

TREN MAYA

TSÍIMIN K'ÁAK

INFORMATIVE DOCUMENT

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PROJECT DESCRIPTION AND OBJECTIVES

The project consists of providing freight and passenger transport services interconnecting the main cities and tourist areas of the Yucatan Peninsula.

This project has the following objectives:

Promoting socio-economic development in the region and local communities

Strengthening the land-use zoning of the Yucatan Peninsula

Strengthening the tourism industry in Mexico



Promoting and safeguarding local indigenous cultures

Promoting social inclusion and job creation

Protecting and rehabilitating Natural Protected Areas in the Yucatan Peninsula

THE PRINCIPAL BENEFITS OF THE PROJECT ARE

- The Mayan Train is a project that will **promote land-use zoning** of the region and boost tourism in that area.
- **Generation of economic benefits** for the States through which the train will run. The purpose of this train is to extend the visits of tourist in the region, which will translate into higher tourist spending and revenue for those communities. It also implies an important growth in the infrastructure of services for the residents of those areas.
- **Increase in the level of income and job creation**
- **Increase in connectivity in the Yucatan Peninsula**, which will allow moving cargo and passengers more efficiently. **Digital connectivity** in the region will also be improved.
- **Reduction of pollutant emissions** when switching cargo and passenger transportation from road to train.
- **Reduction of freight and passenger transportation costs** in the Yucatan Peninsula
- **Reduction of travel time for tourists, local passengers and cargo.**



THE MAIN COMPONENTS OF THE PROJECT ARE (1/2)

1) TRACKS

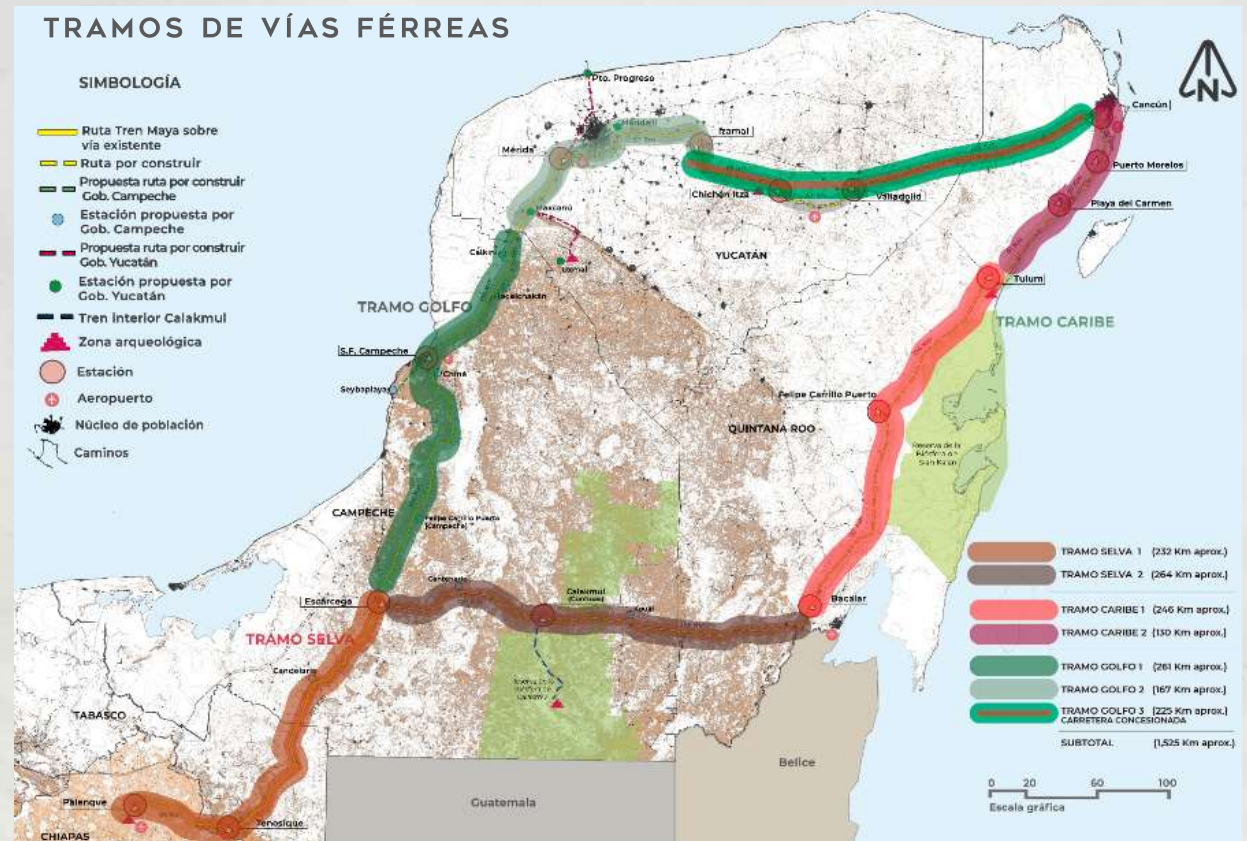
- Approximately 1,525 km of railways will be built in the Yucatan Peninsula connecting the States of Tabasco, Campeche, Chiapas, Yucatan and Quintana Roo. Construction of the railways will be divided into 7 sections

2) ROLLING STOCK

- Supply of rolling stock to provide freight and passenger service. The maximum speed for passenger rolling stock will be 160 km / hour.

3) SYSTEMS

- Provision and installation of signalling equipment, communication and security.



THE MAIN COMPONENTS OF THE PROJECT ARE (2/2)

4) STATIONS

The preliminary project contemplates construction of the 15 main stations.

5) OPERATION

The project includes the provision of passenger and cargo services, for which purpose it will require the necessary equipment for ticketing and traffic control.



PRELIMINARY PROCUREMENT MODEL

1) COMBINED INVESTMENT CONTRACTS¹

a) **Tracks:** Seven contracts are expected to be awarded for the design-finance-build-maintain phases of the tracks. In addition to the tracks, the contract includes the construction and maintenance of platforms in the stations, stabling yards and parking areas, as well as additional works. Some of the supply contracts for the construction will be provided by the Government to the winner bidders.

b) **Passenger rolling stock, systems and operations:** It has initially been determined that there will be one contract to be awarded for the design, build, equip and maintain phases, and for management of ticket sales and traffic control. The equipment includes the provision and installation of the signalling, telecommunications and security systems; maintenance includes rolling stock and systems.

2) OTHER CONTRACTS (traditional public works)²

a) **Stations:** At this moment, the procurement model for the 15 stations (including commercial areas) is under analysis. According to the size and characteristics of each station the procurement model will be defined along with the number of contracts to be awarded.

b) **Freight Rolling stock:** Based on the results of the demand study, the most suitable procurement model for purchasing the rolling stock will be determined.

Below is the breakdown of the scope for the Combined Investment Contracts and the Traditional Public Works Contracts.

^{1/} Structure under the Public-Private Partnership Law ^{2/} Pending to define the most suitable procurement model.



PRELIMINARY SCOPE OF THE COMBINED INVESTMENT CONTRACTS FOR TRACKS (1/3)

Design and finance	Build	Maintain
<ul style="list-style-type: none"> • Design • Finance 	<ul style="list-style-type: none"> • Tracks <ul style="list-style-type: none"> - Platform - Sleepers - Rails - Fixing mechanisms - Ballast - Structures (tunnels and bridges) - Drainage - Shoulders - Ducts for signalling, telecom and optic fiber - Confinement - Sidings • Stations <ul style="list-style-type: none"> - Only platforms and access (entrance to the stations when needed) - Marshalling yards - Stabling tracks • Others <ul style="list-style-type: none"> - Fauna passage (some of them will be build as public works) - Crossings with roads - Superficial drainage (gutters) - Livestock passages 	<ul style="list-style-type: none"> • Tracks • Stations (platforms and rails) • Marshalling yards • Stabling tracks • Rails in workshops • The remaining civil works of that tranche, including induced works, tunnels, etc. • Control Access to the right of way

PRELIMINARY SCOPE OF THE COMBINED INVESTMENT CONTRACTS FOR ROLLING STOCK AND/OR OPERATIONS (2/3)

Design and Finance	Build	Equipment	Test and start up	Maintenance	Operation
<ul style="list-style-type: none"> • Design • Finance 	<ul style="list-style-type: none"> • Warehouses • Workshops 	<ul style="list-style-type: none"> • Rolling stock • Equipment for workshops and depots • Signalling and telecommunication systems <ul style="list-style-type: none"> - Automatic barriers - Motorization - Physical signalling - Sensors • Auxiliary installations • Security systems • Control center equipment • Ticketing system (on-site and electronic) 	<ul style="list-style-type: none"> • Tests • Start up 	<ul style="list-style-type: none"> • Rolling stock • Equipment for workshops and depots • Signalling and telecommunication systems • Auxiliary installations • Security systems • Warehouses and workshops • Ticketing system (on-site and electronic) 	<ul style="list-style-type: none"> • Passenger and freight traffic management • Collection system • Train operators • Signalling and operation center • Security system • Signalling and telecommunications systems • Ticketing system (on-site and electronic) • Service provision inside the trains • Fuel tanks • Electric stations • Materials deposits

PRELIMINARY SCOPE OF THE CONTRACTS FOR STATIONS (3/3)

Construction	Equipment
<ul style="list-style-type: none">• Passenger stations<ul style="list-style-type: none">- Main building- Operations and signaling center (when at a station)- Commercial locales- Maintenance areas- Parking lot- Access roads- Administrative building- Connectivity areas (with other transport modes)- Ticketing area (physical area)- Toilets- Lobby and waiting area- Checkpoints- Gateways- Entertainment areas- Facade- Electric, water, security and air conditioning facilities• Fuel tanks• Electric systems	<ul style="list-style-type: none">• Components required at the stations

MAIN CHARACTERISTICS FOR THE COMBINED INVESTMENT CONTRACTS

- Initially, the term of the contract will be 30 years.
- Contracts will be structured under the federal Public-Private Partnerships Law.
- Contracts consider an availability payment subject to the compliance with performance standards. Some elements of payment will be updated for inflation.
- The availability payment will be included in the Federal Government Budget as a multi-annual expenditure commitment.
- Fonatur will begin to pay the availability payment once the railway infrastructure/rolling stock is finished and delivered, only for the services actually provided.
- Fonatur, directly or through a third party, will supervise the technical, legal and financial obligations stipulated in the respective contracts during the term thereof to ensure full compliance.
- Once the railway infrastructure is delivered, the Federal Government will make a “milestone payment” equivalent to 10% of the investment.



ROLES AND RESPONSIBILITIES OF THE MAIN GOVERNMENT ENTITIES INVOLVED IN THE PROJECT (1/4)



MINISTRY OF FINANCE (SHCP): From the beginning of the project structuring and during its implementation, the SHCP will participate in determining the feasibility and socio-economic profitability of the project. In addition, it will issue the authorizations required by the applicable legislation.



MINISTRY OF THE ENVIRONMENT (SEMARNAT): The SEMARNAT will accompany FONATUR in the implementation of the project, in order to ensure a sustainable development model that promotes economic growth without damaging the environment, seeking forms of mitigation, compensation and protection of the environment. Additionally, it will issue the authorizations required by the applicable legislation.



MINISTRY OF COMMUNICATIONS AND TRANSPORTATION (SCT): is the federal government agency responsible for efficient development of rail and multimodal transportation through supervision, verification and sanctioning of violations to the applicable regulations. Additionally, it is responsible for granting concessions and permits for rail transport and verifying proper compliance and resolving on amendments or termination thereof.



ROLES AND RESPONSIBILITIES OF THE MAIN GOVERNMENT ENTITIES INVOLVED IN THE PROJECT (2/4)



RAIL TRANSPORT REGULATORY AGENCY (ARTF): is the entity in charge of regulating, monitoring and verifying the construction, operation, exploitation, conservation and maintenance of the railway infrastructure, the public rail transport service and its auxiliary services.

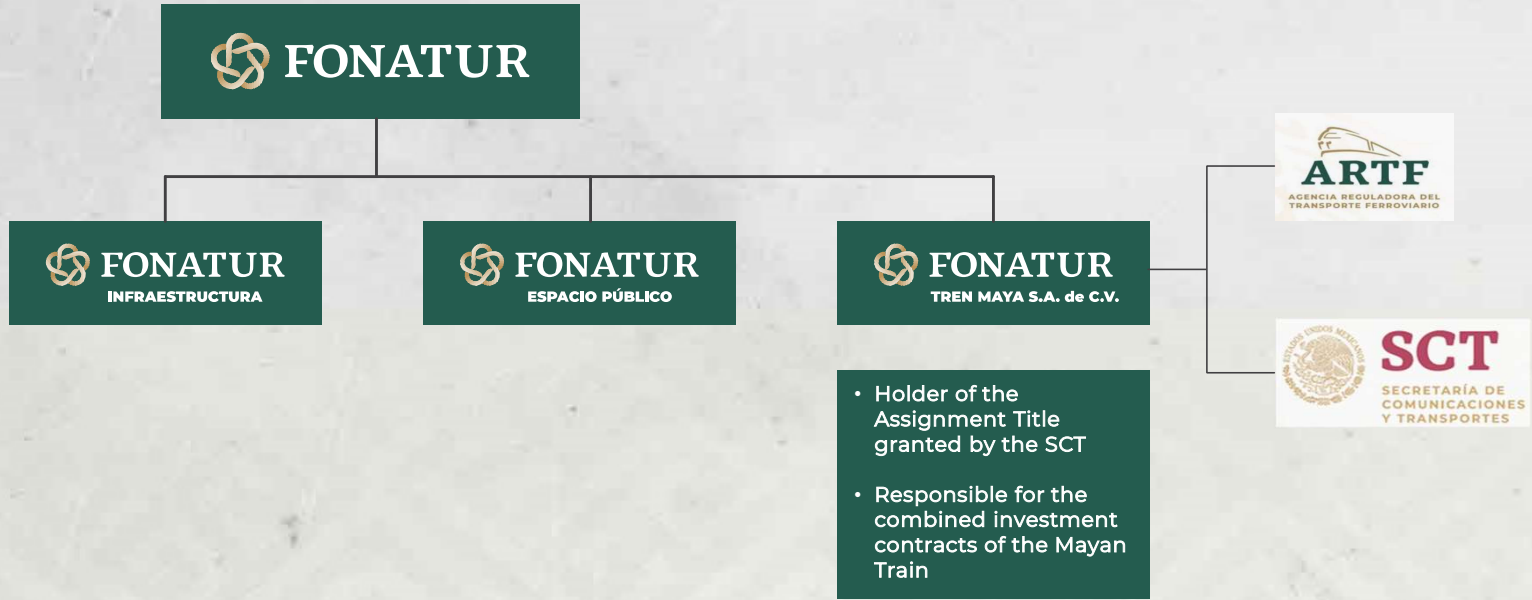


NATIONAL FUND FOR THE PROMOTION OF TOURISM (FONATUR): FONATUR, through its subsidiary, FONATUR Tren Maya is the federal government entity in charge of preparing the "Maya Train" project. FONATUR Tren Maya will be the sole holder of the Assignment Title to be granted by the Department of Communications and Transportation for operating the railway and providing passenger and freight public services. Additionally, it will be in charge of operating the public passenger and freight services.



ROLES AND RESPONSIBILITIES OF THE MAIN GOVERNMENT ENTITIES INVOLVED IN THE PROJECT (3/4)

NATIONAL FUND FOR THE PROMOTION OF TOURISM (FONATUR)



ROLES AND RESPONSIBILITIES OF THE MAIN GOVERNMENT ENTITIES INVOLVED IN THE PROJECT (4/4)

FONATUR Tren Maya, S.A. de C.V. will be the sole holder of the Assignment Title to be granted by the Department of Communications and Transportation for operating the railway and providing passenger and freight public service. In addition, it will be in charge of operating the public passenger and freight services

Main attributions and functions:

- Contracting the construction of railway infrastructure, equipment, operation, maintenance, commercial administration and train management and dispatching services to exploit the railway for the provision of passenger and freight service.
- Managing the Combined Investment Contracts during the design, build and equipment phases.
- Once the project is in operation, it will supervise operations and maintenance of passenger and cargo transportation services in compliance with the current regulations under quality, efficiency and safety standards.
- Managing the collection of fares from passenger and freight transport services.
- Evaluating and controlling the performance of the organization and its suppliers.



MAIN RISKS AND RISK ALLOCATION (1/3)

Stage	Name of the risk	Allocation		
		Public	Shared	Private
Preparation	Right of way acquisition	■		
Preparation	Obtaining permits and approvals (environmental and social)	■		
Preparation	Incompatibility of project components	■		
Build and equipment	Delays or inability to carry out financial closing due to the credit quality of the developer			■
Build and equipment	Delays or inability to carry out financial closing due to unexpected changes in the macroeconomic situation		■	
Build and equipment	Limited availability of supplies			■
Build and equipment	Logistics and supply chain			■
Build and equipment	Delays due to archaeological rescues	■		



MAIN RISKS AND RISK ALLOCATION (2/3)

Stage	Name of the risk	Allocation		
		Public	Shared	Private
Build and equipment	Execution errors			
Build and equipment	Geological risk (except causes of force majeure)			
Build and equipment	Increase in the price of supplies			
O&M	Performance risk			
O&M	Risk of infrastructure or equipment failure			
O&M	Custody of the right of way			
O&M	Security, violence or crime risks (except those that must be covered by insurance)			
O&M	Increase in the price of supplies			



MAIN RISKS AND RISK ALLOCATION (3/3)

Stage	Name of the risk	Allocation		
		Public	Shared	Private
O&M	Cancellation for political reasons			
O&M	Risk of interruption due to social conflict not having to do with the project			
O&M	Risk of demand			
O&M	Risk of interface			
O&M	Service interruptions due to adverse climate occurrences			
O&M	General legislation changes			
O&M	Speicific legislation changes			
O&M	Early termination			
O&M	Force majeure			
O&M	Interst rate volatility			
O&M	Inflation			



ENVIRONMENTAL, SOCIAL, CULTURAL AND RIGHT OF WAY ASPECTS (1/2)

Environmental

The environmental impact study will be analyzed considering two perspectives, the first, through a Regional Environmental Impact Study (MIA) and the second at the local level. For this purpose, a group of experts led by FONATUR is working to determine the scope of the regional and local MIAs according to the applicable legal framework.

The Regional MIA will make it possible to evaluate the effects of the project on the environment and to determine mitigation and integration measures for the project to coexist on sustainable bases with the environment.

Social

FONATUR will carry out the social consultation in accordance with the applicable legislation.

On the other hand, FONATUR will hold an information caravan called "The train that joins us", the purpose of which is to spread information about the project in the communities located along the route.



ENVIRONMENTAL, SOCIAL, CULTURAL AND RIGHT OF WAY ASPECTS (2/2)

Right of way

FONATUR has carried out reconnaissance work, both documentary and on site, for the purpose of putting together an inventory to determine the rights of way that can be used or to determine the necessary actions to recognize, apply or modify the existing rights.

Depending on the route determined by Steer, the additional rights of way will be determined, although efforts have been made to make use of existing rights of way



PROJECT ADVISORS

Specialty	Company name
Legal advisor	WLL
Financial advisor	PwC
Technical advisor	Mextypsa
Demand and route advisor	Steer

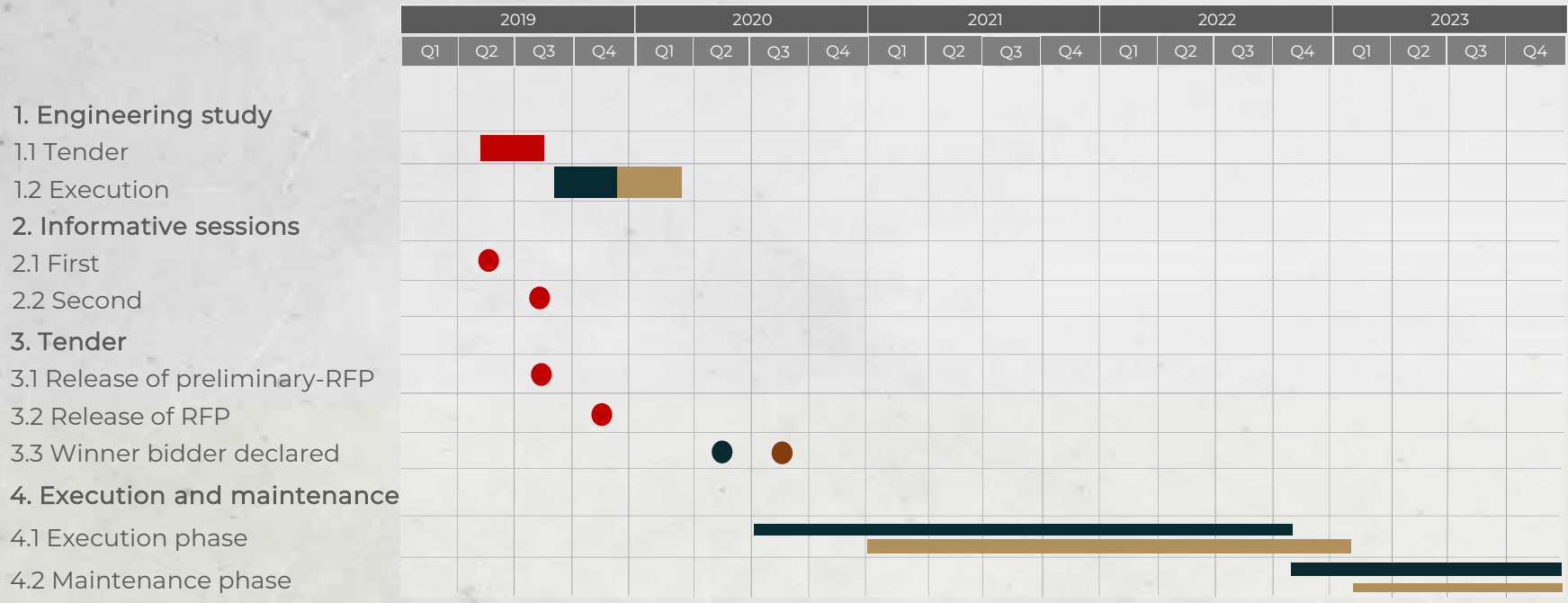
FONATUR has signed a technical assistance agreement on procurement, project and infrastructure management for the Maya Train project with the United Nations Office for Project Services (UNOPS) for Latin America and the Caribbean.

Similarly, Fonatur has signed an agreement with United Nations Habitat for regional planning and urban development of the Yucatan Peninsula.

FONATUR has also signed collaboration agreements with the National Autonomous University of Mexico (UNAM) and the National Polytechnic Institute (IPN) to carry out feasibility studies and project impact.



SUMMARY OF PROJECT MILESTONES: COMBINED INVESTMENT CONTRACTS FOR RAILROAD TRACKS



■ Sections: Selva 1, Golfo 1, Golfo 2 y Golfo 3
 ■ Sections: Selva 2, Caribe 1 y Caribe 2
 ■ Including tracks, Rolling stock, systems and operation



SUMMARY OF PROJECT MILESTONES: COMBINED INVESTMENT CONTRACTS FOR ROLLING STOCK AND/OR OPERATIONS

- 1. Rolling stock tender
 - 1.1 Release of preliminary-RFP
 - 1.2 Release of RFP
 - 1.3 Winner bidder declared
- 2. Equipment and operation
 - 2.1 Equipment
 - 2.2 First delivery
 - 2.3 Test period
 - 2.4 Operations

	2019				2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1.1 Release of preliminary-RFP			●																	
1.2 Release of RFP				●																
1.3 Winner bidder declared						●														
2.1 Equipment																				
2.2 First delivery															●					
2.3 Test period																				
2.4 Operations																				



BASIC ENGINEERING STUDIES

The tender for basic engineering, currently in the bidding process, contemplates the following studies

- Study of route paths and route definition
- Study of traction alternatives
- Study of rolling stock
- Cartography
- Hydrology, geo hydrology and drainage
- Study of station location alternatives
- Geology, geotechnics and geophysics
- Inventory of railway tracks and installations
- Studies of environmental, social and archaeological impact
- Definition of route path
- Study of dirt roads
- Study of induced works and affected services
- Urban and road impact study
- Structures and tunnels
- Study on the effects on roadways
- Railway studies
- Workshops, courtyards and station surroundings
- Catalog of CAPEX and OPEX
- Planning of executive project and works
- Interface study



ASPECTS TO REVIEW AT INFORMATIVE SESSIONS

PRESENTATION OF THE PROJECT

(May 29th, 2019)

A project presentation will be carried out to inform potential bidders of any of the different combined investment contracts, the general characteristics of the project, the preliminary procurement model, the preliminary allocation of risks, the environmental, social and right of way aspects, as well as a calendar with the milestones of the project.

Builders, suppliers of rolling stock, operators, suppliers of capital and debt.

FIRST INFORMATIVE SESSION

(From June 3rd to 7th, 2019)

The purpose of this informative session is to know the market position in relation to the preliminary structuring of the combined investment contracts that represent the private interest, as well as the proposed risk allocation. Likewise, it will serve for the market to expose its main concerns and previous experiences in the execution of similar projects.

Builders, suppliers of rolling stock, operators.

SECOND INFORMATIVE SESSION (DATE TO BE DEFINED)

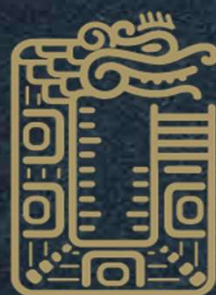
The purpose of the session is to obtain comments on the preliminary versions of the contracts, mainly on the following elements:

- Payment mechanism
- Performance standards
- Relevant contract clauses

The process for conducting the tender will also be presented, including:

- Prequalification requirements
- Criteria for evaluating and assigning contracts
- Tender schedule

Builders, suppliers of rolling stock, operators, suppliers of capital and debt.



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