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ARTICLE 1. GENERAL**Section 1.1. Definitions**

Capitalized terms in these General Conditions shall have the meaning assigned to them in Annex I hereto.

Section 1.2. Interpretation***1.2.1. Inconsistency with contents of Order***

These General Conditions shall apply in conjunction with the provisions contained in the Order. In case of inconsistency between any of the provisions of these General Conditions (including in any Annexes hereto) and any provision contained in the Order, the provisions of the Order shall prevail.

1.2.2. Inconsistency between General Conditions and Annexes

In case of inconsistency between any provisions of these General Conditions and those contained in any Annexes hereto, the provisions of these General Conditions shall prevail.

1.2.3. Headings

Headings in these General Conditions are included for convenience of interpretation only and are not part of the Agreement between the Parties hereto, and shall not be used in any manner whatsoever to uphold or construe said Agreement between the Parties.

ARTICLE 2. PRICE**Section 2.1. Price Setting**

The Price shall be set taking into account that the Service Contract may be on a (a) Lump Sum, (b) measurement unit or (c) Time Rate, basis or (d) any combination thereof.

2.1.1. Price on a Lump Sum Basis

This is Contractor's total remuneration for its full and complete execution of this part of the work in its entirety, in compliance with all the terms and conditions of this Contract, and for all payments made by Contractor of any obligations incurred by or applicable to it in relation to the development of all the Services. This amount may not be exceeded without prior express authorization by Principal.

In order to determine the price of the part of the work for which the price is set on a Lump Sum Basis, the Contractor has considered that:

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- (a) Unless otherwise expressly set forth in the Order, Contractor shall provide any materials, equipment, labor and other resources as required for its own mobilization, installation of temporary facilities, maintenance and cleaning of the location where Services shall be provided and any facilities therein, and their demobilization.
- (b) Contractor shall, at its sole expense, provide any Labor and services, furnish any materials and supplies (other than those expressly specified in the Order and to be supplied by Principal, supply any tools and perform any activities that may be necessary or advisable to carry out the commissioned work in a complete, careful and approved manner pursuant to the terms, conditions and other provisions contained in the Agreement and any instructions, orders and guidelines given under the Contract by Principal's authorized representative.
- (c) The price for each item included in the Lump Sum represents the total final cost to be charged by Contractor to Principal.

Progress for each individual item shall be certified on the basis of the actual progress percentage achieved in the relevant period, in proportion to total price.

Any additional time required to perform the Services after the date agreed for completion thereof, in particular where such delay is **not** attributable to Principal and is instead directly or indirectly attributable to the Contractor itself, shall **not** entitle Contractor to claim increased costs under any concept whatsoever.

2.1.2. Part of Services Priced on Measurement Unit Basis under Contract

The price for any parts of the works to be certified on a measurement unit basis, as set forth in the Order, shall include similar considerations to those provided in the above paragraph.

Such parts shall be certified on the basis of an actual physical measurement by the Principal's representative of each item for which such measurement is specified in the Order.

2.1.3. Part of Services Priced on Time Rate Basis

- (a) In relation to any Services performed on a time rate basis, Contractor shall submit daily time sheets to the Principal's approval. The approved originals of such time sheets, detailing the hours worked, materials installed and equipment used, shall be submitted as supporting documents in relation to monthly payments.
- (b) Time Rates requested under Instructions to Bidders during the Bidding Process shall be primarily used to define any new Unit Prices or Lump Sums for Services not included as a Part of Services Priced on a Lump Sum or Measurement Unit Basis and which Principal may request to be provided or performed within the completion time then applicable to the Services.

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- (c) Man-hour Rate (Mh) prices shall be calculated on the assumption that labor hours agreed with workers shall be the maximum number of hours permitted by applicable labor laws then in effect.
- (d) Any established Time Rates shall include any direct compensation, social welfare costs, fringe benefits, remuneration taxes, insurance and any other benefits established under individual or collective agreements, minor tools for which the cost to Contractor is less than Argentine Pesos five hundred (ARS 500) per tool, consumables proper of the trade involved, temporary facilities necessary for workers to perform their duties, workers' lodging and meals, safety equipment and any other costs associated with the tasks carried out by workers, plus the applicable proportion of any overhead (direct and indirect) expenses and Contractor's remuneration.
- (e) Rates do not include any expenses derived from mobilization and demobilization from and to the Site, as required to have any resources available thereat.
- (f) Any costs for mobilization and demobilization of resources not included in the list of resources that Contractor agreed to contribute for the performance of the Contract shall be a matter of negotiation between the Parties and added as such to the price of the Services, provided that:
 - (i) Transportation of employees from and to their usual place of residence and the Site (at the beginning and termination of the term of their respective individual Employment Contracts): the type of transportation shall be selected by Principal and informed to Contractor in writing.
 - (ii) Transportation of machinery and equipment from their respective location before being dispatched to the Site, to their place of destination after having been used thereat, in both cases outside any areas owned by Principal. Any movement of machinery and equipment within areas owned by Principal up to a distance of 10 km shall be included in the Rate applicable to the relevant piece of machinery or equipment.
 - (iii) The maximum amount to be paid for the demobilization of each individual item may not exceed the price charged for the mobilization thereof.

Section 2.2. Value Added Tax (VAT)

Unless otherwise set forth in the respective Order, the price shall not include Value Added (VAT) or other VAT-equivalent taxes.

Section 2.3. Price Adjustments

Unless otherwise set forth in the respective Order, the price shall be a fixed amount not subject to any adjustments whatsoever.

Section 2.4. Suspension of Payments

Upon any failure by Contractor to discharge its obligation to perform the Services, whether in whole or in part, in compliance with the applicable Completion Time or any other failure by Contractor to fulfill its obligations under the Agreement, and notwithstanding the Principal's right to bring any claims by the appropriate procedures, Principal shall be entitled to suspend any payments then owing to Contractor until such time as Contractor will have fully discharged its obligations under the Agreement.

ARTICLE 3. BILLING AND PAYMENT**Section 3.1. Form of Payment**

Unless otherwise specified in the relevant Order, the Price or any other amounts payable by Principal to Contractor shall be effectively paid within sixty (60) days after the Date of Receipt of the respective invoice at the Principal's offices.

Section 3.2. Advance Payments

- (a) If the parties have agreed that advance payments are to be made, Contractor shall, before any advance payment is made by Principal, provide a bank guarantee or surety bond issued by a first-line bank or insurance company – Insurance Cooperatives not being accepted – acceptable to Principal, payment to be effected at Principal's domicile for the amount of the relevant advance payment, plus any applicable VAT rate and in the currency in which the Order was denominated. Such guarantee provided hereunder shall expire not less than thirty (30) days after the Date of Provision of Services.
- (b) If it has been mutually agreed between the parties that advance payments are to be made only for a portion of the contract price, the provisions of Section 3.1 shall apply to the payment of any remaining amount.

ARTICLE 4. PURPOSE, WARRANTIES AND INSURANCE**Section 4.1. Obligations of the Parties**

Contractor agrees to provide Principal, and Principal agrees to receive from and pay to Contractor for the Services, pursuant to the terms and conditions stipulated in the Agreement.

Contractor shall be allowed to start any works related to the performance of the Services under this Agreement only upon its prior submission to Principal and to the entire satisfaction thereof of all the guarantees and insurance policies required under this Agreement, and after giving Principal Notice of Start of Services and delivering to Principal a Safety Manual approved by Contractor's Labor Risk Insurer (ART), if applicable.

Section 4.2. Changes.**4.2.1. Right to Request Changes**

Principal may, at any time and by means of a written order delivered to Contractor, modify any Contractor's obligations under the Agreement, including changes in one or more of:

- (i) the Conditions;
- (ii) the Services to be performed, and
- (iii) the date and place of execution.

4.2.2. Contractor's Rights and Duties in the Event of Changes

Contractor shall not refuse to implement any changes that Principal may require. In case any such changes involve increased or decreased costs or a longer or shorter time for Contractor to perform its obligations under the Agreement, the Service price and Service Performance Schedule shall be reasonably adjusted. Such price adjustment shall not be binding for Principal if Contractor fails to comply with its duty to demand such adjustment in writing ten (10) days after the date of the request of a change made by Principal.

Section 4.3. Warranties

4.3.1. Scope of Warranties

Contractor warrants that any Services performed by it under this Agreement shall (i) comply with the Conditions, and (ii) satisfy any requirements specified in the Order.

4.3.2. Warranty Period

Unless otherwise specified in the Order, the Contractor's warranty shall be effective and valid for a period of twelve (12) months as from the date of completion of the Services.

Section 4.4. Performance Bond

4.4.1. Requirements

Unless such requirement is expressly excluded, waived or amended by provisions contained in the Order, within (a) ten (10) calendar days after the Date of the Agreement or (b) two (2) business days before the date when an advance payment is to be made by Principal, if it has been so agreed, Contractor shall provide, at its own expense and for the benefit of Principal, a bank guarantee or surety bond issued by a first-line bank or insurance company – Insurance Cooperatives shall not be accepted – acceptable to Principal and payable at the Principal's domicile, for an amount equivalent to ten per cent (10%) of the Order amount, plus VAT, and in the same currency of the Order, or such other percentage as may be set forth in the Order, if such is the case, of the total price of the Services to be performed under the Agreement (the Performance Bond). The Performance Bond shall remain in full force and effect until such time as Contractor will have discharged all its obligations under the Agreement, provided that, in any event, this guarantee shall not expire prior to the expiration date of the Service warranty provided pursuant to Section 4.5.

4.4.2. Renewal of Performance Bond

If the Performance Bond expires before all Contractor's obligations under the Agreement have been performed by it, Contractor shall replace such prior Performance Bond delivered to Principal for a new performance bond pursuant to terms and conditions similar to those of the prior Performance Bond.

4.4.3. Failure to Renew Performance Bond

Contractor's failure to renew the Performance Bond within seven (7) days prior to the expiration date thereof, as it may correspond, shall entitle Principal to enforce the bond so as to obtain from its respective issuer the payment of any amounts secured by such bond and/or withhold any applicable amounts until such time as Contractor will have discharged all its obligations, including such expenses and fees as Principal may have incurred for such enforcement. Principal shall reimburse Contractor for any amounts that Principal may have received from the issuer of the bond, after deducting the total amount owed by Contractor to Principal.

Section 4.5. Service Warranty

On the date of completion of performance of the Services Contractor shall submit to Principal a service warranty effective for a term of one (1) year after such Acceptance, implemented by means of a surety policy issued by an Argentine Private Insurance Company authorized by the Argentine Insurance Authority, to Principal's entire satisfaction – Insurance Cooperatives shall not be accepted – for an amount equal to 5% (five per cent) of the total Order amount plus VAT and in the same currency of the Order, to answer for any expenses derived from repairs to be made as a result of defects attributable to errors in or improper performance of any Services in charge of Contractor (the Service Warranty).

Warranty for any works to be redone, modified or replaced due to flaws, hidden defects or deficiencies and generally on account of non compliance with any obligations assumed by Contractor, which works are to be performed during the effective period of the Service Warranty referred to above, shall be effective for a maximum period of one (1) year after the date of completion of such repair work as stated in the notice of completion given by Contractor to Principal by self-authentic means ("Evergreen Warranty").

When a repair to be made under a warranty demands replacement of any items damaged as a result of the poor quality of service performance or any other problem attributable to Contractor, such materials shall be put in place at the location where services are performed by Contractor at its own cost and expense, and Contractor shall not be entitled to any claim whatsoever against Principal.

Section 4.6. General Laws and Regulations. Indemnities.

Contractor shall indemnify and hold Principal harmless from and against any damages – including consequential damages and lost profit – associated with, relating to or arising from any infringement of or failure to perform duties under any laws, ordinances or regulations

issued by any authorities with subject-matter jurisdiction over this Agreement and any obligations derived herefrom – including labor, social security and/or tax laws; including regulations issued by the Argentine Gas Regulatory Entity (the ENARGAS) in its capacity as Enforcement Authority under Argentine Law No. 24076 and oversight agency of TGS as Licensee of the Natural Gas Transmission Utility Service, as well as –if possible in the judgment of Principal – any other rules that may be enforceable in order to achieve full compliance with ISO 14001 and ISO 9000 standards and OHSAS Specification 18001. Contractor's duty to indemnify and hold Principal harmless shall include, but not be limited to, the Contractor's obligation to pay any reasonable counsel fees that Principal may have incurred in the defense of any such claims, and also the Contractor's obligation to modify the Services to any possible extent so that none of the preceding rules shall be infringed by them.

Also, Contractor assumes liability for any risks directly or indirectly associated with or resulting from the operation of any equipment and/or vehicles used by Contractor, whether directly or through third parties, to perform its Services in accordance with the Conditions or the Agreement, and also for any damages that may be payable by Principal and derived from legal actions or claims brought by Contractor's or any subcontractors' or third parties' employees.

Section 4.7. Specific Laws and Regulations

Contractor shall observe any applicable regulations on the following matters, among others:

4.7.1. Taxes

Contractor shall pay any taxes, duties, fees, commissions, charges, consumption or other taxes imposed by tax authorities in the Countries of origin of any equipment supplied, if any; and shall comply with the following requirements as and when due:

- Contractor shall be registered with competent tax authorities in Argentina, as prescribed by applicable Laws and Regulations (in Municipal, Provincial and National jurisdictions).
- Contractor shall prepare invoices in accordance with applicable regulations, file forms and tax returns with the relevant tax authorities in due time, and keep adequate records of any tax determination and commercial calculations made and any relevant documents filed by it.
- Principal shall be entitled to verify Contractor's fulfillment of tax payment obligations. Upon the relevant requirement, Contractor shall deliver Principal any information that Principal may request for such purpose.
- If Principal wishes to verify the accuracy or integrity of any information provided by Contractor in order to satisfy the requirements established under this item, Principal reserves the right to conduct an audit through an Audit Firm designated by it.

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- In the hypothetical event that Stamp Tax were levied on the order as a whole in the respective province, such tax shall be borne and paid by Contractor, and Contractor shall furnish Principal evidence that it has discharged such obligation.

4.7.2. Labor and Social Security Contributions

- Personnel employed by Contractor, whether on a regular or temporary basis, for the performance of the Services, shall not in any event be deemed personnel employed by Principal. Consequently, Contractor agrees to hold Principal harmless from and against any liability arising from claims for non compliance with labor, social security and social welfare laws, and from payment of any kind of indemnities, including those derived from occupational diseases or accidents.
- Contractor shall, before commencing any works, submit a Sworn Statement listing all the employees that will perform duties under Contractor, stating:
 - Their first and last names, identity document type and number, CUIL (Labor Identification Number) (in photocopy), home address and/or telephone number.
 - Each employee's job category and gross remuneration amount subject to different contributions.
 - A list of employees covered by the Labor Risk Insurance (ART) policy.
 - An individual note signed by each employee, stating the results of his/her pre-employment medical examination, signed by an Occupational Medicine practitioner. Such submission shall be supported by a letter on Contractor letterhead paper accompanying each employee's pre-employment medical examination.
- Also, Contractor shall submit the following, on a monthly basis and in the form of a sworn statement:
 - Photocopies of salary receipts of all employees, month by month.
 - Photocopies of mandatory life insurance policies and payment receipts.
 - Photocopies of documents evidencing that working clothes and safety elements were furnished to employees as required for the tasks to be performed by them.
 - Evidence of the contract made with and the address, telephone number, etc. of the medical center designated to provide medical assistance to employees in case of accident, and express instructions as to the location where employees are to be sent upon any such occurrence. The areas for which employees respectively work as well as any administrative or industrial relationship offices must be aware of any such instructions.
- In addition to the foregoing, Contractor agrees to submit, within 72 hours after the relevant request, any documents that may be requested from Principal by the Argentine or any Provincial Ministry of Labor and/or Office of Labor Undersecretary.

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- Any new employees included into the lists of Contractor's personnel shall be included in a Sworn Statement to be submitted by Contractor, detailing the information described above. Foreign employees shall be accepted at the sole option of Principal, who may consult with the relevant authorities if it so deems necessary. Also, Contractor shall observe the provisions of Law No. 17294 regarding migration, as amended or substituted by any resolutions or executive decrees.
- Contractor shall answer for the behavior of its employees, and also for any injuries, disorder or any other irregular events derived from such behavior. Contractor shall bear full liability for any claims arising from actions or acts performed by employees under its charge, and such liability shall extend to any claims for personal injuries, death or damage to property resulting therefrom.
- Contractor shall strictly observe Law No. 20744, as amended, in relation to the payment of wages and social security contributions, and shall make remuneration and other payments effective on the basis of officially approved and existing Services during the performance of the Services. Also, Contractor shall be responsible for the payment of overtime to its employees, which shall be paid as prescribed by Law No. 20744, as amended, within the time period established for the payment of ordinary wages.
- Principal shall not extend any certificate or issue any invoice for Services performed until such time as Contractor shall have submitted to Principal the following documents as evidence:
 - Document evidencing the payment of wages for the month prior to the month for which liquidation is being requested – Statutory Book and/or payment receipts-;
 - Evidence of employees' Mandatory Life Insurance on an annual basis;
 - Original tax return – National Social Security System and National Welfare Funds System;
 - DGI (Argentine Tax Authority) Form No. 902 (monthly unified form);
 - DGI Form No. 107 of payment and DGI Form No. 107 of monthly payment to the relevant ART (Labor Risk Insurer), evidencing receipt of the respective payment as due;
 - Deposit of trade union and welfare fund installment payment;
 - Deposit of installment payment with the *Instituto de Estadística y Registro de la Industria de la Construcción* (Institute of Construction Industry Statistics and Register) (if applicable);
 - Deposit of payment with ISTIC (*Instituto Servicios Sociales Trabajadores de la Industria de la Construcción* – Institute of Social Services for Construction Industry Workers) (if applicable);
 - Evidence of inscription and registration of employment Contracts (if applicable) with the Sole Labor Registration System;
 - Copies of any temporary or specified-term employment contracts with employees assigned to the performance of Services;

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- Copies of contracts with non-remunerated employees hired by Contractor and assigned or corresponding to the Services (traineeships, scholarships, remunerated trainee practices, training, special non remunerated employment programs, etc.).
- Before paying the last invoice, Principal shall demand that Contractor submit all supporting and other documents evidencing its strict compliance with applicable laws, executive decrees and regulations then in force until the last working day. Principal shall otherwise withhold payment until such time as the above requirement is satisfied.
- Contractor shall pay personnel salaries within the period prescribed by applicable law at the Contractor's offices or any other location other than Principal's premises.
- As to Labor Risk Insurance, Contractor shall comply at least with the requirements set forth below:
 - Insurance shall be provided by a Labor Risk Insurer legally authorized to operate in Argentina;
 - Contractor and/or Sub-Contractor shall submit to Principal self-authentic evidence of the most recent payments made to SUSS (*Sistema Único de la Seguridad Social* – Argentine Social Security System) in relation to this insurance. Such payment shall be made to the Argentine Tax Authority (DGI) together with social security contributions.
 - The amount insured for each worker assigned to the Services shall be equivalent to sixty (60) times the maximum remuneration subject to social security withholdings under applicable law. Benefits contemplated in this resolution are independent from any other welfare benefit, insurance or indemnity of any nature whatsoever established under a collective agreement or Social Security or Labor statutory regulations;
 - The coverage certificate shall state that all obligations arising from Labor Risks Law No. 24557 are being complied with. Such certificate shall include the following: ***“(ART [labor risk insurer] name) hereby expressly waives any legal action for the recovery or reimbursement of money against [Principal] and any officers and employees thereof, whether under Section 39.5 of Law No. 24557 or any other statutory regulation, in relation to any benefits, whether in kind or cash, that it may be required to provide or pay for to personnel currently or formerly employed by (name of Contractor company) under the coverage of insurance contract No. due to occupational accidents or diseases derived from or contracted on occasion of the work performed or along the way from the worker's domicile to the working place. (Name of ART) agrees that it shall give [Principal] self-authentic notice of any failures in compliance incurred by the insured; in particular any failure to make timely payment, within ten days after any such occurrence. This non-recovery provision shall cease to have effect if the contracting company for whose benefit it has been stipulated fails to comply with any preventive or labor health and safety regulations, or infringes Law No. 19587, Regulations No. 351/79 thereunder, Executive Decree 911/96 and any regulations issued in such connection by the Argentine Labor Risk Authority***

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[Superintendencia de Riesgos del Trabajo]; the Argentine provinces and the Autonomous City of Buenos Aires in their respective jurisdictions, and applicable to such contracting company...”

- Coverage certificates shall not contain any legends, observations or provisions restricting or limiting in any manner the provisions requested by Principal, specially any provision contemplating terms shorter than the original coverage, which shall not be less than 1 year.

4.7.3. Insurance

- Contractor shall be liable for any damage caused by its employees, equipment and/or vehicles, and also for any damage caused by Subcontractors under its charge, and Contractor shall be required to indemnify and hold Principal harmless from and against any claims arising from accidents, fines and consequential expenses, including counsel fees and expenses, and the insurance amounts stipulated herein shall not be interpreted as a limitation to Contractor’s liability.
- Contractor shall carry the insurance set forth herein with Argentine Private Companies authorized by the Argentine Insurance Authority, and furnish Principal evidence of such contracted insurance not less than two (2) days before the Date of Start of Services.
- For the purpose of protecting Principal from and against any liabilities, losses or expenses derived from damage to property or the death of any person(s) in any manner caused by, related to or resulting from the performance of the Services, Contractor shall obtain and maintain at its own expense, until the termination of Services by Principal, insurance to cover the following risks:
 - **Comprehensive Civil Liability**
Contractor shall carry insurance covering any damage that may be caused by it or any Subcontractors thereof to third parties or third-party property, environmental damage, unexpected, sudden or accidental contamination and/or pollution, and also any damage caused to Principal and/or any employees or property thereof.
Such policy shall cover property under care, custody and control, and shall include indemnity and Cross Liability provisions:

“In the event of a direct or indirect third-party claim brought against Principal for an indemnifiable loss under this coverage, Principal shall be deemed an insured under this policy.”
“This policy covers Principal and/or any contractors and/or subcontractors as if each of them had been issued a separate policy.”
 - **Cross Liability, Contractor’s Equipment and Machinery**
Contractor shall submit to Principal insurance covering civil liability for Contractor’s equipment and machinery. These policies shall contain a waiver of

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subrogation rights against Principal in the event of damage to or loss of any such equipment and machinery.

- **Car Insurance**
Contractor shall carry car insurance covering civil liability from damage to third-party property, personal injuries and/or death of passengers or other third parties. Indemnity limits shall be US\$ 3,000,000 for light vehicles and US\$ 10,000,000 for heavy vehicles and trucks. This policy shall include the following provision: “In the event of a direct or indirect third-party claim brought against Principal for an indemnifiable loss under this coverage, Principal shall be deemed an insured under this policy.”
- **Mandatory Life Insurance**, as prescribed by Executive Decree No. 1567/74.
- **SELF-EMPLOYED Contractors and Subcontractors:**
In relation to SELF-EMPLOYED Contractors and Subcontractors, Contractor shall provide a personal Accident Insurance including Principal as a beneficiary under the policy. Coverage shall include not less than: death, permanent total disability, permanent partial disability and commuting accidents, and the minimum insured amount shall be equal to the death indemnity amount established by the Labor Risks Law, currently at ARS 180,000.
- Also, Contractor shall require that each Subcontractor, Vendor and other persons related to the performance of Services obtain and maintain insurance at their own expense at all times during the term of the Agreement.
- All insurance policies and/or policy endorsements under the Agreement shall be submitted to the acceptance of Principal as regards limits, coverage, deductibles and insurance companies, insurance types being subject to Principal’s final approval, and shall be submitted to Principal prior to the commencement of Services. All insurance policies and their respective endorsements shall be submitted in original copy and be certified by a Notary Public. In all cases Principal shall be designated as insured, in addition to Contractor, and the insured company shall expressly waive any subrogation rights as against Principal. The Insurance Company shall agree not to amend or cancel any of the policies without the prior written authorization of Principal.
- Notwithstanding any requirements as to insurance to be carried hereunder, the insolvency, bankruptcy or default of any insurance company providing insurance to Contractor, any failure by an insurance company to pay any claims under such insurance or insufficient insurance limits shall not affect, invalidate or be deemed a waiver of any provisions contained in the Order, including, without exception, Contractor’s indemnity duties. Contractor shall also be liable for any amounts payable as a result of deductible clauses or insufficient insurance limits under any policies carried by Contractor.

GENERAL CONDITIONS OF CONTRACTS FOR SERVICES

- Contractor shall not start performance of any tasks in relation to the Services if the documentation described above has not been submitted in its entirety.

4.7.4. Environmental and Health and Safety Matters

The description set forth below is included for illustration purposes only and is not limitative. The specifications contained therein are provided as a guideline.

- Contractor shall take into account all features of the Services to be provided so that any actions necessary for the proper protection of workers and facilities shall be duly taken.
- Contractor shall fully observe any safety measures established under this procedure, Argentine Labor Risks Law No. 24557, Argentine Occupational Health and Safety Law No. 19587 and Regulation No. 351/79 thereunder, Regulatory Decree No. 911/96, Resolution No. 51/97 and Supplementary Resolution No. 35/98 and any other Environmental Safety and Protection Regulation, both of national and local jurisdiction, that may be applicable at the time of performing the Services.
- A program shall be prepared for each service or undertaking in which the employer takes part whether as main contractor or subcontractor, as prescribed by Section 6 of the Annex to Regulatory Decree No. 911/96. Such program shall:
 - Include a list of all employees working in connection with the Services, and shall be promptly updated in case of any additions or layoffs.
 - Identify the Company, Establishment and Insurer.
 - Indicate the date of preparation of the Safety Program.
 - Include a description of the Services and their construction stages, including expected completion dates.
 - Detail any general and specific risks contemplated for each individual stage.
 - Contemplate each stage of the Services and specify safety measures to be adopted in order to control any expected risks.
 - Be signed by the Employer, Contractor's Manager and Contractor's Occupational Health and Safety Representative, and be approved (pursuant to the terms of Section 3 of this Resolution) by an occupational health and safety expert appointed by the Insurer.
 - Be signed, prior to its submission to the applicable Labor Risk Insurer, by the Occupational Health and Safety Responsible Officer of submitting Contractor and/or Subcontractor, and also by the Occupational Health and Safety Representative of Principal.
 - Subsequently, and after it has been signed by the applicable Labor Risk Insurer, Contractor shall deliver FIVE (5) copies thereof to the Principal's Operational Safety Office.
- Principal may at any time inspect the site or facilities where services are provided by Contractor's personnel in order to ensure that they are compliant with established requirements. Such inspections shall not be deemed to imply acceptance of Contractor's practices nor release Contractor from liability for the health and safety of

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its own employees, Principal's personnel and facilities and the general public and for any required environmental protection.

- Contractor shall comply with any environmental laws and regulations applicable to the duties performed by Contractor and any employees, suppliers and/or subcontractors thereof, and shall also comply with and observe any instructions derived from the Environmental Impact Study, if any, or from any rules and instructions of Principal. Also, Contractor shall submit a statement acknowledging and accepting the rules of Principal's environmental regulations register, including an acknowledgement that this document does not release Contractor from compliance under this section, including with regulations not mentioned herein and which may be applicable to the work or service performed under the contract.
- Before starting its performance of the Services, the Contractor's supervisor and Principal's representative shall reach a clear understanding on Occupational Safety and Environmental Protection issues, taking into account that Contractor shall:
 - Obtain the Principal's Representative's approval before commencing performance of any service.
 - Assume responsibility for compliance with all national and local Environmental and Health and Safety laws and regulations applicable to the services, including those set forth in the Agreement.
 - Keep the Principal's representative fully informed of any works that may affect the safety of Principal's employees and property or any third-party property.
 - Allow the access and presence of authorized personnel only at the working place.
 - Furnish and demand the use of any necessary equipment so that works will be developed safely. This includes all personal protection items (helmets, safety footwear, goggles, etc.) for employees and other items required according to the specific nature of the Services.
 - Inspect any equipment and tools supplied by Principal (if applicable) to be used by Contractor, and assume any risks derived from the use thereof.
 - Keep the site clean as necessary.
 - Protect Contractor's employees from any possible risks in the area and safeguard the environment.
 - Give the Principal's representative prompt notice of any injuries. Necessary first-aid and medical assistance shall be provided by Contractor, assisted by Principal only in case of emergency, when so required under the circumstances. Also, Contractor shall conduct any applicable proceedings before public entities.
 - Inform the Principal's representative of any risk conditions that may affect the performance of its duties.
 - Implement a safe and effective Safety Program, including adequate training and the relevant Safety meetings.
 - Give its employees copies of any applicable Safety procedures.

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- Notwithstanding anything contained in this section, Contractor shall also act in compliance with the provisions contained in **Annex II – ENVIRONMENTAL AND SAFETY MATTERS**, to the Agreement and instructions derived from the Environmental Impact Study, if any, or any recommendations and required practices under applicable environmental law and those adopted by Principal.

Section 4.8. Other Regulations

Notwithstanding Contractor's duty to comply with any other specific regulations herein established, Contractor shall submit to Principal documents evidencing its strict compliance with any applicable regulations under the statutory rules set forth below, as amended, and related regulations, in particular:

4.8.1. General Resolution AFIP No. 899/2000 (Employee Early Incorporation Number)

- A copy of the "Acceptance Document" of the Employee Early Incorporation Number issued by a DGI [Argentine Tax Authority] Agency evidencing notice by Contractor of the early incorporation of its workers in a regular employment relationship.
- If such "Acceptance Document" is not available, Contractor shall submit a Note, on Contractor's letterhead paper and signed by an Attorney in fact or Legal Representative thereof, providing Principal, for the sole purpose of "satisfying the requirements of Resolution AFIP No. 899/00 and section 30 of the Argentine Employment Contract Law (under Law No. 25013)", the following details:
 - (i) Employer's first and last names or corporate name;
 - (ii) Employer's CUIT [tax identification number]
 - (iii) Worker's CUIL [labor identification number] or CUIT [tax identification number]
 - (iv) Date of commencement of employment relationship
 - (v) Employee Early Incorporation Number, if available.

4.8.2. Executive Decree No. 909/2000 – Law No. 25551 – Executive Decree No. 1600/2002

A Sworn Statement that Contractor shall, in any bidding documents, tenders or requests for the supply of goods and/or services, comply with any advertising and bid assessment requirements pursuant to the terms and with the scope prescribed in these statutory rules and regulations.

4.8.3. Economic and Financial Emergency Law No. 25344

Any effects derived from the termination of contracts and/or leasing agreements and/or work and/or service agreements that may currently be or previously have been in effect between Contractor and any Governmental agency and falling within the scope of Law No. 25344 shall not be enforceable as against Principal, including when such contracts may have or have had a direct or indirect relationship with this services contract.

GENERAL CONDITIONS OF CONTRACTS FOR SERVICES**4.8.4. Tax Evasion Law No. 25345**

- Contractor shall be required to furnish Principal – as agent in charge of determining and paying taxes, as it may correspond, under section 15 and related sections of such Law No. 25345 – the following information, which shall be identified by the legend “Documents furnished for purposes of complying with obligations under Law No. 25345.”
- A list of its employees by name and identified by their respective labor identification number (CUIL), broken down into the job categories defined in Annex I of Law No. 25345.
- A detail of the number of active days of each worker included in the above name list during the calendar month being reported.
- A detail of any family benefits paid during the period covered by the report.

4.8.5. Indemnity Bond Covering Compliance with Foregoing Obligations

Contractor shall indemnify, hold harmless and defend Principal and any affiliates thereof, the representatives of each such affiliate and any successors and assigns thereof from and against any and all claims and/or liabilities derived from a Contractor’s failure to comply with the provisions set forth in items 4.8.1 through 4.8.4 of this section. In any event, Contractor acknowledges and agrees that any amount resulting from any such claims shall be payable to Principal and may be set off against any amounts owed by Principal to Contractor under this Service contract.

Section 4.9. Certificates, Permits and Licenses

Contractor shall obtain and pay any relevant costs to obtain any approvals, certificates, permits, authorizations and licenses that may be required so that it will be able to act as Contractor in any applicable Province, township or jurisdiction.

ARTICLE 5. SERVICE PERFORMANCE CONDITIONS**Section 5.1. Personnel****5.1.1. Hiring**

Contractor shall not hire nor permit any Subcontractor to hire, in relation to their respective performance under these Conditions, any employees who are not skilled or capable of performing any portion of the Services that may be assigned thereto. Contractor shall use reasonable efforts when hiring labor and Subcontractors (both directly and indirectly) so as not to cause any conflicts or interferences with or between different trades, nor delays in the performance of Contractor’s obligations. Contractor shall be liable for any labor-related issues in connection with the Services, and shall at all times use and cause subcontractors to use reasonable efforts to preserve a peaceful relationship between employees hired for the performance of Services. Contractor shall use and cause subcontractors to use reasonable efforts and criteria, as experienced Contractors, to adopt and implement policies and practices

designed to avoid any suspension of work, work to rule, disputes and strikes in relation to the performance of Services.

5.1.2. Capable Employees

When so required by Governmental Authorities, whether national, provincial or municipal, Contractor agrees that it shall solely employ capable personnel to perform the Services.

All such professional Services shall be performed with the degree of care, skill and responsibility usual in such capable personnel, and Contractor shall be liable for any actions taken by them as to Principal or any third-party claimants.

5.1.3. Duties of Contractor's Personnel

All personnel working under Contractor's responsibility shall observe the duties set forth below and they shall:

- Enter into and stay at allowed places only.
- When required to go outside their respective working area within a Plant, obtain express authorization from Principal's Representative for such purpose.
- At any time when moving around, whether inside Principal's facilities or at the working area, be required to wear helmet, industrial footwear and safety goggles, and also any appropriate safety clothes.
- Not perform any works if not wearing proper clothes and personal protection as applicable according to the tasks to be performed.
- As a general rule, courtesy, common sense and sound judgment shall be used to establish rules or behavior as to Principal.
- However, in order to avoid any misunderstanding it is expressly stated that the following actions shall not be tolerated, namely:
 - Any misconduct, carelessness or negligence that may cause injuries or death.
 - Any quarrels or dispute mongering.
 - Any damage to property or materials.
 - The forgery of labor records or documents.
 - Disorderly conduct or rough play.
 - Running within offices, corridors, workshops, etc., or when entering or leaving work premises.
 - Pedestrians shall walk on sidewalks, if any, and always keep to their right. In the absence of sidewalks, they shall walk along paths or streets, and in such case they shall keep to their left so as to face oncoming vehicles.
 - Driving vehicles through unauthorized areas or making dangerous maneuvers.
 - Smoking at any places not authorized for such purpose, making fires or using items that may cause ignition at locations where flammable and/or explosive products or byproducts are stored, handled, loaded, unloaded, transported, manufactured or treated, and also where flammable gases are or may be present in the atmosphere or any other location deemed hazardous.

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- Introducing alcoholic beverages, drugs, or any toxic, stimulating or depressing substances of any kind into the working place. Any drunk or similarly intoxicated employees shall not be allowed to perform their duties and be required to leave the premises without delay, and they shall thereafter be denied access.
- Preparing meals with the use of fire, unless this is done at locations expressly authorized by Principal for such purpose.
- Bearing fire arms or bladed weapons. This prohibition is also extended to any persons traveling in Principal's vehicles or any hired transportation. Expressly authorized Surveillance Agents are exempted from this prohibition.
- Using liquid fuels while performing their duties, other than fuels expressly authorized by Principal, in which case employees shall take maximum safety precautions.
- Keeping animals within Principal's premises, whether on a permanent or temporary basis.
- Using photographic and/or filming cameras within the premises, unless authorized under a specific Principal's order.

5.1.4. Duties of Contractor as to its Personnel

Before starting the performance of any Services or hiring new personnel, Contractor shall submit to the Principal's responsible officer for the Area where duties shall be performed a list of any employees assigned to the provision of Services, stating: their first and last names, nationality, identity document, duties, age, address and Identification Order number.

- Contractor shall furnish its employees Credential cards so as to permit the identification of Agents for purposes of facilitating oversight. Such credential shall be delivered after employees have attended the Orientation course. Also, Contractor shall furnish its employees uniforms or badges to be used on clothes so that they may be quickly located.
- Contractor shall be responsible for any matters connected with its own and any Subcontractors' employees' knowledge of and compliance with these safety requirements.
- Contractor assumes liability as to Principal for any employees or other persons working for or reporting to Contractor.
- Contractor shall furnish its employees such personal safety elements as may be necessary for the performance of their individual tasks, manufactured pursuant to standards recognized by Principal.
- Depending on the significance of the Services to be performed and as required by Principal, Contractors shall employ technical personnel that will be assigned to perform Industrial Safety and Occupational Medicine duties during the development of contracted tasks as a whole, all as prescribed by Law No. 19587, Executive Decree 351/79, Regulatory Decree No. 911/96 and Resolutions SRT 231/96 and 51/97.

5.1.5. Duties of Contractor in Relation to Temporary Facilities

Within Principal's premises, Contractor shall request that the Principal's responsible officer identify the proper location for any temporary facilities to be installed as necessary for the correct development of Services, and also determine the required area for the movement of materials, tools and machines and the parking of any vehicles, as well as the location of any safety elements to be put in place.

Outside Principal's premises, Contractor shall obtain any required authorizations from owners, private companies, national or municipal entities, etc. so as to obtain an adequate location to install its temporary facilities, and also determine the area required for the movement of materials, tools and machines and the parking of any vehicles, as well as the location of any safety elements to be put in place.

The Principal's Representative may demand additional elements to prevent losses, which Contractor shall maintain at all times in perfect operating conditions. Installation shall be made in accordance with Standards.

If a wire fence is placed by the Contractor Company around temporary facilities, such fence shall be placed subject to agreement with the Principal's Representative.

Temporary facilities shall be kept in an orderly and clean fashion, and to such end Contractor shall instruct its personnel on a regular basis.

Contractor shall request the relevant approval for room heating.

Sanitary services shall be built as prescribed by Law No. 19587 and Regulations 911/96 thereunder, and shall be kept at all times in perfectly healthy and clean conditions.

Also, the requirements set forth in the Safety Rating Form included as Annex II – ENVIRONMENTAL AND SAFETY MATTERS to the Agreement shall be complied with.

5.2. Service Quality. Conditions. Scope of Works.

All the Services performed by Contractor shall be in compliance with the Conditions. If no specific Conditions have been established, Contractor shall perform the Services in compliance with the highest quality standards.

In addition to satisfying any other provisions contained in the Agreement, the Services shall satisfy not less than the following Conditions:

5.2.1. Contractor's Resources

Contractor shall furnish, assume, provide or cause to be provided to Principal, as and when due, any know-how, supervision, labor, personnel, materials, supplies, equipment and machinery necessary for the performance of Services.

5.2.2. *Materials and Supplies*

Contractor shall provide any materials, supplies and equipment and receive and transport any special equipment, and shall also handle and store any of them, if necessary.

5.2.3. *Subcontractors*

Contractor shall be responsible for the daily supervision and management of the performance of Services and the duties and performance of any Subcontractors and Subcontractors' employees and equipment, if any.

5.2.4. *Site Cleaning*

Contractor shall at all times keep the Worksite Location free of waste and residues resulting from Contractor's operations, in accordance with environmental regulations referred to in these Conditions and those applicable to Contractor's activities then in effect.

Prior to Acceptance and in order to establish that the provision of Services has been completed, Contractor shall remove any equipment and carry out the removal of any waste, residues and garbage resulting from any Services performed from the Worksite Location and surrounding areas, and shall furnish Principal an official certificate issued by local, provincial or national authorities, as it may correspond, evidencing the final disposition of such waste.

Upon any Contractor's failure to fulfill this obligation, Principal shall be entitled to assume such cleaning tasks under its own charge and shall deduct any costs associated therewith from any outstanding payments then owing to Contractor.

5.2.5. *Safety of Services*

Contractor shall be solely liable for any construction means, methods, techniques, sequences and procedures and safety programs used in relation to its performance of the Services and shall at least guarantee compliance with Principal's safety rules as set forth in these Conditions.

Contractor shall start and maintain safety programs and measures designed to comply with any applicable provisions under Local, Municipal, Provincial and National Laws, Codes, Regulations, Orders and other safety requirements in order to prevent personal injuries or damage to property at the Worksite Location and its surrounding areas.

Contractor shall build and maintain protection devices designed to protect workers and third parties.

Contractor shall eliminate or reduce any safety risks derived from the Services performed or resulting therefrom for any other reason.

5.2.6. Emergencies

In the event of any emergency that may jeopardize life or property, Contractor shall take any actions deemed necessary and reasonable to avoid, prevent or mitigate the effects of such incidents on Principal, including any effects resulting from any measures adopted by Contractor in relation thereto.

When in the Principal's judgment Contractor has failed to adopt sufficient precautions for the safety of workers and/or the protection of property (whether owned by Principal or third parties) then present at the Worksite Location or its surrounding area, and has thus created areas in risk of danger which require immediate action, Principal shall give Contractor notice of such circumstance and Contractor shall adopt measures, immediately if so required and not more than 48 hours after receipt of the above mentioned notice, and shall take any required actions and supply any necessary elements.

After the above period has elapsed without Contractor having taken any actions as required under the circumstances, Principal shall be entitled to take such actions with its own means at Contractor's expense.

5.2.7. Project Manager. Technical Representative

Contractor shall, within two (2) days after the date of commencement of its duties, give Principal notice of the designation of and assumption of duties by the Contractor's Project Manager, and shall have previously submitted such Project Manager's résumé. The Project Manager's designation must be approved by Principal.

Contractor may change its Project Manager provided notice of such change is given to Principal, and Principal may also request a change of Project Manager if Principal believes that such Project Manager's background is not satisfactory in connection with its duties.

Also, Contractor shall, within a period to be agreed upon, designate a responsible officer who will be in charge of the performance of Services at the Worksite Location and act in a coordinated and direct relationship with the Principal's Representative in connection with any details concerning this stage. The Service Order Book and Company Request Book shall be used as written means of communication; however, any official communication affecting these Conditions shall be exchanged between the Principal's Representative and Project Manager designated by Contractor.

5.2.8. Good Relationship with Owners and Lessors

Contractor shall use its best reasonable efforts for the benefit of Principal in order to preserve the good will of land owners and lessors of any plots of land through which rights of way may be required.

5.2.9. Final Documents to Be Delivered by Contractor

Contractor shall prepare and deliver to Principal, upon the Final Acceptance of the Services, any Documents stipulated under the Agreement.

5.2.10. Spanish Language

The contract shall be in Spanish, and consequently Contractor agrees to deliver any number of documents that may be required by Principal in Spanish. Principal shall deliver any documents that it may produce also in Spanish, and may deliver documents in English subject to its own good will.

Section 5.3. Other Provisions Regarding Services

5.3.1. Books

Contractor shall make available at the Worksite Location two (2) books, their pages duly numbered, not less than five (5) days before the Date of Start of Services. Such books shall be approved for use and the respective memoranda shall be drawn up in the presence of Principal.

Such Books shall include:

(a) Service Order Book

This book shall contain a record of any memoranda drawn up at the stage of development of Services regarding the behavior of Contractor under its obligations and of any orders or evidences that both Contractor and its Project Manager may deem advisable to record therein.

Contractor shall be required to promptly comply with any Service Orders received and not objected to by it within 24 hours after receipt. Service Orders may be objected to by Contractor, who shall be required to state the grounds for such objection. In such an event, Contractor will be released from its obligation to execute such orders, provided the grounds given for its objection are accepted by Principal. Notwithstanding the foregoing, any Service Order that is ratified by Principal shall be immediately fulfilled by Contractor, and Principal hereby reserves any rights available thereto in connection with any expenses and damages resulting from non performance.

(b) Company Request Book:

This book shall contain any communications between Contractor and Principal, whichever the nature thereof.

Each communication shall bear the signature of the Contractor's representative and Principal's representative, and in both cases the original thereof shall remain attached to the book and the respective duplicate shall remain in the possession of Contractor.

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Both books shall at all times be kept at the Principal's office at the Worksite, and Contractor shall request, but not remove, the Company Request Book from such office whenever necessary.

5.3.2. Worksite Location

The Service Worksite shall be at the location specified in the Order. Contractor shall have given consideration to all Service features, including, but not limited to, the items set forth below, in relation to the specifications and any conditions that may be found when performing the Services, and such fact will be reflected in the Contractor's proposal.

- 1) Low areas that might be flooded during the performance of Services.
- 2) Unstable weather conditions.
- 3) Completion of any tasks for purposes of meeting the Order Delivery date.
- 4) Labor conditions and availability.
- 5) Railroad locations.
- 6) Special or use taxes.
- 7) National, Provincial and Municipal applicable Rules and Regulations.
- 8) Applicable safety and environmental protection rules.
- 9) Removal and disposal of any waste.
- 10) Soil features.

Section 5.4. Enargas Penalties

If any penalty is imposed by the Argentine Gas Regulatory Entity (ENARGAS) on Principal on account of events attributable to Contractor, any economic penalties shall be transferred to Contractor pro rata to its fair and proportional impact, notwithstanding any other obligations that may have been assumed by Contractor under the Agreement.

Section 5.5. Service Certification

The Service Certificate issued by Principal shall be valid and effective, and consequently authorize Contractor to receive the Price or Price balance to such an extent as Contractor has satisfied all the conditions set forth in Articles 4 and 5 of these General Conditions.

ARTICLE 6. ACCEPTANCE OF SERVICES**Section 6.1. Acceptance**

Acceptance of Services shall take place seven (7) days after completion of performance and after notice of such completion has been given by self-authentic means by Contractor, and provided all tasks specified in the Order will have been performed to the full satisfaction of Principal. At such time, the Parties shall draw up a memorandum evidencing the Acceptance

of the Services. Such Acceptance shall not release Contractor from liability for any indemnities and warranties given under this Agreement or the Conditions.

ARTICLE 7. NON PERFORMANCE

Section 7.1. Late Performance, Non Performance and Remedies

7.1.1. Penalties for Failures in Performance

In the event of any delays in the performance of Services not involving any right of Contractor to an extension of time periods, Contractor shall pay Principal, notwithstanding any other rights or claims available thereto, as penalty (penalty clause), and Principal may deduct from any amounts then or thereafter owing by it to Contractor, the amounts set forth below:

- a) 0.33 percent (0.33%) of the price of Services for each day of delay as from the day following the date of Acceptance to, but excluding, the earlier of (i) the date when Services are effectively delivered, and (ii) the seventh day after the date of Acceptance of Services;
- b) 0.5 percent (0.5%) of the total price of Services for each day of delay as from the seventh day after the date of Acceptance of Services to, but excluding, the earlier of (i) the day when Services are effectively delivered, and (ii) the fifteenth day after the date of Acceptance of Services;
- c) 0.75 percent (0.75%) of the total Services price for each day of delay as from the fifteenth day after the date of Acceptance of Services to, but excluding, (i) the date when Services are effectively delivered or (ii) the date of termination of the Agreement by application of the provisions herein contained.

In case Principal decides, at its sole discretion, to wait for Contractor to discharge its obligations in relation to the performance of Services under the Agreement, the maximum amount of any penalties shall not exceed twenty percent (20%) of the Order amount.

Section 7.2. Services Not in Compliance with Conditions

7.2.1. Minor Discrepancies

Services shall conform to the terms of the Agreement, notwithstanding any minor discrepancies that may be typical and usual occurrences in the course of business as between the Parties.

7.2.2. Price Reduction

If Principal resolves to discontinue the acceptance of Services that fail to satisfy the Conditions, Principal shall be entitled to receive an amount equivalent to the difference

between the value of any Services that should have been performed under the Agreement and the actual value thereof as effectively performed.

Notwithstanding the foregoing, any failure to perform or defective performance by Contractor of any of its obligations shall entitle Principal to perform the Services by itself or have them performed by third parties, at Contractor's expense and without court authorization (Section 505, paragraph 2, of the Argentine Civil Code).

7.2.3. *Payments on Account of Contractor (Backcharge)*

A Backcharge is an amount payable by Contractor for any works performed by Principal or third parties, which works should have been executed by Contractor under the contract.

Upon the Principal's identification of a Backcharge to be made, Notice shall be given to Contractor by means of a Backcharge Notice, stating the work performed or to be performed, the execution schedule thereof and the amount to be back charged to Contractor.

If the relevant work is performed by Principal, Principal shall deduct the value of such work, as determined by it in its own discretion, from any amounts owed by Principal to Contractor, including any costs, as it had been performed by a third party.

If the relevant work is performed by a third party issuing invoices in the name of Contractor, Principal reserves the right to make payment on behalf of Contractor (if Contractor fails to make such payment within 10 days after the date of issuance of invoice), and shall then impose a penalty equal to 5% (five per cent) of the invoiced amount.

Within 24 hours after receipt of a Backcharge Notice, Contractor shall return to Principal a signed copy thereof, stating its consent or denial of consent to Principal's assignment to third parties of the work described therein.

If Contractor denies its consent and fails to take any action to commence performance of any works described in a Backcharge Notice within 48 hours after the date of such Notice pursuant to the conditions approved by Principal, or if its execution of such works is not satisfactory to Principal, Principal shall be entitled to have the works performed by third parties at Contractor's expense.

When a Backcharge is derived from an accomplished fact and under the circumstances no time is available for Principal to inform Contractor or for Contractor to have an opportunity to solve the problem or perform the work, the billing procedure described above shall be applied.

Section 7.3. Termination

If Contractor fails to meet its obligation to perform the Services by the date of Acceptance, Principal may, at its sole discretion, terminate the Agreement pursuant to Section 9.1. (i) as a whole or (ii) in relation to any Services not performed and/or performed not in compliance with the Conditions. In the event of termination of this Agreement under this provision,

Contractor shall, in addition to any other amounts payable by Contractor to Principal under Sections 7 and 9, immediately reimburse Principal the price paid for any Services not performed and/or performed not in compliance with the Conditions, and indemnify Principal as provided by Section 9.4.

Section 7.4. Remedies under This Article

Remedies contemplated in this Article 7 shall not be deemed exclusive of or preclude recourse by the affected party to any other remedies available thereto for purposes of remedying a failure to discharge any party's obligations under this Agreement, including the provisions of Section 1204 of the Argentine Civil Code.

ARTICLE 8. NON PERFORMANCE EXCEPTIONS**Section 8.1. Exceptions**

The Parties shall not be liable for any failure to discharge their obligations under the Agreement when such failure may be attributed to a Fortuitous or Force Majeure Event.

Contractor may not invoke any facts, actions or omissions to act by its contractors as Fortuitous or Force Majeure Events.

The Parties waive any right to invoke Fortuitous or Force Majeure Events in order to be released from their duty to discharge any monetary obligations.

Section 8.2. Notice of Fortuitous or Force Majeure Event

As soon as a Fortuitous or Force Majeure Event or any effects derived therefrom preventing any of the Parties from performing its obligations under the Agreement is known by the affected Party, said Party shall give notice of such occurrence and any effects derived therefrom, and also inform the other Party when such event has ceased. Any failure to give the above notice as provided shall make the affected Party liable for any damages that might have been prevented had such notice been given.

Section 8.3. Effects

A Fortuitous or Force Majeure Event shall release the defaulting Party from its obligation to pay for any damages, fines and other contractual penalties for so long as the Fortuitous or Force Majeure Event continues, but not beyond such extent as may be strictly necessary for the defaulting Party, acting with reasonable diligence, to cure such event and notwithstanding such Party's duty to minimize to the utmost possible extent any effects that such Fortuitous or Force Majeure Event may have on the performance of its own obligations under the Agreement. Each Party shall bear any costs and expenses incurred by it as a result of the occurrence of a Fortuitous or Force Majeure Event.

Section 8.4. Termination upon Fortuitous or Force Majeure Event Long-Lasting Effects

Any of the Parties may unilaterally terminate this Agreement if the occurrence of a Fortuitous or Force Majeure Event makes performance hereunder impossible, whether in whole or in

part, for a period of ninety (90) days. In such an event, the Parties shall not be entitled to claim from each other any amount whatsoever as an indemnity for such termination; notwithstanding the Contractor's right to be paid any invoices and/or debit notes then unpaid and/or outstanding, and notwithstanding either the Principal's right to collect from Contractor any fines imposed under this Agreement and then still unpaid, if applicable.

ARTICLE 9. TERMINATION

Section 9.1. Termination by Principal

The occurrence of any of the events and/or circumstances described in this Article shall entitle Principal to terminate this Agreement:

9.1.1. Termination without Cause

Principal may terminate the Agreement in whole or in part, at its sole discretion and at any time, by giving notice of such termination in writing to Contractor. Such notice shall expressly state that the Agreement will be terminated at Principal's convenience and specify the scope of such termination. Principal shall reimburse Contractor for any duly documented costs reasonably incurred by Contractor up to its receipt of the termination notice, and Contractor shall not be entitled to any claim whatsoever under any other concept (including consequential damages and lost profits, etc.).

9.1.2. Termination upon Non Performance

Notwithstanding the Principal's right to terminate the Agreement as provided for herein, in the event of any Contractor's (a) assignment or transfer of this Agreement and/or any rights or interests derived herefrom in violation of the provisions herein contained, (b) repeated failure to comply with any laws and/or regulations issued by competent authorities and/or instructions issued by Principal under this Agreement, (c) refusal, unwillingness and/or inability to fulfill any of its obligations under this Agreement, and/or (d) any other failure to discharge its obligations hereunder, and if after non performance has occurred Contractor fails to cure such non performance within ten (10) calendar days after its receipt of Principal's written notice to such effect, Principal may give Contractor notice of its decision to terminate the Agreement, and such termination shall have effect immediately or on the date set forth by Principal.

9.1.3. Termination upon "Cross" Non Performance

Upon any Contractor's failure to discharge its obligations under any contract and/or agreement then in effect with Principal and/or any Affiliates thereof and Contractor's subsequent failure to cure such non performance pursuant to the applicable contractual terms, Principal may terminate the Agreement by means of written notice to Contractor, and Contractor shall not be entitled to any claim whatsoever as a result of such termination. Termination shall be effective as from the date set forth by Principal in its termination notice.

9.1.4. Termination upon Bankruptcy and/or Liquidation

If Contractor files a voluntary petition in bankruptcy or commences reorganization proceedings, or an involuntary petition is filed against it by creditors for an amount exceeding five hundred thousand Argentine pesos (ARS 500,000) and such petition is not dismissed on the first available opportunity under such proceedings, or Contractor becomes insolvent under Law No. 19551, as amended; and/or if the occurrence of any of the above events is not attributable to Contractor but Contractor fails to remedy any consequences derived therefrom within a reasonable time, Principal may give Contractor notice of its decision to terminate the Agreement, and such termination shall be effective immediately or on the date established by Principal.

Section 9.2. Termination by Contractor

Contractor may terminate the Agreement solely upon the occurrence of any of the events described in this Section 9.2.

9.2.1. Termination upon Non Performance

Upon any failure by Principal to discharge its obligations under the Agreement and cure such failure within ten (10) calendar days after receipt of written notice from Contractor to such an effect, Contractor may give written notice of its decision to terminate the Agreement, effective immediately or on the date designated by Contractor in its termination notice.

Section 9.3. Effects of Termination by Principal

If this Agreement is terminated by Principal under Section 9.1.3 and/or 9.1.4 and for so long as any claim of Principal is pending as a result of a Contractor's non performance, Contractor shall not be entitled to receive any payment and shall indemnify and hold Principal harmless from and against any damages that Principal may have sustained or might sustain as a result of and/or derived from the event that caused the termination of the Agreement.

Section 9.4. Effects of Termination by Contractor

If this Agreement is terminated by Contractor under Section 9.2, Principal shall indemnify and hold Contractor harmless from and against any damages that Contractor may have sustained or might sustain as a result of and/or derived from the event that caused the termination of the Agreement.

Section 9.5. Return of Information Furnished by Principal

Upon termination of the Agreement, Contractor shall return to Principal any designs, drawings, manuals, Conditions, whether in hard copy and/or soft copy and/or any other documents, including any copies and/or abstracts thereof furnished by Principal under this Agreement.

Section 9.6. Survival of Provisions and Covenants after Termination

The cancellation, expiration or early termination of the Agreement shall not release the Parties from their duty to comply with any provisions and covenants that will by their own nature survive such cancellation, expiration or early termination, including any dispute resolution procedures, warranties, remedies, indemnities and rights of setoff.

ARTICLE 10. ASSIGNMENT; SUBCONTRACTORS**Section 10.1. Assignment by Contractor**

Contractor shall not assign this Agreement, whether in whole or in part, and/or any rights or obligations hereunder or use this Agreement either as primary or collateral security for payment without the prior written consent of Principal. Any assignment of this Agreement in violation of the provisions herein set forth shall be null and void. Principal's consent to an assignment of this Agreement shall not preclude the exercise by Principal of any right of setoff that it may have available.

Section 10.2. Assignment by Principal

Principal shall not assign this Agreement, whether in whole or in part, or any rights or obligations hereunder without the prior written consent of Contractor, other than a whole or partial assignment to a Principal's Affiliate, and in such an event the assignment shall be valid and effective as from the respective notice given by Principal to Contractor, and unless in this latter case Principal is released by Contractor, Principal shall continue to be liable for any obligations stipulated in the Agreement.

Section 10.3. Subcontractors***10.3.1. General***

Contractor shall not subcontract any of its obligations under the Agreement, whether in whole or in part, without the prior written consent of Principal. If Principal consents that any of Contractor's obligations under this Agreement be performed by third parties, such consent shall not release Contractor from its obligations under the Agreement. Principal may subject such authorization to the condition that an agreement be executed by the relevant subcontractor with Contractor and Principal, guaranteeing the Principal's right to bring legal actions against the subcontractor for purposes of enforcing performance of any of the subcontractor's obligations. Principal may, at its sole discretion, withhold its consent to the participation of subcontractors.

10.3.2. Joint and Several Liability

Contractor shall be jointly and severally liable for the contracting, behavior and management of any Subcontractors as regards any activities connected with the Services and Principal.

ARTICLE 11. MISCELLANEOUS

Section 11.1. Right of Setoff

Any failure by Contractor to discharge its obligations under this Agreement or any other contract and/or agreement with Principal and/or any Affiliates thereof shall entitle Principal to set off any amounts payable by Principal to Contractor against any claims of Principal against Contractor, irrespective of the currencies and/or amounts involved, including if no claim has been brought by Principal against Contractor for any owing amounts. Principal agrees to give Contractor prompt notice of any setoff that Principal may make against Contractor's claims; however, failure to give such notice shall not affect the validity of any setoff so effected. Any rights provided for in this Section shall not be exclusive of any other rights, remedies and/or actions that Principal may have available under the Agreement and/or Applicable Law.

Section 11.2. Publicity - Confidentiality

Contractor shall not, without the prior written consent of Principal, make any announcements, statements and/or publication in relation to this Agreement and/or any obligations of the Parties herein set forth and/or related to Services when Services have been specifically provided for the benefit of Principal.

The Vendor further undertakes that it shall not disclose and shall give its employees instructions not to disclose any matters under the Agreement or any documents that are an integral part hereof.

Section 11.3. Truthful Information

Contractor represents and warrants to Principal that, as of the Date of the Agreement, all the information furnished by Contractor to Principal as to its technical expertise and creditworthiness in relation to its performance of the Agreement is true. Any breach of this warranty shall entitle Principal to terminate the Agreement pursuant to Article 9.

Section 11.4. Entire Agreement

The Agreement (including all sections hereof and Annexes hereto) contains the entire agreement between the Parties and supersedes and/or substitutes any prior negotiations, arrangements or understandings, whether oral or written, between the Parties in relation to the subject matter thereof.

Section 11.5. Modifications and Amendments

The Agreement shall not be amended except by written agreement between the Parties. Any amendments made by Contractor upon its acceptance of offers, issuance of invoices or debit notes or by any other means otherwise used by Contractor shall be void and without effect.

Section 11.6. Waiver

Failure by any of the Parties to demand strict compliance with any of the terms of the Agreement shall not be deemed a waiver of such Party's right to demand strict compliance with and performance under any of the terms and conditions of the Agreement, unless such right is waived in writing.

Section 11.7. Notices

Any notices required or allowed under the Agreement shall be given in writing and be valid and effective when delivered by hand, sent by facsimile (provided receipt of such facsimile is acknowledged by recipient) or by registered mail (or air mail in case of international dispatches) with acknowledgment of receipt requested. In either case the notice shall be addressed to the domicile and/or facsimile number set forth in the Order for such purpose. Any of the Parties may, by written notice to the other Party, change its domicile and/or contact person or representative to whom notices are to be given. Unless otherwise provided in the Agreement, a notice shall be deemed given on the date shown in the acknowledgment of receipt by the Party to whom such notice was addressed.

Section 11.8. Applicable Law

The Agreement shall be governed by the laws of the Argentine Republic and the Parties may not demand the application of conflict of law principles.

Section 11.9. Dispute Resolution***11.9.1. Amicable Settlement***

If during the term or after the termination of the Agreement any disputes, controversies, claims or discrepancies relating to or derived from the Agreement arise (including challenges as to the existence, validity, termination, non performance or enforceability thereof), the Parties shall use their efforts to resolve any such controversies in good faith through amicable settlement negotiations.

11.9.2. Arbitration

If the Parties are not able to reach an agreement within thirty (30) days counted as from the self-authentic notice given by one Party to the other that a dispute has arisen and must be resolved pursuant to this Article, such dispute (including any challenges as to the existence, validity, termination, non performance or enforceability of the Agreement and/or this arbitration clause) shall be submitted to arbitration proceedings in accordance with the arbitration rules of the Buenos Aires Chamber of Commerce or the International Chamber of Commerce (ICC) then in effect, at the Principal's option.

11.9.3. Appointment of Arbitrators

Each Party shall appoint one arbitrator and the two arbitrators so appointed shall designate a third arbitrator. If any of the Parties fails to designate an arbitrator as required, or the arbitrators so appointed by the Parties are not able to reach an agreement on the designation of the third arbitrator, such arbitrator(s) shall be appointed by the Arbitration Tribunal of the Buenos Aires Chamber of Commerce or the International Court of Arbitration of the International Chamber of Commerce (ICC), as it may correspond.

11.9.4. Venue and Language of Arbitration

Arbitration proceedings shall be conducted in the city of Buenos Aires, in Spanish. Any evidences shall be translated into Spanish if so requested by the Arbitrators.

11.9.5. Decisions Final; Enforceability

Any award or decision rendered by the arbitrators shall be final and binding on the Parties and may be brought in any court of competent jurisdiction for the execution thereof.

10.9.6. Costs

Also, the prevailing Party or the Party obtaining a favorable decision in arbitration or other legal proceedings to which it may have submitted to enforce the arbitration award shall be entitled to seek from the other Party the reimbursement of any costs, expenses and reasonable counsel fees effectively incurred by it.

11.9.7. Remedies

Anything provided in this Article may be validly used as a defense in any complaints, actions or proceedings brought in any legal or administrative courts in relation to any disputes or controversies arising from the Agreement.

11.9.8. Authority of Arbitrators

Nothing provided hereunder shall be construed as granting arbitrators any authority, power or right to alter, change, amend, modify, add or eliminate any provisions contained in the Agreement.

Section 12. Severability

If any of the provisions contained in the Agreement is declared invalid or unenforceable in any jurisdiction, the remaining provisions shall continue to be valid and remain in effect, provided, however, that the purpose of the Agreement may still be achieved. In such an event, the Parties shall make any amendments that may be necessary to replace the invalid or unenforceable provision by another provision achieving a purpose as similar as possible to that of the replaced provision.

Section 13. Annexes

The Annexes to the Agreement are an integral part thereof as if they were written in full therein.

**ANNEX I
DEFINITIONS**

“**Agreement**” means the sale and purchase agreement subject to the conditions of the Order and the provisions contained in these General Conditions (Section II) and any Annexes hereto, as amended from time to time in accordance with the provisions of these General Conditions.

“**Affiliate**” means, in relation to a Party, any person directly or indirectly, through one or more intermediaries, controlling or controlled by or under common control with such Party. For purposes of this definition, “control” means the power to appoint a majority of the members of the board of directors or equivalent governing body.

“**Lump Sum Basis**” shall have the meaning assigned to such term in Section 2.1.1.

“**ART**” means a Labor Risk Insurer.

“**Good/s**” means (a) Services provided in accordance with the Conditions, as described in the Order, to be performed by Contractor under the Agreement, (b) any components, materials, pieces and spare parts to be included therein, (c) any materials, supplies, packaging, drawings, data, manuals, required documents, (d) any designs performed under the Agreement, and (e) any Services associated with performance, including shipment and tests.

“**Conditions**” means the Service Conditions as described in the Order and any data, requirements and quality standards established under such terms.

“**Principal**” means **Transportadora de Gas del Sur S.A. (TGS)**.

“**Contractor**” means the person identified as such in the Purchase Order.

“**Start of Services Statement**” means the information to be provided by Contractor to its Labor Risk Insurer (ART) so as to be authorized to start performing the Services by such insurer.

“**Applicable Provisions**” mean the provisions contained in these General Conditions, the Order and any Annexes thereto, which constitute one document, as amended from time to time in accordance with these General Conditions.

“**Fortuitous or Force Majeure Event**” *under Argentine Law* “means a Fortuitous or Force Majeure Event with the meaning of Sections 513 and 514 of the Argentine Civil Code”, and *in any other case* it shall mean and be limited to any circumstances satisfying the requirements of Section 8.2; in which case, the term Fortuitous or Force Majeure Event shall include:

- (a) acts of God;

- (b) condemnation, confiscation or requisition of facilities or a demand to comply with any laws, executive decrees, regulations, orders, guidelines or governmental requirements which make it impossible for Principal to fulfill its obligations or for any materials, equipment and/or labor to be supplied, available or used;
- (c) actions or omissions to act by governmental authorities;
- (d) acts of war;
- (e) public disorder, insurrection, rebellion, sabotage or riots;
- (f) explosions, fire, earthquakes, floods and other natural disasters; and
- (g) strikes or lockouts or other actions by workers or employers which are general or common to all companies doing business similar to the business conducted by the Party seeking to be released of an obligation.

“**Excess Services**” means any Services purchased by Principal in excess of its current needs and which might be returned to Contractor.

“**Date of Agreement**” means the date on which Principal receives evidence of acceptance from Contractor.

“**Date of Start of Services**” means the date when performance of any services to be provided in relation to the Services must commence under the Agreement.

“**Performance Bond**” means the [bank guarantee] [surety bond] stipulated in Section 4.4.

“**Substitute Performance Bond**” means the bank guarantee or surety bond stipulated in Section 4.4.2.

“**Service Warranty**” means the bank guarantee or surety bond stipulated in Section 4.5, also designated as “Evergreen Warranty”.

“**Applicable Law**” means any federal and/or provincial laws and executive decrees, ordinances, resolutions and municipal regulations, and any resolutions or regulations in effect as of the effective date of the Agreement.

“**Worksite Location**” means the location where Services are provided as specified in the Order.

“**Party**” means the Principal or Contractor, individually.

“**Parties**” mean the Principal and Contractor, collectively.

“**Order**” means the specific conditions stipulated in the Agreement.

“**Argentine Pesos**” means the currency of legal tender in Argentina.



GENERAL CONDITIONS OF CONTRACTS FOR SERVICES

“**Completion Time**” means the period of time assigned to Contractor under the Order for the performance of the Services.

“**Acceptance**” shall take place on the date set forth in the Order or specified in writing by Principal.