



**Environment, Social, Health and Safety
Management System (ESHS MS)**

Grievance Procedure

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1.0 INTRODUCTION

1.1 Project Overview

Peru LNG S.R.L. (hereafter PERU LNG) is developing a liquefied natural gas (LNG) export Project (the Project) that includes the construction of a pipeline from near the city of Ayacucho to a natural gas liquefaction plant facility (the Plant) at Pampa Melchorita south of Lima. The Plant is being built on the Peruvian coast, 169 km south of the city of Lima. The natural gas for the project will be produced in the natural gas fields of Block 56 in the Cusco Region. The natural gas will first be transported through the existing Camisea gas pipeline (from KP0 to KP211). From this point near Chiquintirca in Ayacucho, a 408 km, 34-inch pipeline (the Pipeline) will be constructed to finish transporting the natural gas to the liquefaction plant where it will be prepared for export as LNG.

An agreement for the installation, operation and maintenance of the Plant was signed on January 12, 2006, between the Dirección General de Hidrocarburos (Government of Peru) and PERU LNG, which has designated COLP (Compañía Operadora de LNG del Perú S.A.C.) as the Operator of the Project.

The Project components, the Plant and Pipeline, involve a social and environmental area of influence that comprise, from the geo-political standpoint, four regions (Lima, Ica, Huancavelica and Ayacucho), eight provinces and 23 districts. The Project's social policies, plans, programs and procedures have been designed to take the social and cultural context into consideration.

As part of its internal policies and in compliance with Peruvian regulations, PERU LNG conducted social and environmental assessments on a three-kilometer wide corridor along the ROW (right of way) of the proposed Pipeline to determine the environmental and social conditions and other sensitive issues. This corridor was expanded to seven km in places where it was necessary to cover an ecosystem or basin that might be impacted by the Project. These assessments established baselines of environmental and social conditions that are part of the Environmental and Social Impact Assessment (ESIA) of the Natural Gas Pipeline.

1.2 Introduction to the Grievance Procedure

Following its policy of building and maintaining strong community relationships, PERU LNG is implementing a Grievance Procedure, as quickly as possible, in order to manage and appropriately answer complaints made by the population located within the Project area of influence during its different phases (i.e., construction, operation and closure). In addition, this procedure will help to improve the Project social performance since the number and nature of the received complaints is an indicator of the manner in which the Project is conducted and the behavior of employees and contractors. A high number of complaints will indicate the need for adjusting some procedures and practices in order to reduce the level of negative impacts or conflict with the local population.

The temporal scope of the Grievance Procedure includes all stages of the PERU LNG Project (Pre-construction, Construction and Operation). In this period, the procedure can be adapted or adjusted according activities of the Project; however, the framework stated in this document will be the same.

This document describes the objectives, scope and mechanisms of the Grievance Procedure. This procedure will be available to any person, group, community or local employee of the Project who considers himself/herself affected by Project activities; so they will be able to communicate their complaints to PERU LNG or its contractors. In the present document the term "complaint" also refers to "grievances" and "concerns" (see Glossary in Appendix C). It is expected that the

effective management of this procedure will help establish good relations between the Project and the local population.

1.3 Cross-References

- Pipeline Compensation Management Plan
- Stakeholder Engagement Management Plan
- Recruitment, Procurement & Community Liaison CMPs
- Local Hiring and Purchasing Management Plans
- Pollution Prevention CMPs
- Compliance Monitoring CMPs
- Erosion Control and Reinstatement CMP
- Glossary

2.0 OBJECTIVES

2.1 General Objective

The Grievance Procedure's general objective is to receive and respond to any complaints made to the Project, including grievances towards PERU LNG and contractors and subcontractors, as quickly as possible, and therefore to avoid as much as possible any conflict and/or potential judicial processes.

2.2 Specific Objectives

- Establish a mechanism for responding to complaints in an understanding, transparent and culturally-suitable way.
- Develop an easy-access, no-cost and efficient complaint procedure for the local population involved and/or impacted by the Project
- Implement effective dialogue and open lines of communication with the public.
- Help to prevent unrealistic expectations and/or negative perceptions from the local population towards the Project.
- Establish a system of investigation, response and quick complaint resolution.
- Reduce gradually the number of local populations' grievances regarding the Project.
- Improve the Project social performance through the analysis of complaints.

2.3 Key Performance Indicators

The following performance indicators have been designed for the Grievance Procedure:

- **Participation.** Percentage of grievances to the Project channeled through the Project Grievance Procedure. The target is to channel 90% of grievances through the Project Grievance Procedure, before complaints reach the media or the courts.
- **Effectiveness.** Percentage of complaints receiving effective and timely responses. The target is 100%.
- **Resolution.** Percentage of complaints resolved in the first and second reviews. The target is to resolve at least 80% of complaints.
- **Recurrence reduction.** Number of complaints by categories: compensation plan, negotiation process, environmental issues, and misinformation or lack of information and Project employee or contractor behavior. The target is to gradually reduce the number of complaints in each category by 50% year-on-year. The intention is to learn from grievances and respond to them qualitatively in a manner that, over time, reduces their rate of occurrence .

- **Influence.** This qualitative indicator identifies policy changes in the Project influenced by an assessment of grievance procedure indicators and grievances analysis.

3.0 RESPONSIBILITIES AND SCOPE

The Grievance Procedure will be available for the permanent residents of the Project area of influence (See Appendix A and Appendix B). The procedure will be available only for local populations residing in the Project area of influence and local workers of PERU LNG and its contractors (See Appendix C: Glossary to review the definition of local worker).

Those PERU LNG or COLP employees not defined as local workers are considered within the framework of COLP's Code of Business Conduct, administered by COLP Human Resources, which identifies processes for receiving applicable grievances in person, in writing and by phone. Contractors will be held accountable for their fair and equitable handling of employee grievances, and PERU LNG will review the handling of such cases with contractors on a periodic basis, even though specific cases may dictate more immediate involvement by PERU LNG prior to resolution.

Participation in the Grievance Procedure is voluntarily and non-excluding. Any person with the right to participate in the procedure will have easy access to it and will be encouraged to use this private complaint system. Any participant in the procedure is also free to use the Peruvian judiciary system when he/she considers it pertinent. The procedure does not replace the public mechanisms of complaint and conflict resolution but attempts to minimize use of them.

Local supplier complaints/grievances related to commercial issues are addressed in contractual or commercial agreements (for those suppliers doing business with PERU LNG or its contractors) or the Local Hiring and Purchasing Management Plan (local suppliers in general, whether or not there is a contractual or commercial agreement with them) and are beyond the scope of this Grievance Procedure. Local supplier complaints of a non-commercial nature or not otherwise addressed in contractual or commercial agreements will be managed within this Grievance Procedure.

3.1 PERU LNG Community Affairs Department (Plant, Quarry and Pipeline Community Relations teams)

- The PERU LNG Community Affairs Department leads the Grievance Procedure and all other social plans and programs.
- The PERU LNG Community Affairs Department will provide accurate and timely information to the stakeholders about the Grievance Procedure.
- The PERU LNG Community Affairs Department will obtain, organize and document feedback from the project stakeholders regarding perceptions, concerns and requests.
- The PERU LNG Community Affairs Department will evaluate and transmit the feedback obtained from stakeholders to PERU LNG's construction management and contractors so that this information can be addressed -if is applicable-in project decision-making.
- The PERU LNG Community Affairs Department and its Community Relations teams will centralize the grievance tracking and monitoring through the Regional Complaints Centers.
- The PERU LNG Community Affairs Department and its Community Relations teams will oversee the Contractors in the grievance procedure effectiveness.

3.2 Other PERU LNG Departments

- Environmental Department
Monitor contractor performance (mitigation, remediation or other measures) in responding to and resolving grievances related to environmental issues, in coordination with the Community Relations team.
- Construction Department
The Construction Department will act upon the advice of the PERU LNG Community Affairs Department and its Community Relations teams, if contractor activities are contrary to agreed social standards or the present procedure.
- Land & Easement (L&E) team
Manage the mitigation, remediation or other measures to resolve grievances related to Land & Easement issues in coordination with the Community Relations team.
- Health and Safety Department
Supervise the mitigation, remediation or other measures to resolve grievances related to Health & Safety issues in coordination with the Community Relations team.

3.3 Contractors and Sub-Contractors

Although PERU LNG has ultimate responsibility for all of its operations; the Contractor has specific responsibilities:

- Contractors are expected to follow all Company policies, including the present procedure.
- The Contractor Community Relations team shall be proactive and available to participate in PERU LNG's public consultation and disclosure activities. This participation, intended to allow for specific contractor complaints to be answered in quick manner, must be coordinated with PERU LNG Community Relations teams in advance.
- Contractors will execute their own grievance mechanism which will be strictly in accordance and articulated with the PERU LNG grievance procedure. Contractors may receive complaints directly from complainants - including community members and employees - or through sub-contractors.
- Contractor handles the complaints resolution by themselves, through their own Community Relations teams that are in coordination with PERU LNG Community Relations personnel but the key point in this procedure is that PERU LNG will manage the registration, records and follows up the status of all complaints.
- Contractor community relations personnel will report to PERU LNG Community Relations teams regarding complaints tracking (received, registered, in process and resolved) by their teams on both a daily and a weekly basis, according the PERU LNG Grievance Procedure. Also if the contractor can resolve the complaint immediately (in the field) the contractor will inform PERU LNG – in writing - as soon as possible through the company's Community Relations personnel.
- Contractors shall not make any direct agreements of resolution with local communities without prior coordination of such actions with PERU LNG. Community relations officers will advise landowners and other stakeholders of the need to ensure that commitments are documented and agreed by both parties (PERU LNG and Contractor).
- Contractors will propose alternatives to activities associated with impacts which are of concern to stakeholders, in order to avoid and to reduce the number of complaints.
- The contractor community relations team will attend all coordination meetings requested by PERU LNG Community Affairs on a daily, weekly and extraordinary basis.

- The contractor Community Relations management and teams will report to PERU LNG Community Affairs on a daily, weekly and extraordinary basis – in regards to social incidents and community relations issues.

3.4 Infrastructure and Personnel

Two PERU LNG Complaints Coordinators will be responsible for three Complaints Centers: the two Centers located in the Coastal Region will be the responsibility of one Complaints Coordinator; the other Center located in the Highlands Region will be the responsibility of the second Complaints Coordinator (See the Appendix A and B: Influence area of PERU LNG and Complaints Center locations).

Each Center will be in charge of:

- a. Receiving complaints
- b. Processing complaints
- c. Notifying and/or delivering the complaints to the appropriate area or person involved inside The Company or its contractors
- d. Having an accurate system to register, organize and document all complaints
- e. Preparing and delivering a concise report to Community Relations Management of PERU LNG
- f. Proposing ways to resolve complaints
- g. Monitoring the Grievance Procedure
- h. Carrying out field visits and workshops to receive complaints in situ

The Complaints Centers in the Project coastal region will provide attention to the area of influence of the Plant, Quarry and western segment of the Pipeline. These tasks will be possible through the existing PERU LNG Offices. These offices are in charge of giving project information to and resolving frequent questions about the project from the local population through at least ten informative sessions per year and continual use of the mail. Also these offices will work as the Centers to receive and process all complaints. In addition, complaints will be received in consultation and information workshops, which will be organized in the districts located in the project area of influence.

In the Highlands Region, the existing PERU LNG office in Ayacucho will work as the Complaints Center for the central segment of the Pipeline defined by 34 Communities; however, PERU LNG CROs throughout the pipeline sections will act as local representatives of the Complaints Centers (See Appendix 2).

In the Coastal Region, the Complaints Centers will be based in the existing PERU LNG Offices in Chíncha and Cañete. The PERU LNG Complaints Coordinator (Chíncha and Cañete) will report to the PLNG CR Supervisor for the Coast. The community relations officers for the coast (of both PLNG and the Contractors) will receive grievances from residents of the area of impact, document the grievance for the Complaints Center and will coordinate responses with the Coordinator and with the relevant contractor(s). The contractors will manage all complaints in coordination with the Complaints Center, which will have ultimate responsibility for managing complaints.

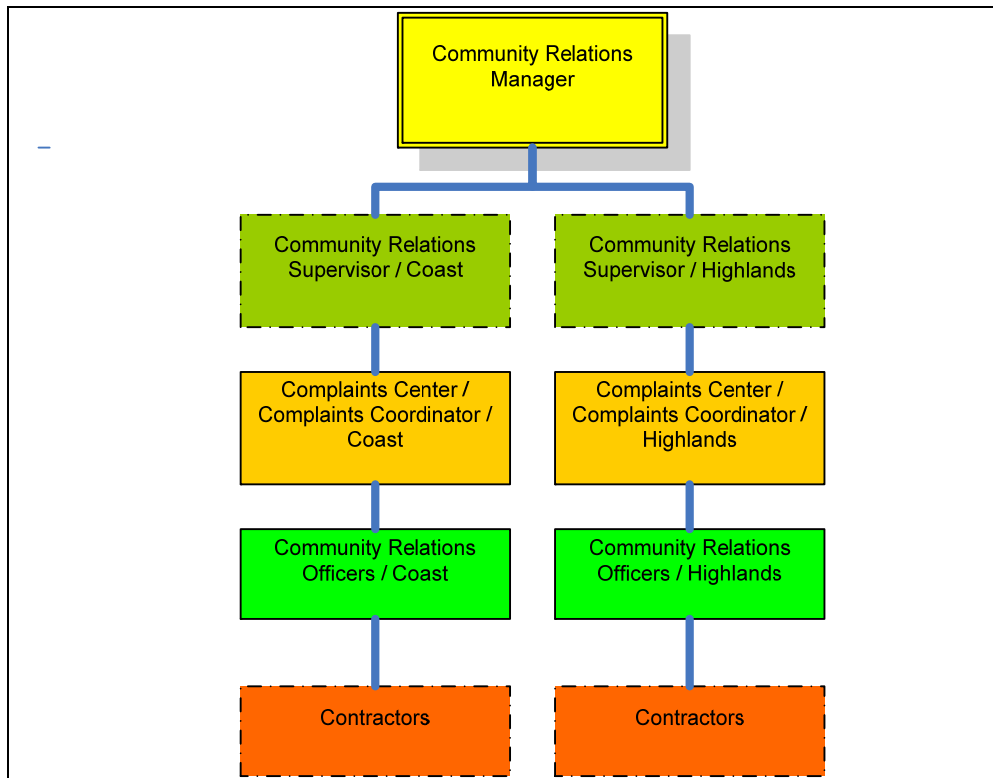
In the Highlands (Sierra) region, the Community Relations officers (of both PLNG and the Contractors) will be the main channels to receive and process local complaints. The Complaints Coordinator will compile complaints, coordinate with CROs, and will report the status of the grievances to the Community Relations Supervisor. The coordinator of the Complaints Center will be located in the PERU LNG offices in Ayacucho. In order to provide effective attention along the Pipeline route, the central segment (that is, the pipeline in the highlands), will be divided into five

sections (see Appendix 2). Four community relations officers will be in charge of each section during the construction phase.

Therefore, each Center will have a Coordinator and permanent contact with community relations officers who will be responsible for the following:

- a. Visiting the assigned section (e.g., section for the highlands) of the project area of influence in order to receive complaints in situ
- b. Being the channel of communication with the contractor in the field in regards to complaints (CRO also has other responsibilities).
- c. Receive from the contractors the complaints documentation, registration or records that the contractor has received from the communities and employees.
- d. Verifying that both PERU LNG and contractor workers are following the company policies and procedures towards local populations.
- e. Monitoring processed complaints
- f. Responding to easily-answered complaints in situ
- g. Managing easily-resolved complaints in situ
- h. Carrying out registration and documentation in situ
- i. Serving as channel for communication for the Centers
- j. Delivering resolutions to local population
- i. Carrying out oversight of Contractor actions in response to their receipt of complaints to ensure fairness and consistency with PERU LNG actions and to avoid duplication of claims, efforts, or response actions
- j. Coordinating with the Complaints Coordinator (one for the Coast, and one for the Highlands) on complaints received from governmental authorities

Personnel Structure for Grievances



In accordance with the plan outlined above, PERU LNG will train its staff to implement the Grievance Procedure. A special staff will be focused in grievance resolution. In addition, PERU LNG has established community relations teams, which will plan frequent visits to communities and other places in order to receive complaints in situ. It is expected that these teams will be able to adequately cover all the Project area of influence.

4.0 COMPLAINT TYPES

The Project will receive any kind of complaints such as those about local hiring, unfulfilled agreements, unplanned impacts and infrastructure damage.

Complaints can be classified by different criteria: by the type of process begun by PERU LNG or its contractors; according to geographical area; or by the nature of the complaint. There could be complaints about the public consultation process, land negotiation, or construction impacts. Also, complaints could be linked to PERU LNG's social and environmental performance, economic conditions, cultural contexts, etc.

The most frequent cases presented anticipated for the plant and the pipeline include the following categories:

- For the plant and quarry (see Plant Compensation Plan for Artisanal Fishermen) main potential areas of grievance include:
 - Possible impacts on marine life
 - Possible impacts on fish and seafood catches
 - Job issues
- Accidental impacts, identified in the Pipeline Compensation Management Plan (See Appendix 1)
 - third-party injuries

- damages to irrigation canals, walls, crop lands, trees, etc., not previously covered in the negotiation
- damages to houses and other structures due to traffic and vehicle vibration and use of construction machinery
- loss of livestock and accidents
- damage and temporary interruption of access roads
- nuisance caused by noise and dust
- Unauthorized entry onto private property etc.
- Unplanned land use on the pipeline (See the Appendix 2: Negotiation Procedure for Unplanned Land Use).
- Regarding environmental issues, mainly on the pipeline (soil and water contamination, erosion, damage to animals or vegetation, hunting and fishing, inappropriate land restoration, etc.)
- Related to the lack of information or to misinformation (plant and pipeline) and
- Regarding the behavior of Project personnel).

5.0 PROCEDURES

5.1 Mechanisms to Identify and/or Receive Complaints

Mechanisms to identify and/or receive complaints must be easy and accessible to all Project stakeholders. The following mechanisms will be implemented.

1. **Attention to complaints by area of influence.**
 - For the Plant, complaints will be fielded through the project offices in Chincha and Cañete, in the periodic meetings and/or workshops with the general population, through the community relations teams of PERU LNG and through the monthly meetings and workshops with the groups of fishermen.
 - For the Quarry, complaints will be received through the regular workshops and visits to the land owners and possessors in the Topará Valley.
 - For the Pipeline, complaints will be received through an office to be established for this specific purpose in Ayacucho, through visits to communities and meetings and/or workshops with the communities, local authorities and leaders, by the community relations teams of PERU LNG.
2. **Contact through local authorities.** The community relations officers will be in constant contact (daily, if possible) with the local authorities, so that local leaders may articulate any type of complaint with the community relations officers.
3. **Visits to local communities.** Complaints will be received through the community relations officers who will periodically visit the communities to hold meetings with the community members, local authorities, community leaders, etc. The community relations officers will also hold informative workshops periodically. Local workers will also be able to express complaints to their community relations officer, or in their place of work

5.2 Reception of Complaints

Complaints will be received verbally, as well as in writing. Verbal complaints will be channeled through the Complaints Center to be recorded in a standard format which will include:

- Data on the person lodging the complaint: name, address, national identification number, place or community of residence (it is voluntary for the affected party to divulge personal information)
- Date, time, place where the complaint was received.
- Description of the complaint.

- Data for further contact (it is voluntary for the affected party to divulge personal information).

Complaints may be received from a variety of sources, among them being individuals, communities, civic or other non-governmental organizations, government officials, businesses, and others. All complaints will be handled according to the steps set forth in this Procedure, with the exception that government complaints may require special attention due to legal and regulatory consequences of following statutory processes or in resolving issues at the appropriate level of management.

5.3 Complaints Center and Registry

Although the Contractors will respond to grievances through their own CROs, they will coordinate their work under the supervision of PERU LNG Community Relations personnel.

Complainants can present their complaints as follows:

- Through a PERU LNG Community Relations Officers
- Through a Contractor Community Relations Officer
- Directly to the Complaints Centers (Cañete, Chinchá and Ayacucho)

Whichever channel is used the registration of all complaints will be centralized at the PERU LNG Complaints Centers. However the process of complaint resolution can be initiated by the Contractor in coordination with PERU LNG Community Relations personnel. (See the flow chart in section 5.5).

PERU LNG will centralize the complaints registry for the area of influence of the plant and quarry, and for the pipeline. Implementing the complaints register will assure that every affected person, group or community has an individual registry number and that follow-up and corrective actions are implemented. This registry includes the following, among other things:

- o Date in which the complaint was received
- o Name of the person who received the complaint
- o Information about the affected party (it is voluntary for the affected party to divulge personal information)
- o Date when implementation action(s) began and ended
- o Date when the complaint was resolved
- o Dates when the required notifications were sent to the affected party, etc.

The systematized information will be kept on file in the Complaints Center. The identity of the parties who file complaints will be confidential.

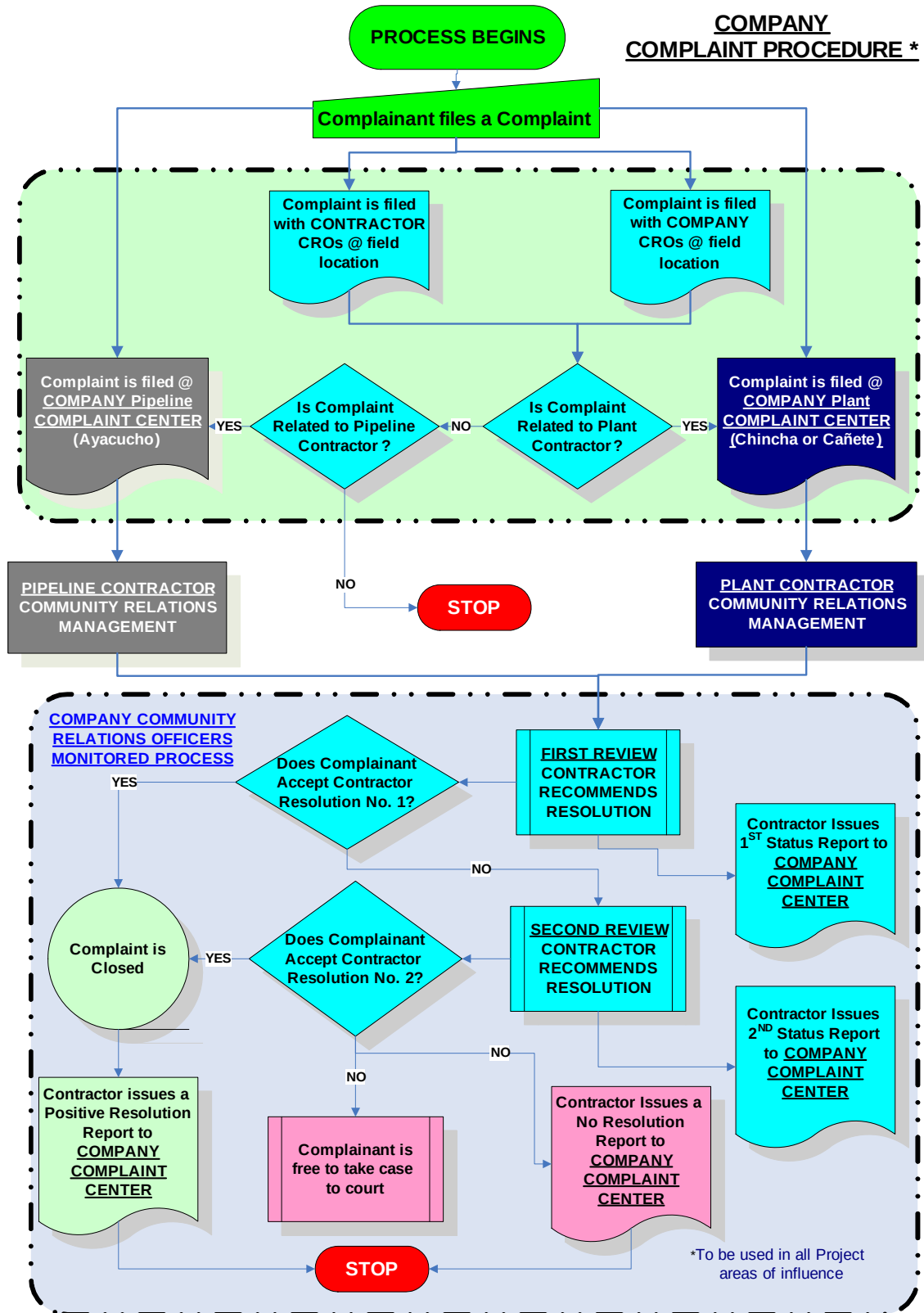
5.4 Centralization of Complaints

1. A person, group or community presents a complaint, either through Project personnel, an office of local government, or through a community leader, etc.
2. The complaint reaches the Complaints Center
3. The Center verifies its place of origin, topic and the people involved
4. The Center sends the people involved a communication or an order of attention regarding the complaint

5.5 Analysis of the Complaint

The community relations officer who receives a complaint must proceed in the following manner:

- Speak with the person who lodged the complaint to learn as much as possible about the case. What exactly happened? When? Who were the people involved? It is important to listen attentively to the person while he/she expresses his/her complaint. In many cases, simply listening with empathy helps to calm the situation.
- Communicate and explain the complaint to the appropriate person in PERU LNG or in the contractor company. For example, if the complaint involves one of the workers, contact the head of human resources of his/her company, and also his/her direct supervisor, as well as the worker himself/herself.
- Determine the possible corrective action(s) or mitigation of the complaint. The nature of the corrective action, the time in which it must be implemented and the person responsible for said implementation will be written in the Complaint Registry. In addition to attending to the complaint immediately, PERU LNG or the contractor (depending on which one is involved) will determine if it requires any kind of change in the procedures in order to reduce the probability of said complaint arising again in the future.
- Notify and discuss with the affected party within 15 days of having received the request, the corrective action proposed and the time required for its implementation. When needed, obtain in writing from the affected party the authorization to proceed with implementing the corrective action.



6.0 REVIEWS AND RESOLUTION OF COMPLAINTS AND APPEALS

The Grievance Procedure is designed to resolve complaints as quickly and efficiently as possible. Therefore it contains mechanisms for quick action.

If the complaint is resolved with an explanation, clarification, or delivery of information, these cases will be closed and documented. However, if the complaint demands some type of compensation, then it will follow the guidelines described in the Compensation Management Plans, even for complaints associated with plant or quarry activities.

6.1 First Review

During the initial review of a complaint, action is implemented in accordance with the Grievance Procedure, and the corrective action(s) is/are identified, depending on the type of complaint:

- ***Complaints regarding Compensation***

PERU LNG and/or the contractor conduct an investigation to verify the complaint in question. This task is conducted in the presence of the person or the representatives of the local community lodging the complaint, as well as local authorities and/or representatives of the Peruvian Public Ombudsman, if the case merits it. During this first meeting if the complaint is cleared up and/or resolved, the case is considered closed and it is registered as such. PERU LNG and/or the contractor send the Complaints Center a report of the investigation indicating the possible solution measures. The Center reviews, makes any revisions and approves a solution and then instructs the involved parties to proceed with its immediate implementation. PERU LNG and/or the contractor implement this solution. If the complainant(s) accepts the proposed mitigation, he/she/they sign a letter of acceptance, and the matter is considered closed. Complainants who are unsatisfied with the proposed mitigation may request a second review (see Section 6.2 below)

- ***Complaints regarding Land Negotiations***

See the Appendix 3: Land and Easement Acquisition Grievance Procedure

- ***Complaints regarding Environmental Affairs***

Complaints regarding environmental matters will be grounds for a joint technical inspection, where as the case merits, conducted with the environmental specialist of PERU LNG and/or the contractor, a specialized consultant, claimant, community authorities, government supervisory agency, among others. Technical reports will be prepared for these cases.

PERU LNG and/or the contractor conduct an investigation to verify the complaint in question. This task is conducted in the presence of the person or the representatives of the local community lodging the complaint, as well as local authorities, representatives of the Peruvian Public Ombudsman, and/or Environmental Government Representatives, if the case merits it. PERU LNG and/or the contractor send the Complaint Center a report of the investigation indicating the possible solution measures. The Center revises and approves a solution and instructs the involved parties to proceed with its immediate implementation. PERU LNG and/or the contractor implement this solution. If the complainant(s) accept the mitigation, they sign a letter to that effect; the case is considered closed and it is registered as such. If the complainant(s) does not accept the mitigation, the case goes to a second review.

- ***Complaints regarding Accidental Impacts***

Appendix 1 identifies the most common incidental events during this type of projects as well as defines different procedures and forms of compensations in each case. These events are outlined as follows: Traffic and/or Construction Vibration Damage to Houses and Other Structures; Lost Livestock from Fences Cut or Gates Left Open; Accidents with Livestock; Accidental Injury of People; Damage to Irrigation Canals, Accidental Death of People, and; Temporary Disruption of Local Traffic on Roads and Bridges.

In addition, Appendix 2 describes Negotiation Procedure for Unplanned Land Use which covers incidental events involving land use.

- ***Complaints stemming from a lack of information or from misinformation***

When these cases occur in local communities, the community relations personnel will prepare an explanation or they will organize informative workshops about the topics required by the community in question. The information provided will be as transparent and clear as possible and will be given in an educational way so that no doubt remains about any topic related to PERU LNG and/or its work or that of the contractors. In the case of individuals, the community relations personnel will make all the necessary explanations to the person who voiced the complaint, providing any other information about PERU LNG and/or its work or that of its contractors.

- ***Complaints about the behavior of personnel of PERU LNG or of the contractor***

PERU LNG will begin an internal investigation about the complaint in question. A community relations officer will take the person and/or community which lodged the complaint a written communication providing information about the result of the investigation and the measures taken. The community relations officer will also explain verbally the content of the written communication.

If the claimant expresses his/her acceptance of the implemented solution, PERU LNG and/or the contractor document the acceptance. The Center considers the case closed and registers it as such. If claimant does not accept the implemented solution after the first review, PERU LNG and/or the contractor proceed with a second review of the complaint.

6.2 Second Review

If the party who lodges the complaint does not feel satisfied with the procedure or with the response and considers it pertinent to continue with his/her request, he/she may appeal for a second review.

In the second review, the documentation pertaining to the unresolved complaint will be given to an ombudsman or a specialized organization contacted by PERU LNG, who will give a second opinion about how to resolve the case and will attempt to resolve the case through arbitration.

If the claimant does not accept the second review, the case (and a legal copy of all the documents connected with it) will be turned over to the claimant and/or to agencies of a public ministry, in case the claimant wishes to file legal procedures.

6.3 Responsibilities of Resolution

In the first round, the parties responsible for resolving the complaints or claims are the people who oversee the procedures detailed in number 6 for a speedy resolution.

During the appeal, the complaint is transferred to an ombudsman or an institution which is entrusted with reviewing the files and offering a second opinion. PERU LNG and its contractors

must obey said resolution as well as the means of reparation which said figure or entity deems convenient.

6.4 Resolution Time

In the first review the estimated time of resolution is 15 days (as maximum) from receiving the complaint. During the appeal, the time estimated is one month from the date that the complaint was received by the second reviewer.

6.5 Monitoring: Following up the Complaint

A visit will be made to the affected parties 15 days after resolving the grievance to verify that the situation has been resolved to the satisfaction of all involved. Later, monitoring will be made on a regular basis, depending on the case. The data will be described in the complaints registry with codes linked with the reports of the Complaints Center.

7.0 DISCLOSURE

In both the Highlands and the Coast, PERU LNG will ensure that the population of the area of influence knows about the Grievance Procedure, feels welcome to file a grievance, and knows how to do so.

In the Highlands, the PERU LNG community relations officers (CROs) will be in constant contact with the rural Andean communities. Community leaders and social monitors will receive frequent visits from the CROs, and when there are construction activities in a particular community, the CROs will make daily visits. Community members will be encouraged to express grievances, either in writing or verbally, directly to the CRO. If they make a verbal complaint, the CRO will help them express it in writing and will channel the grievance to the PERU LNG Complaint Center.

On the Coast, the Complaints Center and the Grievance Procedure will be explained in community meetings, in the induction of local workers, in the PERU LNG information offices and through the media. CROs will also be in constant contact with the coastal communities, in small communities in the pipeline area of influence and in the two cities (Chincha and Cañete) closest to the LNG plant.

- Disclosure will be conducted externally (in the cities and villages of the Project area of influence) and internally (with Project employees). This will ensure that people know where and how to file a grievance.
- Inductions will be prepared for the contractor and for the staff of PERU LNG to inform them about the grievance procedure. The training will emphasize that it is acceptable for the local population to have grievances, and that PERU LNG takes a proactive stance to grievances. The staff of PERU LNG, of contractors and sub-contractors will understand how the grievance procedure operates and will be encouraged to deal with grievances in an honest, transparent way.
- Contact details will be published, such as the addresses of offices, telephone numbers and schedules of periodic visits of the community relations officers to the communities.
- A simplified flow chart of the procedure will be published via newsletters, brochures, and/or posters hung in visible places in the community or village in the local language
- Explanatory workshops will be developed which will permit a clear understanding of the procedure. In the Andean rural communities, the workshops will be conducted in Quechua and in Spanish.

- Each person who expresses a complaint at a Complaints Center or to a CRO will receive a brief explanation of the grievance procedure (how the procedure works, the timeframe, possible outcomes).
- The Complaints Center will produce monthly reports, submitted to the Community Relations manager, describing the attention to complaints. These reports will give an account of the complaints received (with the date), whether it is being reviewed by PERU LNG or by a second institution, as well as the estimated time of resolution (in the first review or for the second opinion).

APPENDIX 1: Accidental Impacts Complaint Attention

Traffic and/or Construction Vibration Damage to Houses and Other Structures

Reception, Householders complain to the CRO, often through their local leaders. Very obvious damage may be noted by PERU LNG personnel or contractors prior to receipt of a complaint.

Verification, PERU LNG will take a Rapid Survey of all houses between 3 Kilometers from the ROW center (1.5 by side), before construction starts. After learning of a complaint, the CRO together the contractor engineer will inspect the houses for fresh cracks, if possible while heavy trucks are passing, to see if the ground vibrates.

Resolution, If the claimer expresses his/her acceptance of the implemented solution, PERU LNG and/or the contractor documented the acceptance and proceed with the Appraisal and Compensation. The Center considers the case closed and registers it as such. If claimer does not accept the implemented solution after the first revision, PERU LNG and/or the contractor proceed with a second revision of the complaint and following stages explained in the Grievance

Procedure

Appraisal, Outside assessors may be necessary (the Ministry of Housing, and/or Meridian, for example), to assess the impact and to determine the appropriate mitigation or other compensatory measures.

The CRO proposes a cash payment, based on the highest bid of the Ministry or Meridian, or other compensatory measure. In the case of relatively small repairs in rural areas, the homeowners may opt to receive materials, plus a cash payment so they can hire laborers to make the repairs. (This allows the homeowner to supervise the workers and the quality of the repairs). The homeowner is given time to consider the offer and determine if he/she agrees or wishes to make a counter-proposal.

Compensation, PERU LNG (or contractor supervised by PERU LNG) will repair or pay in cash according claimer decision.

Lost Livestock from Fences Cut or Gates Left Open

The Project will prevent this risk through immediate fence repairs/installation and establishing watching procedures when construction activities requiring fences. However, in spite of these procedures, if animals are lost, the livestock owners will complain to local leaders, and to the CRO. If discovered by PERU LNG personnel or contractors, the CRO is proactive in contacting the affected parties.

Verification, The CRO looks for damaged fences

Appraisal, Animals are generally not permanently lost, and sooner or later they are recovered. The owner is usually more disturbed about the nuisance of having to round livestock up again, rather than the possibility of its permanent loss. However Animal lost is proved it will be included in the appraisal

Resolution, If the claimer expresses his/her acceptance of the implemented solution, PERU LNG and/or the contractor documented the acceptance and proceed with the Appraisal and

Compensation. The Center considers the case closed and registers it as such. If claimer does not accept the implemented solution after the first revision, PERU LNG and/or the contractor proceed with a second revision of the complaint and following stages explained in the Grievance

Procedure

Compensation, Empathic treatment of the aggrieved livestock owner helps to restore good relations. If animals have been permanently lost, they must be valued objectively in consideration of the importance and use of the animal(s). Compensation will be offered animal by animal or based on the replacement cost of that species of animal, per kg of live weight, in the local market, plus transportation cost to and from the nearest market where the animal can be purchased. It is important not to over-pay, so as not to stimulate spurious claims.

It is probably not feasible to compensate people for time spent looking for lost livestock. However, if an animal has been lost, the owners should be compensated, if possible by replacing it with a similar animal. Small animals (pigs, sheep, goats, and fowl) can be paid for in cash. For large animals—cattle, donkeys, horses, llamas—replacement is not just a matter of cash payment, but also of buying another animal. Large animals are expensive to transport, and the owner should be assisted, with transportation to and from market, with the new animal. The livestock owner signs a receipt and or a letter of closure.

Accidents with Livestock

Livestock owners complain to local leaders and to CRO. If accidents involve PERU LNG personnel or contractors, consultation is proactive and is initiated by PERU LNG or by the contractor in consultation with PERU LNG.

Verification, The CRO visits the scene, and verifies by direct observation that an animal has been hurt or killed in an accident. Most accidents will probably be with vehicles, although other mishaps are possible, e.g. it is possible that livestock could be hurt by falling into an open trench.

Resolution, If the claimer expresses his/her acceptance of the implemented solution, PERU LNG and/or the contractor documented the acceptance and proceed with the Appraisal and Compensation. The Center considers the case closed and registers it as such. If claimer does not accept the implemented solution after the first revision, PERU LNG and/or the contractor proceed with a second revision of the complaint and following stages explained in the Grievance

Procedure

Compensation, The CRO will determine the local price (e.g. kg of live weight) of that species of animal. Values for pets may be more difficult, but PERU LNG will set consistent and fair values for loss of pets. The CRO negotiates payment with the owner. As established for permanently lost animals, in the case of small animals (pigs, sheep, goats, and fowl), they can be paid for in cash. If the household wants to keep the carcass, they may. For replacing large animals—cattle, donkeys, horses, llamas—the owner should be assisted with transportation to buy and transport the replacement animal.

Accidental Injury of People

Local people or project staff must alert the CRO immediately. Project personnel must follow PERU LNG's incident notification procedures. These include: stopping the vehicle immediately. If

anyone is injured, call Emergency Medical Services. Place emergency equipment in front of and behind the vehicle. Notify police and local community authorities and government, immediately. Give out witness cards to those at the scene, then collect the completed cards. Exchange contact and insurance details, license numbers with the other drivers. Be courteous and calm – do not argue. Give other data to the police. The PERU LNG accident reporting form must be filled out.

Verification. The CRO visits the scene and the injured person without delay.

The CRO, with the help of other Project staff, sees that the injured person is given proper and prompt medical attention to evaluate and treat any injury, which may include transport to a hospital. Loss of income or the ability to feed a family is considered in the appraisal.

The Project offers to pay all medical bills, in good faith, and the message is conveyed through the CRO. The Project also offers to pay for lost time, and allows the injured person time to consider and discuss the offer.

The CRO discusses payment with hospital staff or other medical personnel involved in the evaluation and/or treatment, and visit the person, to ensure that he/she and the family are satisfied with the treatment. The CRO talks to the doctors or other health care professionals to ensure that the injured person receives appropriate medical attention. A closure document should be signed stipulating patient and family satisfaction with the medical treatment.

However, formal commitment of PERU LNG is to follow up recovering and recuperation of people injured; the process will be notified to Police informal way in order to cover all Peruvian law requirements.

Accidental Death of People

In this case PERU LNG will follow all Peruvian Law requirements.

In addition, the CRO comes to the scene, also discusses the accident with all eye witnesses. The family should be compensated for the loss of income, loss of companionship, etc. If a person is killed in an accident with the Project, it must be dealt with by CROs with the support of senior CR staff. PERU LNG Safety and/or Management may also be involved, as appropriate. Funeral costs and a benefit package for survivors, especially for orphaned children. A closure document should be signed with the survivors.

Damage to Irrigation Canals

Local farmers inform the CRO. If discovered by PERU LNG personnel or contractors, the CRO is proactive in contacting the affected parties.

Verification, The CRO visits the canal and observes the impact.

The CRO with PERU LNG engineer support and local people discuss the impact and how much work and material (pipe, cement, and labor) is needed to repair the canal. PERU LNG will also assess damages caused by flooding or by the interruption of irrigation in the parcels affected, and make compensation if need be.

When affecting a canal, the Project will give priority to minimizing water loss and repairing the canal. The CRO will negotiate the repairs with the owners, who will usually be willing to meet promptly to discuss repairs to such a valuable resource (See the Appendix 7: Environmental Pollution Control Plan)

Resolution, If the claimer expresses his/her acceptance of the implemented solution, PERU LNG and/or the contractor documented the acceptance and proceed with the Appraisal and Compensation. The Center considers the case closed and registers it as such. If claimer does not accept the implemented solution after the first revision, PERU LNG and/or the contractor proceed with a second revision of the complaint and following stages explained in the Grievance Procedure

Compensation, In spite of the commitments to avoid damage to irrigation systems, should damage occur, the Project will directly implement canal repair work.

Temporary Disruption of Local Traffic on Roads and Bridges

Although construction management will establish routes and signage to direct Project traffic, in spite of best efforts to prevent them, unanticipated traffic problems may occur.

Local residents and leaders inform the CRO. If discovered by PERU LNG personnel or contractors, the CRO is proactive in contacting the affected parties.

Verification, The CRO is usually already aware of the problem, but visits the site to observe the blocked traffic.

Compensation, through direct observation and by talking with local people, the CRO determines the impacts of the disruption. The CRO and the local community and the construction crew discuss alternative routes or other solutions.

It is not feasible to offer people cash compensation for disruption of traffic, because the monetary loss is very small, and is spread over a large population. PERU LNG will implement social support instead the impact reparation in compensation for traffic disruption and other diffuse Project impacts. It is important to return normal traffic flow as soon as possible, showing sensitivity to the kind of traffic (e.g. if people on horseback, or school children use this route, they must be comfortable and safe with the alternative).

Resolution, If the claimer expresses his/her acceptance of the implemented solution, PERU LNG and/or the contractor documented the acceptance and proceed with the Appraisal and Compensation. The Center considers the case closed and registers it as such. If claimer does not accept the implemented solution after the first revision, PERU LNG and/or the contractor proceed with a second revision of the complaint and following stages explained in the Grievance Procedure

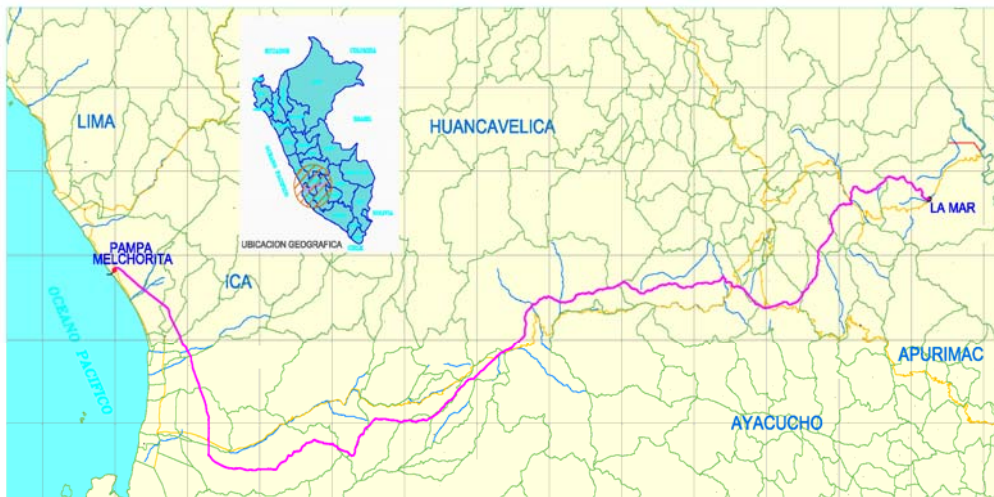
APPENDIX 2: Negotiation Procedure for Unplanned Temporary Land Use

Negotiation Procedure for Unplanned Land Use

1. Introduction

PERU LNG S.R.L. (hereinafter PERU LNG or The Company) is a Peruvian company incorporated in 2003 to develop a Liquid Natural Gas (LNG) Export Project. On January 12th, 2006, an Agreement was signed between the Dirección General de Hidrocarburos (General Directorate of Hydrocarbons, a Peruvian Government institution) and PERU LNG for the Installation, Operation and Maintenance of a Natural Gas Processing Plant and associated Pipeline

The Pipeline, around 408 km long, will start at the Chiquintirca peasant community, Anco district, La Mar province, Ayacucho region, and will extend down to the future liquefaction plant on the coast, located on the spot known as Pampa Melchorita, on Panamericana Highway's km. 169.



The Environmental and Social Impact Assessment (ESIA) of the Pipeline was approved through Directorial Resolution N° 556-2006-MEM/AEE, as required by current legislation. This ESIA describes the Right of Way (RoW) that will be established for pipeline construction and operation process. This ROW will allow for vehicle and machinery traffic, as well as for the undertaking of supervision tasks during the operations phase of the project. PLNG is also, developing and intends to comply with the ROW negotiation and compensation procedures that are included in the Environmental and Social Management Plan's Community Relations Plan, which is a part of the ESIA.

As a matter of company policy, the ESIA requires that the Contractor in charge of Pipeline construction must take all the necessary preventative measures to avoid impacts on local populations outside the ROW. Nevertheless, this document has been prepared to provide a procedure in case unforeseen impacts occur, in compliance with the ESIA, national legislation and international standards. PERU LNG requires that such impacts be compensated, and therefore the relevant Contractor shall abide by the present document, under PERU LNG's supervision.

2. Objectives

By applying this Negotiation and **Negotiation Procedure for unplanned Land Use**, the Contractor will have achieved the following objectives:

- Fulfilled all the applicable rules, national laws, and international standards.
- Reached legitimate and sustainable agreements with the affected population.
- Prevented and/or mitigated any adverse social impacts caused by the compensation process for impacts outside the ROW.

3. Specific Objectives

- To facilitate negotiation for compensation payment in a satisfactory way in case there are any impacts outside the ROW, based on a fair and transparent appraisal.
- To achieve the highest possible level of fairness with regards to compensations and payments to be disbursed during the construction process.
- To conduct an informed and transparent negotiation process.

4. Negotiation Process

It is important to note that there are two types of land owners in the areas where the negotiations will take place.

- Section 4.1 describes the negotiation process for rural communities. These communities are organized such that the property owner is the rural community itself, but the possessors of the land parcels are individual members of the rural community. Therefore, the negotiation process has to be conducted with both the overall land owner (the rural community) and the individual possessors of the parcels of land.
- Section 4.2 describes the negotiation process for individual property owners and possessors.

4.1 Rural communities

- The authorities of each rural community (typically the president of the rural community) will be contacted by the Contractor's community relations officer in order to inform her/him that impacts outside the previously defined ROW have occurred. Once the community authority is contacted, the Contractor's community relations officer will provide a detailed explanation of the nature of these impacts and the willingness of PERU LNG to provide compensation for these impacts.
- At the same time, or at another date that has been previously agreed upon with the rural Community authorities, the Contractor's community relations officer and the rural community authorities will verify the impacts outside the ROW. This activity will be documented with the Impacts outside the ROW Verification Minutes (Annex B).
- If necessary, the Contractor's community relations officer will coordinate the presence of a specialist to appraise the impacts and therefore estimate the associated compensation.
- The appraisal for the impacts will be documented in the Verification Record for impacts outside the ROW. The Contractor's staff shall provide detailed explanations to the rural community authorities regarding the criteria and methodologies used to appraise the impacts, as well as the manner and time of compensation disbursement once an agreement is reached, which will be no sooner than once the construction activities in the corresponding property are completed.
- An agreement will be sought during this initial meeting, addressing all of the inquiries and concerns of the affected parties.
- If an agreement is reached, the Contractor's community relations officer and the rural community representatives will document the agreement at an agreed upon time with the

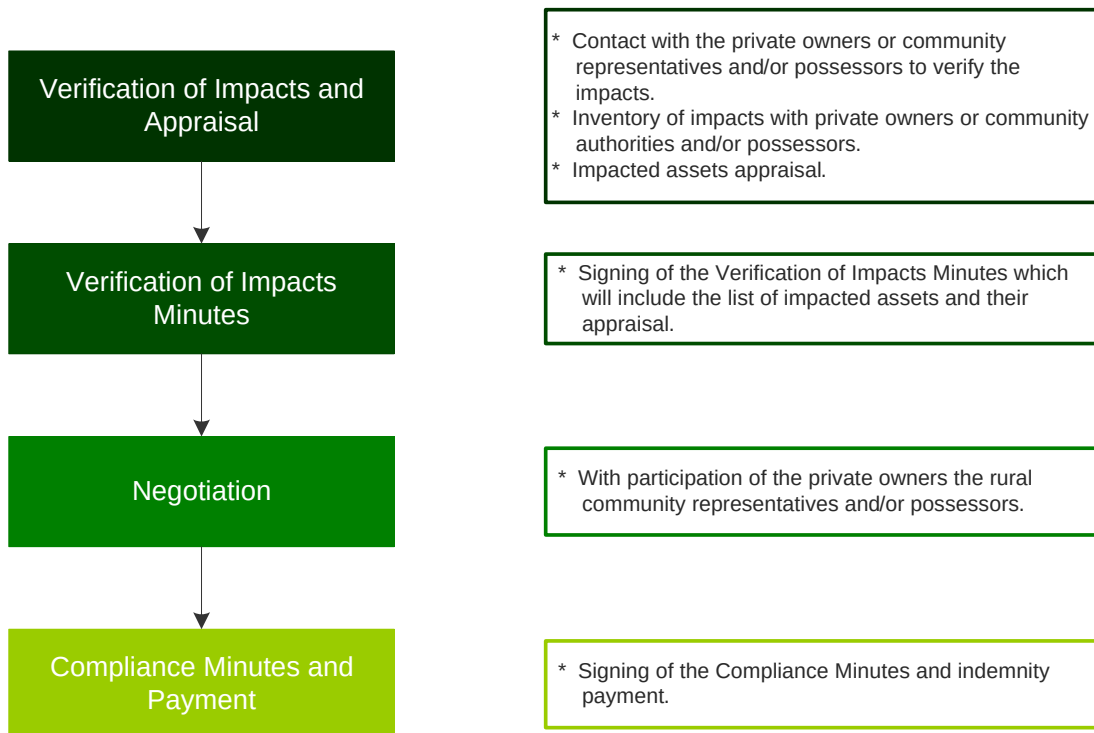
Compliance Minutes for Indemnity regarding Additional Impacts Outside the ROW (Annex C). The associated compensation will be disbursed at this time.

4.2 Negotiation with Private Owners and Possessors

- The Contractor's community relations officer will contact the land owner and/or possessor, in order to inform him/her that impacts outside the previously defined ROW have occurred. Once the owner and/or possessor is contacted, the Contractor's community relations officer will provide a detailed explanation of the nature of these impacts and the willingness of PERU LNG to provide compensation for these impacts.
- At the same time, or at another date that has been previously agreed upon with the owner and/or possessor, the Contractor's community relations officer and the owner and/or possessor will verify the impacts outside the ROW. This activity will be documented with the Impacts outside the ROW Verification Minutes (Annex B).
- If necessary, the Contractor's community relations officer will coordinate the presence of a specialist to appraise the impacts and therefore estimate the associated compensation.
- The appraisal for the impacts will be documented in the Verification Record for impacts outside the ROW. The Contractor's staff shall provide detailed explanations to the owner and/or possessor regarding the criteria and methodologies used to appraise the impacts, as well as the manner and time of compensation disbursement once an agreement is reached, which will be no sooner than once the construction activities in the corresponding property are completed.
- An agreement will be sought during this initial meeting, addressing all of the inquiries and concerns of the affected parties. If an agreement is reached, the Contractor's community relations officer and the owner and/or possessor will document the agreement at an agreed upon time with the Compliance Minutes for Indemnity regarding Additional Impacts Outside the ROW (Annex C). The associated compensation will be disbursed at this time.

Negotiation and compensation procedure for impacts outside the Right of Way

NEGOTIATION PROCEDURE FOR UNPLANNED LAND USE



Impacts outside the ROW Verification Minutes

CODE: _____

Name of Rural Community/Owner/Possessor:.....

Legal Representative's full name:

Document authorizing Legal Representative:

KP:

UTM Coordinates:

Description of the affected area:

.....

At A.M./P.M. of....., 200, the Construction company representatives and Mr./Ms.....(COMMUNITY AUTHORITY/OWNER/POSSESSOR), identified with DNI meet, in order to verify, inventory, and appraise the impacts outside the Right of Way within their property/possession, and the following has been stated:

Description and inventory of impacts:

.....

Appraisal:.....

Photograph:

 Signature of the Rural
 Community Authority

 Signature of the Contractor's
 Representative

....., ..., 2,007

**Compliance Minutes for Indemnity regarding Additional Impacts
Outside the ROW**

Name of Owner and/or Possessor:

Name of rural community authorities subscribing this document:

.....

.....

Positions of the rural community authorities subscribing this document:

.....

.....

Owner's and/or possessor's full name:

Legal representative's full name:

Date of use completion:

At A.M./P.M. of....., 200, the CONTRACTOR company representatives and Mr./Ms.....(COMMUNITY AUTHORITY/OWNER/POSSESSOR), identified with DNI meet, in order to state the following:

THE COMMUNITY AUTHORITY/OWNER/POSSESSOR declares he/she has received S/. (.....Nuevos Soles) as a compensation for impacts outside the Right of Way, and it is to his/her total satisfaction, thus fully complying with all the commitments that were previously agreed upon through the Verification Record for Impacts Checking Certificate Model for any damaged assets outside the RoW, and the agreement dated

Through this document's subscription, the undersigned mutually agree to express that they approve of the compensation amount for the additional damages, and have no outstanding claims or remarks whatsoever against THE CONTRACTOR or any of its sub-contractors, thus, releasing PERU LNG S.R.L. of any kind of responsibilities and/or obligations.

Signature of Rural
Community Authority /

Signature of CONTRACTOR
Owner / Possessor

....., ..., 2,007

APPENDIX 3: Land and Easement Acquisition Grievance Procedure

Introduction

On January 6th, 2006, an Agreement for the Installation, Operation and Maintenance of a Natural Gas Processing Plant was signed between the Dirección General de Hidrocarburos (government institution) and PERU LNG S.R.L. (hereinafter PERU LNG), allowing PERU LNG to build and operate a main pipeline for natural gas transportation. To do so, PERU LNG requires establishing easements over each piece of land located along the pipeline route from Ayacucho to the Processing Plant.

The process of acquiring the Right of Way (or Easement) implies the acquisition of the rights of occupation, right for construction through a piece of land and the right to transit through the lands (regarding maintenance, inspection and repairs purposes). These lands include private properties and State lands on which it is planned to build and install the pipeline. The Easement Acquisition is done by signing easement agreements and if necessary, if an agreement between both parties hasn't been reached, it could be established by an administrative procedure called easement imposition.

The Easement Acquisition is one of the most sensitive social issues of the Pipeline Project, since it relates PERU LNG directly and contractually with the population of the area of direct influence and may determine the future relation between the Project and the local communities.

Objectives

- Record, evaluate and solve claims and complaints presented by Project's involved population.
- Create an atmosphere of understanding and due attention to concerns.
- Establish a conflict management system to address population's claims in a reasonable amount of time.
- Mainly resolve the aroused conflicts or complaints through negotiation or mediation directly with the project or through community or local administrative channels.

Principle

A key principle is to avoid disputes so far as possible by:

- Having clear and transparent procedures for compensation, communicating this information to the involved population in a culturally appropriate way.
- Applying the Code of Conduct of the Company in the relation developed with the involved people.

Type of Grievances Handled by Land & Easement Acquisition Area

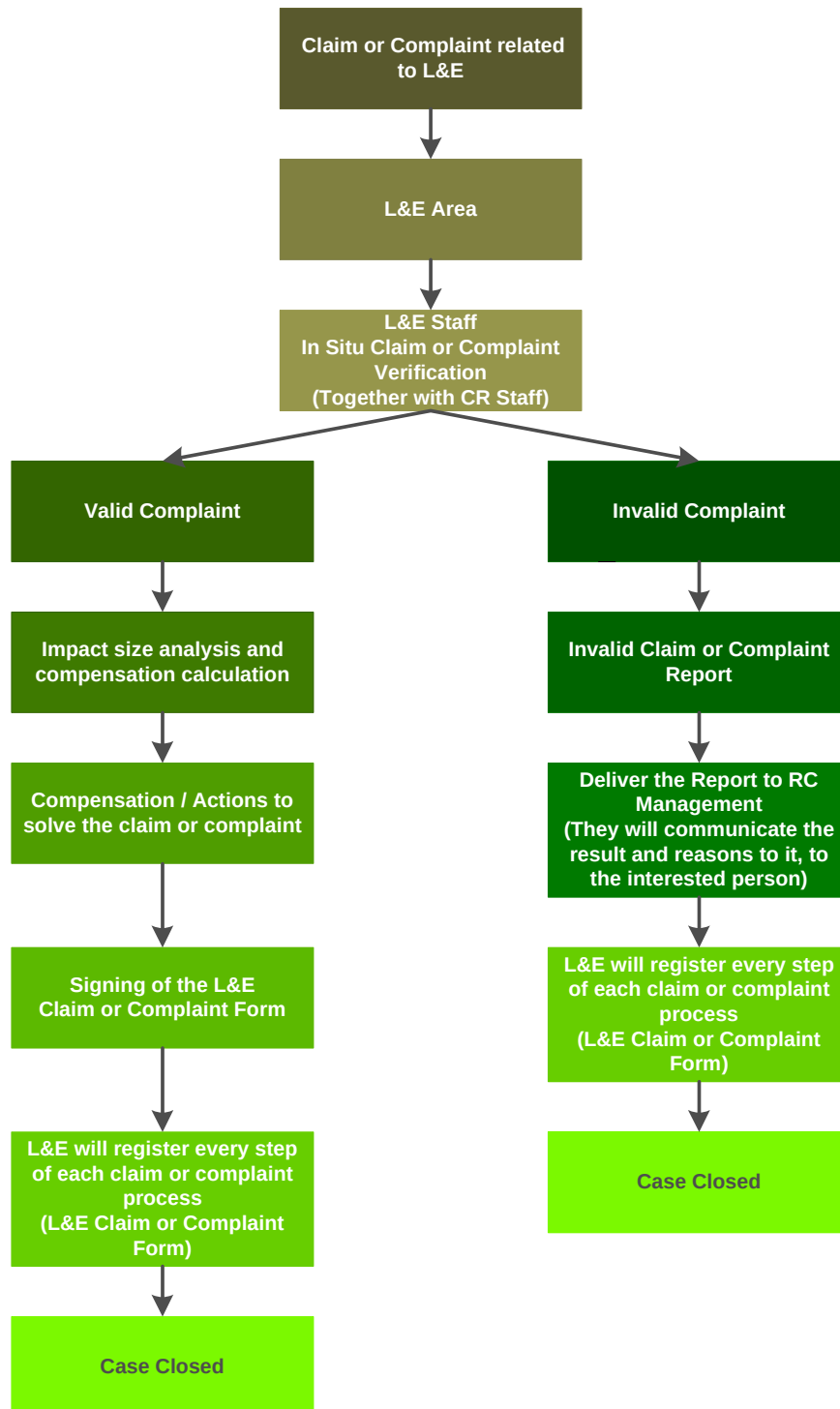
- Identification of owners and/or possessors and/or lessees, and properties (boundaries issues).
- Appraisals.
- Land and Easement Acquisition (L&EA) staff's behavior towards the population.
- Breach of the Easement Agreement.

Process

- Claims or complaints regarding L&EA issues shall be addressed verbally or in writing, to PERU LNG Community Relations Area (CR). CR should deliver these claims or complains to L&E staff immediately. L&E staff must keep a record of the type of claim or complaint and the interested person's identification.
- Claims/complaints regarding L&EA issues shall be handled by L&EA area. They shall be investigated by L&EA staff. If necessary, L&EA staff shall verify the claim/complaint *in situ*. The date and time for the verification will be coordinated with the corresponding owner/possessor. The L&E staff will go to the place in question with a CR officer.

- If the claim/complaint is declared valid, the magnitude of the impact shall be reviewed before negotiating compensation and/or making the required corrective action.
- After the Company has done the necessary actions to solve the claim or complaint, and if the interested person is satisfied with them, a complying document shall be signed by the interested person¹, declaring he/she is satisfied with actions taken by the Company to solve the claim or complaint in question.
- L&EA Department shall keep record of all the steps taken in the process of every claim or complaint in the Land & Easement Grievance Form.
- If the claim or complaint is declared invalid, the L&EA Management shall make a report containing the reasons for this result and sign it.
- This report shall be delivered to the CR Management. The CR staff shall communicate the information in the report to the interested person.
- After the information in the report has been given to the interested person. If the claimant accept the resolution the case shall be closed and the archived. If the claimer does not accept this resolution, the claimant can appeal for a second review following the process described in the Grievance Procedure (see Grievance Procedure 6.2).

¹ Annex A: Land & Easement Grievance Form



Procedure

- PERU LNG shall record the interested person's claim or complaint in the Land & Easement Grievance Form.
 - The claim/complaint matter may be an identification or appraisal issue. In this case, if possible, L&EA staff may solve the issue in the negotiation meeting. If the interested person is available to do it; they may go together to the place in question, make a re

verification and solve the claim. This claim must be recorded in the Verification Minutes¹ and in the Land & Easement Grievance Form, indicating that the claim was resolved by L&E staff, with the interested person.

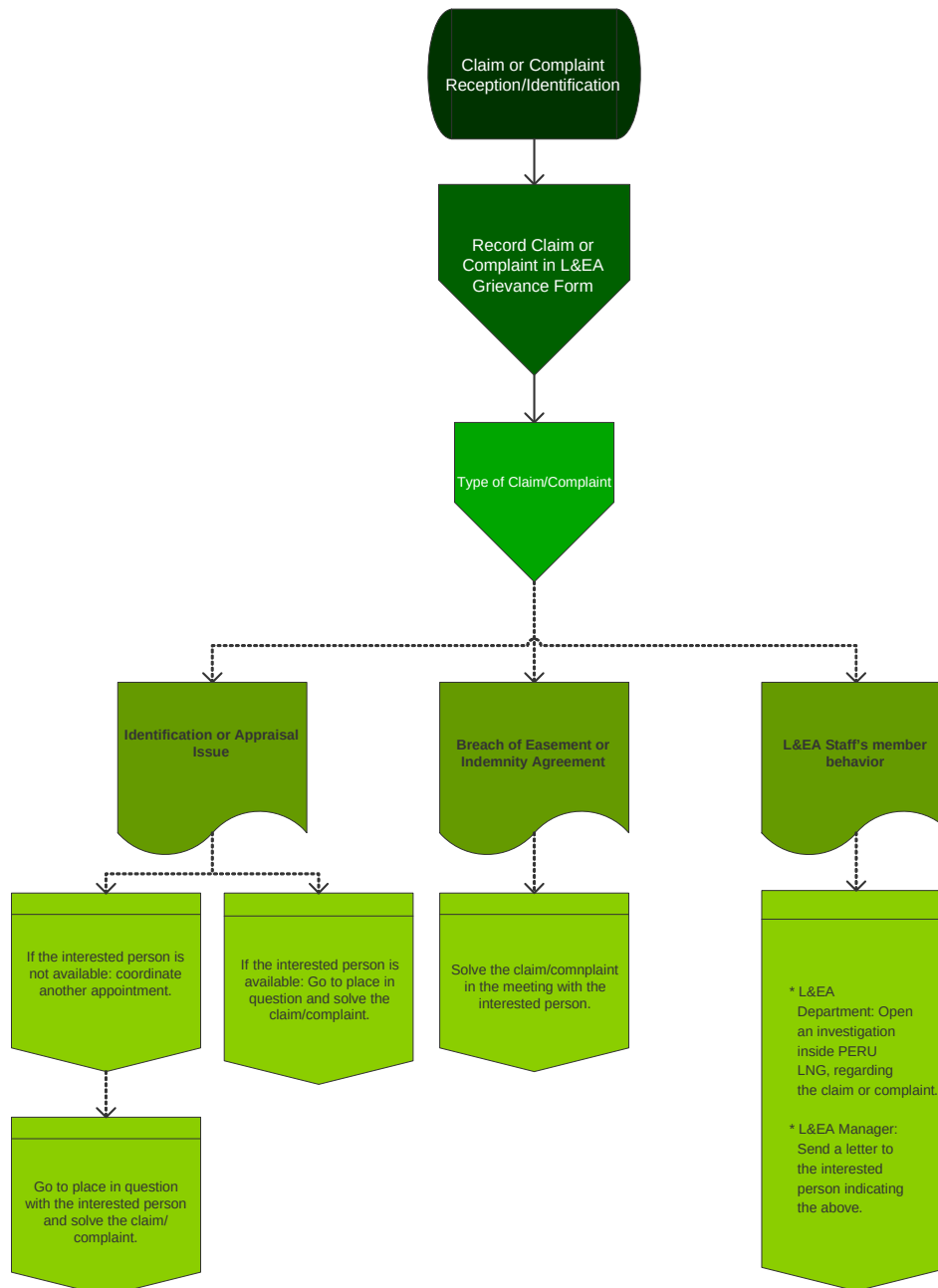
If the person can't go to the place in question at that moment, a new date and time will be coordinated with him and/or her to go to the place in question and solve the claim/complaint. The claim and its solution shall be written in Verification Minutes and/or the Land & Easement Grievance Form. A copy of the Verification Minutes must be given to the interested person.

- If the matter is a breach of Easement or Indemnity Agreement, L&EA staff will try to solve the claim/complaint in the meeting with the interested person. The claim/complaint and its solution shall be written in Minutes and/or the Land & Easement Grievance Form.
- If the claim or complaint is about a L&EA staff's member behavior, the L&EA area will open an investigation regarding it in coordination with the Community Relations. L&EA Manager will send a letter to the interested person, indicating that an investigation on the matter has been opened inside PERU LNG. The claimant identity and all personal information must not be disclosed to L&E involved personnel or staff until the end of the procedure.

- L&EA staff shall act as stated above depending on the type of claim or complaint.
- A record of all claims or complaints shall be kept in files in PERU LNG's L&EA and Grievance Procedure Centers.

¹ Annex B: Verification Minutes

Grievance Management Process for Land & Easement Acquisition



Land & Easement Grievance Form



FORMULARIO DE OBSERVACIONES
DE NEGOCIACIÓN DE TIERRAS

Expediente N°:

Persona/s Interesada/s:

Dirección de Domicilio:

Teléfonos:

Referencia:

Tipo de Observación:

Topografía

☐

Valorización

☐

Incumplimiento del Contrato de Servidumbre o de Indemnización

☐

Comportamiento del personal de Negociaciones de Tierras

☐

¿Cuál es la Observación?

Acciones tomadas para solucionar la Observación



En
 (dirección), siendo las del día
 dentro del proceso de negociación para el establecimiento de servidumbres del proyecto
 “Transporte de Gas Natural por Ducto desde Ayacucho hasta la Planta de Licuefacción”
 conducido por PERU LNG SRL; a solicitud del señor (a)
, propietario/poseionario del
 predio ubicado en;
 se constituyeron a efectos de realizar la verificación in situ en el área materia de
 servidumbre correspondiente, las siguientes personas:

Negociación de Tierras (PERU LNG):

Relaciones Comunitarias (PERU LNG):

Meridian:

Se constataron y registraron los siguientes requerimientos propuestos por el
 propietario/poseionario:

- a) Longitud de eje:
- b) Cultivos:
- c) Edificaciones e infraestructura varia:

No existiendo más puntos a tratar, en señal de conformidad a la verificación efectuada,
 las partes suscriben la presente acta en tres ejemplares.

 Propietario/Posesionario

 Verificador

 Relacionista Comunitario

Fecha de Solución de la Observación:

Persona Encargada de la Solución de la Observación:

¿Se llegó a un acuerdo con la persona interesada? SI ☐ NO ☐

Declaración de acuerdo

Yo, declaro estar de acuerdo con la solución a mi Observación.

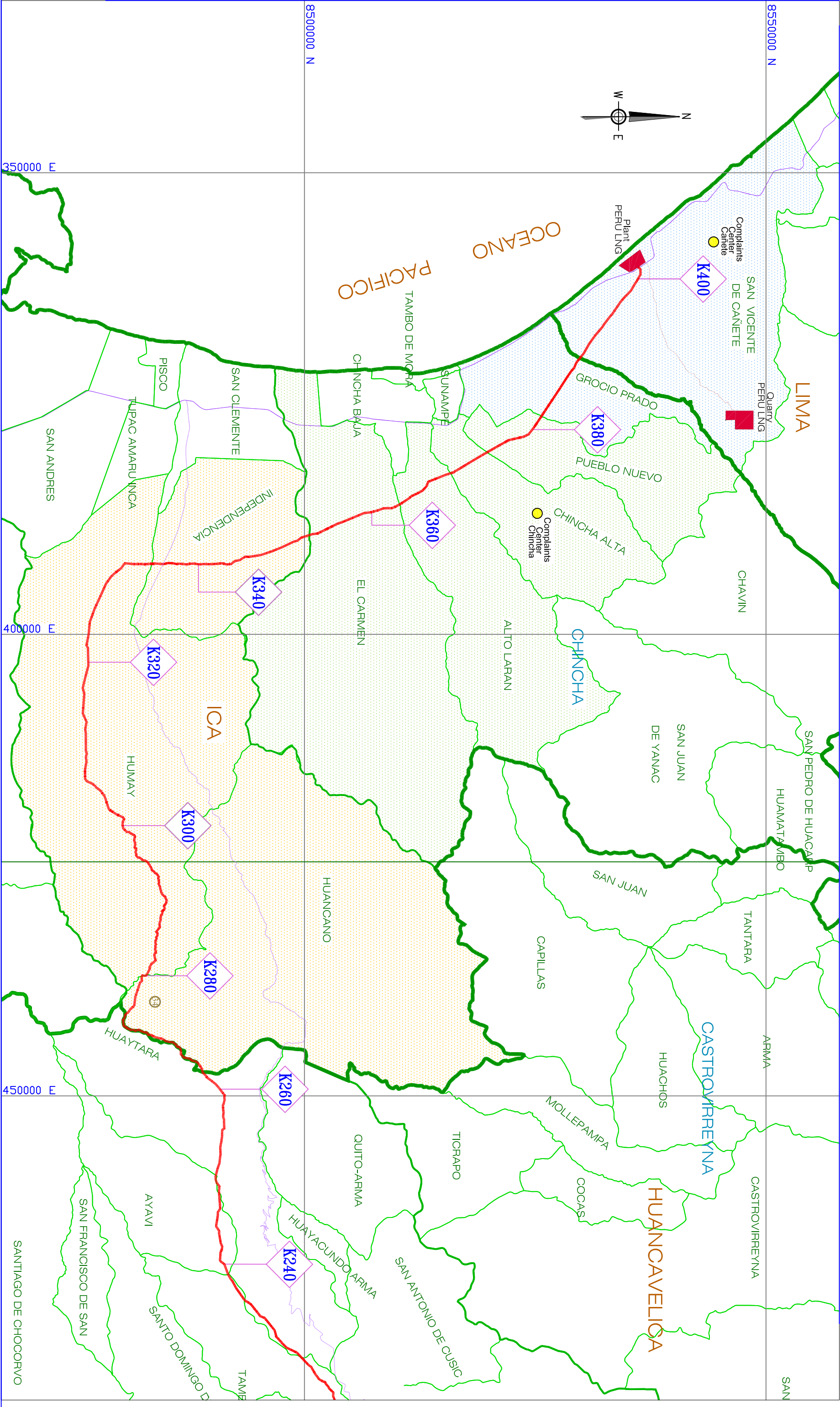
Firma de la persona interesada

Fecha

Firma de la persona encargada
en PERU LNG.

**Appendix A: INFLUENCE AREA OF PLANT, QUARRY AND PIPELINE
(CENTRAL SEGMENT)**

APPENDIX A



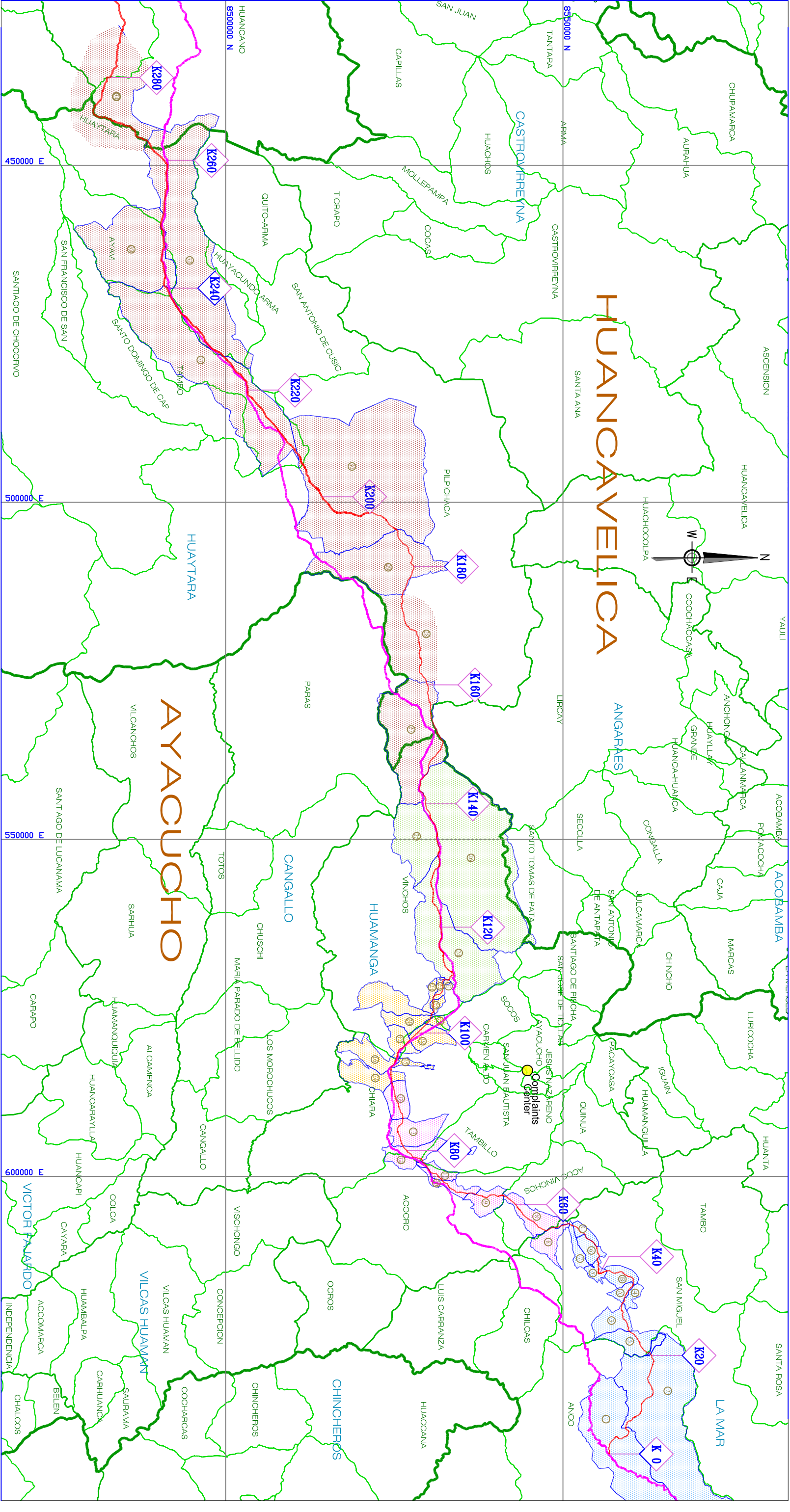
SECTION	DISTRICTS COVERAGED
I	San Vicente de Cañete & Grocio Prado
II	Alto Laran, El Carmen, Pueblo Nuevo & Chinchia Alta
III	Huancano, Independencia & Humay

LEGEND	
LNG PIPELINE (PERU LNG)	DEPARTMENTAL LIMIT
QUARRY ACCESS	PROVINCIAL LIMIT
PANAMERICANA HIGHWAY	LOCAL LIMIT
LIBERTADORES HIGHWAY	PROGRESSIVE HORIZONTAL (km)

PERU LNG	PROJECT :	PERU LNG	ESCALE :	REF.
	AREA OF INFLUENCE (COASTAL)		SHEET :	01
	PLAN :	PLANT, QUARRY & PIPELINE (Western Segment)	DATE :	AUGUST 31, 2007
			DRAWING N° :	U-01

Appendix B: INFLUENCE AREA OF PIPELINE (CENTRAL SEGMENT)

APPENDIX B



RURAL COMMUNITIES

SECTION I		SECTION II		SECTION III		SECTION IV	
01. C.C. CHIQUINTIRCA (20,501 has)	06. C.C. GENERAL CORDOVA DE SOCOS (932 has)	08. C.C. HUAYCHAO (3,746 has)	14. C.C. LLACHOCOMAYOC (2,419 has)	20. C.C. TAMBOUCUCHO (1,324 has)	24. C.C. VINCHOS (11,763 has)	ESCALE: REF. SHEET : 01 DATE : AUGUST 23, 2007 DRAWING N° : U-01	
02. C.C. ANCHIHUAY (29,004 has)	07. C.C. SANTA MAGDALENA (792 has)	09. C.C. ACCORO (1,617 has)	15. C.C. SAN JUAN DE COCHABAMBA II ALTA (402 has)	21. C.C. URPAYPAMPAPA (491 has)	25. C.C. OCCOLLO AZABRAN (5,660 has)		
03. C.C. VIRGEN COCHARCAS DE COCHAS (4,156 has)	A. Grupo Campesino ALLPACORRAL	10. C.C. POMAQUILLO (1,026 has)	16. C.C. ALLPACHACA (2,052 has)	22. C.C. SALLALLI (325 has)	26. C.C. PACCHA (27,910 has)		
04. C.C. URAS (692 has)	B. Propietarios Privados de PAMPAN HUAYLLA	11. C.C. VIRGEN ASUNCION DE SECECELAMBRAS (815 has)	17. C.C. TOCCYASCOCA (1,332 has)	23. C.C. SAN JOSE DE MAYOBAMBA (364 has)			
05. C.C. TUPAC AMARU (616 has)	C. Grupos Campesinos PALLCA Y PAMPAYUASI	12. C.C. PINAO YANTAPACHA (2,673 has)	18. C.C. PAUCHO (1,711 has)	E. Propietarios Privados de MAYOBAMBA			
		13. C.C. YANAPIRURU - ICHUBAMBA (2,728 has)	19. C.C. ROSASPATA (3,372 has)				
		D. Fondos priv.: HUALLCAPUCRO-CONDORCOCHA-ANCAPA					

SECTION V	
27. C.C. CHURIA ROSASPAMPA (11,928 has)	31. C.C. SANTA ROSA DE TAMBO (22,212 has)
28. C.C. LILLINTA - INGAHUASI	32. C.C. HUAYTARA (23,162 has)
29. C.C. CGARHUACCPAMPA (10,517 has)	33. C.C. AYAVI (12,435 has)
30. C.C. PILPICHACA (36,232 has)	34. C.C. HUANCACASA (24,182 has)

LEGEND	
LNG PIPELINE (PERU LNG)	PROVINCIAL LIMIT
EXISTING NG-GL PIPELINE (TgP)	LOCAL LIMIT
RURAL COMMUNITY	PROGRESSIVE HORIZONTAL (km)
DEPARTMENTAL LIMIT	

PERU LNG		PROJECT :	PERU LNG	ESCALE: REF.
		PLAN :	INFLUENCE AREA	SHEET : 01
		PIPELINE (CENTRAL SEGMENT)		DATE : AUGUST 23, 2007
				DRAWING N° : U-01

Appendix C: GLOSSARY

Term	Definition
Access road	A temporary or permanent road to the right of way. See “shoofly”
Action plan	Mitigation measures and actions necessary for the project to comply with applicable laws and regulations and to meet the requirements of the Performance Standards. The action plan may range from a brief description of routine mitigation measures to a series of specific plans (from the IFC “Glossary of Terms”)
Action tracking system	Procedures for recording non-compliances and for ensuring that the contractor or responsible party takes corrective action
Administrative establishment of easements	Spanish: <i>establecimiento de servidumbres por vía administrativa</i> . Acquiring rights to land through the Peruvian legal system when an owner will not or cannot negotiate. It is unlike eminent domain in two ways; first the land is not acquired, just the right to enter it and use it, and second the use rights are acquired for a company, not for a government
AGI	Above ground installation
Aggregate extraction site	Gravel pit or other place where “aggregate” (sand, gravel or stone) is removed for construction.
Amendments of the ESIA	Additional studies conducted after the Environmental Social Impact Assessment (ESIA), to fill gaps in the original information
Appraisal	A procedure for estimating a fair value of compensation and/or indemnity for a property. The appraisal is conducted by professional
Acquire	To obtain, as in to obtain the rights to use land or other resources
Archaeology	The field of anthropology that studies past human behavior through their material remains, mainly burials, artifacts and garbage. See “cultural heritage” and “site, archaeological”
Area of influence	The area that will be impacted by the Project. Occasionally divided into a “direct area of influence,” which will actually be impacted and an “indirect area of influence” where the impact will be negligible, but where there may be some interaction between Project staff and the population (e.g. as suppliers) Area of influence of PERU LNG for the Plant, Quarry and Pipeline is defined and described in the Stakeholder Engagement Plan
Artifact	Item manufactured by humans. The word is usually used in the archaeological sense (i.e. made by bygone humans). Artifacts include tools such as ceramic pots, but also include the broken pieces of pots (sherds). By far the most common artifacts in an archaeological site are sherds and flakes (broken rock left over from making stone tools). Most artifacts have no commercial value. Archaeologists are interested in artifacts for the information that can be recovered from them
Artisanal	Used to describe work that is done by hand, with skill. Adjective, from “artisan” (a skilled manual worker or craftsperson)
Assurance	Plans and procedures associated with honoring Project social and environmental commitments
Audit	Periodic detailed investigation of elements of management and performance. Includes consideration of underlying causes of non-compliance and focuses attention on opportunities for improvements and recommends corrective actions. Is less frequent than an inspection
Authority (usually used in the plural: authorities)	Holders of formal political office, whether elected or appointed. Includes local officials

Term	Definition
Back-dirt	Soil removed from a trench or pit. A common term, especially in archaeology
Baseline	A study before a project begins, used to compare final results with conditions before the intervention
Biodiversity Action Plan (BAP)	A plan for preparing inventories of selected species or habitats, and for assuring their conservation or restoration
Bio-restoration	Restoration of the flora and fauna in a site after the end of construction
Buffer zone	An uninhabited area surrounding the plant, in which the Ministry of Agriculture has forbidden any settlements. The zone is one-km wide in places, but it is narrower where settlers had already built small structures in the area
Camp	A site with temporary housing for Project workers during the construction of the pipeline. Camps help to minimize contact between employees and the local population. The camps will be dismantled at the end of the project
Campeño	Spanish, meaning a person who lives and works in the countryside. Through the 1980s, the word was usually translated into English as “peasant”, although “smallholder” is now the generally preferred term. See “rural community”
Capacity building	Assistance provided to communities, NGOs, agencies etc. to help them to develop a certain skill or competence. May include courses, tutoring, on-the-job training etc.
CEIP	Community & environmental investment strategy
Child labor	Employment of people under 18-years of age
Chinchorro	A standard Spanish term for seine net, a large net operated from the shore. The long net is arranged more or less parallel to the beach and is then drawn in from both ends, capturing fish near the center of the net
CIP	Contractor implementation plan
Claim	1. For intention of the document Grievance procedure the words “claim”, “complain”, “concern” or “observation” will be received in the same category while it comes from the stakeholders or population of PERU LNG influence area. 2. Claim, Complain, concern or observation: a dissatisfaction (expressed or not) in regards to some aspect of the Project. The complaint does not necessarily request compensation, but the mitigation of the cause is required. 3. .Legal claim. A legal action to obtain money, property or the enforcement of a right protected by law against another party. A request for money in compensation for damage of goods or property
CMP	Contractor management plan
Coast	Spanish: <i>costa</i> . One of the three main geophysical provinces of Peru, the narrow Pacific coastal strip along the entire western edge of the country. The coast makes up 11% of the nation’s territory but is home to 52% of the population. The PERU LNG plant is being built on the coast. See “highlands” and “lowlands”
CoC	See “code of conduct”
Code of conduct	A written and verbal description of mandatory employee behavior, centering on social and environmental issues. For example, employees may not use drugs or alcohol, have inappropriate relations with local people, hunt, fish or other wise extract natural resources from the Project area of influence
COLP	Compañía Operadora de LNG del Perú (LNG Operating Company of Peru)

Term	Definition
Commitments	Environmental and social commitments of the PERU LNG Project, especially those outlined in the ESIA
Commitment Register Document	A single document which brings together all the commitments from the ESIA
Communal assembly	Spanish: <i>Asamblea comunal</i> . General meeting with community members and their local authorities
Community investment	Social investment
Community	Or Rural Community, or Rural Andean Community or Peasant Community or <i>Comunidad Campesina</i> (Spanish) referred to the communities located in the highlands, basically in the central segment of the pipeline influence area (from Kp 0 to Kp 275). There are 34 Communities in the influence area of PERU LNG. Community is legally constituted, landholding rural community as recognized by the Peruvian constitution; has specific social structures mainly regarding the property of the land. In the case of the community the owner of the land is the entire group of commoners that belongs to this community. Decision taken in under assembly domain.
Community needs based	Projects designed in consultation with communities and other stakeholders experienced in community investment and development
Community relations	Area responsible of execution and/or supervising and monitoring social plan, programs or procedures related with the Project .
Community Relations Officers (CRO)	Personnel of Community Relations execute social plans and broker information between PERU LNG (and contractors and subcontractors) and the communities (including cities and rural communities) in and around the area of influence
Community safety	Procedures, plans and personnel to safeguard the lives and health of the human population of the Project area of influence
Company, The	PERU LNG
Compensation	A set of mechanisms which mitigate social and environmental impacts of a project. It may include a payment for use of land or other resources. Compensation seeks to create a positive impact that is equivalent to or greater than the negative impacts.
Complaint	See claim
Compliance monitoring	Monitoring to protect human health and the environment by ensuring that the Company, contractors and subcontractors obey environmental laws/regulations
CONATA	Consejo Nacional de Tasaciones (National Rates Council, an agency of the Ministry of Housing, Construction and Land Titling (Ministerio de Vivienda, Construcción y Saneamiento) The CONATA finished its activities on December 2006. Nowadays, the functions of CONATA are developing by the Housing Ministry
Construction	Activities related to building the pipeline, plant and marine facilities
Consultation	A two-way process for sharing information with communities in the Project area of influence and with other stakeholders. PERU LNG explains the Project, and relevant plans, programs and procedures, and answers questions from the stakeholders. Consultation does not imply that members of the public have a right to veto the Project
Contract	An agreement to provide goods and/or services
Contractor	A company hired by PERU LNG to work on The Project

Term	Definition
Corrective action request	A written request from PERU LNG to a Contractor or subcontractor to correct a non-compliance
CRO	Community relations officer
Crop	Any plant grown by humans for an economic use (whether for sale or for use by the household), usually as food or fiber. Includes annual crops and perennial plants like trees
Crop rotation	The practice of planting a different crop every year or every season in the same field. For example, potatoes may be grown one year, followed by maize the next. Crop rotation is very common in Peru and worldwide, especially in smallholder agriculture
Cultural heritage/cultural resources	Places and physical assets related to past and present culture, usually archaeological sites and the artifacts and information obtained from them. Technically, cultural heritage includes oral history and other examples of contemporary culture, although it is more commonly applied to past culture
Cut-off date	Date of completion of the census and assets inventory of persons affected by the project. Persons occupying the project area after the cut-off date are not eligible for compensation and/or resettlement assistance. Fixed assets (such as structures, crops, fruit trees, and woodlots) established after the cut-off date will not be compensated (from the IFC "Glossary of Terms")
DGAEE	Dirección General de Asuntos Ambientales Energéticos (Directorate General of Energy-Related Environmental Affairs). Agency of the Government of Peru responsible for environmental protection associated with energy activities and for promoting harmonious social relations between business and civil society
DGH	Dirección General de Hidrocarburos (General Directorate of Hydrocarbons). The agency of the Government of Peru responsible for oil and gas
DNI	Documento Nacional de Identidad (National Identity Document). The national identity card of Peru
Dredging	Digging a navigation channel for the access of LNG ships at the marine facility
E&CA	Environmental and community affairs
Easement	The right for occupation, construction through a piece of land and to transit through the land (maintenance, inspection and repairs). An easement does not give the holder a right of possession of the property, only a right of use
Eligibility (for compensation)	Meeting certain criteria, such as being in the area of influence before the cut-off date, and being a Project-affected person
EHS MS	Environmental, social, health and safety management system
EIA	Environmental impact assessment. See "ESIA"
Employee	Any person paid to work on the Project by PERU LNG, COLP, a Contractor or Subcontractor. See local employee.
Erosion control	Procedures for preventing soil erosion in areas impacted by Project construction
ESAP	Environmental and social action plan
ESHS	Environment, social, health and safety
ESIA	Environmental and social impact assessment. A comprehensive baseline of social and environmental conditions in the Project area of influence, and proposed mitigation procedures
ESIP	Environmental and social implementation plan

Term	Definition
ESMP	Environmental and social management plan
ESSALUD	Seguro de Salud Social del Perú (Health Social Security of Peru). An agency of the Government of Peru providing health services and insurance
File	Spanish: <i>expediente</i> . A folder containing all of the papers for a specific case of compensation, for either a landowner or a possessor, no matter how small the property. The files are typically 60 pages long, but some are much longer. They hold photographs, contracts, assessments and any other documents about the case
Fisherman	Spanish: <i>pescador</i> . A person who collects fish or aquatic invertebrates for food, sale or sport. An alternative term is “fishers”
Footprint, pipeline	Social and environmental impacts
Forced labor	Work in which people are employed against their will by the threat of destitution, detention, violence, or extreme hardship to themselves, or to members of their families
Full replacement cost	Market value of assets plus transaction costs. Depreciation of structures and assets should not be taken into account (from the IFC “Glossary of Terms”)
Fumigation	A method of pest control that completely fills an area with gaseous pesticides to control pests in buildings, soil, grain, produce, or during import or export of goods to prevent transfer of exotic organisms. A rubber tent may be placed over the entire house. The conventional use of pesticides in agriculture is not fumigation, but is simply called “application” or “spraying” of pesticides
Grazing	Allowing livestock to feed in a pasture or fallow field
Grievance	A complaint or claim presented against the Project or identified by Project personnel (mainly Community Relations Officers), in writing or verbally, by any person (employee, stakeholder, PAP etc.)
H&S	Health and safety
Hazardous materials	Materials which can be life threatening or harmful to human or animal life
Helipad	A landing site for helicopters
Highlands, Andean highlands	Spanish: <i>sierra</i> . One of the three main geophysical provinces of Peru, the cordillera of the Andes, running roughly north to south through the center of the country. 37% of the population lives in the highlands, which are 31% of Peru's territory. The PERU LNG pipeline will cross the highlands from east to west. See “coast” and “lowlands”
Hiring center	Or Recruitment Center: A center for receiving job applications, interviewing job candidates and inducting workers
Hydrobiological Monitoring Program	A PERU LNG program to monitor living things (especially fish and invertebrates) in the sea near the plant site. Monitoring occurs with affected fishermen and the results are explained to them after each monitoring event, which occur four times a year. Monitoring for a year before the start of construction allowed the collection of baseline data to compare with the situation after plant construction
Hydrocarbon	An organic compound consisting entirely of hydrogen and carbon, for example, methane. They are now one of the world's most important sources of energy
Hydrotest	Hydrostatic test, to check a gas pressure vessel such as a pipeline for leaks or flaws. The vessel is filled with water and examined for leaks or changes in shape
IADB (Spanish: BID)	Inter-American Development Bank, a member of the World Bank Group

Term	Definition
IFC	International Finance Corporation. A member of the World Bank Group which provides loans, equity, structured finance and risk management products, and advisory services to the private sector in developing countries
IFC Performance Standards	Eight papers describing the environmental and social standards which the IFC applies to the projects it finances. The Standards discuss ways to minimize and mitigate negative impact; they define clients' roles and responsibilities for managing their projects and the requirements for receiving and retaining IFC support. The standards include requirements to disclose information.
ILO	International Labor Organization, an agency of the United Nations which seeks the promotion of social justice and internationally recognized human and labor rights
IMARPE	Instituto del Mar Peruano (Peruvian Institute of the Sea). Agency of the Government of Peru which conducts scientific research on the ocean and its resources
Impact	Influence, effect or change brought about by the Project on the population or the environment. Impact may be positive, (for example jobs), or negative. See "minimize" and "mitigate"
INC	Instituto Nacional de Cultura (National Institute of Culture). An agency of the Government of Peru responsible for cultural resources and related issues
Incident	A safety occurrence, including accidents and near misses
Indemnity	A payment for impact on crops, improvements, damages and restrictions of the land
Induction	Initial training received by Project employees, their first, or one of their first activities on the job
Information office	An office maintained by PERU LNG and COLP (one in Chincha and one in Cañete) to provide information to self-selected members of the public regarding the Project. The office has a counter, a waiting room and certain publications and audiovisuals for sharing information. Each office is run by an experienced staff member
Infrastructure	A kind of structure used for transportation or communication, to link people and places. For example: roads, railroads, electric cables, pipelines, drinking water systems, irrigation canals, telephone lines. See "structure"
INIA	Instituto Nacional de Investigación Agraria (National Institute of Agricultural Research). An agency of the Government of Peru which conducts agricultural research and extension for commercial and smallholder farmers around Peru
Inspection	1. Intermittent examination of management practices or process integrity coupled with corrective actions. Investigation of non-compliance may indicate underlying cause. It is less frequent than monitoring ,but more frequent than an audit
Intensify agriculture	To apply greater amounts of labor or capital to make land more productive (in economic terms "to increase returns to land"). Investing capital (e.g. in fertilizer, seeds of high-yielding crop varieties, irrigation) can help Project-affected persons to increase yields to make up for temporary loss of portions of their land
International best practices	Business practices with respect for the environment and society, as expressed in the IFC Performance Standards and comparable papers by the World Banks group and similar international organizations
International standards	Social, economic, environmental policies described by major international organizations, e.g. the World Bank Group and the United Nations and its agencies

<i>Term</i>	<i>Definition</i>
Irrigation canal	Artificial channel dug and maintained, almost always by groups of people, to bring water to crops by means of gravity. The canal may be earthen or cement-lined. Most are uncovered. A canal is almost always managed by a social institution (e.g. a users' group)
ITB	Invitation to bid
Journey management	Procedures for planning and conducting vehicular travel in order to prevent accidents, incidents and to safeguard the safety and security of drivers, passengers, pedestrians and others
Kg of live weight	Usually used in expressing the purchase price of livestock on the hoof, for example a 450 kg cow valued at \$360 is worth 80 cents per kg of live weight
KPI	Key performance indicators
L&EA	Land and Easement Acquisition. PERU LNG staff who work with contractors, communities and individuals to acquire land rights (e.g. ROW) for the Project
Land tenure	The system of holding land, including public, private and communal ownership. Land may be acquired through purchase, rental, borrowing etc. Includes land that is titled and untitled land
Land title	A legally recognized document describing the relationship between an owner of land and a specific parcel of land
Law	See "Peruvian law"
Line management	Hierarchical management, corporate management
Livelihood	The ways and means to make a living. It may be land-based (e.g. farming), wage-based (a job) or enterprise-based (a business)
Livestock	Domesticated farm animals, raised for traction, food, or fiber
LNG	Liquefied natural gas
Local purchases	Any purchase of goods or services for the Project, from the Project area of influence
Local worker	Or Local employee: Any person who is employed by PERU LNG, COLP, or any of their contractors or subcontractors and resides in the Project area of influence since before the start of Project activities,
Lowlands, Amazonian lowlands	Spanish: <i>selva</i> . One of the three main geophysical provinces of Peru, occupying the eastern half of the nation, with 58% of the country's territory, and 11% of the population. The gas for the Project will be sourced in the lowlands. See "coast" and "highlands"
Medical exam	Examination by a physician or other qualified health care professional of the state of health of the Project employee or job candidate. May include laboratory tests, e.g. for drugs and alcohol in blood. May be conducted before, during and at the end of employment
Method	A way of performing a certain task
Methodology	The study of method
MinAg	Ministerio de Agricultura (Ministry of Agriculture)
Minimize	To reduce a negative impact. For during pipeline trenching, impact on soil is minimized by separating the topsoil, protecting it, and returning it to the top of the subsoil
Miscellaneous compensation	Compensation for any impact on land after the three year Project construction phase

<i>Term</i>	<i>Definition</i>
Mitigate	To remedy a negative impact by a preventative action. For example, pipeline construction through an archaeological site is mitigated by excavating the site. The site is still impacted, but the information and artifacts are salvaged
MoA	Ministry of Agriculture
MoC	Management of change
Monitoring	Continuous or intermittent observations of process compliance. Often closely coupled with process control to provide automatic corrective action. Has no integral means of identifying underlying causes of non-compliance. It is more frequent than an inspection
Monitoring and evaluation	Procedures for gauging Project impact
Mussel (marine)	Bivalve mollusk of the family Mytilidae
Natural gas	A gaseous fossil fuel consisting primarily of methane but including ethane, butane, propane, carbon dioxide, nitrogen, helium and hydrogen sulfide. It is found in oil fields and natural gas fields, and in coal beds.
NCR procedure	Non-compliance report procedure, for identifying and correcting deficiencies in Project construction or operations
Negotiate	To exchange information with owners or possessors of a resource in order to agree on an amount to be paid for compensation and/or indemnization. Some mitigation measures may also be negotiated
Non-compliance report	A written report from PERU LNG to a contractor or subcontractor describing a failure to comply with health, safety, social or technical standards
NGO	Non-governmental organization
Observations / Responses	Comments by lenders or their representatives on Projects plans & programs, and replies by PERU LNG
Operation	Operation of the Project, after construction, to export LNG
Ombudsman	See "Public Ombudsman"
One team approach	All project members, including management, field staff, contractors and subcontractors, work towards one goal, each with specific tasks to fulfill in order to achieve the goal
OSINERGMIN	Organismo Supervisor de la Inversión en Energía y Minería (Supervisory Agency for Investment in Energy and Mining). The Peruvian government agency which inspects mining and energy activities
PAP	Project affected person. May also mean "project affected population."
Parcel (of land)	A field or a pasture, assigned to a specific owner or possessor. A field may be divided into different crops (e.g. broad beans may be planted in the corner of a maize field), but as long as it is managed by a single household, the land is still just one parcel
Participatory development	A development philosophy (as in "participatory research," "participatory planning" and "participatory extension", among others), popular since the late 1980s, based on the idea that the local beneficiaries of a project should collaborate in designing and implementing the work
Participant observation	The dominant method of ethnographic research since the First World War. The anthropologist participates in local life and writes about his or her observations. Not to be confused with participatory development

Term	Definition
Pasture	Land devoted to grass or other plants for grazing livestock. The plants may be wild or sown, of high or low productivity
PCDP	Public Consultation and Disclosure Plan
Performance Standards	See “IFC Performance Standards”
Peruvian law	The national laws of Peru, including <i>leyes</i> (laws, approved by the legislature) and <i>decretos supremos</i> (decrees, issued by the executive branch)
Pesticide	Any chemical substance, whether commercially manufactured or homemade, designed to kill any noxious organisms. There are various broad classes, including insecticides to kill insects, herbicides to kill weeds, and fungicides to kill fungi, among others
Photo check	An identity card, bearing an employee's name and photograph
Pipeline	A metal pipe for transporting fluids, in this case, natural gas
Plan	A written description of how a program will be achieved. Several procedures may be associated with the plan
Plot (of land)	Parcel of land
Pollution prevention	Reducing or eliminating waste at the source by modifying production processes, promoting the use of non-toxic or less-toxic substances, implementing conservation techniques, and re-using materials rather than putting them into the waste stream (Environmental Protection Agency, EPA).
Possessor, especially “land possessor”	(Spanish: <i>posesionario</i>): a person, group etc. who holds or occupies property, not necessarily the owner. In this Project, some possessors are community members who are assigned use rights to parcels of land which are owned communally. Renters are also land possessors
PPE	Personal protection equipment, worn to protect employees from accidental injury at work. The equipment varies, depending on the type of work performed (e.g. hard hat, safety goggles)
Procedure	A specification of series of actions, acts or operations which have to be executed in the same manner in order to consistently obtain a similar result (for example, grievances procedures). See “plan”
PRODUCE	Ministerio de Producción (Ministry of Production). The ministry of the Government of Peru concerned with extraction, production and transformation in the industrial and fishing sectors
Proinversión	Agencia de Promoción de la Inversión Privada – Perú (Agency for the Promotion of Private Investment – Peru) the national government agency which promotes investment in business with high expectations of growth and profitability
Program	A collection of projects directed toward a common goal (e.g. a community investment program, made up of projects in various communities). See “plan”
Project, The	A proposed project to export LNG from Peru to international markets. It includes a 408 km pipeline from Chiquintirca and a gas liquefaction plant at Pampa Melchorita on the coast near Cañete, and marine facilities (e.g. for docking and loading gas tankers)
Protocol	An aid to memory, e.g. a checklist to use during a safety inspection of a worksite
Public deed	(Spanish: <i>escritura pública</i>) the contract between PERU LNG and the landowner (whether an individual or a community), after it has been reviewed by a public registry (Spanish: <i>registro público</i>),
Public Ombudsman,	(Spanish: <i>la Defensoría del Pueblo</i>) a human rights agency of the Government of Peru

Term	Definition
Purchase	To buy durable or consumable goods for the construction or operation of the Project
Quarry	A non-metallic mining concession granted to PERU LNG 25 km from the plant for extracting the rock needed to build the breakwater for the tanker dock
Questionnaire	A social science research method, common in sociology, but used in other disciplines. The researcher asks a fixed set of questions, usually written, and writes the answers in blank spaces (or ticks off a box). Useful for quantitative research with a large sample. The method is easy to abuse and difficult to use correctly
Quick impact project	A project which is not necessarily sustainable, but which obtains results rapidly, allowing a company to gain rapport with a skeptical community
Recruitment	Hiring of labor for the Project, including local and non local, unskilled, semi-skilled and skilled positions
Regulation	Spanish: <i>reglamento</i> . Stipulated penalties for a given infraction of a specific law (e.g. the fine for breaking the speed limit)
Re-route	Changing the proposed route of a pipeline in order to avoid impact on structures, infrastructure, archaeological sites etc.
Rescue, archaeological	Archaeological survey and excavation before a construction Project begins earthmoving. Also called archaeological salvage
Resettlement, involuntary	Physical or economic displacement of local population as a result of project-related land acquisition. Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that results in displacement
Resident of Chincha/ resident of Cañete	Any person who has been lived in the province of Chincha or the province of Cañete since before the start of Project activities. A person's address on his or her DNI is considered proof of residency
RFP	Request for proposals
ROW	Right of way. Easement. The right of transit. The right for the pipeline to occupy, and pass through the lands of communities, individual owners and the State. The right is acquired by signing easement contracts and if necessary by administrative ways
Rural community	See community "
Sacred or important cultural site	See "site, sacred or cultural"
Safety	Protection from physical harm, injury, or illness. Preservation of employee and community health. Prevention of industrial and traffic incidents
Salvage, archaeological	See rescue, archaeological
SBN	Superintendencia de Bienes Nacionales (Superintendency of National Goods). Agency of the Government of Peru which manages all State property
Security	Protection of employees and industrial facilities from crime, sabotage, illegal tapping, and terrorist actions
Semi-skilled labor	Having some job skills but not enough to do specialized work
Semi-structured interview	A method of social science research, common in anthropology, in which the researcher poses several questions on a related topic to an interviewee, who responds, often at length. The interviewer takes notes (either during or after the interview). The method is uniquely suited for collecting qualitative descriptions on virtually any topic

Term	Definition
Shining Path	The Communist Party of Peru, more commonly known as the Shining Path (Sendero Luminoso), a Maoist guerrilla organization that launched the internal conflict in Peru in 1980 in which nearly 70,000 people died. Since the capture of its leader Abimael Guzmán in 1992 it has only been sporadically active. Widely condemned for its brutality, including the murder of peasants, trade union organizers, popularly elected officials and the general civilian population, Shining Path is generally considered to be a terrorist organization
Shoofly	A temporary road between two access roads
Signage	Graphics that display information to a particular audience, especially to drivers of Project vehicles (e.g. indicating the traffic route) or for members of the general public (e.g. "authorized personnel only")
SINABIP	Sistema de Información Nacional de Bienes de Propiedad Estatal (National Information System of State Goods and Property) is the agency of the SBN, Government of Peru, which gathers all administrative, legal, technical, geographical and cadastral information regarding real property belonging to the State
Site, archaeological	A locus of past human activity, whether pre-Colombian or historic. The site may have architecture (e.g. walls) or not. It may have an underground component or be entirely on the surface. It may or may not be visible from the surface. Sites usually contain artifacts, but not always. The site may or may not be known to local people and may or may not seem important to them. See "artifact"
Site, sacred or cultural	A place or area which is revered by contemporary, local people, including but not limited to cemeteries, sacred mountains, churches, places that feature in community myth or history
Skilled labor	Workers with some special skill, knowledge, or ability in their work. They may have attended a college, university or technical school, or may have learned their skills on the job
SLIP	Supplementary lender information packages
Social investment	A program funded by the Project to enhance the ability of the local population to improve their livelihoods. The program may involve a mix of training, capital items and consumable materials (for example, a course on vegetable growing, plus a greenhouse and seed). Social investment is a voluntary contribution to society from the Project, beyond mandatory payments
Social monitor	A local person entrusted by his or her community to monitor Project-related activities and report back to the community on the social and environmental impacts. The social monitor must receive some training by the Project, e.g. in how to interpret laboratory test results of water quality, how to compare them to baselines, etc.
Soil conservation	Measures taken during Project construction to prevent the soil (especially the topsoil) from being carried away by water or wind
Speed limit	The maximum permitted speed in a certain place and under certain conditions. For example, speed limits may be lower at night. Speed limits may be set by a government or by the Project
Stakeholder	Individuals or groups that can be affected by the Project or can themselves impact the Project, or have "interests" in the Project. Stakeholders include the population of the area of influence, local governments, and agencies of the national government. Some stakeholders may be self-selected, such as NGOs, business partners, etc.
State	The organs of government of a sovereign country
Stretch	A continuous length of pipeline undergoing a similar process: e.g. a stretch of pipeline being trenched, or welded
Strip	Spanish: <i>franja</i> . The shape of the pipeline ROW, long and narrow and with a set width

<i>Term</i>	<i>Definition</i>
Structure	An item built by humans, including fences, wells, houses, corrals, schools, clinics, town halls, storage devices, barns, and many others. See “infrastructure”
Subcontractor	A company or individual hired by a contractor to work on The Project
Suggestion box	A closed box, with a slot in the lid, where employees or members of the public may leave a written complaint
Sustainable	A process that can be conducted indefinitely. There are different types of sustainability, including ecological, economic, and institutional. In community relations, “sustainable” usually means that a program begun with local people will still function after it no longer receives direct project support
TGP	Transportadora de Gas del Perú (Transporter of Gas of Peru), a company created in October, 2000 to build and operate pipelines to transport natural gas and natural gas liquids from Camisea, in the lowlands of Cusco, to Lurín and Pisco, on the coast
TMP	Transport management plan
Topsoil	The uppermost layer of soil, usually darker than the subsoil, with more organic matter and living things (e.g. earthworms, soil-dwelling insects). Topsoil is essential for agriculture
Traffic	The passage of vehicles (cars, trucks and others) along roads and other routes of transportation
Training	The teaching of knowledge, especially vocational or practical skills. May be conducted as a short course, as a lecture series, on-the-job or by other methods
Transaction costs	Costs associated with a purchase, which are not part of the purchase price. For example, legal fees, the cost of finding the good or service, the time and expense of negotiating with the seller
Transparency	Open to internal and external scrutiny and subject to reporting to allow potential beneficiaries, NGOs and authorities, lenders, and others to understand the approach
Tree	A large, perennial plant with a woody stem. It may be wild or cultivated. See “crop”
Trenching	Excavating a trench or ditch in which to bury the gas pipeline
Unplanned	Accidental or incidental
Unskilled labor	Workers without special training or education, although the workers may have other skills. For example, a person may have agricultural skills, yet seek unskilled work in industry or construction, because such work pays more than farm labor. See “semi-skilled”
Verify	To identify and verify the owner or possessor of a resource, and the state of the resource, especially of land for the right of way
Waste management	The appropriate transport and disposal of any waste (e.g. sewage, garbage, industrial debris)
World Bank	Not a bank in the common sense, but an institution which gives financial and technical assistance to developing countries. The Bank was established in 1944. Headquarters are in Washington, DC