

AMENDMENT N° 3

of the

AMENDED AND RESTATED CONTRACT

for

Belgrano Cargas Railway Rehabilitation Project

by and between

**THE MINISTRY OF TRANSPORTATION
REPUBLIC OF ARGENTINA**

as the Principal

and

CHINA MACHINERY ENGINEERING CORPORATION (CMEC)

as CMEC



This Amendment is made on December 13, 2016 by and between:

THE MINISTRY OF TRANSPORTATION - REPUBLIC OF ARGENTINA, having its principal address at: Hipólito Yrigoyen 250, City of Buenos Aires, Republic of Argentina, represented by the Minister of Transportation of Argentina, Mr. Guillermo Javier Dietrich (hereinafter referred to as the "Principal") on one party, and

CHINA MACHINERY ENGINEERING CORPORATION (hereinafter referred to as "CMEC"), with its principal address at 178 Guang An Men Wai Street, Xicheng District, Beijing 100055, China, represented by Mr. Zhang Chun, the President of CMEC, for the other party.

Whereas, the Argentine Republic is implementing public policies related to Railways aiming at strengthening and improving the railway system.

Whereas Belgrano Cargas y Logística S.A. railway network serves as the key vehicle to achieve the following political and economic purposes (a) to improve the transportation capacity of the country, (b) to connect the grain production regions, ports and consuming areas, (c) to improve regional economy; therefore, the Principal has presented a complete project for the Rehabilitation of the Belgrano Cargas Railway System;

Whereas, on March 11th, 2010, the Contract for Belgrano Cargo Railway Rehabilitation Project was signed between the Secretary of Transportation and CMEC whose corporate name was at that time "China National Machinery & Equipment Import & Export Corporation", together with its General Conditions of Contract, Particular Conditions of Contract (for Supply of Materials and Plant), Particular Conditions of Contract (for Construction and Services), (hereinafter referred as the "Original Contract"). The Original Contract was amended by Amendments I to VI dated July 13th, 2010, October 8th, 2010, April 7th, 2011, October 7th, 2011, June 25th, 2012, and September 25th 2013 respectively) hereinafter referred to, together with any other amendment to the Original Contract and other agreements or contracts for the Project between the Parties dated prior to this Agreement, as the "Previous Amendments").

Whereas, on September 25th 2013, the Parties signed an Agreement for the supply of rails, sleepers, clip fasteners and other components (hereinafter referred as the "Previous Supply Agreement"). Hereinafter the Original Contract, the Previous Amendments and the Previous Supply Agreement are jointly defined as the "Previous Agreements";

Whereas, on June 25th, 2012 a Buyer Credit Facility Agreement for up to US\$ 2,099,965,834 supported by SINOSURE was entered into by the MINISTRY OF ECONOMY AND PUBLIC FINANCE OF THE REPUBLIC OF ARGENTINA and CHINA DEVELOPMENT BANK CORPORATION and INDUSTRIAL AND

COMMERCIAL BANK LIMITED (hereinafter, as amended from time to time, referred to as the "Credit Agreement").

Whereas the above Parties signed the Amended and Restated Contract for Belgrano Cargo Railway Rehabilitation Project on December 4th, 2013, which modified and superseded the Previous Agreements.

Whereas the conditions listed in Article 36.1 of the Amended and Restated Contract for Belgrano Cargo Railway Rehabilitation Project have been satisfied on September 19th, 2014; therefore it is actually effective.

Whereas, on July 19th, 2016 Presidential Decree N° 868/2016 was issued ratifying Amendments N° 1 and N° 2 to the Amended and Restated Contract for Belgrano Cargo Railway Rehabilitation Project (hereinafter together with Amendments N° 1 and N° 2 referred to as the Amended and Restated Contract).

Whereas, the Parties have agreed to modify certain terms and conditions of the Amended and Restated Contract.

Now, therefore, in consideration of the foregoing, of the agreements and consents set forth herein and for other good valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby the Principal and CMEC agree as follows:

ARTICLE-1 DEFINITIONS AND INTERPRATION

- 1.1. Definitions. Capitalized terms used under this Amendment and not otherwise defined, shall have the meaning ascribed to the in the Amended and Restated Contract.
- 1.2. Rules of Interpretation. The rules of interpretation set forth in Sections 1.2, 1.3, and 1.4 of the Amended and Restated Contract shall apply to this Amendment.

ARTICLE-2 AMENDMENTS

- 2.1. ANNEX 8 - Total Price Break Down - of the Amended and Restated Contract as amended and restated by Annex 5 of the Amendment N° 2, is hereby deleted in its entirety and replaced with the one attached hereto as Annex 1.
- 2.2. ANNEX 12 – Delivery Schedule - of the Amended and Restated Contract may be modified and adapted to the real possibilities of delivery, in writing by duly authorized representatives of the parties hereto.
The Principal authorizes BELGRANO CARGAS Y LOGÍSTICA S.A. and/or ADMINISTRACION DE INFRAESTRUCTURAS FERROVIARIAS

SOCIEDAD DEL ESTADO to negotiate and define delivery schedules for the Contracted Goods. ^{ANEXO II}

- 2.3. Annex 18 – Construction Works - of the Amended and Restated Contract as amended and restated by Annex 8 of the Amendment N° 2, is hereby deleted in its entirety and replaced with the one attached hereto as Annex 2.

ARTICLE-3 ACKNOWLEDGEMENTS.

- 3.1. Each of the Parties hereto hereby acknowledges and agrees that:
- a. the terms and conditions of the Amended and Restated Contract, in effect as of the Effectiveness of this Amendment shall continue in full force and effect unchanged except as amended hereby; and
 - b. no provision of this Amendment shall be deemed to be a consent, waiver or modification of any term or condition of the Amended and Restated Contract (except as expressly provided in Article 2 of this Amendment) or any of the instruments or the documents referred to therein;
- 3.2. This Amendment is made out in English and Spanish. In case of any conflict and ambiguity, English version will prevail.
- 3.3. This Amendment is made out in 6 (six) original copies of each language, each of 3 (three) to be kept in the custody of each Party signing the Contract, all copies having the same validity.

ARTICLE-4 EFFECTIVENESS OF THE AMENDMENT.

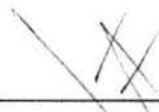
- 4.1. This Amendment will be effective after all of the following conditions have occurred:
- a. Signature of the Amendment by both Parties.
 - b. The prior written consent of the Facility Agent under the Credit Agreement.
 - c. The approval of this Contract by the corresponding authority of the Republic of Argentina.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be signed by their duly authorised representatives as of the day and year written below.

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ANEXO II

Representative of the Principal

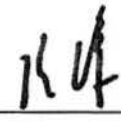
Signature: 

Name: Lic. Guillermo Javier Dietrich

Title: Minister

**Ministry of Transportation, Republic of
Argentina**

Representative of CMEC

Signature: 

Name: Zhang Chun

Title: President

**China Machinery Engineering
Corporation (CMEC)**



ANEXO II

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ANNEX 1. TOTAL CONTRACT PRICE BREAKDOWN

ANEXO II

SUPPLY PRICE BREAKDOWN			
Item	Unit price(US\$)	Qty	Total(US\$)
RAILROAD COMPONENTS			
Steel rails (t)	1.120	164.699	184.462.880
Wide gauge sleepers (piece)	104	669.598	69.638.192
Metric gauge sleepers (piece)	78	1.625.448	126.784.944
Clip fasteners (one set for each sleeper)	20	2.326.940	46.538.800
Total Railroad Components			422.424.816
ROLLING STOCK			
Locomotives			230.886.392
Locomotives 1676(set)	2.019.600	67	135.313.200
Locomotives 1000(set)	2.019.600	40	80.784.000
Spare parts for locomotives	14.789.192	1	14.789.192
Wagons			422.843.720
Flat wagon 1676 (set)(fish bone)	105.000	200	21.000.000
Flat wagon 1435 (set)(fish bone)	105.000	100	10.500.000
Flat wagon 1000 (set)(fish bone)	105.000	100	10.500.000
Flat wagon 1676 (set)(general purpose)	105.000	130	13.650.000
Flat wagon 1435 (set)(general purpose)	105.000	70	7.350.000
Flat wagon 1000 (set)(general purpose)	105.000	100	10.500.000
Coal Open top wagon (set) 1676	109.719	200	21.943.800
Open top wagon (set) 1435	109.719	100	10.971.900
Open top wagon (set) 1000	109.719	100	10.971.900
Grain hopper wagon 1676 (set)	132.193	650	85.925.450
Grain hopper wagon 1435 (set)	132.193	150	19.828.950
Grain hopper wagon 1000 (set)	132.193	500	66.096.500
Ore hopper wagon 1676 (set)	118.741	750	89.055.750
Ballast hopper wagon 1435 (set)	118.000	150	17.700.000
Ballast hopper wagon 1000 (set)	117.000	200	23.400.000
Spare parts for wagons	3.449.470	1	3.449.470
Total rolling stock			653.730.112
WAGON PARTS			
Wheels (piece)	890	16.000	14.240.000
Bearings 5 x 9 (piece)	445	4.000	1.780.000
Bearings 51/2 x 10 (piece)	485	12.000	5.820.000
1000mm gauge axle (piece)	1.000	2.000	2.000.000
1435mm gauge axle (piece)	1.075	1.200	1.290.000
1676mm gauge axle (piece)	1.150	4.800	5.520.000
Air braking systems (set)	9.900	2.000	19.800.000
Couplers (set)	5.750	2.000	11.500.000
Total wagon parts			61.950.000
HEAVY MACHINERY			
CAT 966H Wheel Loader(set)	432.740	18	7.789.320
Spare Parts for CAT 966H Wheel Loader (Set)	5.252	18	94.536
CAT M317D2 Wheel Excavator(set)	298.100	37	11.029.700
Spare Parts for CAT M317D2 Wheel Excavator(set)	4.144	37	153.328
CAT 140K Motor Grador(set)	433.000	6	2.598.000
Spare Parts for CAT 140K Motor Grador(set)	3.825	6	22.950
CAT 320D2 Hydraulic Excavator(set)	287.000	7	2.009.000
Spare Parts for CAT 320D2 Hydraulic Excavator(set)	2.206	7	15.442
CAT D6R Bulldozer(set)	420.000	18	7.560.000
Spare Parts for CAT D6R Bulldozer(set)	5.500	18	99.000
Total Heavy Machinery			31.371.276
LARGE-SCALE MAINTENANCE MACHINERY			
Track Measurement&Rail Flaw Detecting Vehicle(1676mm)(set)	8.141.000	1	8.141.000
Rail Grinder (1676mm)(set)	9.188.000	1	9.188.000
Dynamic Track Stabilizer (1676mm)(set)	2.739.000	1	2.739.000
Tamping Machine (1676mm)(set)	3.061.000	1	3.061.000
Ballast Regulator(1676mm)(set)	1.048.000	1	1.048.000
Rail Car(1676mm)(set)	1.284.500	4	5.138.000
Rail Car(1000mm)(set)	1.282.000	1	1.282.000
Spare Parts for Two Year Operation	1.835.820	1	1.835.820
Total Large-scale Maintenance Machinery			32.432.820
CONTAINER			
20' tank(set)	34.000	200	6.800.000
Total Container			6.800.000
TOOLS FOR WORKSHOPS			
Underfloor Wheel Lathe(set)	1.960.000	3	5.880.000
Two way shunter(set)	500.000	3	1.500.000
Vertical turning lathe(set)	510.000	3	1.530.000
Surface wheel lathe(set)	800.000	3	2.400.000
Wheel Assembly Press(set)	460.000	2	920.000
Ultrasound axle test equipment	57.000	4	228.000
Brake valves test facilities	133.000	3	399.000
Hot box detector	400.000	10	4.000.000
Automatic wheel profile measurer	600.000	3	1.800.000
Single car brake test device	75.000	9	675.000
Journal bearings installation and extract press*	130.749	4	522.996
Wagon jacks set 25 ton *4	171.000	10	1.710.000
Total tools for workshops			21.564.996
Total supply price [A]			1.235.274.020
PERFORMANCE PRICE BREAKDOWN			
Item	Unit price(US\$)	Qty	Total(US\$)
Rehabilitation civil work	730.000	1.511	1.103.030.000
Improvement civil work (no less than km)	300.000	321	96.265.165
Monitoring and payment services fee CMEC			35.978.855
Total performance price [B]			1.235.274.020
TOTAL CONTRACT PRICE [A]+[B]			2.470.548.040

Notes:

- The supply unit price is on basis of Technical Specification of the amended and restated contract and its amendments.
- The total performance price will be allocated to the Construction while the unit price serves as a reference and shall be determined ultimately by Builders.

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ANNEX 2 – CONSTRUCTION WORKS

Detail of the sections of railway to be renovated by civil work contracts

Line	From	To	Km
Belgrano Cargas	Branch line F1 - Coronda St.	Branch line F1 – Santo Tome St.	39
	Branch line C – Laguna Paiva St.	Branch line C – Nare St.	45
	Branch line C – Santurce St.	Branch line C – Tostado St.	127
	Branch line C6 – Tostado St.	Branch line C6 – Gral. Pinedo St.	218
	Branch line C3 – Gral. Pinedo St.	Branch line C3 – Las Breñas St.	30
	Branch line C12 – km 1411,000	Branch Line C12 – km 1436,500	25
	Branch line C12 – Taco Pozo St.	Branch line C12 – Los Pirpintos St.	131
	Branch line C12 – J. V. González St.	Branch line C12 – N. S. de la Talavera St.	57
	Branch line C12 – Metan St.	Branch line C12 – J. V. González	106
	Branch line C18 – J. V. González St.	Branch line C18 – Pichanal St.	208
	Branch line C15 – Güemes St.	Branch line C15 – Pichanal St.	204
	Branch line C – Güemes St.	Branch line C – Metan St.	110
	Branch line C – R. de la Frontera St.	Branch line C – Metan St.	38
	Branch line C8 – R. de la Frontera St.	Branch line C8 – Cañete St.	173
			1511

It is expected to renovate a total of 1511 km and improve at list 321 km in sections to be defined.

The renovation of railway will include the construction of overpasses at critical points in urban areas and by-passes in cities, and the adjustment of curves.

In order to homogenize the network and make full use of the investment, the features of the railway will be the followings:

Rails: 54 E1

Sleepers: Monoblock prestressed concrete (1500 per km)

Fasteners: Double elastic clip

Ballast: 30 cm, thickness

Bearing capacity: 22 ton/axle in metric gauge

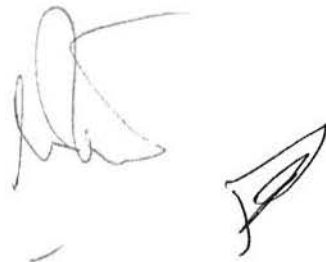
Maximum speed: 90km/h

Adjustment of curves wherever it is possible Minimum radius 300m

Compliance with Argentine norms (FA).

Wherever it is possible new tracks will be built parallel to the current ones in order to maintain the existing railway in service and to realize a two-way operation in the future.

The Construction period of the construction works is conditioned to the existence of Available Facility in the terms of the Credit Agreement.

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