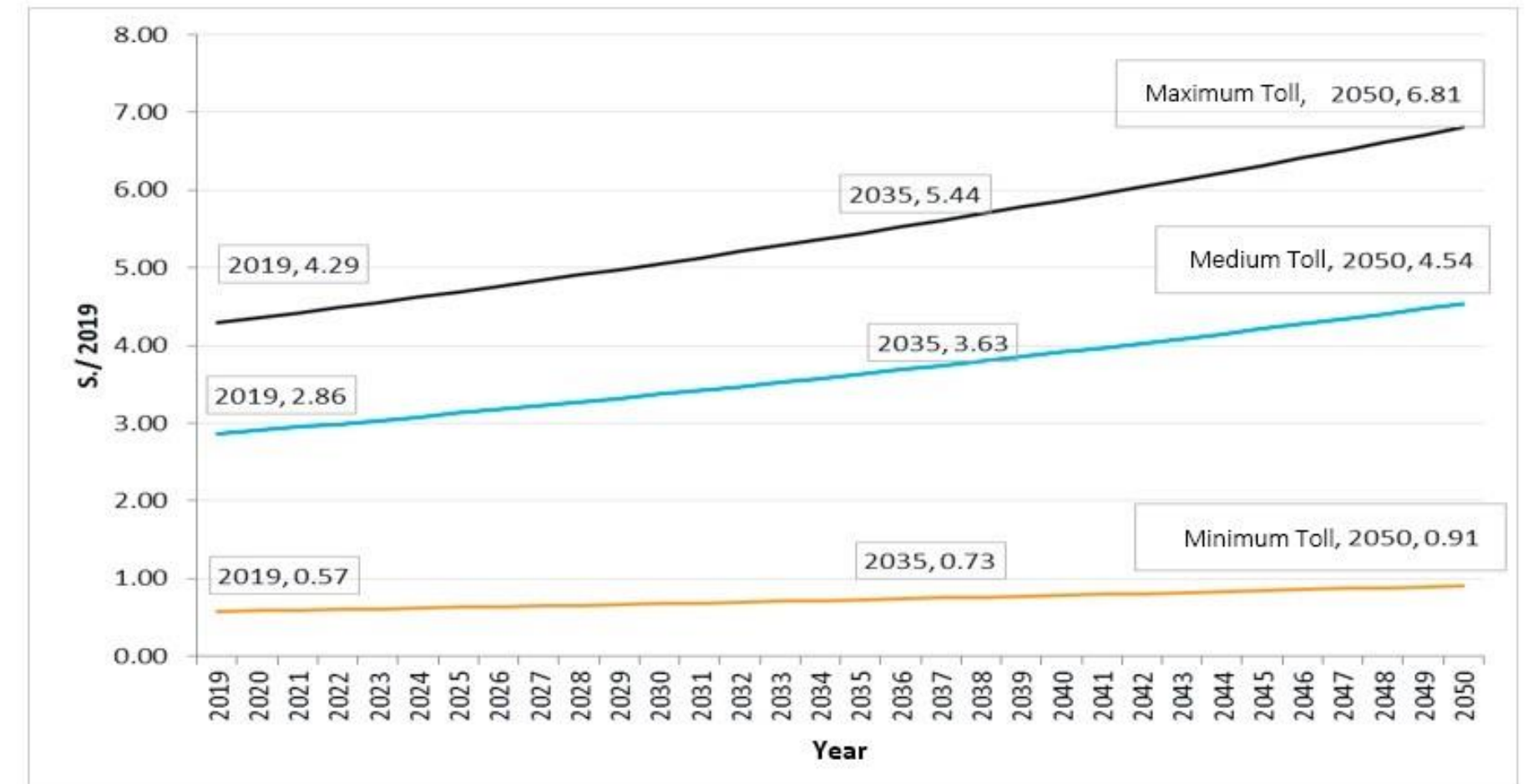
Each CAO must be readjusted by the construction price adjustment index (Polynomial Formula of the EDI of the Section), from January 1, 2023 until the date of issuance of the corresponding CAO.



# Payment Mechanisms

## Tariffs

| Period   | Toll (PEN 2019 excluding VAT) | Tariff (PEN 2019 including VAT) | No. of daily hours  |
|----------|-------------------------------|---------------------------------|---|
| Peak     | S/. 3.80                      | S/. 4.40                        | 4 hours: from 7:00 am to 9:00 am and from 5:00 pm to 7:00 pm                    |
| Off-peak | S/. 2.67                      | S/. 3.10                        | 13 hours: From 6:00 am to 7:00 am, from 9:00 am to 5:00 pm and 7:00 pm to 11 pm |
| Night    | S/. 2.67                      | S/. 3.10                        | 7 hours: from 11:00 pm to 6:00 am   |
| Average  | S/. 2.86                      |                                 | Maximum average toll  |



Maximum average daily tariff at each toll plaza as of January 1, 2019: S/. 2.86 + VAT = S/. 3.3

Three daytime tariffs will be established: (i) Peak; (ii) Off-peak; and (iii) Night. Those averaged over the hours of application may not exceed the maximum average daily tariff

The maximum tariff may be up to 1.5 times the average daily tariff. The minimum tariff may be up to 0.2 times the average daily tariff.

The maximum average daily tariff will be readjusted once a year for inflation + 1.5%. As of January 1, 2024 the average maximum daily tariff would be: S/. 3.81 + VAT = S/. 4.49



# 4. Other relevant topics



# Economic and Financial Balance

The Parties declare that the Contract as of the Closing Date is in a situation of economic-financial balance. **The rebalancing is associated with a change in the Applicable Laws and Provisions that affect the revenues and/or costs of the Concessionaire.**

OSITRAN shall be responsible for ratifying or denying the invocation of the breach of the economic-financial balance by one of the Parties, as well as for determining the amount of compensation that will make it possible to restore said balance.

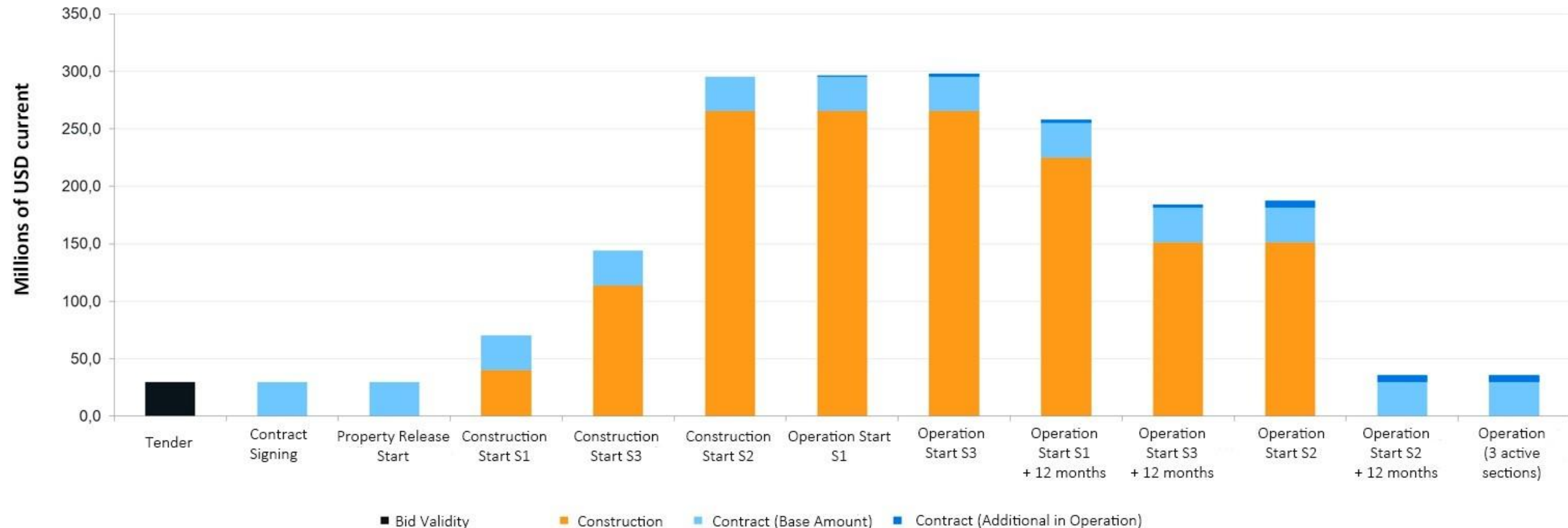
**The reestablishment of the economic-financial balance shall be made based on the Concessionaire's audited profit and loss statement of the annual fiscal year and any additional information provided by the Parties, where the variations in revenues and/or costs are supported.**

**If the percentage of imbalance, in absolute value, exceeds 5.5%, it will be restored.**

The rebalancing procedure is contemplated in the Contract and, if any of the Parties do not agree, they may resort to the corresponding arbitration process.

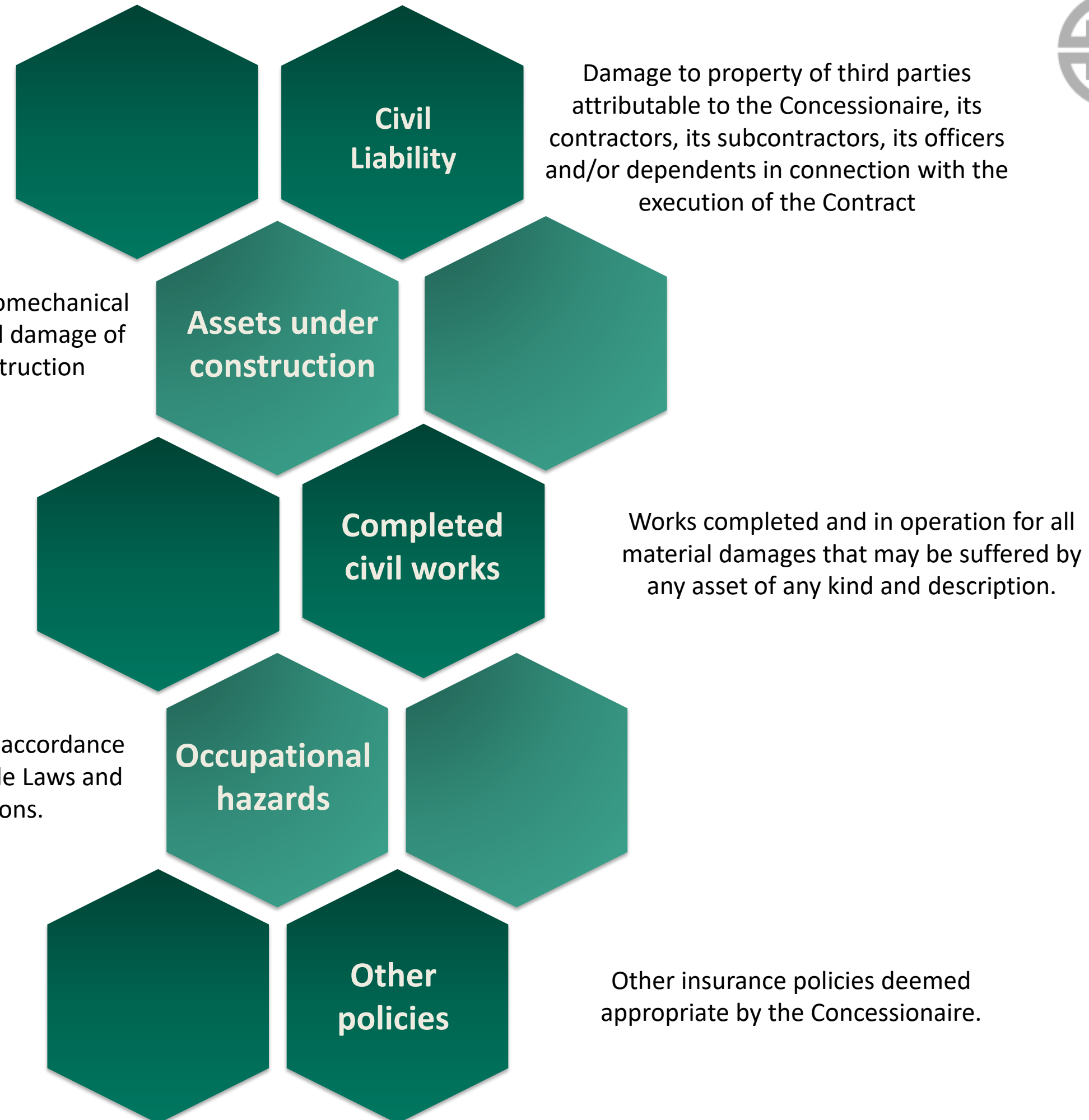
# Guarantees

- Seriousness of the Offer: USD 30 million
- Construction: 10% of the EDI value per Section
- Guarantee of Faithful Fulfillment
  - During pre-construction and construction: USD 30 million
  - During operation: USD 36 million



# Insurance

Construction and erection of civil and electromechanical works and all assets that may suffer material damage of any kind and description, as well as construction equipment and machinery.





# Supervision

## *Works, Operation and Maintenance*



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In charge of OSITRAN. Under no circumstances shall the revision, evaluation and/or supervision of the Works generate the transfer of the design risk of the Project to the Grantor, a risk that is exclusive and exclusionary to the Concessionaire.

### Execution of Works

The Concessionaire shall deliver a management check in favor of OSITRAN (in the amount of US\$ 4'000,000.00), which shall constitute a payment on account for the concept of design and execution supervision.

The costs derived from the supervision activities will be charged to the Concessionaire, for a maximum value of 5% of the value of the Works of all the Sections.



# Supervision

## *Works, Operation and Maintenance*

Ositran is responsible for carrying out the supervision and inspection actions for the development of the Concession's Operation (including tariff collection) and Maintenance tasks.

### Concession Operation

In the event of detecting any non-compliance, Ositran may interrupt or halt the execution of the Works and/or demand the necessary remedies in accordance with the Contract and the Applicable Laws and Provisions, without prejudice to the application of the sanctions and/or penalties of Annex No. 10 that correspond to the Concessionaire.



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# Financial Closing

|   |  |
|---|--|
| <b>FC per section</b>                     | <ul style="list-style-type: none"><li>• The Financial Closings (FC) have been established independently for each Section</li><li>• The following approximate amounts are contemplated for each FC:<ul style="list-style-type: none"><li>• Section 1 500 MM USD</li><li>• Section 2 : 1.340 MM USD</li><li>• Section 3 : 630 MM USD</li></ul></li></ul>   |
| <b>2 phase option for FC of Section 2</b> | <ul style="list-style-type: none"><li>• The Concessionaire has the option to choose to credit the Financial Closing of Section 2 in one (1) opportunity or to credit it in two (2) phases. This structure does not extend the deadlines established for the completion of the Works.</li><li>• The Financial Closing of Section 2 carried out in two (2) phases must comply with proving that there are the necessary financial resources for the execution of the Works in accordance with the following amount:<ul style="list-style-type: none"><li>• (i) For phase 1 of Section 2: at least US\$ 400,000,000.00.</li><li>• (ii) For phase 2 of Section 2: the remaining resources necessary to cover 100% of the amount included in the approved EDI of Section 2.</li></ul></li></ul> |



# Financial Closing – Section 2

It is necessary to prove that the necessary financial resources are available:

- Phase 1 of Section 2: US\$ 400,000,000.00.
- Phase 2 of Section 2: the remaining resources necessary to cover 100% of the amount included in the approved EDI.

## Purpose

It will allow the Concessionaire to have more flexibility to choose the structure that best suits its needs depending on the opportunities in the financial markets.

## Power of the Concessionaire

The Concessionaire has the option to choose to credit the Financial Closing of Section 2 in one or two opportunities.

## Impact on terms

It does not extend the deadlines established for the completion of the Works.

## Opportunity

The Concessionaire may opt for the accreditation in two phases up to the date of subscription of the Certificate of Compliance with the Requirements for Financial Closing or the deadline foreseen for the subscription of such certificate.



# Permitted Guaranteed Indebtedness

## EGP concept

Indebtedness for financing or credit operations, issuance of marketable securities, debt instruments or securitizations and/or money loans, whose funds will be used to comply with the purpose of the Concession Contract and may have the corresponding guarantees.

Operations whose funds are destined to finance Assets of the Concessionaire, involve the assignment of the Concessionaire of its RPI-CAO and/or CALP rights or constitute guarantees on such rights will not be considered.



# Permitted Guaranteed Indebtedness

## Permitted Creditors

It is only applicable in the case of Permitted Guaranteed Indebtedness. They must be authorized by Proinversión and are those established in the Contract, generally first level financial institutions.

## Guarantees in favor of Permitted Creditors

- a) Mortgage on the Concession right
- b) Shares or participations corresponding to the Concessionaire's Minimum Participation.

The Concessionaire may also grant a guarantee in favor of its creditors on the revenues derived from the Tariff.



# Risk of Impossibility of Toll Collection

## Mitigating factors

### General

- The AVP is an urban expressway project that offers **toll-free auxiliary lanes** along its route, which is an option not available to other urban road projects of similar size (Lima Routes and Yellow Line).
- However, risks are mitigated but not eliminated.

### Specific

**Three instances prior to termination** in case of risk materialization:

- Adoption of measures and coordination with Governmental Authorities in order to reestablish order on the part of the Grantor.
- Establishment of a compensation mechanism and/or formula in favor of the Concessionaire, by mutual agreement.
- Appointment of an Expert to define the compensation mechanism, according to the rules established in the Contract.



# Penalties

Various penalty application scenarios have been simulated to verify that the amounts have the necessary dissuasive effect to avoid non-compliance.

- Application of penalty by Ositran in case of detection of non-compliance or when the self-evaluation by the Concessionaire indicates non-compliance.
- For Service Levels with a correction term, non-compliance occurs when the Concessionaire exceeds such correction term. In this case, penalties apply per day of delay.
- For Service Levels where no correction term applies, the non-compliance coincides with the detection of insufficient condition parameter.
- For breaches of individual Service Levels, different amounts are defined for minor and serious penalties.





# Dispute Resolution

## Expert procedure

### Disputes

- EDI review of each Section
- Suspension of obligations
- Liability for hidden defects in the Works of the Execution Area
- Any matter in respect of which the Contract provides for submission to an Expert

### Procedure

1. The Parties appoint the Expert. If they do not reach an agreement, a request for appointment must be made to the International Centre for ADR Center of the International Chamber of Commerce.
2. Initiation of the procedure for the resolution of the technical dispute.
3. The parties shall submit all the necessary information and, on the basis thereof, the Expert shall communicate his final decision to the Parties.

### Decision

- It can only deal with technical or factual issues.
- It is binding and its effects are not suspended in case it is challenged.



# Dispute Resolution

## Arbitration procedure

### Direct deal

- Technical disputes: 90 calendar days
- Non-technical disputes: 180 calendar days

### Arbitration of conscience

#### Non-technical dispute

National arbitration subject to the Arbitration Rules of the PUCP Center.

The Arbitrator makes a proposal for conciliation and if the parties do not accept the conciliation proposal, the arbitration shall continue until the issuance of an Award.

### Arbitration of law

#### Non-technical dispute

Amount over US\$ 30'000,000.00: arbitration according to the Arbitration Rules of the International Chamber of Commerce

Amount equal to or less than US\$ 30'000,000.00: arbitration according to the Arbitration Rules of the PUCP Center




# Expiration of the Contract

| Causes for Termination (Clause 18.1)                   | Net Book Value of Intangible Assets (VCNI) | Costs of Completion | Indemnification to the Concessionaire | Guarantee of Faithful Fulfillment |
|--|--|---------------------|---------------------------------------|-----------------------------------|
| a) Expiration of the Concession term                   | N/A  | N/A                 | N/A                                   | N/A                               |
| b) Mutual agreement                                    | Agreement                                  | Agreement           | Agreement                             | Agreement                         |
| c) Resolution for non-compliance by the Concessionaire | ✓  | X                   | X                                     | ✓                                 |
| d) Resolution for non-compliance by the Grantor        | ✓  | ✓                   | ✓                                     | N/A                               |
| e) Unilateral decision of the Grantor                  | ✓  | ✓                   | ✓                                     | N/A                               |
| f) Force Majeure or Fortuitous Event                   | ✓  | ✓ shared            | X                                     | N/A                               |
| g) By application of the Anti-Corruption Clause        | ✓  | X                   | X                                     | ✓                                 |



# Consequences of Total Expiration



**Payment to the Concessionaire of an amount equivalent to the VCNI**

**Pre-construction Stage:** The Net Book Value of Intangible (VCNI) will be equal to the investment made by the Concessionaire to cover the expenses related to the fulfillment of its contractual obligations.

**Construction or Operation Stages:** VCNI shall include the investment in the Works not co-financed through the PRI mechanism and all expenses incurred by the Concessionaire related to the fulfillment of its obligations.



# Consequences of Total Expiration

## Costs of completion

**Prior to commencement of Construction:** the Concessionaire will not be recognized for completion costs.

**Non-compliance or unilateral decision of the Grantor:** amount limited to 50% of the value resulting from the Guarantee of Faithful Fulfillment of the Concession Contract and the Guarantee of Faithful Fulfillment of the Construction Works.

**Force Majeure:** amount limited to 25% of the value resulting from the Guarantee of Faithful Fulfillment of the Concession Contract and the Guarantee of Faithful Fulfillment of the Construction Works.



# Consequences of Total Expiration

## Indemnification to the Concessionaire

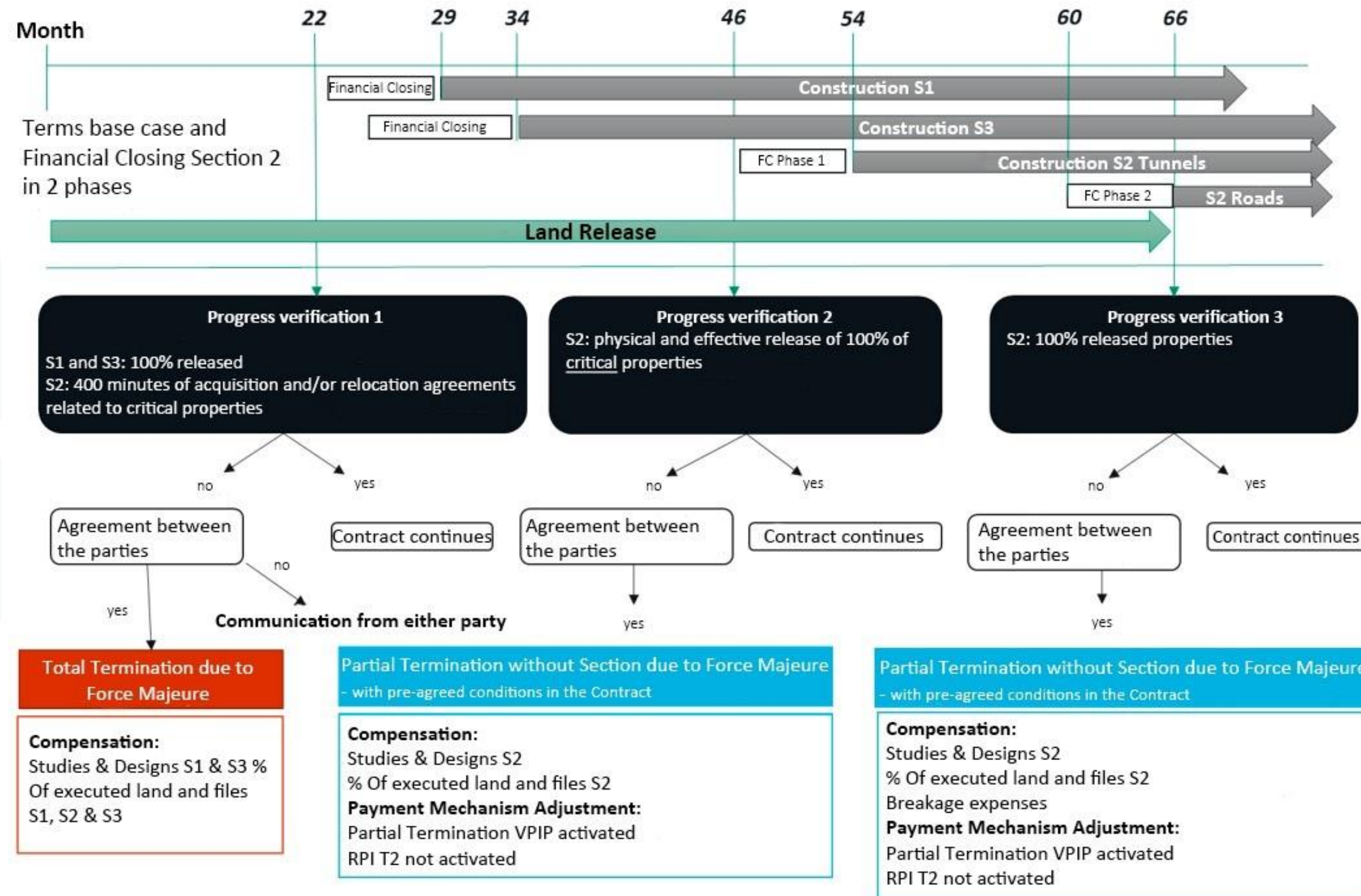
An indemnification corresponds when there is a termination due to non-compliance or unilateral decision of the Grantor, and only after the beginning of the Operation Stage of Sections 1 and 3.

**Calculation:** pre-established formula that takes into consideration the surplus of the calculation of the Present Value of the Toll Revenues of the Sections, the percentage of work progress, a discount rate of the revenues, operating margin, etc.



# Partial expiration

## Impossibility of acquiring properties



- **FC of Section:** starts on month 22, until month 32 at the latest.
- **FC of Section 3:** starts no later than month 26, until month 36.
- **FC- Phase 1 of Section 2:** starts no later than month 46, until month 56.
- **FC-Phase 2 of Section 2:** starts no later than month 60, until month 70.



# Consequences of Partial Expiration

**Payment to the  
Concessionaire of an  
amount equivalent to  
the VCNI**

In the event of early termination of the Concession Contract due to non-delivery of the Section 2 concession area, non-compliance of the Concessionaire or Grantor, unilateral decision of the Grantor, force majeure or application of the anti-corruption clause, the Grantor shall pay the Concessionaire an amount equivalent to the VCNI.

The VCNI will be equal to the investment made by the Concessionaire to cover the expenses related to the fulfillment of its contractual obligations.





# Consequences of Partial Expiration

## Costs of Completion

The Concessionaire will be entitled to receive the product of the sum of (i) the costs and expenses related to the progress made by the Concessionaire with respect to the Works of Section 2, (ii) the costs for the preparation of the Detailed Engineering Study (EDI) of Section 2; (iii) the costs and expenses incurred by the Concessionaire, resulting from the demolition of buildings, cleaning and elimination of debris, waste, fencing, security, custody of all the properties that are delivered by the Grantor to the Concessionaire; and (iv) the expenses of early termination as a consequence of partial expiration, which are duly supported by the Concessionaire.

- 100% of the total amount of the expenses generated by the termination of the Contract to the Concessionaire will be added to the VCNI, with the following limits:
  - **Expiration of the Contract due to non-compliance with the Release milestones (milestones of months 22 and 46 from the Closing date): amount limited to 25% of the value resulting from the sum of the Guarantee of Faithful Fulfillment of the Contract and the Guarantees in force.**
  - **If the Physical and Effective Release of 100% of the properties is not achieved in month 66:** amount limited to 100% of the value resulting from the sum of the Performance Guarantee and the current Performance Guarantees.



# Consequences of Partial Expiration

## Costs of Completion

In the event of partial termination of the Contract, no additional payment shall be due.





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