ISSUER AGREEMENT

AGREEMENT entered into as of 13/06/12 (date) between:

Euroclear Bank SA/NV, acting as operator of the Euroclear System,
1 Boulevard du Roi Albert II, 1210 Brussels, Belgium
("Euroclear Bank")

and:

Ministry of Economy and Finance (name)
Jr. Junín 319 - Lima, Peru (address)
(the "Issuer")

WHEREAS Euroclear Bank, operator of a securities settlement system for internationally traded securities (the "Euroclear System") under the laws of Belgium, offers a Euroclear International Link ("i-Link") service,

WHEREAS the Issuer wants its securities to be held under this i-Link service,

NOW THEREFORE, in consideration of the mutual promises herein contained, Euroclear Bank and the Issuer hereby agree as follows:

1. This Agreement applies to the securities issued by the Issuer which are going to be part of the i-Link service at full discretion of the Issuer in correspondence with the Term Sheet (Annex B) and pursuant to the corresponding governing documentation (the "Securities"), with the exception of the securities not accepted in the Euroclear System in accordance with point 3 below.

2. The Issuer agrees that the entire issued amount of the Securities will be held under the i-Link service. The Issuer will therefore appoint CAVALI S.A. ICLV as registrar agent (the "registrar") and instruct the registrar of the Securities to register the full issued amount of the Securities in the name of Euroclear Bank.

The Issuer may, insofar as this is allowed by the applicable laws, appoint another entity as registrar upon 6 months' notice to Euroclear Bank.


4. The Issuer will ensure that the governing documentation of the Securities is in accordance with this Agreement.

5. This Agreement may only be amended in writing by all the parties.
6. a) This Agreement may be terminated by either party upon 6 months’ prior written notice to the other party.
   b) Without affecting any other right or remedy available to it, either party may terminate the agreement with immediate effect by giving written notice to the other party if that other party materially breaches any of the terms of this Agreement. For the avoidance of doubt, it shall not be required in order for such termination to be valid and effective that: (i) any application be made to any court, tribunal or other third party whatsoever; or (ii) any approval, judgment, confirmation, order or decision of any court, tribunal or other third party whatsoever be sought or received.
   c) Insofar as Euroclear Bank continues to meet its obligations under this Agreement, the adoption of resolution measures applicable to Euroclear Bank by the resolution authority shall not constitute a cause of termination, suspension or modification of this Agreement.
   d) Further to section 4 of this Agreement, the governing documentation of the Securities will allow either of the Issuer and Euroclear Bank to request at any time in their discretion the re-registration of the Securities in the name of the person(s) specified by Euroclear Bank or the Issuer. Such re-registration will be subject to the mutual approval by the Issuer and Euroclear Bank except when Euroclear Bank requests the re-registration of the Securities (i) in accordance with the Terms and Conditions governing use of Euroclear and the Operating Procedures of the Euroclear System, or (ii) if required by mandatory provisions of applicable law or regulations, or pursuant to an order of any court, competent regulator or other governmental agency or body of competent jurisdiction. The Issuer and/or the registrar will take care of the re-registration within 15 business days following the request. If such re-registration takes place, this Agreement automatically terminates.
   e) This Agreement will be terminated at the end of the “iLink vesting period” in correspondence with the Term Sheet (Annex B). Under this circumstance, the Issuer and Euroclear Bank must ensure the setup for the Secondary Market Link is completed allowing the re-registration of the Securities in the name of CAVALI. S.A. ICLV.

7. If this Agreement is translated into Spanish or any other language for registration or other purposes, in case of any discrepancies between the different language versions, the English version shall prevail.

8. All disputes arising under this Agreement will be subject to the jurisdiction of the competent courts of Belgium. This Agreement will be governed by and construed in accordance with the laws of Belgium.
Signed on behalf of Ministry of Economy and Finance (Name of issuer)

By (signature of authorised officer of issuer or agent with authorisation of issuer)

ALFREDO THORNE VETTA (Name, Function)
Ministro de Economía y Finanzas

Signed on behalf of Euroclear

STEPHAN POUYAT
DIRECTOR

ALEXIA SALESSES
DIRECTOR

Annexes

A. iLink – Generic service description
B. Term Sheet dated 5 December 2016
The purpose of this document is to describe the services provided via the Euroclear Bank 'International' Link ('iLink').

**Scope and benefits of the iLink**

The iLink is a link between Euroclear Bank ("EB") and the local market which leverages on the robust and 'state of the art' post-trade securities settlement system of EB used since many years for the distribution and settlement of International and Domestic securities around the world.

With the iLink, the local market will always be able to be in sync with the constant evolution of the global market in terms of technology as well as with the changing investors’ requirements and regulations, which all together could represent an important cost for any single market to follow and implement. It will also benefit from the expertise of the Euroclear staff and its global reach which brings the largest 2000 financial institutions around the world.

The iLink allows local Issuers to easily access both domestic and international investors. It also allows the domestic investors to have access to a wider range of investors, brought by EB's clients base. The various services provided via iLink include:

- Issuance of new domestic securities at full discretion of the Issuer and distribution of these securities to both domestic and international investors,
- New issuances can be done in the local currency or any of the 54 settlement currencies that are eligible in EB,
- Settlement of secondary market transactions on all domestic securities deposited in the iLink at full discretion of the Issuer, against payment of the local currency or any of the 54 settlement currencies that are eligible in EB,
- Processing of payments related to:
  - entitlements on the domestic securities held in the "iLink" structure to the benefit of the security holders (e.g. coupon payments) and
  - collection of cash for the issuer during the new issuance process,
- Using the domestic securities for the purposes of collateral management in the Euroclear Collateral Highway™

**Assumptions**

- The Issuer will be responsible for the issuance of the new security, including getting the ISIN allocation from the relevant National Numbering Agency (NNA),
- The Issuer, at its full discretion, will issue some of its new securities using the "iLink", in line with the Term Sheet (Annex B of the Issuer Agreement).
- The Issuer appoints:
  ✓ A registrar for the record keeping,
  ✓ An Issuing agent during the issuance and distribution of new securities, and
  ✓ A paying agent for payments to be made on the securities during their lifecycle.

- In the markets where a Central Securities Depositary (CSD) exist, its participants remain in the books of the local CSD. The CSD participants can include both domestic and international financial institutions.

- The local legal and regulatory framework recognises the Nominee concept and allows EB to be registered as the Nominee for all securities (for the total amount).

Pre-requisites

- The Issuing & Paying agent opens an account in EB for the primary issuance and distribution of the securities issued in the iLink at full discretion of the Issuer.

- If a CSD exist in the market, the iLink is established by having the local CSD in the books of EB; i.e. the local CSD opens an account with EB. Through this account, the local CSD will represent and act on behalf of its participants; this during both the primary and the secondary market activities.

- If no CSD exist in the market, the iLink is established by having the local Issuer(s) in the books of EB; i.e. the local Issuer (or its agent) opens an account with EB for the issuance, the distribution and the settlement of the domestic securities in the books of EB.

- EB acts as Nominee for all the clients (both the international and local clients). To do so, EB opens a ‘nominee’ account with the local registrar, where 100% of the domestic securities will be registered in the name of EB. This applies to securities issued under the iLink service at full discretion of the Issuer.

Important notes:

✓ The domestic securities remain in the local market, in the books of the local registrar (i.e. they are not held outside of the local market).

✓ The law of the Issuer country allows settlement of these securities outside of the local market, i.e. in EB’s settlement system.

✓ 100% of the issued amount is registered in the name of Euroclear Bank SA/NV (nominee account of EB) in the books of the local registrar.
Process flows

This section describes the proposed structure for the iLink and the detailed process flows for the primary market distribution, the secondary market and the financing.

**Primary market:** per the 'Term Sheet' in annex B of the Issuer Agreement, the Issuer will issue some of its new securities via the "iLink".

![iLink - from Issuance to Distribution](image)

Step-by-step process
Note: the settlement cycle could vary according to local market practices and asset classes.

The below assumes a T+2 settlement cycle such this cycle could be either reduced or extended as per the market practices.

A - Pre-Auction

1) The Issuer will ask the relevant local National Numbering Agency for an ISIN. In parallel, it will prepare the issuance documentation and send the draft prospectus to Euroclear Bank (EB) for acceptance and creation of the securities in both the local CSD and EB.

2) The Issuer will thenceforth prepare for the auction – i.e. set the auction parameters on the auction platform, take steps for informing the primary dealers with the necessary details, schedule the auction announcement prior to the auction date etc.

Note: the issuance of the new securities may also be done using the book-building method.

B - Auction (if relevant)

3) On the date of the auction (T), the primary dealers will make their bids or send their proposals in line with the book-building method. For the issuance of new securities via the "iLink", the settlement cycle will be T+2.

4) At end of day on T, based on the auction or book-building results, the IA will create the securities locally amounting the sale in the auction or the allotment of the book-building; and will send these results to EB.
C – Post-Auction & Settlement

5) Post-auction settlement instructions:
   - On T, the IA will prepare the delivery instructions for sale to the primary dealers and send it to EB.
   - In parallel, the IA will inform the primary dealers for their individual receipt of securities against cash.

6) Receipt instructions from the local CSD and international primary dealers
   - On T or T+1 at the latest, each international primary dealer will send their receipt instruction to EB. This will happen if international primary dealers participated to the local auctions (and provided their bids were successful) or if they participated successfully to the book-building process.
   - Also, on T or T+1 at the latest, the local primary dealers will send their receipt instruction to the local CSD. The local CSD will follow-up with their local primary dealers in case there are any missing or incomplete receipt instructions. Then the local CSD will consolidate all the receipt instructions it received from their local primary dealers and send this to EB using its account with EB.

7) Matching process with the primary dealers in iLink:
   - The delivery instructions will be matched with the receipt instructions on the iLink system.
   - In case of a discrepancy or non-receipt, EB will follow up with the IA and the local CSD, who in turn will follow-up with the local primary dealers and the international primary dealers.
   - International primary dealers and the IA (and the local CSD), can send amendment to their instructions latest by end of T+1.
   - The IA will receive the status of the final matched instructions result in the iLink by end of day on T+1.

8) IA’s instruction to Registrar:
   - IA instructs the Registrar to create the securities in its books on T+1 at the latest

9) Creation of the securities in the books of the Registrar and EB
   - EB, as the iLink operator, will have a nominee account in the books of the Registrar.
   - Once the securities are created, the Registrar will reflect that the full amount of securities is held by EB nominee account.
   - The Registrar, will then send a message to the EB (via standart SWIFT message MT 544) requesting EB to credit the securities into the IA account with EB.
   - EB will credit the instructed IA account

10) Local CSD participants funding
    - On T+2 the Local CSD participants will fund CAVALI’s cash account with the Central Bank of Peru to support the settlement of their instructions. CAVALI must make sure all the cash is transferred
from its cash account with the Central Bank of Peru to the account of EB’s cash correspondent bank, and confirmed to EB (via standard SWIFT message MT 910) by 11:15 am Lima time on T+2, at the latest.

11) Primary market settlement on 'iLink on settlement date (S):
- Delivery versus Payment (DvP) will occur in the EB system during the real time process on T+2 between:
  - The IA account and the Local CSD account and
  - The IA account and the international primary dealers accounts
- Once securities are credited to the Local CSD account in iLink, it will be distributed locally during the local CSD operating hours to the local primary dealers accounts in the local CSD system. Subsequently, the local primary dealers will re-distribute these onwards to the domestic investors who bought these securities
- Similarly, the international primary dealers will further deliver vs. payment (DvP) the securities in their EB accounts to the international investors who bought these securities.

12) Wire Transfer:
- Once the Step 11 above (i.e. Primary Market DvP Settlement) is completed, the IA will send a Wire Transfer (via standard SWIFT message MT 202) during the Settlement day (T+2) to wire out the cash proceeds from the new issuance distribution to pay the Issuer.

Note: Settlement Against Payment (« DVP ») could take place according to the Issuer’s choice in any of the 54 settlement currencies supported by EB.
**Secondary Market:** for securities previously issued via the "iLink"

As illustrated below, the international investors can settle transactions to buy or sell domestic securities from or to local investors via the 'local CSD' account with EB

- Transactions settle according to a DVP model 1, i.e. simultaneous exchange of securities against cash
- Settlement against Payment (« DVP ») can take place in any of the 54 settlement currencies supported by EB. Settlement could also be Free of Payment (« FoP ») if agreed between the 2 counterparties
- Transactions instructions are SWIFT compliant which allows efficient and automated settlement
- Settlement can take place as from 10pm Brussels time on S-1 until 7pm Brussels time on S

**Important notes:**
- Trades between a participant of EB and a participant fo the local CSD will settle on the iLink system of EB and the local CSD will reflect the resulting position in its books
- Trades between 2 EB participants will settle on the iLink system. No impact on the local CSD
- Trades between 2 Local CSD participants will settle in the local CSD. No impact on EB

**Collateral Management:**

Investors buying the domestic securities can use them for financing purposes in EB via the Collateral Highway™

There are 2 types of repos possible in Euroclear; the bilateral repo and the triparty repo:
- Bilateral repo is the most frequent financing tool with +/- 90% for emerging market securities. A bilateral repo is agreed between 2 parties and the repo settlement happens in Euroclear. However, Euroclear is not part of the repo agreement.
In a triparty repo, Euroclear is the third party in the repo agreement and plays the role of a collateral manager; i.e. it makes the margin calls, maintains the securities balance, adjusts the securities portfolio based on the position, etc.

**Asset Servicing:**

All income and redemption payments (entitlements) can be processed via the "iLink" to the benefit of the Euroclear participants. However, for the local CSD participants (the domestic clients), 2 options exist: payment without renunciation or payment with renunciation.

**Payment without 'renunciation'**

In the above illustration, all income and redemption proceeds are distributed through EB. This means, following receipt of income or redemption proceeds, the Paying Agent distributes the funds to all EB participants, including the Local CSD a/c in EB. In this case totality of the proceeds are credited into the EB cash account with a local bank.
In the above illustration, only the portion of the income or redemption proceeds due to International Investors is paid by the Paying Agent to EB; while the other portion is paid directly by the Paying Agent to the local CSD (this solution implies the application of a renunciation process). In this case, only the cash due to international investors is credited into the EB cash account with a local bank; while the other funds are paid to the local CSD account with the local Central Bank. These funds will then be paid by the local CSD to its participants.

1 The Paying Agent will need to provide EB with a standing renunciation instruction
Memorandum between the Peruvian Ministry of Economy and Finance and Euroclear

The Ministerio de Economía y Finanzas de la República del Perú ("MEP") and Euroclear SA/NV ("Euroclear") are pleased to partner together to facilitate the further internationalisation of Peru’s capital markets (i.e. access to more international investors and international primary dealers) by making locally registered Bonos Soberanos “Euroclearable” while keeping the domestic market within CAVALI.

Euroclearability can bring the following benefits:

- Improve the liquidity of the Bonos Soberanos by making it more easily accessible to international investors
- Further improve liquidity by making them eligible for collateral management purposes on the Euroclear Collateral Highway
- Incorporate / retain / increase the share of Bonos Soberanos in local currency emerging markets bond indices
- Increase demand and investments from the international investors into Bonos Soberanos to support the MEP’s borrowing programme
- Lower the yield on the Bonos Soberanos, creating long-term financial stability

Euroclearability for Bonos Soberanos would be delivered in two consecutive phases, of which the proposed terms, milestones and dependencies are described in Annex

5 December 2016

Alfredo Eduardo Thorne Vetter
Ministro de Economía y Finanzas
República del Perú

Stephan Pouyat
Global Head of Capital Markets & Funds
Euroclear SA/NV
# ANNEX

## Euroclearability in Peru: Term Sheet

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| **Phased delivery principle** | • Euroclearability will be delivered in two consecutive phases  
  - Phase 1: iLink  
  - Phase 2: Secondary Market Link  
  • The main milestones and dependencies have been plotted on a timeline which is provided at the end of this Term Sheet |
| **Phase 1: iLink**            | **Start**  
  • Both parties agree to resume work on the iLink on the date of signature of this Term Sheet, i.e. the “iLink Start Date”  
  **Setup**  
  • Development of the iLink solution started in 2015, but is now temporarily on hold. The completion of the iLink solution still requires the following  
    - Adoption of regulations (MEF, SMV, CAVALI)  
    - Contractual setup between MEF, CAVALI and Euroclear  
    - Account opening in the local register and Euroclear  
    - Operational Readiness, including tests between CAVALI and Euroclear  
  • Both parties commit to finalize the iLink setup within a period of 4 months following the iLink Start Date  
  **Launch**  
  • Both parties commit to implement a focused promotion campaign to ensure successful take-up in international markets  
  • The iLink solution shall be considered as launched on the date of the first issuance in the iLink, i.e. the “iLink Launch Date”  
  **Conditions to move to phase 2**  
  • Both parties agree to move to phase 2 after all of the following conditions (i.e. the “Conditions”) have been met:  
    - an equivalent of USD 4 billion has been issued on iLink. This amount can include existing bonos soberanos loaded onto the iLink at the full discretion of the MEF, and  
    - at least 1 year has passed since the iLink Launch Date |
| **Phase 2: Secondary Market Link** | **Start**  
  • Both parties agree that work on the Secondary Market Link shall start on the day that the Conditions have been met, i.e. the “Secondary Market Link Start Date”  
  **Setup**  
  • The development items of the Secondary Market Link solution include at least the following:  
    - Adaptation of Ley de Mercado de Valores  
    - Adaptation of regulations  
    - Contractual setup between CAVALI and Euroclear  
    - Account opening in CAVALI  
    - IT Developments in Euroclear  
    - RFP selection of an intermediary for Euroclear  
    - Operational Readiness, including tests between CAVALI, Euroclear and its intermediary  
  • Both parties commit to finalize the Secondary Market Link setup within a period of 12 months following the Secondary Market Link Start Date |
PHASE 2: SECONDARY MARKET LINK (continued)

**Launch**
- The Secondary Market Link solution shall be launched on the "Secondary Market Link Launch Date", i.e., when:
  - all the development items of the Secondary Market Link Setup have been completed, and
  - an equivalent of USD 7.5 billion has been issued on iLink. This amount can include existing Bonos Soberanos loaded onto the iLink at the full discretion of the MEF

**iLink vesting period**
- Once the Secondary Market Link Launch Date has been reached, the equivalent of USD 7.5 billion on the iLink shall remain on the iLink for a period of at least 12 months, i.e., "iLink vesting period"

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**Euroclearability in Peru: Main milestones and dependencies**

- **iLink Start Date**
  - Signature date of the Term Sheet

- **iLink Launch Date**

- **Secondary Market Link Start Date**
  - When USD 4 billion reached

- **Secondary Market Link Launch Date**
  - When USD 7.5 billion reached and setup finalised

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**Phase 1: iLink**
- iLink setup
  - 4 months
- 12 months

**Phase 2: Secondary Market Link**
- Secondary Market Link Setup
  - 12 months
- iLink vesting period
  - 12 months

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**Euroclearability via iLink**

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16