

FIDEICOMISOS DE ASISTENCIA FINANCIERA PPP-RARS 1 & 2

Bank Meeting Presentation
New York – October 15, 2018



Ministerio de Transporte
Presidencia de la Nación

Executive Summary

- The objective of the *Fideicomisos de Asistencia Financiera PPP 1 & 2* is to facilitate the start of construction works and the achievement of Financial Close for the projects comprised in Stage 1 of the *Red de Autopistas y Rutas Seguras* Program (“**RARS**”) by providing ancillary financing products necessary to supplement the long-term financings
 - These ancillary financing products include funded construction loans and unfunded letters of credit
 - Republic of Argentina (“**RoA**”) is assisting in the arrangement of a dual trust structure – a **Construction Trust** and an **LC Trust** – for purposes of channeling available liquidity for the financing of infrastructure projects under the Argentine PPP Program, in accordance with the PPP Law, pursuant to which the contracting authority is empowered to facilitate access to the international capital markets
 - The dual trust structure allows for the most efficient use of capital between funded and unfunded lines
 - The RoA is considering this dual trust structure for PPP Contractors meeting the applicable criteria. The Construction Trust would raise funds from international and local banks and the LC Trust would facilitate the granting of certain guarantees
- The structure of the Construction Trust and LC Trust has been designed to address PPP Contractor credit and integrity risks by effectively replicating the PPP Roads Trust whereby the RoA is obligated to top up for any shortfalls in debt service
- The goal is to have the Construction Trust and LC Trust in place by early November 2018

Executive Summary: Structural Features

- Key features of the structure include:
 - **Sovereign Credit Support:** The trusts are backed by a RoA contingent top-up obligation similar to the *Fideicomiso PPP RARS* (the “**PPP Roads Trust**”). This is intended to help obtain optimal financing costs for the trusts, which will be fully passed through to the PPP projects
 - **Adequate Liquidity:** In addition to the contingent top-up, the Construction Trust contemplates a pre-funded 12-month debt service reserve account to cover principal, interest and all other charges on the loans to the Construction Trust (“**DSRA**”) and a timing cushion on repayment (principal of loans to the Construction Trust is payable 12 months after principal of the loans by the Construction Trust to the PPP Contractors) to minimize the need for the RoA top-up obligation
 - **Collateral:** Each trust will have a distinct collateral pool, including, where applicable, corporate guarantees from sponsors, share pledges, assignment of payment rights under the underlying PPP concession agreements, proceeds from the performance bonds posted under the PPP Contracts to the *Dirección Nacional de Vialidad* (“**DNV**”), and local law government notes
 - **Integrity and Governance:** To be eligible for financing from either trust, PPP Contractors and sponsors must demonstrate initial and ongoing compliance with an Integrity Framework developed by the RoA
- The structure described in this presentation is still subject to changes by the RoA at its sole discretion

Fideicomisos de Asistencia Financiera PPP-RARS 1&2 (“FIAF-PPP-RARS”)

Guiding Principles

1

Trust structure and sovereign credit profile familiar to the market

- Both trusts seek to replicate the credit profile and structural protections of the PPP Roads Trust
- The obligations of the PPP Roads Trust (and, similarly, of the Construction Trust and the LC Trust) are ultimately backed by a contingent top-up obligation of the RoA
- The PPP Roads Trust framework was developed in collaboration with international and local counsel and the Inter-American Development Bank, based on best practices of other PPP programs and feedback from banks and investors

2

Integrity framework aligned with Argentine law and international standards

- Defines initial requirements for the PPP Contractors to be eligible for financing through the FIAF-PPP-RARS, and, thereafter, provides for ongoing requirements to be complied with by the PPP Contractors, including reporting duties
- Creates the role of the Integrity Supervisor who, similar to an independent engineer during construction, will be engaged to provide monitoring reports, disbursement certificates and other monitoring engagements
- Provides a procedure for removal of individuals or entities who are direct or indirect shareholders of a PPP Contractor and have confessed to (*arrepentido*) or have been formally charged with (*procesado*) or convicted of (*condenado*) a financial crime, while maintaining the viability of the PPP projects

Guiding Principles (Cont’d)

3

Trust terms and mechanics are tailored to liquidity needs and benefit from robust collateral packages

- The creation of a trust for each financing product required by the projects (i.e. construction loans and CTE LCs) optimizes the fund raising process by matching the terms of sources and uses (funded vs. unfunded) and provides for a robust security package and a streamlined process to Financial Close
- The Construction Trust will be funded with loan facilities provided by international and local banks and the LC Trust will facilitate the issuance of CTE LCs by providing a counter-guarantee to the issuer thereof (Banco Nación and other banks)
 - There will be a full pass-through of the financing costs to the PPP Contractors
- For the Construction Trust, timeliness of payment is achieved by (i) appropriately matching its payment obligations with its sources of liquidity and (ii) establishing a combination of repayment profiles and enforceability mechanics to ensure there is sufficient timing for budget appropriation to fund any shortfall in debt service
- Structurally, this will include a pre-funded 12-month DSRA and a 12-month buffer between the principal repayment profile of the loans to the Construction Trust and the underlying loans by the Construction Trust to the PPP Contractors

Fideicomisos de Asistencia Financiera PPP

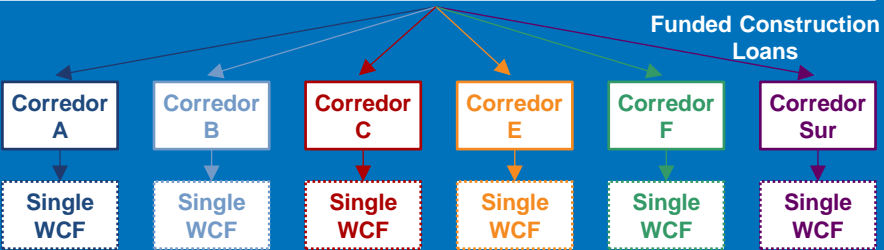
Simplified Dual Trust Structure

1 Construction Trust - FIAF-PPP-RARS-1

International and Local Banks

[6]-year USD denominated term loans

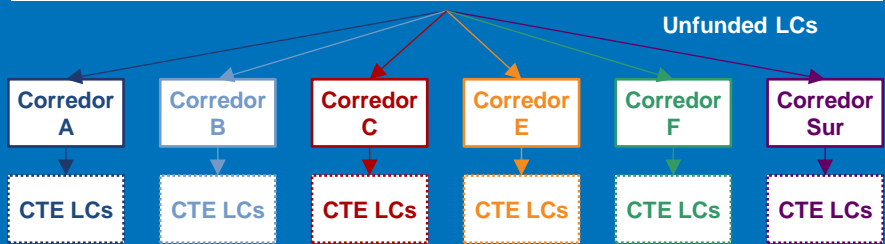
- Collateral Package**
- ARAIs and unsold TPIs and associated PPP Termination Payment
 - Assignment of the proceeds of the Financial Close bonds by DNV
 - 12-month pre-funded DSRA
 - Corporate guarantees from the sponsors
 - RoA contingent top up



2 LC Trust - FIAF-PPP-RARS-2

- Collateral Package**
- Assignment of LETES transferred by *Ministerio de Transporte* ("MT")
 - Pledge of the shares of the sponsors in the PPP Contractors
 - Corporate guarantees from the sponsors
 - Assignment of the proceeds of the Main Works and Main Services bonds by DNV
 - RoA contingent top up

Irrevocable, unconditional guarantees



FIAF-PPP-RARS-1 Construction Trust Agreement

Summary of Terms and Conditions

Scope:	<ul style="list-style-type: none">Facilitate the construction of PPP projects by extending loans (the "Construction Loans") to PPP Contractors that comply with the requirements of the Integrity Framework ("Qualified Borrowers")Construction Trust shall obtain financing from international and local banks ("Term Loans") pursuant to the terms and conditions on the following page
Parties:	<ul style="list-style-type: none">Construction Trustee: Banco de Inversión y Comercio Exterior ("BICE")Trustors and Beneficiaries: Ministry of Transportation, acting on behalf of the RoA and DNVAccount Bank: Banco de la Nación Argentina ("Banco Nación") or another bank acceptable to the Administrative Agent
Construction Trust Collateral:	<ul style="list-style-type: none">Credit Rights: Assignment of rights of PPP Contractor to receive payments under the PPP Contracts, including the termination payment evidenced by ARAIsTPIs and TPDs: Assignment of TPIs (until they are sold and the corresponding purchase price is deposited in the Construction Proceeds Account) and TPDsCorporate Guarantees: To be provided by the sponsors on a several basis to cover the portion of the Construction Loans that is not backed by ARAIs (e.g. advanced payment under construction contract and other items that are not recognized by ARAIs) and unsold TPIsFinancial Close Bond: Assignment of DNV proceeds of any Financial Close Bond posted on behalf of any PPP Contractor under any PPP Contract to the DNVContingent Top-Up Obligation: Right to receive cash payments from the MT (acting on behalf of the RoA) under the Construction Trust Contingent UndertakingCash: Amounts on deposit in the Construction Trust accounts, including the DSRA, the Construction Proceeds Account, the Payment Account and the (pre-funded) Expense Reserve Account
DSRA:	<ul style="list-style-type: none">The Trustee will maintain an offshore segregated reserve account in USD, funded (i) at initial disbursement, with 12 months of interest and (ii) on each March 30 of every year, with an amount sufficient to cover 12 months of principal, interest and all other amounts on the Term Loans due in the next 12 months
Contingent Undertaking:	<ul style="list-style-type: none">On August 15 of each year, the Construction Trustee will calculate the projected DSRA balance as of March 30 of the following yearOn March 30 of each year, the MT will be obligated to contribute funds to cover the difference between (i) the actual DSRA required balance on such date and (ii) amounts on deposit in the DSRA on such dateThe MT can take any measures necessary to satisfy its contingent top-up obligation (including appropriate the amount in its ordinary annual budget, reallocate approved budgetary appropriations, and modify its ordinary budget, among others)Should the MT fail to make the top-up contribution when due, the Administrative Agent (or any local agent designated by the Administrative Agent) will be entitled to make a claim against the MT
Integrity Framework:	<ul style="list-style-type: none">The making of Construction Loans by the Construction Trust will be subject to an integrity framework outlining initial requirements for any PPP Contractor to be deemed a Qualified Borrower and ongoing compliance requirements (representations, disbursement conditions, covenants and events of default) under the Construction Loan agreements
Governing Law:	<ul style="list-style-type: none">Argentine law for the Construction Trust Agreement and the Construction Loans

Term Loan to FIAF-PPP-RARS-1

Summary of Terms and Conditions

Borrower:	<ul style="list-style-type: none">• The Construction Trustee on behalf of the Construction Trust
Lenders:	<ul style="list-style-type: none">• International and local banks
Administrative Agent:	<ul style="list-style-type: none">• An international financial institution selected by the Lenders
Facility:	<ul style="list-style-type: none">• Term loan
Currency	<ul style="list-style-type: none">• USD
Use of Proceeds:	<ul style="list-style-type: none">• First, to (i) fund the DSRA, (ii) fund the Expense Reserve Account and (iii) pay transaction fees and expenses• Then, to make Construction Loans to Qualified Borrowers from time to time
Interest:	<ul style="list-style-type: none">• 6m LIBOR + the Applicable Margin
Maturity Date:	<ul style="list-style-type: none">• [July 2024]
Availability Period:	<ul style="list-style-type: none">• Single disbursement within 60 days from the Closing Date
Amortization:	<ul style="list-style-type: none">• Term Loans will have legal (fully amortizing within the Facility tenor) and target (fully amortizing within [] years) repayment profiles• Repayment profile of the Construction Loans will be determined such that the Borrower is expected to repay the Facility in accordance with the target amortization profile, but failure to repay in accordance with the target will not constitute an Event of Default as long as the Borrower repays the Term Loans in accordance with the legal amortization profile
Mandatory Prepayments:	<ul style="list-style-type: none">• From (i) the proceeds of any Financial Close Bond, (ii) payment of principal of any Construction Loan (as scheduled, due to prepayment, upon acceleration or otherwise) and (iii) proceeds of any enforcement action in respect of Construction Trust Collateral
Voluntary Prepayments:	<ul style="list-style-type: none">• At any time, subject to a premium of []% for voluntary prepayments during the first [3] years
Conditions Precedent to Disbursement:	<ul style="list-style-type: none">• Usual and customary and including, but not limited to, (i) execution of the Construction Trust and LC Trust Agreements, (ii) satisfactory legal opinion from <i>Procurador del Tesoro de la Nación</i> and Lenders' local counsel regarding the validity and enforceability of the RoA contingent top-up obligation and (iii) appointment of the Construction Trustee and Integrity Supervisor
Events of Default:	<ul style="list-style-type: none">• Usual and customary and including, but not limited to, (i) failure to maintain the DSRA, (ii) revocation, invalidity, illegality or repudiation of the Loan Agreement, the Construction Trust Agreement, the Construction Trust Contingent Undertaking, or any PPP Contract or agreements relating to the PPP Roads Trust and (iii) adverse changes in law including foreign exchange controls, convertibility or transferability of foreign currency
Governing Law:	<ul style="list-style-type: none">• New York
Dispute Resolution:	<ul style="list-style-type: none">• International arbitration administered by the United Nations Commission on International Trade Law (“UNCITRAL”), with venue in [New York]

FIAF-PPP-RARS-2 LC Trust Agreement

Summary of Terms and Conditions

Scope:	<ul style="list-style-type: none">Facilitate the financing of PPP projects by procuring the issuance by LC Issuing Banks of USD letters of credit (“LCs”) and undertaking to repay such LC Issuing Bank for amounts owed on such LC, as required by PPP Contractors that comply with the requirements of the Integrity Framework (“Qualified Applicants”)
Parties:	<ul style="list-style-type: none">LC Trustee: BICETrustors and Beneficiaries: MT, acting on behalf of the RoA and DNVLC Issuing Bank: Banco Nación and other international and local banksAccount Bank: Banco Nación or another bank acceptable to the LC Issuing Bank
LC Trust Collateral:	<ul style="list-style-type: none">LETES: Pledge by the MT of Argentine peso-denominated notes issued by the RoA with a face value of ARS6,000mm from the MTPPP Contractor Shares: Pledge of the equity interests in the applicable PPP Contractor from each direct shareholdersCorporate Guarantees: To be provided by the sponsors on a several basis, guaranteeing the obligations of the PPP Contractor under the LC Application and Reimbursement AgreementPerformance Bonds: Assignment by DNV of proceeds of any Main Works Bond or Main Services Bond posted on behalf of any PPP Contractor under any PPP ContractContingent Top-Up Obligation: Right to receive cash contributions from the MT (acting on behalf of the RoA) pursuant to the LC Trust Contingent UndertakingCash: Amounts on deposit in the LC Trust accounts, including the Collection Account and the Expense Reserve Account
Contingent Undertaking:	<ul style="list-style-type: none">On August 15 of each year, the LC Trustee will calculate the projected Collection Account required balance (equal to all amounts due and payable under the LCs, inclusive of fees and interest) as of March 30 of the following yearOn March 30 of each year, the MT will be obligated to contribute funds to cover the difference between (i) the actual Collection Account required balance on such date and (ii) amounts on deposit in the Collection Account on such dateThe MT can take any measures necessary to satisfy its contingent top-up obligation (including appropriate the amount in its ordinary annual budget, reallocate approved budgetary appropriations, and modify its ordinary budget, among others).Should the MT fail to make the top-up contribution when due, each LC Issuer (or any local agent designated by such LC Issuer) will be entitled to make a claim against the MT
Integrity Framework:	<ul style="list-style-type: none">The issuing of LCs will be subject to an integrity framework outlining initial requirements to be deemed a Qualified Applicant and ongoing compliance requirements (representations, conditions precedent to issuance, covenants and events of default) under the LC Application and Reimbursement Agreement
Governing Law:	<ul style="list-style-type: none">Argentine law for the LC Trust Agreement

LCs Backed by FIAF-PPP-RARS-2

Summary of Terms and Conditions

LC Beneficiary:	<ul style="list-style-type: none">• Collateral agent for the relevant long-term PPP financing or SPV designated by Qualified Applicant
LC Applicant	<ul style="list-style-type: none">• [LC Trust, on behalf of a Qualified Applicant]
LC Issuing Bank:	<ul style="list-style-type: none">• Banco Nación and other international and local banks
Expiration:	<ul style="list-style-type: none">• 12 months (subject to evergreen provisions) until [July 2024]
LC Procurement and Reimbursement Agreement:	<ul style="list-style-type: none">• The Qualified Applicant may request the LC Trustee to deliver an application to the LC Issuer under the LC Trust Agreement for the issuance by the LC Issuer, subject to the satisfaction of the LC Issuance Conditions, of one or more LCs for the benefit of the LC Beneficiary up to the Maximum LC Amount.• The LC Application and Reimbursement Agreement shall state the mechanics for the delivery of LC Issuance Application Requests and LC Issuance Applications• Each Qualified Applicant will undertake to pay to or reimburse the LC Trustee for (i) all amounts owed or paid by the LC Trustee to the LC Issuer under the LC Trust Agreement in connection with any LC procured by such Qualified Applicant, including as a result of any draw on such LC by the relevant LC Beneficiary (ii) the LC Upfront Fee and all LC Fees, and (iii) all losses, claims, damages and liabilities caused by any breach of any representation, warranty, covenant or undertaking of or by such Qualified Applicant under such LC Application and Reimbursement Agreement or any LC Issuance Application Request
LC Procurement Conditions	<ul style="list-style-type: none">• To be satisfied prior to the LC Trustee submitting an LC Issuance Application to the LC Issuer• Including, but not limited to, (i) receipt by the LC Trustee of a duly completed LC Issuance Application Request, (ii) the PPP Contractor achieving Financial Close under the PPP Contract (prior to or simultaneously with the issuance of the relevant LC), (iii) the LC Application and Reimbursement Agreement, the PPP Contractor Pledge, and the Corporate Guarantees being duly authorized, valid, binding, and enforceable, (iv) representations and warranties of the PPP Contractor (including status as a Qualified Applicant and compliance with applicable law)
LC Issuance Conditions	<ul style="list-style-type: none">• Usual and customary and including, but not limited to, (i) receipt by the LC Issuer of a duly completed LC Issuance Application, (ii) payment of the relevant LC Upfront Fee, (iii) no LC Fee or other amount is owed to the LC Issuer under the LC Trust Agreement, (iv) representations and warranties of the LC Trust
Events of Default	<ul style="list-style-type: none">• Usual and customary and including, but not limited to, (i) failure by the PPP Contractor to pay or reimburse any amount to the LC Trustee on the date such payment or reimbursement becomes due and payable, (ii) failure by the PPP Contractor to comply with Integrity Compliance Requirements; (iii) revocation, invalidity, illegality or repudiation of the LC Application and Reimbursement Agreement, the PPP Contractor Pledge, or the Corporate Guarantees of the applicable sponsors, (iv) final and non-appealable judgment or arbitral award or attachment adversely affecting the ability of the PPP Contractor or any applicable sponsor to comply with its payment obligations under the LC Application and Reimbursement Agreement or the Corporate Guarantees, respectively, (v) declaration of a moratorium or other insolvency or debtor relief event affecting the PPP Contractor's or any applicable sponsor's payment obligations; and (vi) disposition by any sponsor of its equity interests in the PPP Contractor in violation of the PPP Contract
Governing Law:	<ul style="list-style-type: none">• ISP98 New York law for the LCs

Comparison of FIAF-PPP-RARS-1 and PPP Roads Trust

	FIAF-PPP-RARS-1 Trust	PPP Roads Trust
Primary Obligations:	<ul style="list-style-type: none"> • Repayment of Term Loans made by international and local banks to Construction Trust 	<ul style="list-style-type: none"> • Payment of TPIs, TPDs and other payments under the currency collar agreements
Primary Source of Funds:	<ul style="list-style-type: none"> • Repayment of Construction Loans by the Construction Trust to Qualified Borrowers 	<ul style="list-style-type: none"> • 100% of the tax receipts on liquid fuel and carbon dioxide allocated to SISVIAL
Trust Collateral:	<ul style="list-style-type: none"> • Right of Qualified Borrower to receive payments under the PPP Contract, including the termination payment evidenced by ARALs • TPIs and TPDs • Corporate guarantees • Proceeds of Financial Close Bond • Contingent top-up obligation • Amounts on deposit in Construction Trust accounts 	<ul style="list-style-type: none"> • 100% of the tax receipts on liquid fuel and carbon dioxide allocated to SISVIAL • PPP toll revenue sharing pursuant to certain PPP Contracts • Contingent top up obligation • Amounts on deposit in TPI Reserve Accounts, TPD Reserve Accounts, and others
Reserves:	<ul style="list-style-type: none"> • Offshore 12-month DSRA • Offshore and onshore expense reserve 	<ul style="list-style-type: none"> • Onshore 12-month TPI reserve account • Onshore TPD reserve, currency collar reserve, expense reserve accounts
Contingent Top-Ups:	<ul style="list-style-type: none"> • By the MT, for any shortfall between the DSRA actual balance and DSRA required balance as of March 30 of each year <ul style="list-style-type: none"> • The required balance is calculated as of August 15th, and the top-up contribution to be made by March 30th of the following year 	<ul style="list-style-type: none"> • By the MT, for any shortfall between the TPI, TPD, and Currency Collar Reserve actual balance and required balance as of March 30 of each year
Budgeting:	<ul style="list-style-type: none"> • MT can take any measures necessary to satisfy its contingent top-up obligation (including appropriate the amount in its ordinary annual budget, reallocate approved budgetary appropriations, and modify its ordinary budget, among others) 	
Governing Law:	<ul style="list-style-type: none"> • Trust Agreement: Argentine law • Term Loan: New York law 	<ul style="list-style-type: none"> • Argentine law (for the Trust Agreement and the TPIs)
Dispute Resolution:	<ul style="list-style-type: none"> • International arbitration administered by UNCITRAL 	
	<ul style="list-style-type: none"> • Arbitration venue in New York City • Administrative Agent (or its local designated local agent) can bring claim directly against the MT for failure to make the contingent top-up 	<ul style="list-style-type: none"> • Arbitration venue in (a) the City of Buenos Aires or (b) any State party to the New York Convention, for non-quantifiable disputes or for those equal or greater than US\$10mm, with PPP Contractors controlled by foreign shareholders or foreign TPI or TPD holders • Individual Beneficiaries (i.e. TPI and TPD holders) can bring claims directly against the PPP Roads Trust for failure to make a payment or against the MT for failure to make the contingent top-up

Integrity Framework Drafted with the Technical Assistance of IDB Invest

Initial Eligibility Requirements

- In order to be considered a Qualified Borrower under the Construction Loans and LC Applicant, the PPP Contractor must:
 - Acknowledge and agree to an Integrity Supervisor
 - Provide certificates from an independent auditor (ISO 19011 guidelines) verifying:
 - Implementation of an integrity program, including internal policies, procedures, and controls that comply with applicable law
 - Absence of an Integrity Event
- Construction Loan agreements will also contain representations and warranties regarding prohibited practices, AML, sanctions, etc.



Ongoing Monitoring and Reporting

- An Integrity Supervisor shall be appointed to provide oversight throughout the term of the Trust loans and LCs.
 - Access to the site and the PPP Contractor
 - Delivery of quarterly monitoring reports
 - Certificates prior to disbursement
- Credit agreements will also contain affirmative and negative covenants regarding Integrity Event reporting and action plans, as well as prohibited practices, AML, sanctions, etc.



Integrity Events and Corrective Action

- If an Integrity Event involving any loan party or project party occurs, it will be an Event of Default unless an integrity action plan is presented and accepted with agreed upon actions such as:
 - **If the Integrity Event has occurred after the effective date of Argentine Law No. 27401 (which established corporate liability for financial crimes), sale of shares by that entity to a non-related person**
 - **If the Integrity Event occurred prior to the effective date of Argentine Law No. 27401 (liability limited to the individual), termination of such person and sale of his/her shares (if applicable)**

An “Integrity Event” is defined as confessing to (*arrepentido*) or being formally charged with (*procesado*) or convicted of (*condenado*) a financial crime, including but not limited to, bribery, obstruction of justice, fraud, money laundering, tax evasion, and theft under any applicable law in Argentina or any other crime pursuant to Title XI, XII, of the [Book Two of the Argentine Criminal Code].

Indicative Timeline

Key Milestones

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| Week of October 15th, 2018 | <ul style="list-style-type: none">• October 15: Meetings in New York and Request for Proposals (“RfP”) circulated to banks• October 16: Meetings in Washington DC• October 17: Long-form Term Sheets circulated to the banks |
| Week of October 22nd, 2018 | <ul style="list-style-type: none">• October 22: Banks to respond to the RfP• Shortlist of lenders• Documentation discussion with lenders• Draft financing documents are circulated to the lenders |
| Week of October 29th, 2018 | <ul style="list-style-type: none">• Revised draft financing documents are circulated to the lenders |
| Week of November 5th, 2018 | <ul style="list-style-type: none">• Finalize documentation and execution of the trust agreements |
| Mid November 2018 | <ul style="list-style-type: none">• Funding of the trust facilities |
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