Terms & conditions for the purchase of goods and services
At Shell, we consider good business to be about relationships, and trust to be at the heart of good business relationships and practice. The people and companies you trust and have good working relationships with are those you do the best business with. A contract represents the formal basis for trust between the parties who sign it. For all parties to commit to it, a contract must be an accurate account of the agreement reached; and, for it to be read and understood, it must be written in terms that are accessible and familiar. This document aims to honour that trust by laying out its terms and conditions as clearly and unambiguously as possible.

These terms and conditions apply to the contract between COMPANY and CONTRACTOR. This contract may be in the form of a purchase order or a work statement (the contract). These terms and conditions are binding between COMPANY and CONTRACTOR; they supersede and replace any CONTRACTOR terms and conditions or previous contracts for any goods or services (defined as scope in the contract). If the parties to this contract agree any special terms, those terms should be documented and added to the purchase order terms - or a further contract should be drawn up containing those special terms. Where these terms and conditions are attached to or incorporated in a contract issued under an existing contract, the terms and conditions of that existing contract will overrule those of the later contract.

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What we mean by some of the words used in the contract

1 Definitions

This section gives the meaning of words and expressions (presented here in bold) that are used in the contract. Any word that appears in italics is defined elsewhere in this section.

**Acceptance** is the point at which COMPANY accepts scope [the goods to be delivered or the services to be performed] in writing – or is considered to have accepted scope in the manner set out in the contract.

**Affiliate** of a person is any other person who
(b) directly or indirectly controls or is controlled by the first person or
(c) is directly or indirectly controlled by a person who also directly or indirectly controls the first person.

A person controls another person if that first person has the power to manage the other person, or to influence the way in which they are managed – this can be directly or indirectly, through one or more intermediaries or in other ways. This control may be exerted by ownership of shares or other equity interests, the holding of voting rights or contractual rights, by being the general partner of a limited partnership, or otherwise. Any affiliate of Royal Dutch Shell plc is an affiliate of COMPANY.

**Agency personnel** are those contractor personnel who are not direct employees, but are working under the direct control and supervision of contractor group.

**Anti-corruption laws** include the United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act 2010, and all other applicable laws that prohibit tax evasion, money laundering or otherwise dealing in the proceeds of crime or the bribery of any government official or any other person – these laws also prohibit providing unlawful gratuities, facilitation payments, or other benefits to such people.

**Applicable data protection law** covers all laws, rules, regulations, governmental requirements, codes, as well as international, federal, state, provincial laws that apply to COMPANY when acting as a controller or processor of personal data.

**Applicable laws** may apply to a person, property, or circumstance, and may be amended from time to time. Applicable laws include:
(a) statutes (including regulations enacted under those statutes)
(b) national, regional, provincial, state, municipal or local law
(c) judgments and orders of courts of competent jurisdiction
(d) rules, regulations and orders issued by authorities
(e) regulatory approvals, permits, licences, approvals and authorisations

**Authorities** refers to the government and any county, municipality, local government or other political subdivision, instrumentality, ministry, or department that has jurisdiction over any part of scope, or any county, municipality, local government or other political subdivision of any of these listed.
Terms & conditions for the purchase of goods and services continued

Books and records include books, accounts, contracts, records and documentation, in electronic format or otherwise, relating to the contract and performance of scope.

Company group indicates COMPANY and:
(a) its co-venturers and joint ventures
(b) any affiliate of COMPANY (and its joint ventures, or its co-venturers)
(c) any director, officer, employee, or other individual working under the direct control and supervision of COMPANY (and its joint ventures, or co-venturers), or the affiliates of COMPANY (and its joint ventures, or co-venturers). A reference to company group includes a reference to each of its member individually.

Company provided items indicate materials equipment, services or facilities provided by COMPANY to CONTRACTOR to perform scope.

Confidential information is data, software and all technical, commercial, financial, legal or other information, and items that record such data, software or information disclosed by or on behalf of company group to contractor group, all work product, personal data, and scope, and the terms of the contract.

Consequential loss covers:
(a) indirect or consequential losses
(b) loss of production, loss of product, loss of use, and loss of revenue, profit or anticipated profit, whether direct, indirect or consequential, and whether or not the losses could have been foreseen at the time of entering into the contract

Contract price is the total amount that COMPANY is due to pay CONTRACTOR under the contract.

Contractor equipment refers to any machinery, plant, tools, equipment, goods, materials, supplies and other items (including all appropriate associated spare parts, storage containers, packing and securing) owned or contracted for by contractor group unless the ownership of these items has not passed and will not pass to COMPANY under the contract.

Contractor group includes CONTRACTOR and:
(a) its subcontractors
(b) any affiliate of CONTRACTOR or its subcontractors
(c) any director, officer, employee, other person or agency personnel employed by or acting for and on behalf of CONTRACTOR, its subcontractors or the affiliates of CONTRACTOR and its subcontractors. A reference to contractor group includes a reference to each of its members individually.

Contractor personnel indicates any individual provided by contractor group whether directly or indirectly, and assigned to work in connection with the performance of scope. That individual may or may not be an employee of contractor group.

Co-venturer is any person who is a party to a joint operating agreement, production sharing arrangement or similar agreement or arrangement solely for the purposes of such agreement or arrangement with COMPANY or any of its affiliates. A reference to co-venturer includes a reference to each co-venturer.
Terms & conditions for the purchase of goods and services continued

(c) any official or employee of a company wholly or partially controlled by a government (e.g. a state-owned oil company), political party, or any official of a political party
(d) any candidate for political office, or any officer or employee of a public international organisation (e.g. the United Nations or the World Bank)
(e) any immediate family member (meaning a spouse, dependent child or household member) of any of the people identified in (a) to (d)

Health, Safety, Security and Environment (HSSE) standards include:
(a) all HSSE policies, manuals, standards, rules and procedures – as communicated to CONTRACTOR by or on behalf of COMPANY – designed to manage HSSE risks during performance of scope under the contract
(b) all applicable laws relating to HSSE
(c) any other rules and procedures (whether issued by company group or otherwise) in force at a relevant company group worksite at the time of performance of scope

Indemnify is to release, save, defend and hold harmless.

Indirect taxes include:
(a) value added tax
(b) goods and services tax
(c) sales tax or similar levy

Insolvency event is if or when a person:
(a) stops or suspends, or threatens to stop or suspend, payment of all their debts or a material part of their debts, or is unable to pay their debts as these fall due
(b) ceases or threatens to cease to carry on all or a substantial part of their business
(c) begins negotiations for, starts any proceedings concerning, proposes or makes any agreement for reorganisation/compromise/deferral/general assignment of, all or substantially all of their debts
(d) makes or proposes an arrangement for the benefit of some or all of their creditors of all or substantially all of their debts
(e) takes any step with a view to the administration, winding up, or bankruptcy of that person
(f) is subject to an action that involves securing possession of all, or most of their assets, or selling these off to pay a debt, or any similar process, including the appointment of a receiver, trustee in bankruptcy, or similar officer
(g) is subject to any event under the law of any relevant jurisdiction that has an analogous or equivalent effect to any of the insolvency events listed above

Intellectual property (IP) rights cover patents, copyrights (including rights in computer software), database rights, design rights and rights in proprietary technical information and I knowhow, trade secrets and inventions, trademarks, servicemarks and design marks, whether these are all registered or not, including all applications for any of them and all equivalent rights in all parts of the world; these rights apply in all circumstances and at any stage of their full term, and include any divisions, reissues, reexaminations, continuations, continuations-in-part, and renewals.

Joint venture refers to any entity:
(a) which itself is not an affiliate of COMPANY
(b) in which an affiliate of COMPANY has a direct or in direct ownership interest
(c) the activities of which are related to scope
Terms & conditions for the purchase of goods and services continued

**Liabilities** cover liabilities for all claims, losses, damages, costs (including legal fees) and expenses.

**Liens** is a French word that identifies the right of a person to keep possession of attachments, charges, claims or other rights or interests against scope or property of company group.

**Liquidated damages** are the sums of money agreed in the contract that CONTRACTOR must pay to COMPANY if certain events or obligations specified in the contract are not achieved or are not achieved in the time agreed.

**Other Contractor** identifies any other contractor engaged by COMPANY to perform work at the worksite.

**Other permitted buyer** refers to:

(a) joint ventures

(b) Shell contractors

**Person** refers to a human being or a legal entity – including any partnership, limited partnership, limited liability COMPANY, corporation, firm, trust, body corporate, government, governmental body or agency, or unincorporated venture.

**Personal data** covers all information relating to an identifiable or identifiable individual (unless another definition has been agreed for it under applicable laws).

**Restricted jurisdiction** relates to countries or states that are subject to comprehensive economic or trade sanctions, restrictions, or embargoes (which the relevant authorities may amend from time to time).

**Restricted party** refers to:

(a) any person resident, established or registered in a restricted jurisdiction

(b) any person classified as a US Specially Designated National or otherwise subject to blocking sanctions under trade control laws

(c) any affiliates of such persons

(d) any person acting on behalf of a person referred to in any of the three categories given under this entry

**Scope** refers to all activities and obligations performed under this contract including goods to be delivered or the services to be performed by or on behalf of CONTRACTOR under this contract, and any work product provided.

**Services** are those to be supplied by CONTRACTOR under the contract, including the results of those services.

**Shell contractor** refers to a person acting as a CONTRACTOR of an affiliate of COMPANY.

**Software** includes any software that forms part of scope or is necessary for the intended use of scope, the term includes the database and all machine codes, binaries, object codes or source codes (whether in a machine or human-readable form), and all improvements, modifications, and updates, flow charts, logic diagrams, passwords, and output tapes, and any future updates, releases and generally available associated software items, together with the licence to use them or ownership rights in them.

**Standards of practice** is a term used with reference to scope and the performance of scope to define the sound standards, methods, skill, care, techniques, principles, and practices that are recognised and generally accepted in the international energy industry.

**Subcontract** refers to any contract between CONTRACTOR and a subcontractor or between a subcontractor and another subcontractor of any rank or level for the performance of any part of scope; the term includes any specific contract (or call-off) under framework agreements of COMPANY or an affiliate of COMPANY and supply agreements for materials.

**Subcontractor** identifies any party to a subcontract, other than COMPANY and CONTRACTOR, including any employers of agency personnel (except as explicitly provided otherwise).
Terms & conditions for the purchase of goods and services
continued

**Taxes** covers all taxes, duties [import, export, customs, stamp or excise – including clearing and brokerage charges], levies, charges, surcharges, withholdings, deductions, or contributions that are imposed or assessed by any competent authority of the country where **scope** is performed or any other country in accordance with **applicable laws**.

**Trade control laws** covers all **applicable laws** concerning trade or economic sanctions or embargoes, **restricted party lists**, trade controls on the import, export, re-export, transfer or otherwise trade of goods, services, software, or technology, including those of the European Union, the United Kingdom and the United States of America.

**Variation** is a modification, alteration or deletion of all or part of **scope**, or an addition to it.

**Variation assessment** is a proposal prepared by **CONTRACTOR** which relates to a **variation** and provides full detail of:
(a) the impact of the proposed **variation** on **scope**
(b) a detailed schedule for the performance of adjusted **scope**
(c) the effect on the **contract price** (if any), determined in accordance with the contract
(d) any other information **COMPANY** concludes is necessary for its evaluation

**Variation order** is a written order for a **variation** that **COMPANY** has authorised.

**Work product** refers to any and all information, reports, data, databases, drawings, computer programs [including source code, object code and documentation], semiconductor topography, mask work, spreadsheets, presentations, analyses, results, conclusions, findings, solutions, calculations, studies, concepts, codes, manuals, inventions, models, designs, prototypes, magnetic data, flow charts, recommendations, working notes, specifications or other information, documents, materials, or **goods** which arises or is made, created, generated or discovered under the **contract** in connection with **scope**.

**Worksite** describes the lands, waters, and other places on, under, in, or through which **scope** or activities in connection with **scope** are to be performed; the term includes manufacturing, fabrication or storage facilities, offshore installations, floating construction equipment, vessels, offices, workshops, camps or messing facilities – it does not include any lands, waters or other places used during transportation to and from **worksites**.

**Commercial terms and conditions**

2 **What we require in relation to scope**
   This contract is non-exclusive and carries no requirement for **COMPANY** to purchase any minimum quantities. **COMPANY** may acquire some or similar scope from other suppliers.

3 **What we require from contractor in relation to goods**
   (a) **CONTRACTOR** guarantees that **goods** supplied in connection with the performance of **scope** will:
      (i) be without fault, defect, or deficiency
      (ii) be new on delivery, unless otherwise specified in the contract
      (iii) be fit for use for any purposes specified in the contract
      (iv) conform strictly with the contract and any specification, drawing, or other description supplied by **COMPANY** to **CONTRACTOR** and agreed to as part of the contract.

(b) **CONTRACTOR**’s warranty for **goods** applies to all defects arising within 12 months of **COMPANY**’s acceptance of **goods** unless a different period is given in the **scope** description.
(c) After **COMPANY**’s acceptance of **goods**, the warranties set out in this clause [Clause 3] replace all other warranties expressed or implied by statute, common law, custom, usage or otherwise.
(d) In any case where International Commercial Terms (Incoterms) are specified, **CONTRACTOR** retains risk of loss of and damage to the **goods** until delivery is complete in accordance with Incoterms, or until the **COMPANY** takes physical possession of the **goods**.
(e) Ownership of the **goods** will pass to **COMPANY** as soon as either of the following occurs:
   (i) risk of loss of and damage to the **goods** passing to **COMPANY**
   (ii) **COMPANY** makes payment for the **goods**
(f) **CONTRACTOR** will pack the **goods** so that they may be transported and unloaded safely. **CONTRACTOR** agrees that, on delivery, the **goods** will have been accurately described, classified, marked, and labelled in accordance with the contract, all **applicable laws** and **standards of practice**.
Terms & conditions for the purchase of goods and services continued

4 What we require from contractor in relation to services

4.1 Services warranties

(a) CONTRACTOR warrants that all services supplied in connection with the performance of scope will be:
   (i) performed in accordance with the contract
   (ii) fit for use for any purpose specified in the contract
   (iii) free from any defect or deficiency

(b) Unless a different period is specified in the scope description, COMPANY’s warranty for services applies to all defects arising within 12 months of COMPANY’s acceptance of the services.

(c) Following company’s acceptance of services, the warranties set out in this clause (Clause 4) replace all other warranties expressed or implied by statute, common law, custom, usage or otherwise.

(d) COMPANY will supply services diligently, efficiently, and carefully, in a good and professional manner, and in accordance with the contract and all standards of practice. CONTRACTOR will provide all skills, labour, supervision, equipment, goods, materials, supplies, transport and storage required for services.

4.2 Contractor personnel in connection with services

Where COMPANY requires, CONTRACTOR will at its own expense perform security background checks and obtain entry credentials for contractor personnel on company group worksites.

5 Our procedure for invoicing and payment

(a) COMPANY agrees to pay the contract price to CONTRACTOR in the currency specified in the Schedule of Prices, and at the times and in the manner specified in this clause (Clause 5). The contract price is all-inclusive except for value added tax or sales tax.

(b) CONTRACTOR will invoice only after acceptance of scope, unless other arrangements have been agreed in the contract.

(c) COMPANY will pay CONTRACTOR any undisputed amount within the time period specified in the contract after it has received a correct and adequately supported invoice (i.e., it has been filled out correctly and contains all the necessary documentation). It takes COMPANY 2-5 days to establish whether an invoice is adequately supported, and those days are counted as part of the standard payment term of 60 days after an invoice has been received. COMPANY would need to approve any alteration to this standard payment term in advance and in writing.

(e) Payment of an invoice is not:
   (i) by itself either an agreed satisfactory conclusion to the obligations of the contract or a limitation of the rights of the parties in connection with the matter
   (ii) acceptance of scope was performed in accordance with the contract

(f) If COMPANY disputes an invoice, COMPANY may withhold payment of any disputed part of an invoice and pay only the undisputed part. COMPANY may also, if notice is first given to CONTRACTOR, deduct from the invoice any liabilities between CONTRACTOR and COMPANY arising out of the contract.

(g) CONTRACTOR will present to COMPANY at least two identical copies of CONTRACTOR’s invoice. CONTRACTOR’s invoice must include the number of the letter of intent, purchase order, or other contracts if any have been issued; the supplier number; delivery slip number by which delivery was made; the item code; as well as all documentation or information provided by the Argentine tax authorities. Different purchase orders or other contracts will not be included in
Terms & conditions for the purchase of goods and services continued

7 When a contractor needs access to company systems, information or infrastructure

Access to company group’s information technology or resources (including company’s infrastructure) in order to perform scope, will require contractor to sign and comply with company’s standard terms and conditions for access and security – unless the parties agreed otherwise in writing.

8 Variations in relation to scope

Company may request, or contractor may initiate, a variation assessment. Contractor is not entitled to a variation for matters that were included in scope, or matters that contractor agreed to perform or should take into account in connection with the contract. Company may accept the variation assessment by issuing a variation order, or reject the variation assessment.

9 Inspections, testing and acceptance of scope

(a) To confirm scope complies with the contract, contractor will perform all tests and inspections required by the contract, applicable laws and, unless otherwise specified in the contract, standards of practice.

(b) Contractor will request acceptance of goods upon the completion of the delivery of these goods, or acceptance of services upon the completion of these services. Acceptance has occurred if one of the following takes place:

(i) Company has notified contractor in writing

(ii) 30 days has passed after contractor’s request for acceptance

(iii) Scope is put into commercial use by company group

Acceptance of goods/services marks the start of the warranty period. Other remedies that are included in the contract will not be affected by acceptance of goods/services and will continue to apply.

10 Contractor’s responsibilities if there are defects

If defects in scope are discovered, contractor will provide a plan to remedy the defects and will remedy them as quickly as possible.

Contractor’s guaranties against defects are transferable, and contractor will transfer to company all manufacturers’ guaranties. Where guaranties against defects are not transferable, upon contractor’s request, contractor will, on behalf of company or the organisation to which company transfers responsibility, pursue all guaranties that cannot be transferred.

In certain circumstances company may perform, or have others perform, some or all of the remedial actions, without prejudice to other remedies it may have. This may be when:

(i) emergency situations or other HSSE risks mean that remedial actions need to be carried out immediately

(ii) Contractor presents a plan which does not provide for a speedy enough completion of warranty work.
(iii) CONTRACTOR does not complete the actions in the time agreed on the schedule. In these circumstances, CONTRACTOR will pay or promptly reimburse COMPANY for all costs. CONTRACTOR would have been liable for under the contract.

Legal terms and conditions

11 Performance

CONTRACTOR will participate in business performance reviews established by the scope description or, alternatively, by COMPANY’s representative.

12 Taxes

12.1 Contractor taxes

CONTRACTOR will be responsible for payment of all taxes, and any interest, fines or penalties for which contractor group is liable for:
(i) income, capital gains, and wages
(ii) import or export of contractor equipment, or the movement of contractor personnel

12.2 Indirect taxes

CONTRACTOR will add any indirect taxes to the invoice as a separate item, and COMPANY will pay them in addition to the contract price.

12.3 Withholding

(a) Where required under applicable laws, COMPANY will withhold taxes from amounts payable to CONTRACTOR and pay them over to relevant authorities. The sum of the taxes being withheld is a corresponding discharge of COMPANY’s liability to CONTRACTOR under the contract.
(b) Where CONTRACTOR demonstrates that it is exempt from any withholding or deductions under applicable laws, it will inform COMPANY and provide COMPANY with a valid certificate of exemption or immunity from the relevant authority. COMPANY may act on the information given to it and will not be liable to CONTRACTOR or any other person if COMPANY applies the withholding or deduction according to applicable laws.

2.4 Stamp Tax

If this contract is interpreted in such a way that COMPANY is required to pay a stamp tax in Argentina, CONTRACTOR agrees to pay one-half of the cost of that stamp tax.

2.5 Indemnity for LIABILITIES Related to TAXES

(a) CONTRACTOR will indemnify company group for any LIABILITIES, including any interest, fines, or penalties for which contractor group or any person directly or indirectly employed or engaged by contractor group is liable as referred to in this Article.

(b) If contractor group is considered to have a permanent establishment in connection with the scope, contractor group will be solely responsible for resulting liabilities, taxes, and any other costs incurred by contractor group because of the presence of the permanent establishment.

13 Liens (see section 1 for definition of this term)

CONTRACTOR warrants good and clear title to scope supplied. CONTRACTOR will not permit contractor group to place any liens or claim any liens. CONTRACTOR will immediately notify COMPANY and promptly remove any liens by contractor group. CONTRACTOR irrevocably waives any rights to assert any liens and waives any rights of retention established by Article 2587 of the Civil and Commercial Code of Argentina.

14 Suspension

(a) COMPANY may suspend performance of all or part of scope for cause [see Clause 13 for explanation of for cause]. Written notice is required for such suspension, which takes effect immediately pending COMPANY’S decision on whether it has grounds to terminate the contract for cause. If there is suspending for cause, CONTRACTOR will not be entitled to any variation or other compensation.

(b) COMPANY may suspend performance of all or part of scope for convenience at its own discretion with seven days’ prior written notice. CONTRACTOR may seek a variation if actions required by suspension affect the schedule or timing of scope.

(c) COMPANY may at any time withdraw by written notice all or part of a suspension; when this happens, CONTRACTOR will resume performance.
Terms & conditions for the purchase of goods and services continued

(ii) contractor group violates anti-corruption laws, applicable competition laws, trade control laws, other applicable laws or HSSE standards, or causes COMPANY to be in violation of those laws or HSSE standards

(iii) contractor group becomes a restricted party

(iv) CONTRACTOR is subject to an insolvency event. For purposes of this termination right, an insolvency event should also include: when CONTRACTOR files a bankruptcy application or is subject of a third party’s request for bankruptcy under Law N°24522, requests a reorganization proceeding or instructs any proceeding to renegotiate its debts under Law N°24522, including an out-of-court preventive agreement (APE) or if PENALTIES for delay have been reached.

(b) COMPANY may terminate the contract or part of scope for cause if COMPANY determines CONTRACTOR materially breached the contract any way other than those set out in Clause 15.1(a). COMPANY will first provide written notice, which may require CONTRACTOR to remedy the breach; or COMPANY may terminate the contract if COMPANY determines the breach cannot be remedied in time, or it is not subsequently remedied.

15.2 Termination by company for convenience

COMPANY may terminate the contract or part of scope for convenience at its own discretion, as long as it does so with 30 days’ prior written notice. The parties expressly agree that, upon expiration of the original term of the contract or if the contract is terminated before expiration of the original term, CONTRACTOR waives any right to claim compensation of any kind for damages that result directly or indirectly from the termination. CONTRACTOR expressly agrees not to bring any claims against COMPANY in that regard. However, the parties do not waive any rights to litigate claims or disputes relating to scope that arose prior to termination of the contract. Parties agree to leave without effect Article 1011 of the Civil and Commercial Code, to the extent it could be applicable to this CONTRACT.

15.3 Termination by contractor for cause

(a) CONTRACTOR may terminate the contract if COMPANY fails to pay an undisputed amount to CONTRACTOR that is properly presented, due, payable for more than 60 days and exceeds 5% of the contract price. This assumes complete performance of the contract and is subject to:

(i) CONTRACTOR giving COMPANY written notice specifying the unpaid amount and requiring it to be paid within a further period of 14 days of such notice

(ii) COMPANY failing to make the payment or to provide proper grounds for non-payment during the notice period

(b) CONTRACTOR’s termination rights do not apply if COMPANY exercises a valid right to make a deduction from the invoice.

15.4 Contractor obligations on termination

Upon termination, CONTRACTOR will promptly cease performance of terminated scope, give access to scope in progress, avoid unreasonable interference with others, and take reasonable steps to allow COMPANY to complete scope. These steps include turning over all documentation for scope and software which was to be supplied in connection with the contract.

15.5 Compensation in the event of termination

(a) If COMPANY terminates the contract or part of scope for cause, COMPANY will determine and pay the amounts (minus any valid deductions) owed to CONTRACTOR for scope properly performed in accordance with the contract.

(b) If COMPANY terminates the whole of the contract for convenience, or CONTRACTOR validly terminates for non-payment, COMPANY will also pay reasonable, unavoidable and auditable costs that COMPANY has agreed elsewhere in the contract to pay on termination for convenience by COMPANY

15.6 Exclusive reasons for termination

The parties waive any right to terminate, rescind or otherwise end the contract on grounds other than those set out in the contract.

16 Liquidated Damages/Penalty Clause

(a) liquidated damages represent those “penalty” amounts agreed in the contract in the terms of Article 790 of the Civil and Commercial Code of Argentina.

(b) Where any liquidated damages (penalties) are set out in the CONTRACT, the following applies:

(i) unless expressly provided otherwise in the contract, payment of liquidated damages (penalties) will not relieve CONTRACTOR from its obligations to complete scope in accordance with the contract

(ii) if the parties agree that any liquidated damages (penalties) are:

(A) genuine pre-estimate of the losses that may be sustained by failure of performance

(iii) CONTRACTOR waives, with the widest scope allowed by applicable law, its rights to raise any claim regarding the invalidity, annulment or reduction of the penalty based on the Civil and Commercial Code of Argentina.

(c) If liquidated damages (penalties) are invalid and unenforceable, COMPANY may claim demonstrated damages, subject to any limitations that may be set out in the CONTRACT.

17 Liabilities and indemnities

(a) Any liability for loss of and damage to property and for personal injury, death or disease to any person that arises in connection with the contract will be determined in accordance with applicable law.
Terms & conditions for the purchase of goods and services continued

(b) Neither party will be liable to the other for that other party’s own consequential loss, regardless of negligence or other fault unless consequential losses are caused by the disclosure of confidential information or liabilities related to IP rights.

18 Insurance

(a) Before beginning performance, CONTRACTOR will arrange any insurance required by applicable law, and maintain that insurance in effect for as long as the contract lasts. If the obligation to procure insurance and perform other actions in connection with this clause is satisfied, this will not relieve CONTRACTOR of any other obligations or liabilities.

(b) CONTRACTOR guarantees that all insurance policies comply legally with the requirements set out by Argentinian insurance companies (according to Law 12.988) approved by Shell.

(c) Employer’s Liability and Worker’s Compensation insurance will be obtained in accordance with the Argentinian Worker’s Compensation Law (Law No. 24.557), or any law later decreed. That insurance will include a non-recovery clause against COMPANY for the economic damages that may result from the performance of scope. The policy must also include the following terms: “[Insurance Company] expressly waives the right to commence any action of repetition or of return against COMPANY, its affiliates, officers, employees, or workers, either grounded on Section 39, subsection 5 of the Law 24.557, or in any other legal rule, with the intent that monetary compensation or compensation in kind that the party is obligated to award or pay to dependent or ex-dependent personnel of CONTRACTOR, to the extent of the coverage of the present policy, for occupational hazards or illnesses suffered or contracted on or from the job, or in transit between the employee’s residence and place of work. In addition, CONTRACTOR, and the employer’s liability and worker’s compensation insurance provider will communicate by reliable means to COMPANY any non-compliance with the policy on the part of the insured, in particular non-payment by the insured according to the terms of the policy, within ten days of verification”.

(d) In each case in which the policy limit is not less than USD $1 million per incident, CONTRACTOR must obtain mandatory life insurance in accordance with the Decree Law No 1567/74

19 Compliance with applicable laws business principles, and HSSE standards

19.1 Applicable laws
The parties will comply with applicable laws in the performance of the contract and will notify each other of any material breaches.

19.2 Business principles
(a) CONTRACTOR acknowledges that it has actual knowledge of:
(i) the Shell General Business Principles, at shell.com/sgbp, and Shell’s Supplier Principles, at shell.com/suppliers
(ii) Shell’s Code of Conduct, at shell.com/codexofconduct
(iii) Shell’s Global Helpline, at shell.com/globalhelpline

(b) CONTRACTOR agrees that contractor group will, in the performance of this contract, adhere to and notify COMPANY of violations of CONTRACTOR’S business and supplier principles if these are equivalent to COMPANY’s principles contained in the Shell General Business Principles and Shell Supplier Principles. Where CONTRACTOR does not have equivalent principles,

COMPANY’S principles will apply.

(c) If contractor group supplies staff that work on behalf of COMPANY or represent COMPANY, CONTRACTOR commits that the staff will behave in a manner that is consistent with the Shell Code of Conduct.

19.3 Anti-bribery and corruption
(e) CONTRACTOR affirms that, in connection with this contract and related matters:
(i) it is knowledgeable about anticorruption and will comply with those laws
(ii) contractor group has not made, offered, authorised or accepted – and will not make, offer, authorise or accept – any payment, gift, promise or other advantage, whether directly or through any other person, to or for the use or benefit of any government official or any other person where that payment, gift, promise or other advantage would comprise a facilitation payment or violate the relevant anticorruption laws.

(b) CONTRACTOR will immediately notify COMPANY if CONTRACTOR receives or becomes aware of any matter that is prohibited by the preceding paragraph.

(c) CONTRACTOR affirms that no person in contractor group is a government official or other person who could assert illegal influence on behalf of COMPANY or its affiliates. If a person in contractor group becomes a government official, CONTRACTOR will promptly notify COMPANY and, should COMPANY request it, remove that individual from performance in connection with scope.

(d) CONTRACTOR will maintain adequate internal controls and procedures to ensure compliance with anti-corruption laws. This includes the ability to demonstrate
19.5 Personal data protection
(a) The parties may provide each other with personal data in the course of the performance of this contract. The processing and transfer of such data will be done in accordance with applicable data protection law, and this contract. For the avoidance of doubt CONTRACTOR may not process, sell, retain, use or disclose the personal data for any purpose other than for the specific purpose of performing the scope specified in this contract or as required or permitted by applicable data protection law. CONTRACTOR certifies that they understand this condition and will comply with it. Each party is a ‘data controller’ as defined in applicable data protection law in respect of the personal data.
(b) Personal data processed by COMPANY is governed by the terms of the Privacy Notice - Business Customer, Supplier, Partner or Investors, available at https://www.shell.com/privacy/b2b-notice.html and from the relevant Shell website in each location.
(c) In connection with personal data CONTRACTOR agrees to specifically take note of and comply with Law 25.326 (Ley Nº 25.326 del 29/11/2001).

19.6 Health, safety, security, and environment (HSSE)
In performing scope at company group worksites, or other location if specified in the HSSE standards, CONTRACTOR will, and will ensure that contractor group will, at all times:
(i) pursue Shell’s HSSE principle of Goal Zero
(ii) comply with IOGP 459 Life Saving Rules, available at iogp.org/life-savingrules/
(iii) comply with other applicable HSSE standards

20 Confidential information
20.1 Obligations in connection with confidential information
(a) CONTRACTOR will not disclose company group’s confidential information to any third party without the prior written consent of COMPANY, and will also use company group’s confidential information only in connection with performance of the contract.
(b) Information that CONTRACTOR can prove, (i) when disclosing it, is either in the public domain or, in the possession of CONTRACTOR without binder of secrecy, or developed independently of COMPANY’s confidential information is not confidential information. CONTRACTOR’s obligations regarding confidential information will cease if CONTRACTOR can prove that the information had become part of the public knowledge through no fault of contractor group or is subsequently disclosed to CONTRACTOR without an obligation of confidentiality by a third party who has the legal right to do so.
(c) After expiration or termination of the contract, or on COMPANY’s request, CONTRACTOR will promptly return or destroy any confidential information and delete it from electronic storage, and delete or destroy all extracts or analyses that reflect any confidential information.
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continued

20.2 Contractor information

Contractor group will not provide company group with any proprietary information. Company group will not have an obligation not to disclose or use information provided by contractor group except where the obligation is expressly stated elsewhere in the contract or through a separate agreement.

20.3 External communications

CONTRACTOR will not broadcast or publish any external communications related to the contract.

20.4 Mandatory Disclosures

If CONTRACTOR is required by any court, judicial, governmental, or regulatory body, or otherwise under applicable laws, to disclose any confidential information, CONTRACTOR, to the extent lawful to do so, shall: (a) promptly notify COMPANY of such disclosure requirement to allow COMPANY or a member of company group to oppose the requirement or to seek a protective order and/or take any other action to protect such information; (b) reasonably cooperate, if requested by COMPANY or a member of company group, in taking any of these actions at the COMPANY’s or member of company group’s reasonable cost and expense; (c) disclose only that portion of such information as CONTRACTOR is legally required to disclose; and (d) use reasonable endeavours to ensure that confidential treatment is given to such information.

21 Intellectual property

(a) Except for IP rights vested with CONTRACTOR as provided below, all right, title, and interest in and to work product hereby vests in COMPANY or its designee upon the generation, creation and/or discovery thereof, and shall be COMPANY’s IP rights. In addition, all IP rights generated, created or discovered hereunder that use or are an improvement to company group’s IP rights, or are generated, created or discovered using, or are an improvement to, confidential information, hereby vests in COMPANY or its designee upon the generation, creation and/or discovery thereof, and shall be COMPANY’s IP rights. CONTRACTOR will execute, and will cause contractor group to execute documents, and take all other steps as may reasonably be necessary to document the ownership of COMPANY or its nominee in the IP rights to allow COMPANY to secure, protect, and enforce those rights for the benefit and full use by company group. CONTRACTOR irrevocably waives, and will cause contractor group to irrevocably waive, any moral or similar, non-transferable rights that any persons in contractor group may have in IP rights vesting in COMPANY under this sub-article. All right, title, and interest in and to work product generated, created or discovered by CONTRACTOR in the performance of scope that are an improvement to CONTRACTOR’s IP rights hereby vests in CONTRACTOR or its designee upon the generation, creation and/or discovery thereof, and shall be CONTRACTOR’s IP rights and shall not be subject to the obligations of secrecy and restricted use set forth in the confidentiality provisions herein.

(b) CONTRACTOR, warranting that it is entitled to do so, grants to company group an irrevocable, non-exclusive, perpetual, worldwide, royalty-free right and licence, with the right to transfer, assign or grant sublicences in any of CONTRACTOR’s IP rights embodied in any work product, to use, have used, make, have made, sell, have sold, operate, have operated, possess, have possessed, import, have imported, export, have exported, copy, have copied, distribute, have distributed, modify, have modified, create derivative works of, have derivative works created of, improve, have improved, repair, have repaired, maintain, have maintained any work product. CONTRACTOR warrants that the sale, license, use or distribution by any member of company group of any work product or any other materials made available to company group by CONTRACTOR in connection with scope will not infringe or misappropriate the IP rights of any third party.

(c) CONTRACTOR will indemnify company group, assignees, transferees, and sublicensees permitted by this contract for any liabilities resulting from any claim that: (i) the contractor group’s provision of scope; (ii) any work product provided to company group; or (iii) the use of such work product by any member of company group, infringes or misappropriates the IP rights of any third party.

22 Financial and performance audit

(a) COMPANY will have the right to audit:

(i) invoiced charges and proper invoicing

(ii) other books and records

(iii) the performance of any other of CONTRACTOR’s obligations under the contract, where it is possible for these to be verified by audit
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(b) Within 45 days of any audit finding, the parties will settle any amounts charged incorrectly, and CONTRACTOR will provide or re-perform any scope that the audit identifies as needing to be done.

(c) CONTRACTOR will keep books and records available for audit for whichever is the longer of the following periods:

(i) five years following termination of the contract or any longer period as required by applicable laws
(ii) two years after the period expires on any obligation of CONTRACTOR to perform or re-perform any scope

(d) CONTRACTOR will comply with any requirement in the contract for relevant books and records to be retained for a longer period, in order to comply with anti-corruption laws.

23 Relationship of the parties

23.1 Independent contractor

CONTRACTOR is an independent CONTRACTOR in all aspects of performance under the contract. CONTRACTOR is responsible for the method and manner of performance to achieve the results required by the contract. CONTRACTOR may hire, at its sole account and risk, personnel that CONTRACTOR considers necessary for the performance of scope. However, the parties expressly agree that CONTRACTOR assumes all obligations arising from its relationships with contractor personnel, whether from labour agreements or fees, welfare laws, or any other contractual, welfare, or tax-related source.

23.2 No business relationship

(a) The contract and its performance do not create a partnership or joint venture, and neither does the contract appoint either party to it as agent of the other. Neither CONTRACTOR, contractor personnel, sub-contractors, or dependents of CONTRACTOR will be considered dependents of COMPANY. The contract does not permit CONTRACTOR to make any commitment on behalf of company group.

(b) CONTRACTOR and contractor personnel are not to be considered employees of company group and are not eligible to participate in any of COMPANY GROUP’s employee benefit plans. CONTRACTOR will indemnify company group for any liabilities related to claims for private or governmental benefits by contractor group and any claims raised by or in connection with any person performing activities related to this contract, including but not limited to claims alleging such person is or was an employee of company, claims for unpaid wages or salaries of any kind, claims in connection with personal injury or disease, and claims (including any governmental official claim) related to unpaid or wrongly paid social security contributions or taxes.

(c) During the 12 months before date of expiry of the contract, or during the period from when a date of expiry is provided until termination, whichever is shorter, CONTRACTOR will not modify the structure of its personnel performing scope, or their working conditions, without the prior written consent of COMPANY, which will not be unreasonably withheld.

24 Contractor personnel and subcontracting

24.1 Responsibility

CONTRACTOR is responsible for any scope performed by any subcontractor and all contractor personnel; all activities, omissions and defaults are to be treated as if they were the activities, omissions or defaults of CONTRACTOR.

24.2 Condition to subcontract and
the CONTRACTOR in this article, the COMPANY shall be entitled to withhold any payments due to the CONTRACTOR to satisfy those obligations, until both the COMPANY or the company group are released in court or in an administrative instance of any claim and, notwithstanding any other rights granted by law and the contract, in the event that the COMPANY does not settle the amount withheld with the claim and is released from the claim, CONTRACTOR agrees that the amounts withheld will be released without the obligation of the COMPANY to pay interest.

CONTRACTOR shall indemnify company group for any and all liabilities imposed on company group resulting from the CONTRACTOR’s failure to comply with its obligations with the members of contractor group.

CONTRACTOR shall indemnify, defend and hold harmless COMPANY and or company group from all claims, losses, damages, costs (including legal costs), expenses, and/or liabilities of any kind or nature for, or arising out of, any direct or indirect claim from the contractor personnel, its subcontractor’s personnel or its agency personnel, or any authority, regarding any labour and social security obligations in connection with the performance of this contract (the LABOR LIABILITIES).

In the event the COMPANY and/or the company group are notified of any LABOR LIABILITY, the COMPANY and/or company group, as the case may be, must notify CONTRACTOR, in which case the COMPANY will assume the legal defence and the CONTRACTOR shall assume any costs and expenses related to such claim, including legal costs of any external counsel the COMPANY may appoint.

CONTRACTOR acknowledges and agrees that COMPANY shall be entitled to retain any sort of payment that shall be made to CONTRACTOR to pay its external counsel fees.

When COMPANY reaches an agreement to settle any claim regarding LABOR LIABILITIES, CONTRACTOR shall approve and pay such settlement.

(b) The CONTRACTOR shall ensure that all employees of the CONTRACTOR and of any subcontractors involved in the work comply with applicable immigration regulations and, where necessary, have a valid work permit for the CONTRACT. Upon request by the COMPANY, details of such work permits shall be submitted to the COMPANY prior to the employee commencing work.

(c) CONTRACTOR shall provide the COMPANY with all labor information related to contractor personnel, the personnel of any subcontractor and/or agency personnel that COMPANY may require, including but not limited to: the CUIL numbers (Código Único de Identificación Laboral) of each employee rendering services hereunder, and, from time to time, shall show the COMPANY and/or the third-party auditor designated by the COMPANY, the receipts evidencing payments to its employees, and indicate which Occupational Risk Insurer (ART) they are members of.

(d) CONTRACTOR shall deliver to the COMPANY, on a monthly basis, the following documentation related to personnel involved in work hereunder:

(i) List of personnel, including CUIL number

(ii) Copy of the salaries’ books showing evidence of the engagements and commitments

(iii) Photocopy of salary receipts duly signed by each employee

(iv) ART payment receipts and coverage certificates. Likewise, deliver the note indicated below within the term prescribed therein.

(v) A copy of the payment receipts in respect of mandatory life insurance, and the related contract

(vi) A copy of the receipts evidencing payments to retirement agencies and the AFIP.

(vii) A copy of the payment receipts related to Social Security Contributions.

(viii) A copy of the Receipt issued by the Register of Writeups and Writeoffs on the subject of Social Security, evidencing the Writeup effected by the Contractor in relation to personnel rendering services hereunder (including, Form 931 of AFIP and its proof of payment).

(e) All documentation submitted by the CONTRACTOR to the COMPANY pursuant to this article shall be duly executed by a responsible person of the CONTRACTOR.

(f) Subject to the provisions of the contract, the CONTRACTOR shall comply with the aforementioned in relation to its subcontractors.

(g) The CONTRACTOR shall deliver to the COMPANY 7 days before the contractor personnel starts working in the worksite, a note addressed to the COMPANY by the Labour Risk Insurance Company (ART) with the following text:

“Messrs Shell Argentina S.A.

Re: Member N° ………………

Dear Sir,

[ART] hereby specifically waives any action to seek recovery or redress, against Shell Argentina SA or any directors, employees, workers, joint venture partners, and/or any other form of business group thereof, or any directors, employees or workers thereof, either based on Section 39, item 5 of the Law No. 24,557, or upon any other legal provision, by reason of any consideration in money or in kind, payable to employed or non-employed personnel of the [CONTRACTOR], within the scope of this policy, due to any occupational accident or
disease sustained or acquired by reason or on the occasion of work, during travel between the worker’s address and the workplace.

[ART] hereby agrees to give valid notice to Shell Argentina SA of any default of the policy incurred by the insured, and especially, by failing to make timely payment thereof, within ten (10) calendar days from the default.

Very truly yours.”

The obligations assumed by CONTRACTOR under this article are considered essential and the breach, total or partial, of any of them shall entitle the COMPANY to terminate the contract with cause in accordance with Article 15 of the contract. COMPANY reserves the right to claim for any damages caused by such breach.

(h) The CONTRACTOR shall not use minors for work, as defined by the International Labour Organization in its Convention on Minimum Age (138). The CONTRACTOR shall take all appropriate measures to ensure that minors are not used for work in their commercial or production locations, or in those of the contractor group. The CONTRACTOR shall keep a record of the workforce including the date of birth of all workers. The CONTRACTOR shall effectively communicate this policy to all its subcontractors.

The CONTRACTOR guarantees that it will not impose forced labour in its commercial or production locations, nor those of its affiliates and/or those of its subcontractors. The contractor ensures compliance with Conventions 29 and 105 of the International Labour Organization and Article 140 of the Argentine Penal Code that condemns forced labour and undertakes to communicate it to all its subcontractors, as well as their employees, affiliates, and the contractor personnel and ensure compliance.

25 Assignment

A party can assign or novate [substitute a new legal obligation for an old one] all or part of the contract only with the written consent of the other party; the exception to this is that, provided COMPANY gives written notice to CONTRACTOR, COMPANY may assign and novate all or part of the contract to an affiliate without the consent of CONTRACTOR.

26 Force majeure

(a) If a force majeure event prevents performance of part of an obligation of the contract, COMPANY and CONTRACTOR are each excused from performance of the affected part of the contract, unless it was the fault of the party that contributed to the event or unless reasonable care and attention on the part of the party could have avoided or mitigated the circumstances that caused the event.

(b) In addition to the definition established in Article 1730 and the following articles of the Civil Commercial Code of Argentina, only the following are force majeure events:

(i) riots, wars, blockades, or threats or acts of sabotage or terrorism

(ii) earthquakes, floods, fires, named hurricanes or cyclones, tidal waves or tornadoes

(iii) radioactive contamination, epidemics, pandemics, maritime or aviation disasters

(iv) strikes or labour disputes at a national or regional level or involving labour not forming part of contractor group or company group, which materially makes the party claiming force majeure less able to perform the contract

(v) government sanctions, embargoes, mandates or laws that prevent performance

(vi) inability of a party to obtain, in time, licences, permits or the necessary consent of authorities for performance, unless there is an express provision otherwise in the contract.
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(vii) non-performance of a party’s subcontractor where the subcontractor has been or is affected by one of the above force majeure events – performance will only be excused under this subparagraph, however, if the parties to the contract agree that in the circumstances it is impracticable to substitute performance by another subcontractor.

(c) If a party’s performance is delayed or prevented, they will notify the other party and use reasonable endeavours to mitigate the effects of any force majeure event.

(d) COMPANY may terminate the contract or part of scope if any force majeure event results in a delay of more than 90 consecutive or 180 cumulative days.

27 Notices

All notices or other communications under the contract must be in English and in writing, and delivered in one of these four ways:

(i) by hand
(ii) sent by prepaid courier
(iii) sent by registered post
(iv) sent by email with a request for confirmation of receipt

Notices and communications are effective when actually delivered at the address specified in the contract.

28 Governing law, dispute resolution and remedies

28.1 Governing law

This contract, and any dispute or claim arising out of or in connection with this contract – or its subject matter or formation, including any non-contractual disputes or claims – will be exclusively governed by and construed in accordance with the laws of the Republic of Argentina excluding conflict of law rules and choice of law principles that provide otherwise. The United Nations Convention on the International Sale of Goods will not apply to this contract.

28.2 Dispute resolution

The Parties agree to submit any dispute or claim arising out of or in connection with the CONTRACT or its subject matter or formation, whether in tort, contract, under statute, or otherwise, including any question regarding its existence, validity, interpretation, breach, or termination, and including any non-contractual claim to the exclusive jurisdiction of the National Commercial Courts of the City of Buenos Aires (Tribunales Nacionales en lo Comercial de la Ciudad de Buenos Aires).

29 Additional legal provisions

(a) The parties retain their rights and remedies under applicable laws subject to any provisions in the contract that provide otherwise.

(b) A provision of the contract may be waived only if made in writing by an authorised representative of the waiving party.

(c) Provisions that state that they survive, or by their nature are intended to survive, completion of performance or termination of the contract do so, along with all remedies attached to them.

(d) For amendments to the contract to be binding, they must be made in writing and signed by the parties’ authorised representatives.

(e) Contractor group or company group that is not a party to the contract is nevertheless entitled to enforce any rights conferred to it; they are not, however, required to consent to, amend or terminate those rights.

(f) Any PERSON that is a member of a transitory union (UT agreements) or any association agreement set forth in articles 1442 to 1478 of the Civil and Commercial Code of the Republic of Argentina (a) with the COMPANY or any of its AFFILIATES and (b) which agreement is related to SCOPE performed under the CONTRACT shall be considered a “COVENTURER” for purposes of the CONTRACT.

(g) The contract sets forth the entire agreement between the parties concerning its subject matter and supersedes any other agreements or statements relating to the same subject matter, except those agreements or statements expressly referenced in the contract. Any confidentiality agreement relating to the subject matter will remain in effect for the duration of the contract, unless the contract allows it to be terminated or replaced.