

CONFORMED COPY

LOAN NUMBER 7583-AR

Loan Agreement

(Mining Environmental Restoration Project)

between

ARGENTINE REPUBLIC

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated February 1, 2010

LOAN NUMBER 7583-AR

LOAN AGREEMENT

Agreement dated February 1, 2010, between ARGENTINE REPUBLIC (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of thirty million Dollars (\$30,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (d) of the General Conditions.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.

- 2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; and (iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause CNEA to carry out the Project in accordance with the provisions of Article V of the General Conditions, and pursuant to the CNEA Subsidiary Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure, and cause CNEA to ensure, that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Events of Suspension consist of the following:
- (a) That CNEA has failed to comply with any of its obligations under the CNEA Subsidiary Agreement.
- (b) That the CNEA Legal Framework has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Bank, the ability of CNEA to perform any of its obligations under the CNEA Subsidiary Agreement.

- 4.02. The Additional Events of Acceleration consist of the following:
- (a) The event specified in paragraph (a) of Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.
 - (b) Any event specified in paragraph (b) of Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of, namely, that the CNEA Subsidiary Agreement has been signed by the parties thereto.
- 5.02. The Additional Legal Matter consists of, namely, that the CNEA Subsidiary Agreement has been duly authorized or ratified by the Borrower and CNEA and is legally binding upon the Borrower and CNEA in accordance with its terms.
- 5.03. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is April 30, 2010.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Minister of Economy and Public Finance.
- 6.02. The Borrower's Address is:
Ministerio de Economía y Finanzas Públicas
Hipólito Yrigoyen 250
C1086AAB, Buenos Aires
Argentina

Cable address:

Telex:

Facsimile:

MINISTERIO DE ECONOMIA
Baires

121942-AR

(5411) 4349-8815

6.03. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at Buenos Aires, Argentina, as of the day and year first above written.

ARGENTINE REPUBLIC

By /s/ Amado Boudou
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Pedro Alba
Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are: (a) to strengthen the Borrower's capacity to assess and mitigate environmental risks associated with closed uranium mines, processing sites, and related mining sector investments, in accordance with international good practice; and (b) to reduce potential economic and health damages associated with the Malargüe Site.

The Project consists of the following parts:

Part 1. Remediation of the Malargüe Site

Completion of the remediation works in the Malargüe Site in accordance with technical and environmental specifications acceptable to the Bank (such works consist of the on-site relocation of about 710,000 tons of milling tailings and soils to be enclosed in an engineered cell (within the Malargüe Site) to prevent groundwater contamination and dust, and to abate radiations and radon emanation).

Part 2. Mine Restoration Planning and Institutional Strengthening

- (a) Carrying out of studies of possible remediation options to clean up Additional Sites, including the provision of technical assistance to carry out the required environmental and social consultation process (but excluding from the Project the implementation of any remediation activities on said sites), all under terms of reference acceptable to the Bank, and in a manner acceptable to the Bank.
- (b) Strengthening of CNEA's environmental capacity through, *inter alia*:
 - (i) the consolidation of the establishment of GP, through the strengthening of its staff technical capacity, the development of its organization, the provision of financial resources and the establishment of a work methodology, including the provision of training required therefor;
 - (ii) the development and implementation of an environmental management and information system, which system shall include, *inter alia*, a geographic information system and a site specific monitoring system; and
 - (iii) the development and implementation of improved and systematized public consultation and information processes.
- (c) Strengthening the environmental capacity of SM and SE, and provincial mining and environmental agencies (to be selected by CNEA in accordance with criteria acceptable to the Bank), all through the required provision of technical assistance and training (including study tours, as approved by the Bank) on environmental risk and risk management activities, such as: (i) tailing dumps and tailings dam restoration, land reclamation, and processing waste (both liquid and solid)

remediation; (ii) completion of baseline surveys and site-specific baseline data requirements for ongoing monitoring and compliance; (iii) handling and treatment of mine tailings and effluents of operating mines; (iv) design of monitoring and control mechanisms; (v) design of early-warning impact evaluation methodologies and more detailed impact evaluations as part of site-specific risk analysis; and (vi) design of public awareness and communication strategies concerning sustainable mining practices, such as land use management, risk management, community consultation, and public disclosure of data from site remediation monitoring, all as approved by the Bank.

Part 3: Project Management

Strengthening the operational capacity of the GP so as to enable it to manage, supervise and monitor the implementation of the Project.

SCHEDULE 2

Project Execution

Section I. Implementation and Other Arrangements

- A. The Borrower shall, and shall cause CNEA to, ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
- B. (a) The Borrower shall cause CNEA to carry out the Project in accordance with the provisions of the Operational Manual, the Environmental Management Plan and the Quality Control Manual.
- (b) In case of any conflict among the terms of the Operational Manual, the Environmental Management Plan, the Quality Control Manual and those of this Agreement, the terms of this Agreement shall prevail.
- C. (a) For purposes of carrying out the Project, the Borrower shall make available, on a grant basis, the proceeds of the Loan to CNEA under a subsidiary agreement (the CNEA Subsidiary Agreement) to be entered into between the Borrower and CNEA, under terms and conditions approved by the Bank, which shall include, *inter alia*, those set forth in Schedule 4 to this Agreement.
- (b) (i) The Borrower shall exercise its rights under the CNEA Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, the Borrower shall not assign, amend, terminate, abrogate, waive or fail to enforce the CNEA Subsidiary Agreement or any of its provisions.
- D. The Borrower shall, and shall cause CNEA to, ensure that any works under the Project do not involve any Resettlement.
- E. The Borrower shall cause CNEA, to: (a) not later than December 31 of each year of Project implementation (starting in the year 2008), prepare and furnish to the Bank, for its approval, a Project implementation plan (acceptable to the Bank) which plan shall contain, *inter alia*, the Project activities (including the source of financing of the same) to be carried out during the calendar year following the date of presentation of each said plan; and (b) immediately after the Bank's approval of each of said Project implementation plans, carry out each of the same in accordance with its terms, and in a manner acceptable to the Bank.
- F. The Borrower shall cause CNEA to, immediately after the Bank's approval of each Project implementation plan referred to in Section I.E of this Schedule, and prior to the carrying out of any Project activity under Part 1 of the Project as included in the pertinent Project implementation plan, hire, as needed, and as determined by the Bank, a group of national and/or international experts to advise on each said Project activity, with qualifications and experience, and under terms of reference, all acceptable to the Bank.

- G. The Borrower shall cause CNEA to: (a) monitor the remediation works under Part 1 of the Project in accordance with the monitoring plan set forth in the Environmental Management Plan, and in a manner acceptable to the Bank; (b) once the works mentioned in (a) herein have been completed, continue with said monitoring for at least twenty years after the completion of said works in accordance with the monitoring plan mentioned in (a) herein, and in a manner acceptable to the Bank; and (c) if required, and as approved by the Bank, revise and/or update said monitoring plan, and thereafter carry out its obligations under (a) and (b) herein in accordance with the revised and/or updated plan, all in a manner acceptable to the Bank.
- H. The Borrower shall cause CNEA to, immediately after the Bank's approval of each Project implementation plan referred to in Section I.E of this Schedule, and prior to the carrying of any Project activity under Part 2 (a) of the Project as included in the pertinent Project implementation plan: (a) prepare and furnish to the Bank, for its approval, the terms of reference for each specific Project activity (which terms of reference shall include, *inter alia*, the requirement to apply the Bank's social and environmental safeguard policies in connection with the carrying out of any of said Project activities); and (b) hire, as needed, and as determined by the Bank, a group of national and/or international experts to advise on each said Project activity, with qualifications and experience, and under terms of reference, all acceptable to the Bank.
- I. (a) The Borrower shall cause CNEA to operate and maintain, at all times during Project implementation, the GP, with a structure, functions and responsibilities acceptable to the Bank, as set forth in the Operational Manual.
- (b) The Borrower shall cause CNEA to ensure that the GP is, at all times during Project implementation, headed by a designated Project coordinator and assisted by professional staff (including, *inter alia*, a deputy Project coordinator, a social management/communications specialist, and a quality control specialist) and administrative staff, all in numbers and with terms of reference, and qualifications and experience, acceptable to the Bank.
- J. The Borrower shall cause CNEA to operate and maintain, at all times during Project implementation, the National Steering Committee with a structure, functions and responsibilities acceptable to the Bank, as set forth in the Operational Manual.
- K. The Borrower shall, and shall cause CNEA to, prior to the commencement of each calendar year during Project implementation, create, and thereafter maintain throughout each said calendar year of Project implementation, a specific budget line entry in the relevant annual budget in order to keep track of the corresponding expenditures incurred during Project implementation.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Borrower shall cause CNEA to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General

Conditions and on the basis of the indicators set forth in the Operational Manual. Each Project Report shall cover the period of one calendar semester (starting with the calendar semester in which the Effective Date falls), and shall be furnished to the Bank not later than forty five calendar days after the end of the period covered by such report.

2. Without limitation to the provisions of Section 5.08 (b) of the General Conditions, and as part of the Project Reports to be presented to the Bank as stipulated in Part A.1 of this Section, the Borrower shall cause CNEA to include: (a) a summary of the Eligible Expenditures incurred during the calendar semester covered by the pertinent Project Report and their corresponding payment (including those expenditures incurred by CNEA during said period of time which are financed by the Borrower and/or CNEA's Project counterpart funds) in form and substance satisfactory to the Bank; (b) the interim unaudited financial reports referred to in Part B.2 of this Section (which reports shall also include, *inter alia*, the list of signed contracts for works, goods, Non-Consultant Services and consultants' services under the Project, as reflected in CNEA's financial management system during the period covered by each said report); and (c) an action plan, acceptable to the Bank, which plan shall include, *inter alia*, the recommended measures (including the Bank's views, if any, and a timetable to implement the same) reflected in the pertinent Project Report
3. For purposes of Section 5.08 (b) of the General Conditions, the Borrower shall, and shall cause CNEA to, not later than July 31 and January 31 of each year of Project implementation, exchange views with the Bank (the semi-annual reviews), provided, however, that the first review shall take place not later than six months after the Effective Date.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall cause CNEA to prepare and furnish to the Bank as part of the Project Reports mentioned in said Part A, interim unaudited financial reports for the Project covering the pertinent calendar semester, in form and substance satisfactory to the Bank.
3. The Borrower shall cause CNEA to have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period commencing with the fiscal year in which the first withdrawal under the Project Preparation Advance No. 352-1-AR was made. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.
4. Without limitation to the provisions of Part B.3 of this Section, the Borrower shall, not later than one month after the Effective Date, furnish to the Bank the audited Financial Statements (as provided in Section 5.09 (b) of the General Conditions) in respect of the Project Preparation Advance No. 352-0-AR.

Section III. Procurement

A. General

1. **Goods, Works and Non-Consultant Services.** All goods, works and Non-Consultant Services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.
4. **Special Provisions.** Without limitation to the provisions in Section III. A of this Schedule, the following additional provisions shall also govern the procurement of goods, works, Non-Consultant Services and consultants' services under the Project (as the case may be):
 - (a) procurement of goods, works, Non-Consultant Services and consultants' services (in respect of firms) shall be carried out using: (i) standard bidding documents and standard requests for quotations/proposals (as the case may be), all acceptable to the Bank, which: (A) in respect of works, said standard bidding documents shall include, *inter alia*: (1) the obligation to carry out the same in accordance with the pertinent provisions of the Environmental Management Plan and the Quality Control Manual; and (2) a settlement of dispute provision; and (B) in respect of goods, Non-Consultant Services and consultants' services said standard bidding documents and standard requests for quotations/proposals (as the case may be) shall include, *inter alia*, a settlement of dispute provision; (ii) model bid evaluation forms, and model quotations/proposals evaluation forms (as the case may be); and (iii) model contract forms, all acceptable to the Bank;
 - (b) all contracts for works to be procured under the Project shall contain a methodology, acceptable to the Bank, whereby the price of each said contracts shall be adjusted through the use of price adjustment formulas, in a manner acceptable to the Bank;
 - (c) a two-envelope bidding procedure shall not be allowed in the procurement of goods, works and Non-Consultant Services;
 - (d) after the public opening of bids for goods, works and Non-Consultant Services, information relating to the examination, clarification and evaluation of bids and

recommendations concerning awards, shall not be disclosed to bidders or other persons not officially concerned with this process until the publication of contract award. In addition, bidders and/or other persons not officially concerned with said process shall not be allowed to review or make copies of other bidders' bids;

- (e) after the public opening of consultants' proposals, information relating to the examination, clarification and evaluation of proposals and recommendations concerning awards, shall not be disclosed to consultants or other persons not officially concerned with this process until the publication of contract award (except as provided in paragraphs 2.20 and 2.27 of the Consultant Guidelines). In addition, consultants and/or other persons not officially concerned with said process shall not be allowed to review or make copies of other consultants' proposals;
- (f) bidders or consultants shall not, as a condition for submitting bids or proposals and/or for contract award: (i) be required to be registered in Argentina; (ii) have a representative in Argentina; and (iii) be associated or subcontract with Argentine suppliers, contractors or consultants;
- (g) the invitations to bid, bidding documents, minutes of bid openings, requests for expressions of interest and the pertinent summary of the evaluation reports of bids and proposals of all goods, works, Non-Consultant Services and consultants' services, as the case may be, shall be published in the web page of the Borrower's Office of National Procurement (*Oficina Nacional de Contrataciones*), and in a manner acceptable to the Bank. The bidding period shall be counted from the date of publication of the invitation to bid or the date of the availability of the bidding documents, whichever is later, to the date of bid opening;
- (h) the provisions set forth in paragraphs 2.49, 2.50, 2.52, 2.53, 2.54 and 2.59 of the Procurement Guidelines shall also be applicable to contracts for goods, works and Non-Consultant Services to be procured under National Competitive Bidding procedures;
- (i) references to bidders in one or more specialized magazines shall not be used by CNEA in determining if the bidder in respect of goods whose bid has been determined to be the lowest evaluated bid has the capability and resources to effectively carry out the contract as offered in the bid, as referred to in the provision set forth in paragraph 2.58 of the Procurement Guidelines. The provision set forth in paragraph 2.58 of the Procurement Guidelines (including the limitation set forth herein) shall also be applicable to contracts for goods to be procured under National Competitive Bidding procedures;
- (j) witness prices shall not be used as a parameter for bid evaluation, bid rejection or contract award;

- (k) the Borrower shall cause CNEA: (i) to supply the SEPA with the information contained in the initial Procurement Plan within 30 days after the Project has been approved by the Bank; and (ii) to update the Procurement Plan at least every six months, or as required by the Bank, to reflect the actual project implementation needs and progress and shall supply the SEPA with the information contained in the updated Procurement Plan immediately thereafter;
- (l) the provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines providing for domestic preference in the evaluation of bids shall apply to goods manufactured in the territory of the Borrower in respect of contracts for goods to be procured under International Competitive Bidding procedures;
- (m) consultants shall not be required to submit bid or performance securities;
- (n) contracts of goods, works and Non-Consultant Services shall not be awarded to the “most convenient” bid, but rather to the bidder whose bid has been determined: (i) to be substantially responsive; and (ii) to offer the lowest evaluated bid, provided that said bidder has demonstrated to CNEA to be qualified to perform the contract satisfactorily;
- (o) price quotations in respect of Shopping procedures may be submitted through electronic mail, or under any other electronic procurement mechanism acceptable to the Bank, all in a manner acceptable to the Bank; and
- (p) the types of contracts described in Section IV of the Consultant Guidelines shall be the only types of contracts to be used by CNEA in connection with the contracting of consultants’ services provided by a firm and to be financed with the proceeds of the Loan.

B. Particular Methods of Procurement of Goods, Works and Non-Consultant Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and Non-Consultant Services shall be procured under contracts awarded on the basis of International Competitive Bidding procedures.
2. **Other Methods of Procurement of Goods, Works and Non-Consultant Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and Non-Consultant Services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<u>Procurement Method</u>
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Least Cost Selection
(b) Quality-Based Selection
(c) Selection under a Fixed Budget
(d) Selection Based on the Consultants' Qualifications
(e) Single Source Selection
(f) Procedures set forth in paragraphs 5.2 through 5.4 of the Consultant Guidelines for the Selection of Individual Consultants
(g) Sole Source Procedures for the Selection of Individual Consultants set forth in paragraph 5.4 of the Consultant Guidelines for the Selection of Individual Consultants

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Works	15,000,000	80%
(2) Goods and Non-Consultant Services	2,000,000	80%
(3) Consultants' Services	5,000,000	100%
(4) Training	1,800,000	100%
(5) Operating Costs	2,800,000	100%
(6) Refund of the Project Preparation Advance No. 352-0-AR and Project Preparation Advance No. 352-1-AR	800,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
(7) Front-end Fee	75,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(8) Premia for Interest Rate Caps and Interest Collars	0	Amounts payable pursuant to Section 2.07 (c) of this Agreement
(9) Unallocated	2,525,000	
TOTAL AMOUNT	30,000,000	

For purposes of this table:

- (a) the term "Training" means expenditures (other than those for consultants' services) incurred by CNEA, as approved by the Bank on the basis of an annual budget acceptable to the Bank, to finance reasonable transportation costs and per-diem of trainees and trainers (if applicable), training registration fees, rental of training facilities and equipment, and study tours, all under the Project; and
- (b) the term "Operating Costs" means reasonable recurrent expenditures, based on an annual budget previously approved by the Bank, that would not have been incurred by the GP absent the Project, for transportation and per-diem costs of the GP staff, Project administration costs (including office rent), operation and maintenance of office equipment, and non-durable goods (but excluding salaries).

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is November 30, 2013.

SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each March 15 and September 15	
Beginning September 15, 2013 through March 15, 2038	2.0%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
 - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
- 4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
- 5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

SCHEDULE 4

Terms and Conditions of CNEA Subsidiary Agreement

The CNEA Subsidiary Agreement shall contain, *inter alia*, the following provisions:

- (a) the obligation of the Borrower:
 - (i) to promptly disburse to CNEA the proceeds of the Loan as provided in Section I.C (a) of Schedule 2 to this Agreement in a manner acceptable to the Bank; and
 - (ii) to ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines;
- (b) the right of the Borrower to take remedial actions against CNEA in case CNEA shall have failed to comply with any of its obligations under the CNEA Subsidiary Agreement (which actions may include, *inter alia*, the partial or total suspension and/or cancellation of the proceeds of the Loan (as the case may be), all as previously agreed with the Bank); and
- (c) the obligation of CNEA:
 - (i) to use the proceeds of the Loan to carry out the Project;
 - (ii) to provide the funds, facilities, services and other resources, necessary or appropriate to carry out the Project;
 - (iii) to ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines;
 - (iv) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the CNEA Subsidiary Agreement or any provision thereof unless previously agreed by the Bank;
 - (v) if applicable, to comply, or caused to be complied, with the obligations referred to in Sections 5.04, 5.05, 5.06, 5.07 and 5.10 of the General Conditions (relating to insurance, land acquisition, use of goods, works and services, and maintenance of facilities, plans, documents and records, cooperation and consultation and visits, respectively) in respect of the Project; and

- (vi) to take or permit to be taken all action to enable the Borrower to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the Project.

APPENDIX

Definitions.

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “Additional Sites” means the following closed uranium sites: Córdoba (El Chichón) and Los Gigantes sites (located in the Borrower’s Province of Córdoba), the Huemul site (located in the Borrower’s Province of Mendoza), the La Estela site (located in the Borrower’s Province of San Luís), the Los Colorados site (located in the Borrower’s Province of La Rioja), the Pichiñan site (located in the Borrower’s Province of Chubut), the Tonco site (located in the Borrower’s Province of Salta), and any other closed uranium site selected by the Borrower and acceptable to the Bank.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “CNEA” means *Comisión Nacional de Energía Atómica*, the Borrower’s National Atomic Energy Commission, an entity vested with legal personality (*entidad autárquica*) pursuant to the Borrower’s Decree-Law (*Decreto-Ley*) No. 22498 of December 19, 1956, as such Decree Law was ratified by the Borrower’s Law No. 14467 of September 5, 1958 (duly published in the Borrower’s official gazette on September 29, 1958).
5. “CNEA Legal Framework” means the Borrower’s Laws Nos. 24804 (Nuclear Activity Law-*Ley Nacional de Actividad Nuclear*), 25018 (Nuclear Waste Management Law-*Régimen de Gestión de Residuos Radioactivos*) and 25279 (Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management-*Convención Conjunta sobre Seguridad de la Gestión de Combustible Gastado y sobre Seguridad en la Gestión de Desechos Radioactivos*), dated April 2, 1997, October 19, 1998 and July 6, 2000, respectively (all duly published in the Borrower’s Official Gazette on April 25, 1997, October 23, 1998 and August 4, 2000, respectively), and the Borrower’s Decree No. 1612/2006 dated November 8, 2006 (duly published in the Borrower’s Official Gazette on November 8, 2006), and such term also includes the regulations to said laws, all as amended to the date of this Agreement.
6. “CNEA Subsidiary Agreement” means the agreement referred to in Section I.C (a) of Schedule 2 to this Agreement.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
8. “Environmental Management Plan” means CNEA’s plan dated March 1, 2008, acceptable to the Bank, which sets forth, *inter alia*: (a) the plan to monitor the execution of the remediation works under Part 1 of the Project, and to continue monitoring the site after their completion; (b) the actions to reduce and/or mitigate environmental impacts during the execution of the remediation works referred to in (a) herein; (c) the actions to reduce and/or mitigate the risks to workers resulting from the execution of said

- remediation works; (d) the actions to reduce and/or mitigate the risks of accidental exposure to intruders to the Malargüe Site; (e) the actions to reduce and/or mitigate the risks of persistent residual waste materials after the remediation works referred to in (a) herein have been completed; (f) the actions to be followed in connection with the finding of cultural property; and (g) the actions to be followed in connection with the protection of critical natural habitats and forests, as said manual may be updated and/or amended from time to time with the agreement of the Bank.
9. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008).
 10. “GP” means the unit (*Gerencia Proyecto de Restitución Ambiental de la Minería de Uranio*) established pursuant to CNEA’s resolution No.59 dated April 18, 2000, and referred to in Section I.I (a) of Schedule 2 to this Agreement, or any successor thereto acceptable to the Bank.
 11. “Malargüe Site” means the closed uranium processing site located at the limit of the city of Malargüe, which city is located within the territorial jurisdiction of the Borrower’s Province of Mendoza.
 12. “National Steering Committee” means the *Grupo Asesor Externo de Trabajo* established by CNEA.
 13. “Non-Consultant Services” means services under the Project, which services will be bid and contracted on the basis of performance of measurable physical outputs.
 14. “Operational Manual” means CNEA’s manual dated June 6, 2008, acceptable to the Bank, which sets forth, *inter alia*: (a) the structures, functions and responsibilities of the National Steering Committee and the GP; (b) the Project’s chart of accounts and internal controls; (c) the format of: (A) the unaudited interim financial reports referred to in Section II. B.2 of Schedule 2 to this Agreement; and (B) the Financial Statements; (d) the terms of reference for carrying out the Project audits under Section II.B.3 of Schedule 2 to this Agreement; (e) the Project indicators (including the results framework); and (f) the Project disbursement and procurement procedures, as said manual may be updated and/or amended from time to time with the agreement of the Bank.
 15. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
 16. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated June 25, 2008 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
 17. “Project Preparation Advance No. P352-0-AR” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Bank to the Borrower pursuant to letter agreement signed on behalf of the Bank on August 28, 1998 and on behalf of the Borrower on November 20, 1998.

18. “Project Preparation Advance No. P352-1-AR” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Bank to the Borrower pursuant to letter agreement signed on behalf of the Bank on November 14, 2006 and on behalf of the Borrower on February 2, 2007.
19. “Quality Control Manual” means CNEA’s manual dated March 4, 2008, acceptable to the Bank, which sets forth, *inter alia*, the quality control guidelines to be followed by the contractor during the carrying out of the remediation works under Part 1 of the Project, as such manual may be amended from time to time with the agreement of the Bank.
20. “Resettlement” means the impact of an involuntary taking of land under the Project, which taking causes affected persons to have their: (i) standard of living adversely affected; or (ii) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.
21. “SE” means *Secretaría de Ambiente y de Desarrollo Sustentable*, the Borrower’s Secretariat of the Environment and Sustainable Development.
22. “SEPA” means the Bank’s publicly accessible Procurement Plans Execution System.
23. “SM” *Secretaría de Minería*, the Borrower’s Secretariat of Mining.