

Buenos Aires, April 6, 1998

PURSUANT TO Law 24076 and its regulatory decree and Resolution ENARGAS Nr. 139 dated March 17, 1995, and,

WHEREAS:

Resolution ENARGAS Nr. 139/95 set forth in its Section 2 that Individuals or Legal Entities involved in the CNG System are the CNG Fuel System Suppliers, the Centers for Cylinders Periodic Inspection, the CNG Fuel System and Component Manufacturers and Importers, the Installation Workshops, the Technical Representatives and the Certification Organizations.

Section 8 of such Resolution states that "Individuals or Legal Entities involved in the CNG System shall be responsible for compliance with the technical and legal regulations in force as regards CNG equipment, either produced by them or by third parties; therefore, they shall be covered by an insurance against liabilities to third parties, not limiting their own responsibility".

Regulatory authority implies the constitutional obligation of establishing a regulatory framework comprising the minimum budgetary requirements for protecting consumers and goods and services rights, guaranteeing safety of the service rendered and liability of Individuals and Entities involved in the CNG System as regards that service.

Consultancy Report filed in Dossier ENARGAS Nr. 2089/96 contains an initial risk assessment and reference insured amounts for this ENTE NACIONAL REGULADOR DEL GAS, and the need of increasing the policy minimum insured amounts arising thereof.

After said assessment, various losses related to the use of CNG cylinders in motor vehicles occurred with potential material damage and civil injury, according to dossier ENARGAS Nr. 2866/97.

Those new facts could not be considered during the previously stated consultancy report; therefore, a new analysis was requested to other consultant timely selected by ENARGAS.

Such new technical analysis also evidenced the need of increasing the minimum insured amounts so as to duly cover potential losses.

Both technical analyses, on which this Resolution is grounded, evidenced the need of increasing the minimum insured amounts.

Both analyses stipulated different reference amounts. Those amounts were considered and averaged out resulting in the values stipulated in these presents.

The ENTE NACIONAL REGULADOR DEL GAS is empowered to issue this Resolution as regards the stipulations of Sections 21 and 52, subsections a), b), m) and x), of Law 24076, Section 50, subsection (5) of Decree 1738/92 and Sections 41, third paragraph and 42 of National Constitution.

THEREFORE:

THE ENTE NACIONAL REGULADOR DEL GAS BOARD OF DIRECTORS RESOLVES:

SECTION 1: To approve the minimum mandatory requirements stipulated for CNG Fuel System Suppliers, incorporated herein as ANNEX I. Notwithstanding the provisions contained therein, the CNG Fuel System Suppliers shall have to verify that Installation Workshops related to them, are covered by an insurance against liabilities to third parties, adequate for their activities.

SECTION 2: To approve the minimum mandatory requirements stipulated for the Centers for Cylinders Periodic Inspection, incorporated herein as ANNEX II.

SECTION 3: To approve the minimum mandatory requirements stipulated for the Component Manufacturers, incorporated herein as ANNEX III.

SECTION 4: To approve the minimum mandatory requirements stipulated for the Equipment and Component Importers, incorporated herein as ANNEX IV.

SECTION 5: To establish a minimum insured amount of ARGENTINE PESOS TWO MILLION (AR\$ 2,000,000) per each occurrence or event to be contracted by the Compressed Natural Gas Cylinders Manufacturers. Number of occurrences or events included in the General Conditions approved by the National Superintendence of Insurance shall be complied with.

SECTION 6: To establish a minimum insured amount of ARGENTINE PESOS ONE MILLION EIGHT HUNDRED THOUSAND (AR\$ 1,800,000) per each occurrence or event to be contracted by the other Individuals and Legal Entities involved in the CNG System included herein. Number of occurrences or events included in the General Conditions approved by the National Superintendence of Insurance shall be complied with.

SECTION 7: policies shall be submitted with a notarized copy stating that it is a copy of the original policy and that the undersigned acts as the Company's representative.

SECTION 8: Insurance policies shall be submitted together with the original of the updated Certificate issued by the National Superintendence of Insurance certifying the condition of the contracted Insurance Company as regards:

- a) Minimum capital
- b) Coverage of payable commitments and settled claims to be paid.
- c) Coverage of commitments to policyholders.

Such certificate shall include those three items; otherwise, it shall be considered as non-submitted.

SECTION 9: Individuals or Legal Entities involved in the CNG system intending to stop operating and being discharged from the pertinent License shall keep the insurance against liabilities to third parties for one year as of the last operation carried out.

SECTION 10: This resolution shall not apply to those policies expressly approved by the Entity before these presents are issued, up to the expiration of their original term.

SECTION 11: Communicate, publish, deliver to the Bureau of Official Registry and file it.

RESOLUTION ENARGAS Nr. 591.

[Signed by Hugo D. Muñoz, Director. Ente Nacional Regulador del Gas; José Andrés Repar, Vice President. Ente Nacional Regulador del Gas; Ricardo V. Busi, Director. Ente Nacional Regulador del Gas; Hector E. Formica, Director. Ente Nacional Regulador del Gas]

**MINIMUM REQUIREMENTS FOR CNG FUEL SYSTEM SUPPLIER**

**1) COVERED RISKS:**

**1.a)** The insurance shall cover CONTRACTUAL AND EXTRA-CONTRACTUAL CIVIL LIABILITY for material damage and civil injury or death as a result of the activity, authorized by ENARGAS, as CNG FUEL SYSTEM SUPPLIER: "Components assembly, installation and inspection of CNG Fuel System carried out by the Supplier itself or by his Installation workshop and later issuance of identifying documentation once compliance with the applicable regulations is verified".

For the purposes of Contractual Civil Liability, scope of Clause 4) point a) of the policy General Conditions and related ones shall be of no effect.

**1.b)** The policy shall cover Basic Civil Liability, Comprehensive Civil Liability and Product Civil Liability.

**1.c)** Policy shall be extended such as to expressly cover Civil Liability arising from direct or indirect action of fire, explosion and gas leakages. (This risk shall be incorporated into the policies by the addition of the pertinent Clause contained in the Specific Conditions of Comprehensive Civil Liability).

**2) SUBROGATION CLAUSE:** it shall include a clause by which the Insurance Company waives the rights of subrogation against the Ente Nacional Regulador del Gas or the State.

**3) POLICY EXPIRATION CLAUSE:** It shall include a clause by which the Insurance Company is bound to duly inform the Ente Nacional Regulador del Gas about any situation that may cause policy expiration, at least fifteen days before such expiration date.

**4) POLICY MODIFICATION CLAUSE:** It shall include a clause stating that once the policy is approved by the Ente Nacional Regulador del Gas, it may not be modified, except with prior express authorization of such Entity and submitted by the Policyholder to the Insurer.

**5) LOCATION OF RISK:** The name and address of the CNG Fuel System Supplier (PEC) and the Installation workshops included in the policy, which are the same as the ones reported to the ENARGAS, shall be specified in an Annex. The policyholder shall report the qualifications and disqualifications of Installation workshops to the Insurance Company, which shall be the same as the ones reported to the ENARGAS.



## ANNEX II

### MINIMUM REQUIREMENTS FOR THE CENTER FOR CYLINDERS PERIODIC INSPECTION

#### **1) COVERED RISKS:**

**1.a)** The insurance shall cover CONTRACTUAL AND EXTRA-CONTRACTUAL CIVIL LIABILITY for material damage and civil injury or death as a result of its activity, authorized by ENARGAS, as CENTER FOR CYLINDERS PERIODIC INSPECTION: "Inspection of composite and steel cylinders according to the regulations in force within the Argentine Republic and later issuance of a certificate of conformance with such regulations".

For the purposes of Contractual Civil Liability, scope of Clause 4) point a) of the policy General Conditions and related ones shall be of no effect.

**1.b)** The policy shall cover Basic Civil Liability and Comprehensive Civil Liability.

**1.c)** Policy shall be extended such as to expressly cover Civil Liability arising from direct or indirect action of fire, explosion and gas leakages. (This risk shall be incorporated into the policies by the addition of the pertinent Clause contained in the Specific Conditions of Comprehensive Civil Liability).

**2) SUBROGATION CLAUSE:** it shall include a clause by which the Insurance Company waives the rights of subrogation against the Ente Nacional Regulador del Gas or the State.

**3) POLICY EXPIRATION CLAUSE:** It shall include a clause by which the Insurance Company is bound to duly inform the Ente Nacional Regulador del Gas about any situation that may cause policy expiration at least fifteen days before such expiration date.

**4) POLICY MODIFICATION CLAUSE:** It shall include a clause stating that once the policy is approved by the Ente Nacional Regulador del Gas, it may not be modified, except with prior express authorization of such Entity and submitted by the Policyholder to the Insurer.

## ANNEX III

### MINIMUM REQUIREMENTS FOR CNG FUEL SYSTEM COMPONENTS MANUFACTURER

**1) COVERED RISKS:**

**1.a)** The insurance shall cover CONTRACTUAL AND EXTRA-CONTRACTUAL CIVIL LIABILITY for material damage and civil injury or death as a result of the activity, authorized by ENARGAS, to CNG FUEL SYSTEM COMPONENTS MANUFACTURER \_\_\_\_\_ (specify).

For the purposes of Contractual Civil Liability, scope of Clause 4) point a) of the policy General Conditions and related ones shall be of no effect.

**1.b)** The policy shall cover Basic Civil Liability and Product Civil Liability.

**1.c)** The policy shall be extended such as to expressly cover Civil Liability arising from direct or indirect action of fire, explosion and gas leakages.

**2) SUBROGATION CLAUSE:** it shall include a clause by which the Insurance Company waives the rights of subrogation against the Ente Nacional Regulador del Gas or the State.

**3) POLICY EXPIRATION CLAUSE:** It shall include a clause by which the Insurance Company is bound to duly inform the Ente Nacional Regulador del Gas about any situation that may cause policy expiration, at least fifteen days before such expiration date.

**4) POLICY MODIFICATION CLAUSE:** It shall include a clause stating that once the policy is approved by the Ente Nacional Regulador del Gas, it may not be modified, except with prior express authorization of such Entity and submitted by the Policyholder to the Insurer.

## ANNEX IV

### MINIMUM REQUIREMENTS FOR CNG COMPONENTS AND/OR FULL FUEL SYSTEMS IMPORTERS

#### **1) COVERED RISKS:**

**1.a)** The insurance shall cover CONTRACTUAL AND EXTRA-CONTRACTUAL CIVIL LIABILITY for material damage and civil injury or death as a result of the activity, authorized by ENARGAS, as IMPORTER of \_\_\_\_\_ (specify).

For the purposes of Contractual Civil Liability, scope of Clause 4) point a) of the policy General Conditions and related ones shall be of no effect.

**1.b)** The policy shall cover Basic Civil Liability, Comprehensive Civil Liability and Product Civil Liability.

**1.c)** The policy shall be extended such as to expressly cover Civil Liability arising from direct or indirect action of fire, explosion and gas leakages.

**2) SUBROGATION CLAUSE:** it shall include a clause by which the Insurance Company waives the rights of subrogation against the Ente Nacional Regulador del Gas or the State.

**3) POLICY EXPIRATION CLAUSE:** It shall include a clause by which the Insurance Company is bound to duly inform the Ente Nacional Regulador del Gas about any situation that may cause policy expiration, at least fifteen days before such expiration date.

**4) POLICY MODIFICATION CLAUSE:** It shall include a clause stating that once the policy is approved by the Ente Nacional Regulador del Gas, it may not be modified, except with prior express authorization of such Entity and submitted by the Policyholder to the Insurer.