

EXPANSION IMPLEMENTATION RULES

BIDDING FOR THE AWARD OF THE RIGHTS OF CONDITIONAL WORKS IN THE EXEMPT DECREE NO. 4 OF 2019 AND IN THE EXEMPT DECREE No. 293 of 2018

May 2019
Santiago - Chile

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1 Introduction

The present implementation rules for expansion and their Annexes contain the terms, scope and administration procedures that Contractors and Owner must use in their contractual relationship, and common provisions applicable to all contracts signed by both Parties. In this sense, the present Rules of Implementation define concepts, set terms of reference, determine procedures, delimiting responsibilities and, in general, contain all those clauses applicable to the construction and implementation of the expansion Work set out in the Exempt Decree N°293, 2018, of the Ministry of Energy, and that are conditioned in the Decree N°4, in 2019, of the same Ministry, which are complemented with the other documents that form part of the Bidding Rules.

2 The Contract and its interpretation

2.1 Type of Contract

The proposer whose proposal would have been awarded by the coordinator, will be obliged to subscribe with the owner or Owner a contract for each work awarded. In the case of groups of works, you must sign a contract for each work included in the group and with each constituent, if applicable. The contract corresponds to the modality called EPC (Engineering, Procurement and Construction) or key in hand, lump sum, at a fixed price without setback and, therefore, includes all costs that mean the risks and responsibilities in the terms set forth in the rules and documents of the contract undertaken under such contractual modality, in the terms set forth in the rules and the contract documents.

All in all, as stated in the General Administrative Rules, non-subscription of the contract shall not be grounds for declaring that the tender should be deserted. Further, in the event that the Contract is not signed by any of the Parties after the award, the relationship between Constituent and Contractor (Owner and Contractor) will be governed by the Decree for the award of construction of expansion and the Bidding Rules, in accordance with the order of priority established in the Contract.

The Contractor shall consider that the works include, among others, the main development of the following activities:

- i. Engineering.
- ii. Design.
- iii. Permissions.
- iv. Environmental and Land Management.
- v. Acquisition of Land in the name of the Owner, if applicable.
- vi. The supply of equipment.
- vii. Construction.
- viii. Mounting.

- ix. Tests.
- x. Commissioning.
- xi. Supply of Spare Parts.
- xii. Guarantee of the operation of the work in accordance with the conditions awarded.

In addition, the successful tenderer shall be required to deliver the contractual guarantees mentioned in these Implementation Rules for Expansion Works, and likewise, under the contract, the Contractor takes the responsibility with the owner to the implementation and delivery, fully finished and ready for the operation of the totality of the Work of the Contract, within a specific period. Payment of the Contract Price shall be carried out in accordance with the fulfilment of the timeline defined in the Rules of Payment of the work.

2.2 Documents of the Contract

The different documents that form part of the contract should be seen as complementary to each other. What was agreed or stipulated in one shall be considered as binding as if it were stipulated in all, except if specifically set out in otherwise.

In the event of contradiction, discrepancies or inconsistencies between the terms of the documents of the contract, these terms shall prevail in the same order of priority of documents that are set out in the Contract.

The Parties may not change the terms and technical conditions laid down in the contract and in any document that is part of the Bidding Rules, without prior approval of the Coordinator.

Without prejudice to the foregoing, any amendment to the contract will alter the terms of **Decree for the award of construction of expansion works**.

The modifications to the Contract and the Documents of the Contract shall prevail from the newest to oldest, and in the same order in which prevail the documents that modify.

These Rules of Implementation for Expansion Works are one of the documents of the Contract and are part of the same for all legal purposes and contractual arrangements.

2.3 Definitions

The terms indicated below, which are used interchangeably in singular or plural, or in masculine or feminine gender, shall have the meaning indicated, in addition to those terms defined in the document General Administrative Rules of the Bidding Process:

- i. **APPENDIX:** Document that formalizes the agreements between the Client and the Contractor to modify the Contract, according to what is stated in the clause 2.9 of these Implementation Rules for Expansion Works.
- ii. **CONTRACTOR:** It is the Awardee of the construction of an Expansion Work, in the terms established in the General Administrative Rules.
- iii. **Administrator of the Contract** the Contractor will act on behalf of the latter in front of the OWNER, as a counterpart to the Chief Inspector of the Client, and in front of other entities on all technical matters as well as administrative and contractual matters related to the proper implementation of the Contract.

- iv. **Year:** Calendar year of three hundred and sixty five (365) days, with the exception of leap years.
- v. **COMPETENT AUTHORITY OR BODY:** means the Chilean State, and any public, national, regional or local authority or body with public faculties and with regulatory authorities having jurisdiction, competence, power or authority over any of the Parties, or in relation to the material object of this Contract.
- vi. **Cost:** Means any expenditure that has been made or engaged by the Works, including general expenses and any other expenses duly imputable to construction and implementation of the awarded Work, but not including benefits.
- vii. **DIRECT COST:** Are all the costs of labor, materials, equipment, goods, supplies, and all other costs, necessary for, and attributable directly and fully to the implementation of a particular item of work, a job or Contract activity.
- viii. **INDIRECT COST:** Are all costs, necessary for the implementation of the contract but that are not possible to attribute directly to the implementation of a single project, a single job or a specific activity, and therefore must be distributed in several of them. For example, without the following list being exhaustive, are indirect costs the insurance, guarantees, work facilities, toilet and removal of debris, the operation and maintenance of the work facilities (offices, camps and workshops), welfare, health, safety, and others.
- ix. **LAND RETURN** Once granted to the Contractor the Certificate of Provisional Reception of the Works and carried out to the satisfaction of the Chief Inspector the dismantling of the work facilities and the withdrawal from the Plant Construction, the Contractor proceeds to return the land of the Works to the Client after restoration and cleaning.
- x. **DOCUMENTS OF THE CONTRACTOR:** Are the reports, calculations, minutes, computer programs, plans, sketches, drawings, technical specifications, manuals of operation and maintenance manuals, procedures, protocols, programs of works, studies, models or any other document of a technical or administrative nature prepared by the Contractor for the fulfilment of the Contract.
- xi. **DOCUMENTS OF THE CONTRACT** Corresponds to all those documents that form the contract and that are identified in the definition of the contract contained in General Administrative Rules.
- xii. **SITE DELIVERY:** When appropriate, the Client will give the land of the works the Contractor, to take possession of it, not having the exclusive nature and for the sole purpose of allowing him/her (contractor) to run the work and meet the obligations under the contract until its completion, in accordance with the provisions indicated in clause 6.2.1 of these Rules for Expansion Work.
- xiii. **EQUIPMENT AND MATERIALS INCORPORATED:** Are all project items, such as: machines, apparatus, equipment, materials and elements of any nature, necessary for the proper development and implementation of the work, included in the Works and/or service Contract and which will remain an integral part of them.
- xiv. **PROGRESS PAYMENT:** Document prepared by the Contractor that contains an account of the fulfilment of the conditions of a Payment Milestone which, once approved by the Chief Inspector, allows the Contractor to receive a payment in credit of the value of the Price of the Contract.

- xv. **COMPLETION DATE OF THE WORKS:** It is understood by date of Completion of Works the date established by the Coordinator in the declaration of Entry into Operation of the Expansion Project.
- xvi. **FACTORY OR WORKSHOP:** The places intended for the manufacture, processing, repair, preassembling or other activity related to the preparation of the Incorporated Equipment and Materials.
- xvii. **GENERAL EXPENSES:** Are the costs of structure of the Contractor, which cannot be included in the definition of direct and indirect costs, and that a proportion of them are under projects responsibility.
- xviii. **PAYMENT MILESTONE:** Event defined in the Payment Rules which, once fulfilled its conditions by the Contractor to the satisfaction of the Chief Inspector of the Owner, grants the right to submit a Progress Payment valued according to a percentage of the Contract Price previously assigned to the fully compliance of the conditions of the Payment Milestone
- xix. **RELEVANT MILESTONE OR FINE-INTERMEDIATE MILESTONE:** Event defined in clause 6.3 of these Implementation Rules for Expansion Works, that the Contractor shall comply with and whose violation will result in fines.
- xx. **THE CONTINGENCY FUND:** Amount of money set aside for unexpected expenses of the Contractor and intended to cover all the risks which, in his opinion, are inherent in the implementation of the Contract Works.
- xxi. **INSPECTION:** All activities that run the Chief Inspector, inspectors or third parties commissioned by the Chief Inspector or the technical inspection staff, with the purpose of verifying the proper compliance of the construction and implementation of works in accordance with the Bidding Rules and the Contract.
- xxii. **CHIEF INSPECTOR:** The person appointed by the Owner as its sole representative for Contract Administration, whose nomination will be notified in writing to the Contractor and Coordinator, who will assume the direction of the Inspection to act as such according to the powers and procedures that give the Rules and the Contract.
- xxiii. **TECHNICAL INSPECTION OF WORK OR ITO (Spanish initials):** The Technical Inspection of Work is the organization designated by the Coordinator, intended to support the Chief Inspector in the inspection of construction and implementation of works in the field and of the obligations given by the Rules and the Contract.
- xxiv. **INSPECTOR:** Any person trained by the Chief Inspector to supervise and inspect the Works, in the field, in design offices, at the place of manufacture of the Equipment and Incorporated Materials, and whose duties shall be delegated in writing by the Chief Inspector and that it will be communicated in writing to the Contractor.
- xxv. **WORK FACILITIES:** Are the auxiliary facilities and non-permanent constructions, that are not part of the Works or Project, which the Contractor considers necessary to build or install for the implementation of the Contract Works and to provide facilities to its staff.
- xxvi. **HEAD OF ITO (TECHNICAL INSPECTION OF WORK):** The person in charge of directing technical and administrative support to the ITO.

xxvii.

xxviii. **LAW OR CURRENT LEGISLATION:** It refers to all the standards which constitute the legal system in the Republic of Chile, including laws, decrees laws, constitutional organic laws, laws of qualified quorum, regulations, decrees and decrees with the force of law, instruction, or mandatory standard and other administrative acts, judgments, from any and all competent authority, which is applicable to the contract, to the activities implemented as a result of the same and/or civil relations, labor or of any nature which has its origin in the same, in force at the date of signature of the Contract, which relate to the and all that may be issued during its validity.

xxix. **BOOK OF WORKS:** This is the document in which consist the annotations and field communications between the Owner and the Contractor in connection with coordination, development and implementation of the Work, and which does not relate to contractual issues.

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xxxi. **MONTH:** Calendar month.

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xxxiii. **WORK OR WORKS OR PROJECT:** For the purposes of these Rules for the Expansion of the Works, includes all the jobs that runs the Contractor and that are related to the design, the basic engineering and detail, manufacture and supply of equipment and materials incorporated, the works in field as well as the construction and assemblies, terminations, testing and commissioning, training in operation and maintenance specified in the Contract, or which may reasonably be inferred as belonging to it. It Shall include, without the following list to be exhaustive, the supply of labor and its address, the Plant Construction, management and expenses related to the acquisition of land, rights of way and easements, conventions of registration of all the rights necessary for the works in the records authorities; all the jobs to process, manage, to approve before the authority of Environment Environmental impact studies of the project and all permissions and compensations required environmental, transport to and from the ground, inside and around the and other elements of any kind, either temporary or permanent, as may be necessary, own or incidental damages for compliance and proper implementation of the Contract.

xxxiv. **EXTRAORDINARY WORKS:** Are the increases of services, beyond the scope stipulated in the Documents of the Contract, and that are the exclusive application of the Chief Inspector.

xxxv. **CHANGE ORDER:** Document that allows the Chief Inspector at any time, to incorporate increases or decreases in the originally contracted services, within the overall purpose of the Contract.

xxxvi. **ORDER TO PROCEED:** For every effect, it will be understood as an Order to Proceed the delivery date of the Public Deed of acceptance of the Award by the successful Tenderer.

xxxvii. **PARTIES:** The Owner and the Contractor.

xxxviii. **AS BUILT PLANS:** In the context of use of technical plans, it means the graphical representation of the works as they were after completion of the construction ("How to built"), that is, it represents

the final state of works or projects that have already been implemented, in a condition of entering into operation.

- xxxix. **RED LINE PLANS:** In the context of use of technical plans, it means the graphical representation of the works with observations of the modifications made during the project on paper, normally carried out in red.
- xl. **CONSTRUCTION PLANT:** All the elements of temporary use, such as: machinery, appliances, equipment, facilities, materials and all elements of any nature necessary for the implementation of the Works, and that they will not form part of it.
- xli. **WARRANTY PERIOD OR TRIAL PERIOD:** It is the period between the date of Provisional Acceptance of the Works and the date of the Final Acceptance of the Works.
- xlii. **MASTER CONTRACT OF THE PROGRAM:** A relationship, in time, of the activities necessary for the implementation of the Works and the Services of the Contract, in which shows the dates of commencement and finish estimated for each of them and includes the milestones that condition the beginning or determine the term of the main activities of the project.
- xliii. **COMMISSIONING:** It shall be understood as commissioning the stage that starts from the interconnection and electrification of the respective installation, prior authorization of the Coordinator, until the end of the respective testing and other requirements set forth in the respective Technical Annex of the NTSyCS.
- xliv. **FINAL ACCEPTANCE OF THE WORKS:** Is the reception of the works that the Owner gives to the Contractor once the Warranty Period or Trial Period established in the Contract is finished, provided the Contractor has finished completely and to the satisfaction of the Chief Inspector all jobs in the List of Pending or "Punch List", if any, of Provisional Acceptance and corrected completely and to the satisfaction of the Chief Inspector, all the observations made during the Warranty Period.
- xlv. **PROVISIONAL ACCEPTANCE OF THE WORKS:** It is understood as that which gives the Owner to the Contractor, at the end of the Works, in the terms established in these Rules for Expansion Works. Once the Provisional Acceptance is issued, the Owner in charge of facilities can begin to operate them.
- xlvi. **SERVICES:** Provision of any nature granted by the Contractor to the Owner as agreed in the Contract, in Engineering, Procurement, Construction, Assemblies, and other issues, such as the management and processing of permits required by the project and the construction, the concession power, bondage and terrain, for example.
- xlvii. **SUBCONTRACTOR:** The natural person or legal entity, previously approved by the Owner, whose proposal has been accepted by the Contractor, and that, under a subcontract, it assumes the obligation to undertake part of the contract works with staff from its exclusive dependence and without the existence of indivisibility of the contractual obligation by the Contractor.
- xlviii. **SUB-CONTRACT:** The document signed by the Contractor and a Subcontractor, the terms of which are entirely compatible and subordinate to the Contract, and that it does not mean contractual relationship between the Owner and the Subcontractor.

- xlix. **LUMP SUM:** Method of Payment of the Contract involving a total fixed price, unchanging and mandatory for the Owner and the Contractor, determined by the Proponent under their full responsibility. The lump sum includes all costs necessary for the proper implementation and full compliance of the contract. For the purposes of the documents that form part of the Bidding Rules, it is understood that the Contract Price defined in the General Administrative Rules corresponds to this payment method.
- I. **FIELD:** The land and other places over, under, on or through which run the works and any other field or place connected with the Contract.
 - ii. **UTILITY:** Amount in money that the Contractor expects of the business that represents the Contract, and that in no case guarantees the Owner.

2.4 Singular and plural.

The words used in the singular include the plural and vice versa when the context of the Contract requires it.

2.5 Language Charge, Cost and Others

When these words are used: "Charge", "Cost," "Account" and "responsibility", or similar, referring to actions that are the responsibility of the Contractor, it must be understood that all expenses incurred for the fulfillment of such obligations are at their expense without the right to reimbursement and are included in the Contract Price.

2.6 Compensation for damages

When the Documents of the Contract establish the right of the Owner to charge as compensation for damages, warranties, fines and any amount of money, determined or determinable by a simple arithmetic operation, it is understood that he will exercise this right based on the article 1542 of the Civil Code.

2.7 Legislation that applies to the Contract

The Contract will be considered for all legal purposes as held in Chile and the rights and obligations emanate for the Parties are and will be governed by the laws of Chile. For these purposes, are included in the term "Chilean laws" any law, decree of law, decree having the force of law, simple decree or regulation, instruction, or mandatory standard, issued by the competent authority, which is applicable to the Contract, to the activities implemented as a result of the same and/or civil, work or of any nature relationships which has its origin in the same, as well as any change that applies to this legislation or regulation during the term of the Contract.

2.8 Official Language

The official language of the Contract is Spanish, and its Spanish version will prevail in case of conflict over any translation into another language.

All correspondence and Documents of the Contract forwarded between the Chief Inspector and the Contractor will be made in Spanish language. Any correspondence in another language, will be accompanied by the respective official translation into Spanish and this will prevail over the other language.

The Contract Administrator of the Contractor and its professionals whose profile and competencies are defined in the Special Implementation Rules should be able to express themselves verbally and in writing in Spanish fluently. Also, the Contractor shall maintain permanently in each front of work with work in progress, at least one supervisor who can express him/herself, orally and in writing, in Spanish language.

In the meetings between the Chief Inspector and the Contractor, the official language will be Spanish. On the occasions that, in the opinion of the Chief Inspector, it is required an interpreter, this will be provided by the Chief Inspector, and to professional fees and costs will be borne by the Contractor.

2.9 Addendum

All agreements between the Owner and the Contractor on permitted modifications to the terms set forth in the Contract or to documents members, will take effect unless sanctioned by the Parties by signing an Addendum, in which case it shall notify the National Electric Coordinator within 2 working days from the date of signature; with the exception of the modification of the terms and technical conditions laid down in the contract and in any document that is part of the Bidding Rules, which must have prior approval of the Coordinator.

The rating of the importance of a modification and the need to include it in an addendum, it will be defined by the Chief Inspector through a Change Order.

Each Addendum shall include the scope of the modification and will be identified by consecutive numbering in such a way that the last understand the total of the above modifications and represents the current state of what was agreed upon between the Parties.

2.10 Assignment of Contract

It is expressly agreed that the Contractor may not assign, or transfer in any way, either in whole or in part the Contract; nor does can it contain garments or other charges affecting it; nor affect any right derived from the payments or receipts derived from the Contract.

Non-compliance with the obligation above in any form or by any reason, it will be grounds enough for the Owner to put an end to the Contract, a circumstance that this declares to know, and which has been decisive for the conclusion of the Contract.

Contract payments should always be applied exclusively to the holder of the same.

The foregoing is without prejudice to the right to recognize the Law No. 19,983, which regulates the transfer of the third copy of invoices.

The Contractor will not subcontract with any third party the implementation of all or part of the work without a prior written approval granted by the Owner. Any subcontract will include the conditions to ensure all rights and resources of the Contractor as provided in this Contract and shall impose on its subcontractor all general duties and obligations required to comply with the subcontract, including (but not limited to) the following clauses:

- a. Assignment of Contract.

- b. Compensation for Damages.
- c. Guarantees.
- d. Insurance.
- e. Legislation that applies in the Contract.
- f. Technical Inspection of Works.
- g. Quality of the materials and incorporated equipment.
- h. The Contractor's Staff.
- i. Safety and Industrial Hygiene.
- j. Compliance with environmental legislation.

At the request of the Owner, the Contractor will send copies of all purchase Orders and subcontracts.

The Contractor assumes before the Owner full responsibility for services which are the object of the contract, in particular its management, quality control and efficiency of work, the fulfilment of deadlines established for the implementation of them, for the proper and timely coordination with the work carried out by the contractor directly, the payment of sums of money which may become due or anticipate subcontractors for such services, as well as of taxes of any nature that may encumber, and for compliance with the laws in the form that this is bound with the Owner.

The Contractor will respond solidarily for the breach or imperfect compliance obligations of any nature of their Subcontractors and so this must be declared.

The Owner will not intervene in any discrepancy, claim or lawsuit that could occur between the Contractor and Subcontractors or between two or more Subcontractors or third parties, which can no longer claim to the Owner the unfulfilled obligations or debts not funded by the Contractor with them, stipulation shall bear and be expressly agreed to the acts or contracts entered by the Contractor with the Subcontractors, suppliers or third parties, which the Contractor will let the Owner know in a timely manner. Notwithstanding the above, the Owner may withhold from payment of the Contractor, the amounts owed by it up until certifying compliance with the payment obligations.

2.11 Intellectual Property Rights and Confidentiality

All jobs, plans, computational models, designs, reports, catalogs, data, specifications and, in general, any document, instrument or process that the contractor will develop on the occasion of the Contract, in particular, the development of engineering, will be owned by the Owner and will be given to him/her (Owner) once completed.

Without prejudice to the foregoing, the intellectual and industrial property rights of work and/or service developed by the Contractor shall be transferred at all times, in accordance with the law, to the Owner, who will be totally responsible to complete, expand or modify the work and/or service developed, as well as to carry out its subsequent materialization, without additional payment to the Contractor.

The Contractor agrees not to disclose or make use of the technical, operational, engineering, administrative or financial information assistance that will be provided, or can be known under the Contract. The same obligation extends to the Contractor's staff, and the Subcontractors and its staff, in respect to whom the Contractor assumes responsibility.

Without prejudice to the foregoing, will not be limited by the right of the Contractor to make use of the experience, skill and know-how acquired by him and his employees, with the occasion of the implementation of the Contract, to the extent that this does not violate the obligation of confidentiality as indicated in these Rules for the Expansion Works. However, it must also comply with what it is in the clause.

In the event that any claim or by the use of trademarks or third-party licenses, the Contractor shall make available to the Owner the right in question and to fully assume the defense before any claim, being his responsibility to pay the costs and/or compensation, if any.

2.12 Advertising

When the Contractor want to do, by any means of dissemination, publications, propaganda or advertising that use material, themes or motifs directly or indirectly related to the Works, must have the prior approval of the Chief Inspector of the text and other elements that you want to disseminate.

2.13 Prohibition to act on behalf of the Owner

The Contract concluded with the Owner does not authorize the Contractor to act as the representative of the Owner in the purchase of inputs necessary for the delivery of the service contracted or others, except in those cases where expressly authorized by the Owner in writing.

2.14 Communications, Notifications or Requirements

For any type of communications that the Owner route to the contractor related to the contract, will take full effect when they have been forwarded to the address set as their own by the Contractor, as would be the central office of receipt of correspondence indicated by this. In the case of communications, notifications or requirement to the Owner, unless otherwise specified, must be sent to the address of the Chief Inspector, which will be indicated in a timely manner.

In the case of field communications between the Owner and the Contractor in connection with coordination, development and execution of the work, and which do not relate to contractual issues, these will be carried out through the Book of Works.

2.15 Null provisions.

If one or more provisions of any document that is part of the Bidding Rules and of the Contract, will result for any reason or is null terminated or declared illegal, such invalidity or illegality will not affect any other provision of these documents themselves.

2.16 Titles of Chapters, Clauses and Sub Clauses

The titles of the chapters, clauses and sub clauses, they only have the purpose of facilitating the reading of this document and do not define its content and should not be used to interpret it.

2.17 Owner Winner

In the event that the owner to participate in the bidding process and is winner of the Expansion Project, the signing of the Contract will not be required for the implementation and construction of such works. In the event that the contract is not signed, by the newly appointed, situation will be governed by the Decree for the award of construction of enlargement and all documents forming part of the Bidding Rules, in accordance with the definition of bidding rules contained in the General Administrative Databases.

3 The distribution of Risk

3.1 General Information

The Contractor agrees that the Owner, with the organization of the necessary means and with management at own risk, to the construction and the work(s) that has been entrusted to the Owner in exchange for compensation in money agreed upon.

In the assumption of risk must be understood included both the technical as well as economic development, should in any case take the risk of the exchange rate, for which you will be able to recruit those hedging instruments for currency risk as it deems necessary.

The Contractor shall comply with all laws, decrees and regulations, ordinances and resolutions of the authority of the Republic of Chile in force at the date of signing this Contract, which relate to the and all that may be issued during its lifetime, and must pay without the right to Refunds All fees, taxes, fees, charges and other charges that such laws, decrees or regulations brought to its attention.

Any description or enumeration of jobs, materials, equipment, supplies, goods or services indicated in the contract documents only has organizational purposes, it must be understood as a minimum and shall not be construed as a limitation of the Contractor's obligations.

3.2 The Contractor's Responsibilities

The Contractor's obligations include, but are not limited to: design, supply and build the totality of the contract works, by performing all actions necessary in order to deliver all the works to the Owner, complete and key in hand under the terms of the contract. Such obligations include, but are not limited to the following list, but only declarative, to:

- A. Perform all of the tasks and jobs needed or enforceable to obtain, provide, run, or comply with all permits, the integrated design, engineering, supply, transportation, construction, warehousing, assembly, services, supervision, staff, cleanliness of the terrain and removal of rubble and debris, quality assurance, care and protection, verification, testing, start-up and commissioning of all equipment and the work of any nature or extension that may be necessary or required to deliver to the Owner the works in the corresponding contract, in accordance with the terms of the Contract, in order to achieve the entry into operation on the scheduled date or early retirement.

- B. The Contractor will be responsible, without restriction or limitation, the design, manufacturing, manufacturing, testing, packaging, labeling, shipping, transport to the port of embarkation, disembarkation, transport to the field of works, storage, assembly, construction, completion, review, commissioning, start-up testing service, delivery of the new installation and repair, for the duration of the contract and warranty period, any defect in the operation of this, all in accordance with the provisions of the contract.
- C. The contractor will also be responsible for correct operation and performance of the transmission system which is in service and intervenes during the construction of the works, during the commissioning of these, your warranty period in operation and period of responsibility established by law applicable to the contract. Throughout this period, the Contractor will be responsible for remedying the defects that are detected in the works, as well as the correct operation of the system designed.
- D. The Contractor will be responsible for providing the management, supply, transport, handling, storage of all materials and equipment, and provide the services of supervision, safety, buyers, inspectors, shippers, etc.
- E. The Contractor will be responsible for providing construction management (including lodging in the workplace, if necessary), materials and equipment, energy, construction elements and consumables.
- F. The Contractor will be solely responsible for all methods and constructive ways, technical methods, sequences, procedures for coordinating all parts of the job, and the Owner will not assume any responsibility for exercising their right of any control over the actions or omissions of the Contractor. The Contractor must perform the work continuously and diligently.
- G. The Contractor will be responsible for implementing responsible for everything related to safety at work and procedures required by the environmental permits, sectorial and precautions to the Environment.
- H. The contractor will be responsible for completing the necessary access to facilities or land of the works, and will provide the necessary roads and transport infrastructure, improvements, to build the works in accordance with applicable law. The Contractor will be responsible for any damage to the terrain and road both public and private. The agreements with the owners of private lands or public to build accesses are of charge and cost of the Contractor.
- I. The Contractor will prevent the use of alcoholic beverages, drugs or controlled substances, the possession of weapons and explosives, the installation of work facilities, camps and terrain of the works, according to the law.
- J. The Contractor will be responsible for the revision of General Technical Specifications for Works of enlargement and Particular Technical Specifications delivered by the Coordinator contained in any document that is part of the Bidding Rules and to resolve any inconsistency, omission, uncertainties or inaccuracy to ensure a design and construction of the works that they can operate in perfect conditions and in full compliance with the NTSyCS and what is laid down in the bidding rules.
- K. The Contractor shall prepare or manage and provide the Owner levels of the works and manufacturers, and the data and information, manuals of suppliers and the operation and

maintenance manuals as necessary. The contractor will also provide any design information required by the Owner. Likewise, the Contractor will provide the Owner of all tests and measurements, laboratory analysis and reports made or prepared for the purpose of the works.

- L. The Contractor will be responsible for providing all special tools necessary for the assembly and maintenance of the computers and devices during the warranty period of the works until his final acceptance. The Contract price includes all costs to provide and properly store the spare parts needed for commissioning and testing of the installation until final acceptance of the works. In the event that a replacement of the Owner is used during the tests and commissioning of the installation or during the warranty period, will be replaced in a short time by the Contractor of its cost. This will be a condition for granting the Final Acceptance of the works.
- M. The Contractor will be responsible for maintaining the site free of debris and in reasonable conditions of cleanliness and presentation. The Contractor will provide such wastes and hazardous materials in accordance with current legislation, whether they are generated locally, brought to the place or left by the Contractor, its partners, subcontractors, suppliers, employees or agents. The contractor will be responsible for the control, maintain and segregate waste generated in the work, which should be classified as residential, industrial and hazardous wastes.
- N. The Contractor will be solely responsible for the safety of the works until the date of Provisional Acceptance, and will continue as solely responsible for the safety of its employees and subcontractors and agents during their presence on the site. The Contractor shall notify orally to the Owner, during working hours or within the day that occurs, the accidents in the place of the works suffered by employees of the Contractor or its subcontractors. Then, within 48 hours following the accident, should provide the Owner a written report describing each accident and damage caused.
- O. During the operation tests, no contractor staff will take care of any operation or maintenance activity or extraordinary, unusual beyond those described in the contract documents, with the purpose of successfully overcome operational checks.
- P. The Contractor will be responsible for arranging and defend, at its own expense, any and all claims of the owners of the land regarding damage the surface of the land or by an inadequate restoration of the surface caused by the Contractor during the execution of the work.
- Q. The Contractor shall provide all those goods and services, as the case may be, they are required to remedy any defect of the work or failure of materials and equipment in the system during the warranty period as stipulated in the contract.
- R. Work as they are completed by the contractor, shall:
 - i. Be fully in accordance with the contract and be appropriate to its purpose as described in the contract and,
 - ii. To be correct and appropriate for the operation of the transmission system in accordance with applicable laws, good practices of engineering and construction, as well as to avoid any environmental contingency. The works must include any labor, equipment or material that may be required to achieve that purpose or arising out of any Contractor's obligation, including all the works, jobs, equipment and materials that are not mentioned in the contract,

but that can be inferred as necessary according to good practices in the construction and engineering to complete or operate the transmission system in a safe, reliable and efficient.

- S. The Contractor shall prepare and submit to the Coordinator, through the Owner, all the documentation necessary for obtaining work permits the contractor needs to perform and require authorization of the Coordinator, whether jobs with energized lines or jobs that require facilities in service disconnections. It will be of contractor's cost all of the resources that have been prepared for the performance of work and which have not been employed by the cancellation or non-authorization on the part of the Coordinator of the works.
- T. Notwithstanding the respective General Technical Specifications for Works of expansion and/or technical specifications, in the event that the scope of the work contemplated in the withdrawal of existing equipment, the Contractor will leave these teams, in an orderly manner and seeking to your care, at the disposal of the owner to the interior of the substation where runs the work or in the substation of the Owner closest to the location where they run the jobs associated with transmission lines.

3.2.1 Compensation and release of damages

The Contractor shall comply with its obligations under conditions of maximum security and diligence, so that during the execution of the contract does not cause any damage or injury to third parties, the environment, equipment, facilities or personnel or of the Owner, forcing himself to indemnify or reimburse the damage caused by acts imputable to its action or omission, or that of its subcontractors; keeping entirely harmless to the Owner.

3.2.2 Limits of Liability

The overall responsibility for the Contractor in connection with its obligations under the Contract will not exceed the price of the contract, except in the following situations:

- a) Gross negligence or intent.
- b) When there is a Contractor's duty to indemnify for the damage caused to any person or property of third parties, provided that such obligation to indemnify arises as a result of the fraud, gross negligence or willful misconduct of the Contractor.
- c) The Contractor's obligation to redo or re-run the works poorly made or poorly executed, rectify and amend the works that require repair, correction or amendment, including planes, design, documents, reports and any other document or deliverable that is deficient or incorrect, as agreed by the Chief Inspector.
- d) The amounts you must pay the Contractor in connection with the application of the clause "Early Termination of the contract for failure of the Contractor" of these bases for extension work.
- e) The amounts used and/or paid by the Contractor pursuant to its obligations to an extension or a new guarantees delivery of the contract.

- f) Payments for loss or damage (caused by the Contractor or its subcontractors) that are received from insurers in virtue of insurance contracted by the Parties in accordance with the terms of the Contract, and deductibles that must be paid according to the insurance policies taken by any of the Parties.
- g) The responsibility associated and the profits obtained by the violation to the duty of confidentiality and protection of intellectual property rights set forth in the contract.

As to the limit on the Contractor's liability for fines, compensation and/or sanctions that exposed the owner and/or they are issued by the authority, by actions or omissions attributable to the contractor, may not exceed one hundred and fifty percent (150%) of the Contract Price.

In addition, the Contractor will assume the fifty percent (50%) of any compensation or compensatory moratorium, which the Owner will pay to third parties on the occasion of the breach or delay of obligations arising from the development of the works considered in the contract and whose cause is attributable to the Contractor, with a limit of one hundred percent (100%) of the contract value.

In addition, the Contractor will be responsible with a limit of one hundred percent (100%) of the contract value, for all the damage that can be caused to Landlord for interventions or by improper operation of the transmission system which is in service and intervenes during the construction of the works, during the commissioning of these, your warranty period in operation and period of responsibility established by law applicable to the contract.

3.2.3 Exclusion of Certain Damages

Except in the case of malice or gross negligence, the Parties will not be responsible to the other for moral damages, loss of profits, loss of profits, loss or interruption of products or production, loss of chance or opportunity, or by any other debt or interruption in investments or business. As a result, with the acceptance of the Bidding Rules, the parties expressly waive the rights and legal actions by these concepts may exercise.

3.2.4 Taxes, Tariffs and Pension Funds

If a tax, duty, customs or pension taxation applicable in Chile, which directly affects the costs of execution of the works, be modified or established after the date of opening of proposals in the form that has not been able to be considered at that time, it should be applied as indicated in paragraph 3.2.5.

All taxes, tariffs, rates, patents, and pension funds that affect the contractor, to the contract or to the works, both in Chile and abroad, will be borne by the Contractor and will also be considered to be costs are included in the price of the contract, with the exception of the Value Added Tax (VAT) which will be responsible and cost of the Owner.

Among others will be the responsibility, charge and cost of the contractor, the following taxes and rights to this affection in Chile:

- a) The taxes, fees and tariffs that this affection the equipment and manufacturing plant of the Contractor or its subcontractors, for his temporary or definitive to Chile and those related to its dispatch to the outside.

- b) The income tax or other and the pension funds of the Contractor, its staff, or its subcontractors.
- c) The additional tax which would affect the Contractor, its staff or its subcontractors for the provision of services and others.
- d) Consular Rights, visas, taxes and duties to which this affected the foreign personnel of the contractor to perform their functions in Chile.
- e) The rights of placement of equipment and materials incorporated of foreign origin, including VAT of internment.

The Owner may withhold any payments due to the Contractor taxes duties and pension funds available to retain the labor and tax legislation in force in Chile.

3.2.5 Policy Change

If during the term of the contract is to dictate any new law, ordinance, regulation or other legal provision, administrative or municipal or introduced a modification to the rules, not foreseen at the signing of the Contract and seriously affecting the cost or deadline for implementing this, making it overly burdensome to the contractor or implying a significant imbalance of benefits, the Contractor shall immediately notify the owner, sending this a detailed documentation to this effect on the performance of the Contract, in terms of time and cost.

For the purposes of reviewing the effect of policy change in the contract, its price and/or deadline, the Chief Inspector will have the right to review the impact based on the concept of "Open Book" (Open Book), which is accepted by the contractor who undertakes to cooperate with the audit to be complete and exhaustive, allocating the resources that are necessary for this, at no additional cost to the Owner.

If the landlord agrees with that the contract is not affected by severe form by such changes, there will be an adjustment period and/or the price in accordance with the provisions of the clauses 6.5 and 7.2 of the bag.

3.3 Physical conditions of the Land

The Contractor must weigh all the risks associated with the variability of the physical conditions of the land and natural conditions, and incorporate those risks and their consequences of cost in the planning of work and in the Contract Price.

The Contractor may not require any premium or increase in the periods as a result of difficulties, damages or higher costs that need to face as a result of hidden or difficult physical conditions found during the execution of the works.

Any omission incurred by or incurred by the Contractor in the proper weighting of the physical conditions of the land will not release or mitigate the Contractor's liability under the contract.

The provisions of this clause will apply both in respect of the circumstances present at the time of conclusion of the contract as to the survivors, whatever the cause.

3.4 Force Majeure or Unforeseen Circumstances

The concept of force majeure or to be understood in the sense of article 45 of the Civil Code, as that event that unforeseeable and impossible to resist, which prevents definitively or temporarily fulfilling one or more of the obligations of the contract.

The occurrence of a force majeure exempts it from responsibility for the delay or lack of implementation of the obligation that has been affected by this fact. The contractor will have no right to claim compensation due to the occurrence of force majeure, nor an increase in price or recognition of higher costs or overheads.

The occurrence of force majeure may give the contractor the right to long-term increase in the form regulated in the clause 6.5 of these bases for extension work.

To be eligible for long-term increased by the concept of force majeure, the Contractor must denounce the fact, in writing, within three (3) calendar days of produced, providing an additional period of fourteen (14) calendar days from the date of the complaint to test documents, where appropriate, the exceptional nature of the accident; that he has taken appropriate measures to prevent or reduce its consequences and complied with faithfulness and diligence the instructions in this regard has been given the Chief Inspector, if applicable.

In any case, the Contractor shall immediately resume the execution of obligations affected, once the event of force majeure.

3.5 Patents

The Contractor will defend, release of liability and will indemnify the Owner against any judicial or administrative procedure that may be brought against him, the Contractor, subcontractors or dependent arising out of the use or alleged use by the Contractor, subcontractors or dependent in relation with the works or services, any patent, design, utility model, trademark, and other proprietary rights.

3.6 Shutdowns, strikes and other labor conflicts

The Contractor will not be entitled to increases of deadlines, adjustments to the Contract Price, compensation or any change in the terms of the contract, by reason of work stoppages, strikes, and other labor disputes, whether they are legal or illegal, either of their own staff in the field, offices or factories, and their subcontractors, suppliers or carriers.

3.7 Insurances

The Contractor and its subcontractors must hire within the period set in the contract documents and maintain in force until the return of the land, the insurances that are indicated in the Special Execution Databases, all insurance as it deems appropriate to safeguard the interests and responsibilities arising out of the Contract, and in addition to all the insurance required by Chilean legislation as prime contractor. This obligation should be verified for all the works awarded to the contractor either individually or as a group.

The contractor and subcontractors must hire insurance with insurance companies whose credit rating risks of the register of the Commission for the financial market, is equal to or greater than the BBB.

The costs of demanding these insurances, as well as other insurance that the contractor may wish to contract to safeguard their own interests, they will be deemed to be included in the Contract Price.

The insurance they hire the contractor shall first be known to the Owner, to determine if these meet the conditions laid down in the present Rules, who reserves the right to comment on, reject or approve, policies and insurers or reinsurers proposed by the Contractor. After the insurance contract, the contractor must send a full copy of the insurance policies to the Owner for his knowledge.

All the insurances that at the demand of the contract is supposed to take the Contractor or its subcontractors shall be arranged in accordance with the provisions of the Chilean legislation.

All risk is not insured, as well as any risk not covered or not compensated for delays in the recruitment of insurance or inadequate policies, or due to deductibles, shall be the sole responsibility and cost of the Contractor.

In any case, the Contractor shall indemnify the Owner of any damage or injury caused by any risk not insured or not covered, or to delays in the recruitment of the insurance or due to deductibles or inadequacies of the policies.

The insurance policies must contain in its text rehabilitation clauses, that is to say, auto insurance policies will not be reduced in the sum compensated for any eventuality, continuing in full validity by the total value during the whole period of validity of them. In these insurance policies must be included as beneficiaries (insured) the Owner and the Contractor himself. Additionally, you should include in your text a clause stating that insurers have waived the action of subrogation against the Owner, its shareholders, directors and officers, as well as against the National Electric Coordinator, its Directors, Executive Director, senior executives and workers.

The costs of any nature that demanded by these insurances for the Contractor, as well as the insurance that the contractor may wish to contract to safeguard their own interests, they will be deemed to be included in the Contract Price.

If the Contractor fails to hire or keep the insurance stipulated in the contract, or any other insurance that may be required according to the contract, the Owner may, without prejudice to any other right or remedy he could exercise, recruit, retain in force or rehire such insurance, pay the premiums required, billing, such amounts to the contractor and deduct at any time amounts spent, any payments you must make to the contractor or the effectiveness of the guarantee of faithful compliance of the contract. The cost of the premiums charged by the Owner will have included the administrative and financial costs that apply.

Occurred an incident affecting the works, goods or personnel of the Owner, the Contractor shall indemnify the Owner by the difference between what actually paid by the insurance company, on the occasion of the expatriate hired by the Contractor and the total value of the damage produced by the incident. Among some of the differences that can occur between the value of the incident and compensated by the insurance company are rebates for deductibles, which will be borne by the Contractor. In addition, the Contractor will be responsible to compensate the Owner by the total value of any damage to any property of the Owner, as well as the staff of the Owner, that is related to the contract works in the field, this is not covered by insurance.

The Contractor will be responsible for the strict observance of the terms and conditions of the different policies to the extent that their behavior affects the right of the Owner to receive compensation from any incident.

When the Chief Inspector determine, justifiably, that the settlement of a claim by the insurance company does not compensate adequately the Owner of the damages suffered on their equipment, facilities, goods and people in general, or the insurance has not covered in its entirety the harm suffered and the Contractor refuses or delays the payment of all or not compensated balance, the Chief Inspector, will discount the value by him determined, from the nearest pay status or of any value that the Owner owes or might owe to the contractor or charged in the courts, including the administrative and financial costs that apply.

The foregoing is without prejudice to the right of the Owner to make the effectiveness of the guarantee of faithful compliance of the Contract to cover compensation of the unpaid.

All the actions necessary to take for the insurance companies, in any circumstances, will need to be directed to the Contractor, then must be reported to the Owner on first occasion.

The insurances hired by the Contractor shall always be a priority to the personal insurances of the Owner.

3.7.1 General Terms of the Insurance Policies

The insurance policies must contain in their text rehabilitation clauses, that the insurance policies will not reduce the compensated sum under any circumstances, continuing in full validity of the total value during the whole period of validity of them.

In addition, the policies shall include as a risk those that have as grounds unforeseeable circumstances or force majeure, in the terms defined by the Civil Code in article 45.

All policies must have an indication that insurers shall not exercise legal actions against the Owner, their shareholders, directors and officers to gain compensation payments, as well as against the National Electric Coordinator, its Directors, Executive Director, senior executives and workers.

All insurance hired by the Contractor and Subcontractors, shall contain a clause where the insurance company agrees not to modify the conditions or to cancel the insurance policies before the end of the works unless there is a written authorization of the Owner.

It will be the responsibility of the Contractor and Subcontractors, during the term of the Contract, to answer for all accident causing material damage, and/or body injury and/or death to their workers, and that is a consequence of the implementation of the Contract, for acts or omissions of its professionals and workers.

In the case that the insurance companies reject in whole or part of the payment of compensation for a loss, whose cause of rejection is the responsibility of the Contractor and Subcontractor, the payment of the loss incurred will be the responsibility of the Contractor and Subcontractors.

The Contractor and Subcontractors should give correctly and in a timely manner all the technical and economic information that each of the insurance Contracts require prior to their recruitment and during its operation. This information relates, among others, to: the economic value of equipment, Gantt Chart, Programs of Shipments, Dispatch Advices of Supplies, Expert and Technical Reports on damages, plans and technical catalogs, to give immediate notice of any accident or fact affecting the insurance policies, etc.

The consequences of the inappropriate or lack of cooperation that affects the settings of losses of claims that generate not compensated losses shall be assumed by the Contractor.

The policies shall include provisions to the effect that any alteration, modification or cancellation of their terms, must obtain prior approval from the Owner.

In the event of a claim, the Contractor shall be responsible for the deductibles stipulated by the respective insurance.

The insurance policies may not be changed or canceled without the express written consent of the Owner. The Contractor shall issue to the Owner the payment of the insurance premiums contracted, by sending a copy of the Contracts or payment documents signed with the insurance company. In the case of an "umbrella insurance" (which is a "General Insurance of Civil Responsibility" of additional coverage to the specific

coverage of each work), the Contractor must send a proof of payment of the umbrella insurance, as well as the certificate with the specific work. All in all, if the Contractor fails to hire or keep the insurance stipulated in the Contract, or any other insurance that may be required in accordance with the Contract, the Owner may, without prejudice to any other right or appeal he could exercise, recruit or maintain in effect such insurance, pay the premiums required, bill such amounts to the Contractor and deduct at any time the sums of any payment needed by the Contractor. The foregoing is without prejudice the right of the Owner to make effective the guarantee of Loyal Compliance with the Contract to cover the unpaid compensation.

3.7.2 Insurance that the Contractor shall hire

3.7.2.1 Construction Risk, Assembly and Commissioning Insurance

The Contractor must have hired no later than fifteen (15) Calendar Days prior to the start of the Works in the Field, an insurance of Construction Risk, Assembly and Commissioning which shall remain valid until the Return of the Land or as noted in the Special Administrative Rules. This insurance will defend all kinds of damage, including those that occur as a result of fire, explosion, natural risks, earthquake, flood, storm, volcanism, avalanches, rays, weight of snow or ice, floods, damage caused by strikes and acts of terrorism, sabotage, mechanical or electrical breakdown, consequential damage by design errors, consequential damage by material and defective workmanship, testing and commissioning and other risks inherent to construction and assembly, equivalent to the Contract Price, expressed in United States dollars (US\$).

The insurance policy shall nominate, in addition, the Owner as an additional insured.

In addition, this insurance should cover a period of extensive maintenance from the date of Provisional Acceptance and until final acceptance of the Works

3.7.2.2 Liability Insurance

The Contractor must hire in maximum fifteen (15) calendar days before the start of the clearance and engineering activities, environment or any work relevant to the Contract in the field of Works, a Civil Liability for damages to third parties and/or their property, as a result of accidents occurring during the execution of the works of the Contract, that shall be no less, than the minimum amount indicated in the Special Execution Rules. Insurance must include the Civil Liability clause crusade and a minimum limit, per worker for liability of employers, by the minimum amount stated in the Special Execution Bases.

The insurance policy must nominate to the Owner as an additional insured.

3.7.2.3 Insurance for ALOP (Advance Loss of Profit) for all Construction Risk, Assembly and Commissioning

The Contractor must hire in maximum fifteen (15) calendar days prior to the start of the Works in the Field, the insurance, which will refer to The Owner as the sole beneficiary, who shall maintain valid until the Entry into Operation. This insurance should cover the interests according to the amount, deductible, and compensable period indicated in the Special Execution Bases.

3.7.2.4 National and International Transport Insurance

The Contractor shall take out insurance to national and international transport (sea, air and land) to fully cover the importation of supplies incorporated from the factory of origin to the site of the works, under the clause "A",

all risk (winery to winery), including the additional of war, revolution, terrorist acts and to strike, and sixty (60) calendar days of stay in customs or port of destination.

The Contractor agrees to hire the services of maritime transport with ships of quality and efficiency that meet on a regular service, and the requirements set forth in clause in force of seniority of nave of the Institute of London. Insurer Any charge for this concept in the insurance premium, will be charged to the Contractor.

The insurance will also cover the damage by land transport of materials and equipment of domestic origin that supplies the Contractor, from the factory of origin to the places of storage of the Contractor in the work. In all cases where the value of the cargo transported in the same means of transportation is over three hundred thousand United States dollars (US\$ 300,000.) should be an insurance policy specific to transportation. The local transport insurance will include the maneuvers of loading and unloading of materials.

3.7.2.5 ALOP (Advance Loss of Profit) of Transport of Supplies Insurance

The ALOP of transport of supplies nationally and internationally, will have the Owner as a beneficiary who shall maintain in position until the entry into commercial operation. This insurance should cover the interests of the Owner to reason daily, depending on the amount, deductible, and compensable period indicated in the Special Execution Bases.

3.7.2.6 Environment Protection Insurance

The Contractor should have hired no later than fifteen (15) calendar days prior to the start of the works in the field, an insurance covering civil liability as a result of damage to the Environment and Pollution, including cleaning costs and expenses for the work that should be done in order to restore the conditions of the environment eventually damaged or to order the authority to restore, as a result of the work associated with the project subject matter of this Agreement, insurance that will remain in effect until the Return of the land or as noted in the Special Administrative Databases. The coverage must be according to the NMA 1685 clause, or similar.

The coverage of this insurance, per occurrence, may not be less than the amount indicated in the databases to the effect special execution.

Alternatively, this can be accomplished by Insurance Liability Insurance established in paragraph B above, including a clause covering damage to third parties caused by sudden and accidental pollution.

Thirty (30) calendar days prior to the return of the ground or as noted in the Special Execution Bases, the Contractor shall deliver a statement verifying that has no pending claims related to damage to the environment. In the event that there are environmental claims, the Contractor shall deliver a ballot of bank guarantee, or an insurance policy for immediate execution, in an amount equivalent to the environmental damage claimed, for a period of one (1) year warranty that may be renewed at the decision of the Owner according to the circumstances and attended the procedural status of the claim.

3.7.2.7 Professional Errors and Omissions Insurance

The Contractor must hire and maintain in force during the period of performance of the Contract, an insurance against negligence, errors and omissions arising as a consequence of the development of the services on the part of the Contractor, its staff, its staff, or the contractor's liability for the actions of any of its consultants, subcontractors or suppliers, or failure to comply with any of the aspects of the work included in its scope, by

the amounts indicated in the Special Execution Databases, which shall maintain in force until the Return of the land or as noted in the Special Execution Bases.

3.7.2.8 Other insurances

Correspond to other insurance is not included in the above and that the Contractor deems necessary to contract, or where the law required, such as:

Civil liability insurance for motor vehicles and mobile equipment.

Travel insurance to protect the property of the Contractor.

The Contractor shall bear in mind that the non-presentation of insurance policies within the time limits indicated above, as well as issuing a dissenting opinion to what is established by the present rules of execution for expansion and/or in any document that is part of the Bidding Rules, shall constitute a serious breach of the terms and conditions of the contract and shall be subject to fines and penalties.

3.8 Waiver of surrogacy rights

The Owner, the Contractor and its insured persons waive all rights against the other arising from all losses and damages caused by any of the hazards covered and compensated by the insurance policies provided in accordance with the previous terms 3.7.1 and 3.7.2 and any other property insurance applicable to the work, and also agree to waive all such rights against contractors, engineers, consultants and any other party indicated as assured in those policies for loss and damages so caused.

Each sub-contract between the contractor and a subcontractor will contain similar provisions of renunciation on the part of the subcontractor in favor of the Owner, Contractor, Engineer, consultants and any other party indicated as assured.

3.9 Supervision of the Works

The Contractor shall be responsible to the Owner, from the date of delivery of the field and until the date of provisional acceptance of the works, to the supervision of the works, for the protection and safety of the public and of the persons working on or around the Works. To that effect, provide and maintain, at your expense, the fences, sentry boxes of control, lighting, alarm system and signposting and prevention. In addition, provide and monitor, also responsible, vigilant, serene and doormen, where necessary or required by the authorities, legislation, resolutions or ordinances in force.

The monitoring system to implant the Contractor must be previously reported to the Chief Inspector.

To the same obligations referred to above shall be subject the Contractor, in such a case, run some work during the warranty period and for the time required for such work.

At the same time and without prejudice to what has been said in the preceding paragraphs, the Owner may implement a monitoring system when it deems appropriate.

3.10 Care of the Works

Since the beginning of the works, the Contractor shall have full responsibility for the care of the works, and the roads and facilities that the Chief Inspector give for their use. In the case of damage, loss or damage affecting

the works or to any road or installation that the Chief Inspector has delivered to the contractor, the latter shall, at their own expense, repair them and leave them in perfect condition, in such a way as to fulfill its functions, and that at the end of the execution of the works of which satisfy the requirements of the contract and the instructions of the Chief Inspector.

3.11 Fines

In case the Contractor incurs in arrears in the Master Schedule of the Contract, in respect of any of the milestones, deadlines and dates stipulated in the contract, or incur other defaults, the Owner shall have the right to charge the Contractor, as penalty clause moratorium, the corresponding fines that are established in these bases for expansion works; except that, in respect of any of them, unless otherwise noted in the Special Administrative Databases.

The Owner shall notify the Contractor in relation to the failures that give rise to fines. The Contractor shall have ten (10) calendar days from the notification to submit their disclaimers in writing to the Owner, after which the latter will be resolved.

The fines shall be issued immediately and shall be deducted, at the option of the Owner, of any progress payment submitted by the Contractor or any value that the Owner owes to the Contractor, failing that, the Owner will make the guarantee of fulfilment of the Contract or it will be brought in court by the Contractor.

For the purposes of fines for delays measured in weeks, the Owner shall apply the fine per week or part of it.

For the application of fines for delays measured in calendar days, you will be expected, as the grace period, until 12:00 hours a day following the scheduled date.

In any case, the fines moratoria are additional to the separate charge and supplementary compensation for other damages caused by the same breach.

3.11.1 Fine for failure to comply with the Completion Date of the Works

The fine will be applied for non-compliance with the completion date of the works established in the Bases of implementation of respective expansion works will be by the value equivalent to one point five percent (1.5%) of the Contract Price for each week of delay, up to a maximum of ten percent (10%) of the Contract Price.

These fines are subject to the limit of fines of the clause 3.12 in the General Administrative Databases.

3.11.2 Fine for non-compliance with Intermediate Milestones

The fine that will be applied for non-compliance with the intermediate milestones included in the Master Schedule of the Contract, established in accordance with clause 6.3, it will be the value equivalent to zero point five percent (0.5%) of the Contract Price for each week of delay in compliance with any of the Intermediate Milestones, which will counted up until the effective implementation of each of the Milestones.

The fine is applicable to the lateness of each of the intermediate milestones and will therefore be additive mixing, with a maximum of five percent (5%) of the Contract Price.

These fines will be waived in case the contractor meets the deadline for completion of the work laid down in the contract.

These fines are subject to the limit of fines of the clause 3.12 of these databases.

3.11.3 Fines for non-compliance with technical and/or administrative provisions or delay in the delivery of information

The fine that will be applied to the contractor for the failure of technical provisions and/or administrative, as well as by the delay in the delivery of any of the information that the contractor must provide to the Chief Inspector, shall be two thousand United States dollars (US\$2,000) for each day of noncompliance.

This penalty may be settled in each state to pay the contractor present, and will not be condonable in no case or reason, being able to be filed individually whenever applicable.

This penalty is applicable to each of the information requested and will, therefore, additive and are subject to the limit of fines of the clause 3.12 of these Terms and Conditions.

3.11.4 Fines for non-compliance with the Environmental Protection and Hygiene and Occupational Safety and Health Standards

In the event of a breach of any provision set forth in the manual or regulation of the environment for contractors are informed by the Owner, any commitment or obligation established in the Declaration or Environmental Impact Study or in the Environmental Rating Report on the project or of any environmental provision established in law, or the manual or regulation of hygiene and occupational health and safety issues for contractors are informed by the Owner as well as of any provision in hygiene and occupational safety and health established by law, the Owner shall apply to the Contractor Fined for a value of eight thousand United States dollars (US\$8,000), for each event of non-compliance.

In case of no cure the default in the period granted by the Chief Inspector, or in the period granted by the environmental authority or labor, respectively, the amount of the penalty will apply.

In addition, apply a daily fine of two thousand United States dollars (US\$2,000) until the failure is completely cured to full conformity of the Chief Inspector or the environmental authority.

These fines may be settled in each state to pay the contractor present, and will not be forgivable loans in no case or reason, being able to be filed individually each time they are applicable.

These fines are additive and are subject to the limit of fines of the clause 3.12 of these Terms and Conditions.

3.11.5 Fines for delay in correcting defects in Design, Construction, Assembly or an equipment during the Warranty Period

The fine that will be applied by the backwardness in which the contractor to correct a defect in design, construction, assembly, supplies, works or a team during the warranty period of the works, including the failure to meet deadlines and programs of repair, it will be of a value of ten thousand United States dollars (US\$ 10,000) per day run of backwardness, which will be up to the effective implementation of each of these jobs.

This penalty may be settled to the contractor and deducted from any amount due to the Contractor. In the event that the contractor did not go to the payment of collection mentioned above, the Owner may make it effective warranty because of the warranty period on a trial service, established in clause 5.16.3 of the Databases, during the warranty period, and may be filed individually whenever applicable.

These fines are additive and are subject to the limit of fines of the clause 3.12 of these Terms and Conditions.

3.11.6 Fine for unauthorized modification of Key Personnel

The fine for change or modification of key personnel without prior authorization of the Chief Inspector, shall be equal to the sum of four thousand United States dollars (US\$4,000), per person, per change event or modification.

This penalty may be settled in every state of payment that the contractor and will not be condonable in no event or reason.

These fines are additive and are subject to the limit of fines of the clause 3.12 of these Terms and Conditions.

3.12 Limit of Fines

The sum total of the penalties applied to the Contractor, by any of the concepts mentioned above, may not exceed, in any case, fifteen percent (15%) of the Contract Price.

3.13 Emergencies

In cases of emergency in which, in the opinion of the Chief Inspector, the need for material resources or rights of the contractor, the Chief Inspector may instruct the contractor, in writing, the necessary cooperation to overcome this emergency.

3.14 Obligations of the Owner

The duties of the owner:

- A. To contribute to the successful tenderer with diligence and good faith in everything that is necessary to comply with the provisions of any document that is part of the Bidding Rules, as well as with the good end of Contract, and to avoid any incidence in program implementation and in the development of the constructive methods of the Contractor.
- B. To perform properly all the acts proper to be executed under the contract and, in particular, to collaborate for commissioning, acceptance provisional and final acceptance of the works.
- C. To comply with its obligations of payment to the Contractor under the terms and conditions established in any document that is part of the bidding rules.
- D. Participate in monitoring the implementation of the work through the Chief Inspector and as determined by the regulations.
- E. Deliver in a timely manner to the Contractor the documents and information necessary for the development of the project.
- F. Respond within the requirements or documents sent by the Contractor for observation, as set out in clause 8.2 of these bases for extension work.
- G. Having obtained in a date prior to the date set for the start of the work all the permits and authorizations of the owner, if applicable.

- H. Bring to the attention of the Contractor as soon as possible those causes by the known and that could cause some type of delay in the time of the Program Master of the contract.
- I. Coordinate the implementation of the different jobs that do not correspond to the contract awarded by ensuring the security and compliance with the deadlines for the work, when you need to perform work in the same field or in its proximity with its own workers or those of another contractor.
- J. Provide all the facilities of access and information, in a timely manner, about their facilities, so that the successful tenderer, ITO or professionals who practice audits, can run their obstruction of labor without any kind or origin.
- K. Inform Change Orders and/or Addendum to the Coordinator.

4 The Inspection

4.1 The Chief Inspector and its authority

The Chief Inspector of the contract is the person appointed by the Owner as its sole representative for Contract Administration, and to assume the direction of the Inspection to act as such, in accordance with the powers and procedures imposed by the contract documents.

The Chief Inspector will rely on the organization called the Technical Inspection of Work (ITO) designated by the Coordinator to inspect all tasks that run the Contractor during the development of the Contract, among others, which point to the clause 4.3.

4.2 Change Orders

4.2.1 Changes

The Chief Inspector shall have full powers and authority to incorporate, whenever it is convenient for the duration of the Contract, the drawings and additional instructions that are necessary for the proper implementation, manufacture, termination and subsequent maintenance of the works. As well, at any time, by written instruction, qualified Change Order expressly, the Chief Inspector may provide any modification in the works or in the scope of the contract, within the overall purpose of the contract, such as changes in the drawings and specifications, changes in the method and manner of performing the works, changes in scheduled deadlines, changes in amendments to the provision of equipment and materials incorporated, additions of new works or withdrawal of works or parts of works, etc.

4.2.2 Procedures for Changes

- A. If the Chief Inspector you want to make a change will send a Change Order to the contractor, who, at his expense, the immediately review and, within seven (7) calendar days from receipt of the Change Order shall inform, in writing, the Chief Inspector the effect, if any, in the price of the

Contract, in the implementation deadlines of the works and guarantees, the program of payment and in the other rights, obligations and aspects of the contract that would be affected by the change. The Contractor shall provide the Chief Inspector a statement of the impact of the requested changes in the different aspects of the contract mentioned above.

- B. The Chief Inspector shall send to the Coordinator, prior to the issuance of the Change Order, a substantiated request, accompanied by the technical background required for verification that the changes required, if the requested change does not modify or alter the technical characteristics of the project and/or does not contravene the scope of the technical work established in the Exempt Decree N°293 and the Decree for the award of construction of enlargement. The Coordinator will respond to the request within a period of no more than 10 working days.
- C. If the changes ordered by a Change Order determine an increase or decrease in costs or the time needed to carry out the works, the Parties shall seek an adjustment in scheduled deadlines and dates and in the price of the Contract, in the manner set out in clauses 6.5 and 7.2, respectively, of these bases for expansion works, adjusting the contractual guarantees to the new deadlines and amounts.
- D. With the exception of the written instructions and expressly qualified nominees Change Order, no order, statement or action of the Chief Inspector shall be deemed to be Change Order in accordance with this clause nor entitle the contractor to request any adjustments.
- E. The Contractor shall not request any compensation or increases in term, in relation to changes in the works that have not been previously prepared by the Chief Inspector through a Change Order in accordance with this clause.

4.3 The Technical Inspection of Work (ITO) (English TIW)

4.3.1 Background

According to the numeral 25 of article 2° of the Exempt Decree No. 293 dated 29 October 2018, for each work or group of works tendered, the Coordinator shall designate the Technical Inspection of Work (ITO), who will be responsible for overseeing the implementation of and compliance with General Technical Specifications for Works of enlargement and the Technical Specifications of the project.

At the same time, in accordance with the decree, Bidding Rules must contain the requirements and procedures for the designation of the ITO, whose cost will be borne by the respective company that is awarded the tender and will be included by the proponents within the V.I offered. The ITO must issue a monthly monitoring report of the work, which shall be brought to the attention of the Coordinator and the Owner, without prejudice to the obligation to inform with the immediacy to establish these bases of implementation, about the occurrence of any situation that may affect the safety of persons, the installations or respective transmission system.

Then, laying down the definitions to consider regarding the relationship between the contractor, the ITO, the Owner and the National Electric Coordinator.

4.3.2 General Information

The ITO must be a company that specializes in the field. The legal person of ITO may not be a society related to the contractor or corporate group to which the latter belongs to, nor will be able to provide services of another nature to the Contractor. In addition, the staff of the ITO shall not engage in any activity in connection with or for the Contractor, other than their own within the defined scope of the ITO.

In accordance with the foregoing and these bases for Extension Works, the ITO must be a sub-contractor and therefore all of the considerations contained in the bidding and contract.

The dependence of the ITO with the contractor will only be of an administrative-contract. Its functional dependence and hierarchical is exclusive with the Owner of the Contractor; without prejudice to the fulfilment of its obligations in respect of the National Electric Coordinator be established in any document that is part of the bidding rules. Therefore, the Chief Inspector will be responsible for approving the reports drawn up by the ITO.

The Head of the ITO shall be available for the realization of a monthly meeting or by request with the Coordinator with the purpose of clarifying doubts, answer technical consultations and put at the disposal of the Coordinator background that this requires for the performance of its oversight function.

The ITO shall meet, at a minimum, the hierarchical functional, professional profiles and the minimum experience required for the Inspectors established in the terms of implementation.

The established structure of the ITO must be compatible with the shift system established by the Contractor.

During the execution of the Contract, the Owner shall be responsible for verifying that the ITO to perform correctly and efficiently for obtaining optimal results in the management of the entrusts to it. If this is not correct, the Chief Inspector shall inform the contractor for the latter to take the necessary measures.

If the Contractor during the period of the implementation of the work experiences a delay in its execution, it will be your responsibility, charge and cost the prolong the functions of the ITO.

The Chief Inspector shall have the power to require the Contractor to adjust the staffing of the ITO, in quality and quantity, up to 20% of the core staff established in the offerings of the proponent, depending on the actual situation of execution of the works. In addition, the Chief Inspector may request the contractor, at any time during the execution of the works in the field, adjustments in the resources of the ITO, such as transportation, instrumental or equipment necessary for its good performance, according to the actual situation of execution of the works.

The variations in staffing and resources, as well as the replacement or repair of any equipment or measuring instrument is defective, shall be borne by and at the cost of contractor and are understood to be included in the V.I. offered.

In the case requesting the ITO the replacement of any of its professionals or workers, such request shall be communicated to the contractor, who shall in turn inform the ITO the need to replace the person objected to within seven (7) calendar days from the date of notification, or within the period granted to her by the Chief Inspector, by a person that meets with the approval of the Owner, who shall communicate the modification of the ITO The Coordinator within two (2) consecutive days of the modification.

In the case that the ITO lean on the inspection of the execution of the works in the field to Chief Inspectors of different owners, must comply with the provisions of the General and Special Databases in respect of each of them. However, in the case of modifications to the ITO or its resources, as indicated above, the Owners must

reach an agreement prior to your request to the contractor, in which case the Chief Inspectors of each owner shall designate a representative among them, who will perform the requests for amendment.

If the Contractor must take any other measure aimed to meet the deadlines, any increase in staffing, equipment, of the inputs that experience the ITO and changes in work shifts and/or schedules of work of the ITO, shall be responsible and cost of the Contractor.

4.3.3 Organization and staff of the ITO

The organization of the ITO will be defined in the Special Administrative Databases and may consider any of the following types of professionals:

A. Head of the Ito - ITO/ITO 02 01

Your role will be to direct technical and administrative support to the ITO. The Head of the ITO, you will need to provide follow-up and control of the Master Program of the Contract, you must perform the progress reports, the coordination of meetings, control of the technical documentation for the project, you must have permanent presence in the place of the works and shall be responsible for the supervision and inspection of the works to ensure the proper execution of the works by the contractor. Within the limits of its powers must have software management related to programming, control and direction of works of high voltage electrical transmission.

a) Type I - ITO 01

Professional Engineer or equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State. Must have a minimum experience of ten (10) years, of which at least five (5) must correspond to similar positions in construction and commissioning of works of power transmission lines in high voltage.

b) Type II - ITO 02

Professional Engineer or equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State. Must have a minimum experience of six (6) years, of which at least three (3) must correspond to similar positions in construction and commissioning of works of power transmission lines in high voltage.

B. Head of Technical Office - ITO 03

Your role will be to follow up and control of the Program Master of the Contract, the realization of the progress reports, the coordination of meetings, control of the technical documentation of the project, support to the Head of the ITO in the work of planning, logistics, programming, and control the activities of the different organizations of the ITO, the revision and visa of work authorizations issued by the Contractor to intervene facilities of the Owner or of third parties in exploitation.

Professional Engineer or equivalent, not less than four (4) years of a recognized institution and/or validated by the State. Must have a minimum experience of seven (7) years in programming and control of works of power transmission lines in high voltage.

C. ITO 04 Inspection Assistant Chief

Has the role to assist the Head of the ITO on the ground in the technical and administrative management of the ITO, should support the Head of the ITO in the work of planning, logistics, programming, and control the activities of the different organizations of the ITO, must support to the realization of progress reports, the coordination of meetings and control of the technical documentation of the project of the revision and visa of work authorizations issued by the Contractor to intervene facilities of the Owner or of third parties in exploitation.

Professional Engineer or equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State. You must have an experience of at least three (3) years on similar charges, in construction and commissioning of works of power transmission lines in high voltage or career technical professional with experience of at least six (6) years in similar positions in construction and commissioning of high voltage electrical works.

D. ITO 71 inspectors/Supervisors ITO 72/ITO/ITO 74 73

Specialty Engineers Electrical, civil, mechanical, or equivalent, professionals with academic training of not less than four (4) years of a recognized institution and/or validated by the State.

These professionals must have at least five (5) years of experience in the inspection of works of High Voltage Electrical Installations, according to the discipline they lead. They are responsible to directly control the proper execution of works in the field, in accordance with the respective General Technical Rules for Expansion works and technical specifications of individuals, "as-built" plans and quality standards of the Owner and the partners with their peers of the construction contractor in the respective specialties.

a) Civil works and installation of structures and equipment - ITO 71

Its function is to manage and control the activities of civil works, urbanization, mounting of tall structures and activities on high voltage equipment (transformers and reactors, auto transformers, switches, disconnections, etc.), including assembly of support structures of these teams.

b) Tended Driver - ITO 72

Its function is to manage and control the activities of laying of lines at drivers, layout of toolbars and wiring.

c) Assembly of Equipment - ITO 73

Its function is to direct and control activities on high voltage equipment (transformers and reactors, auto transformers, switches, disconnections, etc.), including assembly of support structures of these teams.

d) Control, Protections, telecommunications and SCADA systems - ITO 74

Its function is to direct and coordinate the inspection teams in the activities of installation and commissioning of the control system and protections. In addition, shall direct and supervise that the jobs associated to the telecommunication systems and SCADA systems are carried out in accordance with the specifications and procedures established and approved for the project.

In the event that a professional with experience in the Supervision of Civil Works and installation of structures - ITO 71 and in the supervision of installation of machines - ITO 73, you can run both functions jointly.

E. ITO surveyor - 09

Its function is the Topographic technical support in various stages of construction of the project, at the request of the work.

Professional with at least five (5) years experience in topographic control activities of works of high voltage electrical transmission. This professional must have support vehicle to its activities and technical instrumentation according to the characteristics of the works, with the calibrations and certifications in force.

F. Expert in Risk Prevention - ITO 10

Your role will be to ensure on a permanent basis to enforce existing regulations regarding hygiene, safety and prevention of risks associated with the activities to be developed in this project by the contractor and all the staff present in the work.

In addition, you will have the obligation to comply with and enforce regulations of Hygiene and Prevention of Risks for contractors and subcontractors of the Owner. Similarly, should ensure the fulfilment of the Environmental regulations laid down in the contract and by relevant authorities.

The expert in Risk Prevention must have the professional category, according to the nature of the work, provided for in article 9 of the Supreme Decree 40 of the Min. of Labor and enrolled in the records kept by the Health Services, in compliance with the provisions of article 65 of Law 16,744.

This professional must have a minimum experience of five (5) years in works developed in electrical transmission facilities similar to those of this Agreement.

4.3.4 Designation of the ITO

The ITO, as well as the professionals who integrate it, it will be designated by the National Electric Coordinator.

In that sense, 3 months prior to the start of the implementation of the field work of the contractor, the Contractor must submit to the Coordinator three companies of ITO candidates to provide the services outlined in your proposal, its structure, and the identification of the professionals who integrate it, including their curriculum vitae, registration of titles, as well as documents indicating service methodology, existing certifications (ISO, OSHAS), letters of commitment and all other documentation of the ITO that is requested by the Coordinator. Each of the companies of ITO candidates must submit an affidavit in which establish that there is a link or conflict of interest with the Contractor, specifically for the inspection of the project or group, for which he was required.

In the case that the start of the works of a group is not simultaneous, and your input delay is greater than 3 months, the contractor may submit candidates for companies of ITO develop the function of ITO of each work in a deferred. Notwithstanding the foregoing, at the time of the candidates for the role of ITO of the first work, these should include the specialists required by the cluster structure (Head of the Ito). The Coordinator may make observations on the proposals, which must be remedied by the Contractor. In

addition, it may request information, clarifications, additional or complementary documents, in order to verify or complete the background referred to it.

The price of the Economic Offer of the proposer will not change regardless of the proposal of ITO designate the coordinator.

4.3.5 Scope of ITO services

The ITO must execute the inspection and monitoring of compliance with the technical and administrative obligations for the execution of the contract entered into by the successful tenderer.

The ITO will act in front of the building contractor in all activities that need to be developed during the period of implementation of the works in the field, to inform the Chief Inspector of the Owner the development of the works, without prejudice to the information that the ITO shall provide to the Coordinator.

Without limitation, the minimum activities that the ITO must consider are:

- a) Ensure the construction quality assurance of the work. Request, if necessary, reports, additional tests or trials of quality.
- b) Check, on behalf of the Owner, that the works are executed in accordance with the contractual terms and design approved by the relevant bodies.
- c) Maintaining a permanent and fluid communication with the different actors in the process, this is Owner, coordinator and contractors.
- d) Communicate, through the Book of Works, the Coordinator, and contractors of all subjects or aspects that relate to the global contract or with parts of the same.
- e) Request in a timely manner all information, documents, permits, certificates related to the execution of the works, in particular of the amendments and adjustments that occur during its development.
- f) Approve or reject items or materials, verifying that meet the demands and requirements contained in drawings and technical specifications.
- g) Coordinate the technical meetings, conducting follow-up to the agreements and commitments established in them.
- h) Review and approve pay statements, in accordance with the time frames and procedures established in the administrative databases.
- i) Understand, evaluate and report the increases or decreases of works and the incidence of these in respect of costs and deadlines.
- j) Request presence of experts, in quality of external advice or consultancy services, in the face of unforeseen situations.
- k) Receive the works executed by the Contractor in accordance with the procedures and instruments established for that purpose, the plans of quality management.
- l) Check that the resources, materials and inputs used by the Contractor to carry out the works, correspond to what is specified in the project.

- m) To propose to the Owner measures to be adopted in situations that require your intervention and require your decision such as breaches of contract clauses; failures or objections with respect to the quality of the materials or resources used in construction; poor implementation by employment of unskilled labor, inadequate capacity and suitability of supervisors, suppliers and subcontractors, among others.
- n) Collaborate in the care and protection of personnel, facilities, materials, equipment and other elements used in labor, specifically in regard to compliance with the provisions related to the prevention of risks, toilet, order and hygiene.
- o) Check the fulfilment by all actors involved in the project, of the legal provisions concerning the environmental care, such as treatment and disposal, emission of particles, mitigation measures, resolution of environmental impact, among others of similar importance.
- p) Control and monitoring of progress and financial flows.
- q) Coordinate the information requirements to be performed by the Contractor, seeking the quickest and fastest response from the Owner to the consultations. The same for clarification and specific instructions that emits the Owner during the development of the works.
- r) Coordinate and intervene in the process of reception of works, once concluded contractual deadlines.
- s) Organize the process of documentation required for obtaining the municipal reception of the works.
- t) Issuing a weekly report on the status of the work in terms of quality, physical progress, safety and the environment. The main content of this report should be:
 - i. Progress of work Final Draft;
 - ii. Work with respect to the advance weekly program, and report of the work actually carried out the previous week and the deviation of the final draft;
 - iii. Photo report of progress of work;
 - iv. S-curve accumulated with early and late dates;
 - v. Percentage of lag of the Work with Respect to The Original Program;
 - vi. A percentage of the value of the Contract canceled;
 - vii. Progress of work in percentages of budget of Work;
 - viii. Summary of the work carried out in the week and progress of the works in connection with the program of works.
 - ix. Observations and comments of the most relevant aspects and problems that have been submitted;
- u) Issuing a monthly monitoring report of the work, which shall be brought to the attention of the Coordinator and the respective owner, which will contain the situation of quality and progress of the works, as well as, any relevant aspect of the implementation of the works or associated with them. The content of this report is described in the following point and must have the format established by the Coordinator Kettle, which will be delivered once awarded the work.
- v) Issuing a Delivery Report of final milestones that must contain:

- i. Description of the works;
 - ii. Monograph of the work performed;
 - iii. Executive summary of the contract, with an indication of schedule versus what actually performed;
 - iv. Relation of the development of the construction work and final amounts of work;
 - v. State of final payment;
 - vi. Indication of changes in project;
 - vii. Analysis of the execution of the works;
 - viii. Quality Control, Summary of findings, statistical evaluation, summary of the assay carried out, detail of the work methodology used;
 - ix. Summary of the results of safety and statistical evaluation of results;
 - x. Analysis of the most relevant technical problems;
 - xi. As-Built Drawings prepared by the contractor;
 - xii. List of outstanding items (if any) at the end of the services of the ITO.
 - xiii. Copy of the receipt of the respective Milestone.
- w) Inform the Coordinator and the respective owner, within a period not exceeding 6 hours of confirmed the fact, about the occurrence of any situation that may affect the safety of persons, the installations or respective transmission system.
- x) Check the administrative aspects, analysis of programming and plan of Contractor safety.
- y) Visa States to pay the Contractor, before sending them to the Owner.
- z) Countersign the report daily, weekly and monthly contractor, prior to shipment to the Owner.
- aa) Check that all the workers in the subcontracting chain, without exception, with the requirements of the contract on labor and social security contributions.
- bb) Receiving the installation of tasks of the Contractor.
- cc) Analyze the quality plans and working methodologies proposed by the Contractor.
- dd) Check the supply of the responsibility of the Contractor.
- ee) Track and control of the execution of the works according to the Program Master of the works.
- ff) Check the quality of the execution of each one of the constructive processes associated with the project.
- gg) Monitor compliance with environmental requirements established by the Authority and, in particular, those required to work.
- hh) Register in the Book of work the observations of the Owner that take place in accordance with the bases and the contract.

- ii) Check the fulfilment of the requirements of safety and industrial hygiene of the Owner in the development of the works.
- jj) Identify problems of the detail engineering prepared by the Contractor and coordinate with the relevant experts to solve these problems during the execution of the works.
- kk) Oversee the development of the testing and commissioning of the project.
- ll) Review the procedures and methodologies of work of the Contractor, with special emphasis on those cases in which there are maneuvers that affect or may affect the operation and facilities of the electrical system.
- mm) Review the "as built" drawings (As-Built) and sign them (certifying the situation of these).
- nn) Review and control the up-to-date maintenance of the planes "red line".

Without prejudice to the activities and reports described above the ITO and the owner will be able to adjust the content of these reports and activities according to their needs. In the special administrative databases may list additional scopes is the work of the ITO.

4.3.6 Monthly report to be submitted by the ITO

The monthly report indicated in the letter u) of the preceding clause 4.3.5 , should include at least the following aspects:

- a) State and overall percentage of progress of works in execution, and of the activities included in the Master Plan, including a description of the methodology used for the measurement of progress. This methodology must be agreed with the Owner.
- b) Follow-up to the timeline with analysis of the critical path, attaching native file in MS Project version 2010 or higher and in pdf format.
- c) Degree of compliance with General Technical Specifications for Works of enlargement and the technical specifications set out in the bidding rules, indicating differences with respect to the technical specifications included in these.
- d) Progress in obtaining authorizations for the use of land, risks of not obtaining in term of these and preventive measures taken by the Contractor.
- e) Progress in obtaining the necessary permissions to execute the work, risks of not obtaining in term of these and preventive measures taken by the Contractor.
- f) Contingencies identified in the work and preventive measures taken by the Contractor.
- g) Incidents and accidents labor and environmental standards.
- h) Report on the state of progress of the program for the Prevention of Risks at Work.
- i) Reception status of supplies, indicating progress, causes of delays, corrective measures and potential impacts on the milestones of the contract.

- j) Evidence in the factory and in the field, indicating progress made, tests rejected, corrective action, potential impacts in milestones of the contract.
- k) Construction of Works, indicating progress, causes of arrears, remedial measures and potential impacts on milestones of the contract.
- l) Installation of structures and equipment, indicating progress, causes of arrears, remedial measures and potential impacts on project milestones.
- m) Breaches of the Contractor in matters which are the subject of fines in the contract (delays in the implementation of the intermediate milestones subject to fine, breaches of environmental regulations, etc.).
- n) Photographic record of the progress of works under construction.
- o) Degree of compliance with the draft the NTSyCS.
- p) Risk Matrix of the project by identifying risk factors that could generate compliance within the time limits and technical quality of the project
- q) Procedures for carrying out activities that involve intervention by third-party facilities.
- r) State of the coordination of the contractor with other owners for the realization of activities necessary to run the construction of the work and that require the intervention of electrical installations of third parties.
- s) Description of the interaction of the project with the community, detailing actions performed by the Contractor for the project development in harmony with neighboring villagers to the project.
- t) S-curve accumulated with early and late dates;
- u) Technical report of meeting deadlines;
- v) Percentage of lag of the Work with Respect to The Original Program;
- w) A percentage of the value of the Contract canceled;
- x) Progress of work in percentages of budget of Work;
- y) Agreements and clarification of land;
- z) Report on prevention of risk and compliance analysis of the associated program;
- aa) Organization chart and list of staff of the contractor;
- bb) List of machinery of the contractor;

- cc) List of Extraordinary Works and list of demands of the Contractor in writing, stating its filing date, amount and approval status. The progress of the budgets by extraordinary works that are in review;
- dd) Summary of the work executed in the month and progress of the works in connection with the program of works.
- ee) Checks carried out and their respective results that allow to appreciate the quality of works, compliance with General Technical Specifications for Enlargement works and technical specifications of individuals, accompanied by quality control certificates when appropriate;
- ff) Observations and comments of the most relevant aspects and problems that have been submitted;
- gg) Organization and staff employee during the period and accumulated;
- hh) The budget for the next few periods.
- ii) Man hours (HH) of the ITO, with a projection of you will use in the future.

The National Electric Coordinator may, at any time, that the ITO incorporated in this report additional background in order to monitor the proper execution of the work and that are part of the work laid down in the bidding rules and in the contract.

4.3.7 Suggested dimensioning of associated facilities and services for ITO organizations and Contractor

4.3.7.1 Facilities, equipment, and support staff of the ITO

For the proper fulfilment of the work of the Technical Inspection of Works, the Contractor shall include in the organization of the ITO the administrative and service personnel, facilities, and equipment, which is necessary for the ITO to play in an efficient inspection work entrusted.

The Contractor shall provide to the ITO in every place where you install, offices for inspection, as specified below. It will be of responsibility, charge and cost of the Contractor the location, maintenance, repair and replacement of the offices of inspection and provide all the services, resources, vehicles, equipment, instruments, personnel, and everything necessary for the operation of the ITO.

Within the services, the Contractor shall provide these offices with heating, air conditioning, drinking water, electricity, gas, and provide daily service of toilet offices and restrooms, surveillance service, service of removal of garbage and all other material or service that is needed for the normal operation of these facilities and restrooms during the entire period of execution of the works, until the disarmament of the offices.

At the end of the works, the offices of the Inspection and lodging thereof shall remain the property of the Contractor.

The Contractor shall provide at least the following facilities and resources for staff of the Technical Inspection of works (ITO):

- a) Offices

An Office for the Chief of ITO of 6 x 2.5 m (20" container office), together with an inner liner of standard for office; with Wi-Fi connection for at least 5 devices, with air conditioning and heating, blinds, pulp and paper and stationery. This office must be equipped with a desk and ergonomic chair, in addition to a meeting table with chairs for four people, and shelving for files, bath (single use) of the Head of ITO in the field. In addition, it must contemplate a desk and ergonomic chair for exclusive use of the Chief Inspector for when on duty in the site of the works.

An office every 3 inspectors/staff ITO, or fraction thereof, all of 6 x 2.5 m (20") maritime container, coated with standard interior of office; with Wi-Fi connection for at least 5 devices, with air conditioning and heating. Each of these offices shall be equipped with at least the following:

- i. One (1) desk and one (1) Ergonomic chair appropriate for work, for each inspector/staff ITO.
- ii. One (1) visit chair in each office.
- iii. One (1) shelve with key for files.
- iv. Blinds in the windows.
- v. One (1) Coat per each Inspector/staff ITO.
- vi. One (1) pulp per each Inspector/staff ITO.
- vii. Stationery, enough for each inspector/staff ITO.
- viii. Bureau for review of plans. - Plan.

Offices should include electrical service (luminaires and 220 V plugs) and at least two bathrooms according to what is established in the regulations, which will be located outside of the offices. It may accept chemical toilet or other type installed on the outside, available to the contractor for the exclusive use of the Chief Inspector and the staff of the ITO, as appropriate. Notwithstanding the foregoing, the installation of bathrooms must qualify under the indicated in respective Environmental Permits.

In the installation of the contractor's work, there should be, in addition, a meeting room shared with the ITO, with minimal capacity for eight people. This room should be equipped with a main table and chairs, blinds on the windows, air conditioning and heating, whiteboard and markers, white screen monitor for presentations.

All of the furniture must be ergonomically suitable for the work that the inspection team.

The Contractor may implement a system of modular buildings, that meets the functionality described above.

In addition, the Contractor shall provide artifacts and inputs of cafeteria adequate to cover the needs of the staff of the ITO, dispenser for hot and cold drinking water, in general all services necessary for the proper performance of staff.

b) Mobilization

The Contractor shall provide transportation for all the staff of the ITO in the event that the ground of works outside of the urban radius or there is no public locomotion for the inspectors/staff ITO will be moved to or from the site of the works. This mobilization should not be with the vans, and staff may not exercise for chauffeur, except as defined in your contract of employment.

The Contractor shall also provide for the mobilization for the inspectors when they do not have work vehicle and be moved to face-to-face working meetings in a place other than his usual site.

With respect to the use of work vehicles, at least the following staff must have vans to fulfill its functions in the field:

- i. Head of the ITO: 1 truck, in the event that the Head of ITO with inspection of its responsibility in works located in two or more substations, or with works of lines.
- ii. TENDED SUPERVISORY INSPECTOR 1 van, if it is responsible for inspection on distant localized works in more than one substation, or on line works.
- iii. RISKS PREVENTION EXPERT 1 van, if you are responsible for inspection in distant works located in more than one substation, or with works of lines.

These vans must be in adequate conditions for use, have four-wheel drive, double cab, with roll bar interior and exterior, wedges, in addition to complying with the requirements of the area of the prevention of risks of the Owner. They must also include at the Contractor's expense the costs of repair, maintenance, fuel, tolls and all costs involved in the correct use of the same, and must comply with all statutory documentation in force.

For each incorporation of Van, the Contractor shall deliver the history of each vehicle, which will be validated by the Chief Inspector and may suspend or request replacement of any of the vehicles in the event of not complying with be in adequate conditions for use.

The transportation associated with the topography is a resource of that service for which is not considered in the above, however, vehicles must meet the same requirements.

c) Personal computers and printer

All the staff of the ITO must have a personal computer laptop for the exclusive use, with the following minimum requirements:

- i. Windows 8 or higher.
- ii. Office 2010 STD.
- iii. Outlook email.
- iv. Core i3 processor, 4GB RAM, 250GB hard disk.
- v. 17" screen.

In the specific case of the Head of ITO and the staff of the Technical Office, their computers should be in addition with Microsoft Project 2010 or higher and AutoCAD LT 2010 or higher, Processor 3.5 GHz, 500 GB hard drive, such as a minimum.

All computers must have Internet connection with data transfer rate suitable for the normal functioning of the staff.

The ITO must have a multifunction printer, with scanner and photocopied, of the Industrial Type; with supply of paper and ink; including the maintenance, you can print A3 (X17), and networked with the staff of the ITO.

d) Cell phone

All inspectors should have cell phone of exclusive use, in good condition, with adequate coverage to the sector where most of the ITO and a plan of 500 minutes, minimum; its use should be in accordance with the occupational curve of staff.

e) Other

The Contractor must provide elements of Personal Protection Equipment (PPE) for all the staff of the ITO, as established by the regulations in force and the demands of the Owner. Some of these items are listed in the following clause 4.3.7.2 referred to facilities and services associated with the Contractor.

In addition, the Contractor must provide the instruments and tools necessary for the professional performance of the staff of the ITO.

4.3.7.2 Facilities and services associated with the Contractor

a) The Tasks of the Contractor

The Contractor, under its sole responsibility, must design, build, manage, maintain, disassemble and remove from the field all the facilities of work that requires the construction of the Works, which must comply with the Technical Specifications and with the current legislation in that regard.

The Contractor shall be solely liable for any damage claims against the Owner and third parties, caused by inadequate facilities, obliging the fatigues Contractor to rid the Owner and leave it unscathed from any claim in this regard.

The location of the facilities fatigues of the contractor, should be notified to the Chief Inspector for knowledge. This action will not compromise in any way to the owner with the owners of the premises or the relevant authorities.

All services, such as potable water, sewerage, electricity, communications, lighting, liquefied gas, removal of refuse, toilet and surveillance, will be provided by the contractor in charge and cost. These services must comply with the laws or regulations.

The Contractor must inform the Chief Inspector, at least thirty (30) calendar days, the total or partial withdrawal of the terrain of any installation fatigues.

Do not allow the breeding of animals in any sector within the grounds of the Owner or in the areas of bondage.

The Contractor shall provide camps staff who did not mobilize toward their place of residence.

We will not accept the residence in the camps of a number of people higher than the capacity of beds available and enabled, in accordance with the regulations in force in Chile on the Safety and Industrial Hygiene, or by persons outside the Contractor's own work.

b) Safety and Industrial Hygiene

The Contractor shall take all necessary and reasonable precautions to avoid damage to the persons, the works and to public property, of the Owner and third parties.

Throughout the construction period, the Contractor shall be obliged to take the necessary measures to effectively protect the life and health of their workers, workers of the Owner featured in the works or in its immediate vicinity, the workers of their subcontractors, the staff of the ITO and the staff of the technical audit of the Coordinator.

No provision of the contract documents, or decision of the Chief Inspector it will relieve the contractor of this responsibility, nor shall be construed as an impediment to that, at their own expense, install secure access, guards, framings, holds and other elements of a temporary or permanent basis as it deems necessary and appropriate for these purposes.

During the development of the works, the Contractor, its staff and subcontractors, shall adopt and enforce all rules and regulations on Safety and Industrial Hygiene of the Chilean legislation that is necessary and appropriate to safeguard the public and persons working in the works. Shall abide by the laws, rules and regulations for the prevention of risks and special instructions concerning safety and industrial hygiene imparted by the Chief Inspector.

The Owner reserves the right to verify the strict compliance by the contractor, such laws, without that on this particular the Owner assumes no responsibility or liability.

Violation of these rules on the part of the contractor's personnel, or by any of its subcontractors, the Contractor shall be jointly and severally liable with the originator of the infringement.

The Contractor must develop within a period not exceeding thirty (30) calendar days after the date of the Order to proceed, a program of activities for the Prevention of Risks.

This program will contain at least: Array of hazard identification and risk assessment, constitution of the unit for the Prevention of Risks; constitution of the Joint Committee on Occupational Health and Safety (if appropriate); frequency of inspections of equipment and facilities; qualification and competence of staff to develop critical tasks; Prevention Plan for risks KPI.

The contractor will have the necessary elements to combat effectively and in a timely fashion the fires in their facilities and in the premises of the ITO; to do this, install and maintain fire extinguishers or fire water network in proper proportion to their camps, offices, warehouses and fronts of work.

The transportation, air or water of Contractor's personnel shall be made only in means of transport that have the consent of the competent authority.

c) Personal Protection Elements

The Contractor shall provide its staff with the elements of personal protection required according to the nature of the work to play, some of which are listed below:

- i. Safety shoes dielectric, loot and anti-penetrating type plant: Will be mandatory in all the tasks in which there is a risk of injury to the feet from falling material, electrocution or by crushing with materials or equipment.

- ii. Rubber boots (with tip of steel and metal template): Will be mandatory in any task in which, in addition to the risk of injury to the feet, the worker is exposed to excessive moisture on the floor.
- iii. Leather Leggings: Will be mandatory in any task in which there is a risk of burns to the feet.
- iv. Goatskins gloves: (Will be mandatory in any operation in which there is a risk of injury to hands by rubbing, bruises, burns, contact with sharp bodies, bodies, sharp edges, etc.
- v. Neoprene gloves or similar: Will be obligatory operations where there is a risk of injury to persons by corrosive chemical actions.
- vi. Water suits "ar" category 2, for work on substations, power or transmission lines in service: Will be mandatory when climatic conditions or the type of work so require.
- vii. Dielectric glove according to level of tension: Will be obligatory work in lines and electrical installations of low and medium-voltage.
- viii. Cut-resistant gloves: Will be mandatory for the handling of materials where there is a risk of injury to persons by contact with sharp edges.
- ix. Leather Apron: Will be mandatory work of welding or cutting, in La Fragua and other similar jobs.
- x. Eye protection: It will be mandatory to use appropriate eye protectors in those jobs in which there is a risk of injury to the eyes. In addition, it will be mandatory to use facial mask suitable in those jobs in which there is a risk of facial injury product of electrical arcing.
- xi. Hearing protectors: It will be mandatory to use in those jobs where there are noise levels greater than or equal to 85 dba.
- xii. Safety harness: The safety harness will be mandatory in any work that represents a risk of falling at lower levels. If necessary, its use should be supplemented with "life".
- xiii. Class A dielectric helmet or E: It will be of use compulsory throughout the work.
- xiv. Grade 2: Fireproof Clothing It will be mandatory for the income and work in substations that are energized, if required in General Technical Specifications for extension work.
- xv. Other special items of protection: When the type of work so requires, the Contractor shall provide prior to the start of the work, special elements of protection, for the task is effected without risks, such as: bathing suit and hood for sandblasting, Rope for height, etc.

All the elements of personal protection must be in perfect condition for use and must have their date of use in force.

4.4 Monitor the Coordinator and Audit

The coordinator shall monitor and develop compliance audits of the Relevant milestones for implementation of the work (Fined Intermediate Milestones), as well as the general conditions of its implementation, in particular those technical scope of the work set out in the Exempt Decree N°293 and in the relevant Adjudication Decree.

The Coordinator will perform the monitoring and auditing through their own staff or contracted.

The winner of the work and the owner of the facilities that are expanded, must grant all the facilities of access to the work of the Coordinator and staff of the Audit, if applicable. The successful tenderer, the ITO and the owner must provide, in a timely manner, all the information necessary for the supervision of the works.

5 Implementation of the Work

5.1 Direction of the Works by the Contractor

5.1.1 General Responsibilities

The Contractor shall designate a Contract Administrator authority and authorized to act with full powers, responsibilities and obligations on their behalf, and devote all of their time exclusively to contract administration and direction of the execution of the works.

The appointment of the Administrator, the Chief of works and of key personnel of the Contractor in the field, must be approved by the Chief Inspector in accordance with these bases for expansion and the Bases of special execution. The Chief Inspector may withdraw its approval to any of them. The Contractor shall replace the person objected, by a person that meets with the approval of the Chief Inspector, within fourteen (14) calendar days from the date of notification.

Provided that the Contract Administrator temporarily absent from their functions, it will leave a person duly authorized and vested with all its powers, responsibilities and obligations. His appointment must be approved by the Chief Inspector.

It is understood and agreed that has been awarded the contract by virtue of the recognition of the experience of the contractor and of the specialists offered by this in your offer, especially, but not exclusively, the specialists including among key personnel as defined in special execution Bases, and have the appropriate competencies to lead the development of each and every one of the stages of the contract.

Therefore, the Contractor may not change or replace the Administrator, nor to the specialists, and key personnel committed for the execution of the contract, without the authorization of the Chief Inspector, unless there are reasons beyond their control, such as the case that these professionals to renounce the Contractor's plant, a situation that this should strive to avoid, at your expense, doing their utmost efforts.

In the event that originated the event, and having made the Contractor shall use its best efforts, you must assign a temporary replacement within 48 hours following the decoupling. This was followed by a period of no more than 14 calendar days after the Contractor shall propose to the Owner the new Administrator, specialist or key personnel for the respective replacement, presenting at least 2 (two) candidates with experience and qualification at least similar to that of the staff to withdraw from the contract.

The Contractor shall accept without appeal, all the objections are submitted by the Owner, with respect to the participation of any of the identified professionals, regardless of the stage of the development of the works and/or services.

The Owner, through the Chief Inspector, reserves the right to request the removal of any of the professionals of the contractor who have been assigned to the contract, at no cost to the Owner. The Contractor shall

comply immediately to such requests, taking care that the functions are covered in a timely and appropriate fashion, in order to avoid any prejudice to the continuity of the works and/or services.

In addition, the replacements or substitutions proposed by the contractor may be rejected by the Chief Inspector, therefore, the Contractor must inform the designations in prior to and will have a maximum period of 14 calendar days to replace or replace.

It will be the sole responsibility and cost of the contractor, all job responsibilities, social security, civil or criminal proceedings in respect of its staff and subcontractors, for any occupational accident and any damage that might occur with reason or on the occasion of the present Contract, matter in respect of which the contractor declares that it has taken and will keep all security measures and shelter that the nature and circumstances of the works required. In the same way, the Contractor shall be solely responsible for any obligation of legal or contractual order that relates to those, in particular, refers to the regulation of recruitment of foreign personnel; systems of turns and returns to the national staff and abroad.

It is established that the Owner does not have and will not have any employment relationship with the staff indicated in the preceding paragraph.

The contractor is responsible for the redo or re run the works poorly made or poorly executed, rectify and amend the works that require repair, correction or amendment, at its own expense and within the time limits established in the contract.

In addition to the responsibilities of the contractor identified in clause 3.2 of these databases for Enlargement Works, the Contractor's obligations include, but are not limited to:

- A. Perform all the work necessary to prepare, process and manage the approval with the Environmental Assessment Service (SEA), the study or Environmental Impact Statement corresponding to the work, or Letter of relevance if this is the case. This includes the process of land-use change and any other sectorial permission required for the construction and commissioning of works. In addition, you must comply with all the conditions laid down in the Environmental Rating (RCA) of the project, as well as running to its cost and accountability measures for mitigation and compensation that are established in the RCA.
- B. The Contractor shall be responsible for implementing responsible for everything related to safety at work and procedures required by the environmental permits and environmental precautions.
- C. The Contractor shall perform all the work necessary to locate, select, process, acquire and register the land, as well as the concessions and easements as may be necessary for the implementation of the project. The costs of these efforts will be the sole responsibility and charged to the contractor and should form part of the Contract Price.

Both purchases of land such as the concessions and easements shall be made on behalf of the owner of the installation.

- D. The Contractor will prepare the Plans As Built throughout the work. The contractor will also provide any design information required by the Owner. The Contractor shall be responsible for the preparation of the technical specifications and review and correction, if applicable, the basic engineering delivered by the Coordinator. All drawings must be drawn in accordance with the internal rules of technical drawing of the Owner established for the purpose. The delivery of the as-built drawings will be made once the different specialties of labor are phased out (OCCC, assembly,

layout, etc.). All plans as built shall be delivered within a period not exceeding 5 calendar days after the commissioning of the project.

- E. The Contractor shall assure the representative of the Owner and his team, access at all times to the facility. Any person authorized in writing by the Owner will have access to the works. These people have the right to be present during tests and adjustments of equipment and commissioning of facilities and will have access to the test procedures, testing protocols and data. These people also have access to the places that corresponds to check the progress of the manufacture of equipment and materials.
- F. The Contractor shall provide the Owner well in advance, the information dates from the start of the tests of reception in the factory of the teams and the field testing.
- G. The Contractor shall immediately notify the Owner when it happens any damage to equipment, materials, or part of the works, and will deliver shortly a report of damage detailing what occurred, any necessary repairs and the estimate of time to carry out such repairs.
- H. The Contractor must provide the Owner all tests and measurements, laboratory analysis and reports made or prepared for the purpose of the works.
- I. The Contractor must inform the Chief Inspector the beginning of the services and works, by means of a description of the work that has been started and the expectations of development. In relation to the overall organization of the contractor for the administration of the Contract, shall communicate the names of the executives of higher hierarchical level and staff assigned to jobs, as well as the names and professional profiles of each one of them. A similar description shall be required in connection with the services of engineering and environment, where applicable in accordance with the scope of works, works and/or services.
- J. Develop and deliver in a timely manner to the Owner, for submission to the Coordinator, work permits, studies, reports and other material required for the follow-up works, as well as for the disconnections needed facilities in service during the execution of the works and for the commissioning of the new facilities.
- K. Recruit and retain all insurance established in Chilean law and set forth in this document and in the contract.
- L. The Contractor shall provide all the elements of aid for training, whether of the or its suppliers, prior to the start of the training programs. The Contractor must train supervisors of the Owner, operators and technical staff and maintenance, necessary and appropriate to enable them to test, operate and maintain the works in a secure and efficient. The documents and manuals provided must be in the Spanish language, and in in English if the documents and manuals were originally translated from English. The Owner will comment on the training programs within thirty (30) calendar days of receipt and may incorporate modifications.
- M. The Contractor will train staff of the Owner in all matters related to the operation and maintenance of works, in particular for the computers that have a significant importance. This system of training should begin well in advance of the commissioning of works. As a result of the training, trained staff attain self-sufficiency for the operation and maintenance of the works, adequate to operate and maintain regardless the works, including any control system (hardware and software), the latter must be of open access and/or count on the respective licenses delivered to the Owner. The staff will also

be trained to run whatever modifications to the system to allow the incorporation of new facilities in the future.

5.1.2 Special Responsibilities

The Contractor shall provide the Owner the following services:

A. Support for the inspection of the Owner

The Contractor shall provide support to the staff of the Owner who participate in inspections and/or training abroad, either in the offices of the contractor, in the engineering offices or factories. For all purposes of this clause, it will be understood as the Owner's staff The staff of third party companies acting on behalf of the Owner.

The support to be provided by the Contractor is basically to coordinate and obtain in a timely manner to the inspectors of the Owner entrance to the factories and laboratories of the manufacturer and contact with staff of the manufacturer responsible for the provision corresponding to this Contract, as well as obtaining visas and other similar aspects.

B. Facilities for inspection in the field of works.

The Contractor shall provide in the offices of the ITO an office with bathroom for use of the Chief Inspector. It will be of responsibility, charge and cost of the contractor maintenance, repair and replacement of the offices of the inspection and the lodgings as specified in these Terms and Conditions.

5.1.3 Organization and personnel of the Contractor

5.1.3.1 General Information

The Contractor shall maintain, throughout the development of the Contract, conveniently organized the activities entrusted to it, considering the types of works, the duration of these, the geographical location of the works and its complexity, in strict observance to organization charts, description of functions and designation of personnel in charge, committed to their proposal. This requirement is applicable at all levels, including:

- i. Organization of the General Administration of the contract.
- ii. Organization of the contractor at the level of associated companies and with the engineering firms and factories
- iii. Organization of the Executing Agency of the Engineering Services
- iv. Organization for the supply of equipment
- v. Organization for the execution of the works in the field
- vi. Organization of the Office of the Contract Administrator
- vii. Organization for the protection of the Environment and Safety at Work

The identification of the charges in organization charts, must have the same name as indicated in clause 5.1.3 of these bases for extension work.

The relationships within the organization of the contractor should be made according to pre-established procedures and known by the Chief Inspector. In cases where there is organization and procedures manuals, copy of these shall be delivered to the Chief Inspector.

The contractor's personnel and your organization must meet the requirements set out in the Technical Specifications.

The contractor's personnel that will be responsible for the direction and coordination of the Engineering Services must have adequate preparation to develop at least the functions established in the Technical Specifications.

All the staff of the contractor must express themselves fluently in verbal and written in Spanish language. All foreign personnel who run Works in the project must count on the respective work permits in Chile.

Without dependence on the Contractor's worker with the owner, with respect to a breach to the Bidding Rules of this Agreement and/or the Regulations in force, this has the power to require the removal of any person of the manning of the Contractor. This will have a maximum period of forty-eight (48) hours to perform this action, and shall consider its replacement with a professional of at least the same characteristics to those indicated in your proposal.

5.1.3.2 General Administrator of the Contract - PC1/PC2/PC3

The contractor shall appoint a General Manager of the Contract, to represent you with full authority and powers, having to devote all of their time to the administration and management of the contract. The Administrator shall have permanent residence in Chile.

The Contractor, through the representative signing the contract, you will need to formally appoint the administrator, through a public deed with the authority necessary to administer the contract, who will be the sole and official representative of the contractor before the Owner and Chief Inspector until final acceptance of the works.

i. Type I - PC1

Professional Engineer or equivalent, with academic training more than four (4) years of a recognized institution and/or validated by the State. Must have a minimum experience of ten (10) years, of which at least five (5) must correspond to the experience gained on the ground in contract administration construction of high voltage electricity transmission, with engineering and supply of equipment and materials.

ii. Type II - PC2

Professional Engineer or equivalent, with academic training more than four (4) years of a recognized institution and/or validated by the State. Must have a minimum experience of seven (7) years, of which at least three (3) must correspond to the experience gained on the ground in contract administration construction of high voltage electricity transmission, with engineering and supply of equipment and materials.

iii. Type III - PC3

Professional Engineer or equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State. Must have a minimum experience of five (5) years, of which at least two (2) must correspond to the experience gained on the ground in contract

administration construction of high voltage electricity transmission, with engineering and supply of equipment and materials.

5.1.3.3 Chief Engineer - PC4/PC5

The contractor shall appoint a supervisor of Engineering, who will be in charge exclusively of the Engineering Services and reporting to the general administration of the contract. It is not acceptable that this engineer in charge of the direction of engineering belongs to a subcontractor.

The Supervisor of engineering should have all the powers necessary for the direction and coordination of the Engineering Services Contract.

- i. Type I - PC4
Professional Engineer or equivalent, with academic training more than four (4) years of a recognized institution and/or validated by the State. Must have a minimum experience of eight (8) years, of which at least five (5) must correspond to experience in the direction of engineering services in transmission systems of high voltage.
- ii. Type II - PC5
Professional Engineer or equivalent, with academic training more than four (4) years of a recognized institution and/or validated by the State. Must have a minimum experience of five (5) years, of which at least three (3) must correspond to experience in the direction of engineering services in transmission systems of high voltage.

5.1.3.4 Procurement Manager - PC6

The contractor shall assign a responsible for acquisitions, who will be in charge of procurement techniques of equipment and materials, both national and international.

Professional Engineer or equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State. Must have a minimum experience of three (3) years in procurement of supply of equipment and materials, both national and international, for works of power transmission lines in high voltage.

5.1.3.5 Risk Prevention Expert - PC19

The contractor shall assign an expert in the prevention of risks involved from the beginning of the works and until the end of the same, with the powers and resources.

Your role will be to implement and monitor on a frequent basis to enforce existing regulations regarding hygiene, safety and prevention of risks associated with the activities to develop own of this Contract.

The expert in Risk Prevention must have the professional category, according to the nature of the work, provided for in article 9 of the Supreme Decree 40 of the Min. of Labor and enrolled in the records kept by the Health Services, in compliance with the provisions of article 65 of Law 16,744.

This professional must have a minimum experience of five (5) years in works developed in electrical transmission facilities similar to those of this Agreement.

5.1.3.6 Environmental Specialist - PC24

The contractor shall assign an Environmental Specialist of the works, full-time, from the beginning of the works and until the end of the same. This professional must have a direct relationship with the highest authority of the Contractor in field and should advise and develop the following actions, without this list is exhaustive:

- i. Raise awareness in general to the staff of the environmental issue and train staff that eventually is more exposed to this problem.
- ii. To ensure compliance with the provisions of the environmental legislation in force and obtain permits corresponding sectorial.
- iii. Ensure the proper disposal of waste in the work.
- iv. To ensure compliance with the Internal Regulations of the Owner (Environmental Conditions Minimum Standards for Contractors of the Owner or equivalent), if it exists.
- v. To ensure compliance with the Environmental Rating Report on the project.

An Engineer Environmental Specialist or professional equivalent, acceptable to the Owner, with a minimum experience of five (5) years in the specialty of environment, and accredit experiences in project similar to this contract.

5.1.3.7 Senior Field Contractor Staff

The Contractor must have in your organization in the field, as a minimum, the following senior staff, which must have proven experience in tasks with work areas near energized equipment of high voltage (220/110kV) and medium voltage (23/12KV), which will be their own staff subject to contract or fee, it is not acceptable that this senior staff belongs to subcontractors:

A. The head of the building contractor in Land - PC7/PC8/PC9

The contractor will be assigned as Head of the work in the field, with permanent residence in the field of works and exclusive dedication to the present Contract, and shall devote full time to the direction of the construction and assembly of the works.

- i. Type I - PC7
Professional Engineer or equivalent, with academic training more than four (4) years of a recognized institution and/or validated by the State. Must have a minimum experience of eight (8) years, of which at least five (5) must correspond to the experience gained on the ground in the execution of works of high voltage electrical transmission or a professional technical career of three (3) years with minimal experience of twenty (20) years in similar positions, of which at least fifteen (15) must correspond to the experience gained on the ground in the execution of works of high voltage electrical transmission.
- ii. Type II - PC8
Professional Engineer or equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State, with minimal experience of six (6) years, of which at least four (4) must correspond to the experience gained on the ground in

the execution of works of high voltage electrical transmission or a professional technical career of three (3) years with minimal experience of fifteen (15) years in similar positions, of which at least ten (10) must correspond to the experience gained on the ground in the execution of works of high voltage electrical transmission.

iii. Type III - PC9

Professional Engineer or equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State, with a minimum experience of five (5) years, of which at least three (3) must correspond to the experience gained on the ground in the execution of works of high voltage electrical transmission or a professional technical career of three (3) years with minimal experience of twelve (12) years in similar positions, of which at least eight (8) must correspond to the experience gained on the ground in the execution of works of high voltage electrical transmission.

B. Programming and Quality Supervisor - PC10/PC11/PC12

The contractor shall appoint a supervisor of Programming and Quality, who will be in charge of programming, control and quality of the work, in addition to preparing the Authorizations of jobs (AT) to intervene in facilities in exploitation, provided that they comply with existing regulations and will not be rejected due to errors or lack of background. The charge must have permanent residence in the field of works and exclusive dedication to the contract.

i. Type I - PC10

Professional Engineer or equivalent, with academic training more than four (4) years of a recognized institution and/or validated by the State. Must have a minimum experience of five (5) years in programming and control of works of high voltage electrical transmission.

ii. Type II - PC11

Professional Engineer or equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State. Must have a minimum experience of five (5) years in programming and control of works of high voltage electrical transmission.

iii. Type III - PC12

Professional Engineer or equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State. Must have a minimum experience of three (3) years in programming and control of works of high voltage electrical transmission.

C. Supervisor of mounts of PCS 13/PC14

The contractor shall assign a supervisor of mounts to teams in the place of the works, with permanent residence in the field during the development of the specialty, with exclusive dedication to this Contract.

i. Type I - PC13

Electrical Engineer or professional equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State, with a minimum experience of five (5) years obtained in field in assembly of equipment in works of high

voltage electrical transmission or a professional technical career of three (3) years with minimal experience of fifteen (15) years in similar positions of which at least ten (10) must correspond to the experience gained on the ground in the execution of works of high voltage electrical transmission.

ii. Type II - PC14

Electrical Engineer or professional equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State, with minimal experience of three (3) years obtained in field in assembly of equipment in works of high voltage electrical transmission or a professional technical career of three (3) years with minimal experience of ten (10) years in similar positions of which at least six (6) must correspond to the experience gained on the ground in assembly of equipment in works of high voltage electrical transmission.

D. Supervisor of Civil Works and installation of structures PC15/PC16

The contractor shall assign a supervisor of Civil Works and installation of structures in the works, with permanent residence in the place of the works throughout the execution of works, with exclusive dedication to this Contract.

i. Type I - PC15

Civil Constructor or professional equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State, with a minimum experience of five (5) years obtained in field in the construction of high voltage electrical transmission or a professional technical career of three (3) years with minimal experience of fifteen (15) years in similar positions of which at least ten (10) must correspond to the experience gained on the ground in the construction of high voltage electrical transmission.

ii. Type II - PC16

Civil Constructor or professional equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State, with minimal experience of three (3) years obtained in field in the construction of high voltage electrical transmission or a professional technical career of three (3) years with minimal experience of ten (10) years in similar positions of which at least six (6) must correspond to the experience gained on the ground in the construction of high voltage electrical transmission.

E. Supervisor of tended line - PC17/PC18

The contractor shall assign a supervisor of Line Routing for the monitoring function and route drivers of high tension line, with permanent residence in the place of the works and exclusive dedication during the development of the specialty of layout of driver.

i. Type I - PC17

Civil Constructor or other equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State, with a minimum experience of five (5) years obtained in field in tended for drivers of works of high voltage electrical transmission or a professional technical career of three (3) years with minimal experience of fifteen (15) years in similar positions of which at least ten (10) must correspond to the experience gained on the ground in tended for drivers of works of high voltage electrical transmission.

ii. Type II - PC18

Civil Constructor or other equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State, with minimal experience of three (3) years obtained in field in tended for drivers of works of high voltage electrical transmission or a professional technical career of three (3) years with minimal experience of ten (10) years in similar positions of which at least six (6) must correspond to the experience gained on the ground in tended for drivers of works of high voltage electrical transmission.

F. Control Supervisor, protections and Telecommunications PC20/PC21

The Contractor shall assign a Control Supervisor, Protections and Telecommunications with permanent residence on the ground and exclusive dedication in the commissioning of the Contract. Its function is to direct and coordinate the execution of engineering activities (design), construction (mounting and wiring), testing and commissioning (logging) and commissioning of systems of control, protections, telecommunications and SCADA systems.

i. Type I - PC20

Electrical Engineer or professional equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State, which has a minimum experience of seven (7) years obtained in the field for the design, implementation, monitoring and commissioning of systems of control, protections, telecommunications and SCADA systems.

ii. Type II - PC21

Electrical Engineer or professional equivalent, with academic training of not less than four (4) years of a recognized institution and/or validated by the State, which has a minimum experience of five (5) years obtained in the field for the design, implementation, monitoring and commissioning of systems of control, protections, telecommunications and SCADA systems.

G. To Request - Surveyor PC22

The contractor shall assign a surveyor, being its role providing technical information to request topographic in various stages of construction of the project. This function must have their own staff to support their activities and technical instrumentation according to the characteristics of the works, with the calibrations and certifications in force. This professional must have a minimum experience of seven (7) years in topographic control activities of works of high voltage electrical transmission.

H. In charge of negotiations and Access Permissions - PC23

The contractor shall assign as responsible negotiations and Access Permissions with permanence and dedication at the request of the work. Your role will be to interact permanently with the owners affected by the passage of the line, in order to facilitate the accesses of the personnel of the work to the premises concerned, to ensure good understanding between the contractor and owners, should anticipate situations of impediments to access to land. This professional must have a minimum experience of three (3) years in negotiations of access permissions and servitude of power transmission lines of high voltage.

5.1.3.8 Subcontractors

The contractor may subcontract parts of those services, works and/or work detailed in your offer. Similarly, you may use only the Subcontractors declared in its offer, in accordance with the general administrative databases.

The contractor shall report formally to the Owner outsourcing of services, as well as the procurement of supplies, at the start of each of these services and, according to the Master Program of works; making him reach the contractual documentation detailed backup in each case, which should at least contain: Contract or document that replaces it, scope, start date and term. The non-delivery of this information will be considered a serious breach of contract.

The change of any subcontractor by decision of the Contractor shall be exceptional, and in that case, it must be justified and subject to prior approval and written of the Chief Inspector for compliance reasons of the contract and of hygiene and safety standards in the works. Before an eventual replacement of a subcontractor, if approved, will be exclusively by another that meets the specifications of quality and experience required for the contract.

To outsource any part of the services, works and/or work of the contract that has not declared in your offer as sub-contract, the Contractor must have the prior approval and written of the Chief Inspector. To do this, shall submit in writing to the Chief Inspector, the basis on which will be awarded the subcontract, the nature and extent of the work and supplies consulted in the new subcontract requested, and subsequently, the name and background to ensure the capacity and expertise of the subcontractor. The Chief Inspector shall inform, counterfeit, the rejection or approval of the new proposed subcontractor.

5.1.3.9 Compliance with Labor and Provisional Legislation including legislation of work accidents.

The Contractor shall at all times comply and respect as stipulated in the Labor Code in force, as their modifications and complementary legislation, in particular Act No. 16744 and its regulations and must consider and fulfill any change that applies to this legislation or regulation.

In exercise of the right of information, the Contractor shall be obliged to submit monthly reports to the Chief Inspector, in accordance to the Law No. 20,123, the certificates on compliance of labor obligations and/or pension payments issued by the Labor Inspectorate or by authorized companies. These certificates should include sufficient information regarding the amount and status of compliance with labor and social welfare obligations in respect of its dependent workers, as well as all dependents of the subcontracting chain.

Notwithstanding the foregoing, the Contractor authorized by this Act to the Owner, to audit compliance directly this labor and social security contributions and at any time require the Contractor all the background

information it deems necessary with respect to the contractor with its workers and all its subcontracting chain to verify the fulfillment of the obligations referred to above.

5.1.3.10 Service of Labor Control.

In order to expedite the review processes of compliance with labor and social security contributions, and in exercise of the right of information on the part of the Owner, the Contractor must hire their cost, and include it in the price of your offer, a service of labor and social security contributions, control of the whole chain of subcontracting, executed by an expert company. The undertaking shall audit compliance with all labor and social welfare obligations that correspond to the contractor of the Owner in respect of their dependents and the whole of the subcontracting chain, according to regulations and the enforcement of labor laws. The Contractor shall grant permission for the company that runs this service of labor control report directly to the Owner on a monthly basis, the results of the review.

5.1.4 Book of Actions

With respect to any claim that can be deducted against the Owner by any employee, former employee of this or their heirs, the object of which is to obtain compliance with the labor obligations or to pensions, it is understood that the Owner reserves the right to operate against the contractor for its direct responsibility derived from the labor regulations. Consequently, the receipt to be signed between the Parties shall not extend nor shall comprise such obligations, always the Owner repeat against the contractor in the event that the liability or subsidiary of the Owner.

5.1.5 Medical Care

A. Room service First Aid Assistance

The contractor will provide emergency medical assistance to its staff and the staff of their subcontractors to the staff of the Chief Inspector, for which you will need to have in the field of works a service of first aid assistance, or may conclude agreements with mutual funds or specialized institutions that provide that service on the job.

B. Transfer of patients or accidents at work

In accordance with current legislation, the Contractor shall have in the field of works in the appropriate ambulances to provide shuttle service to sick or injured at work to the health care centers closer, or will sign an agreement with some specialized institution to provide that service.

C. Attention in Care Centers

The Contractor will sign agreements with mutual funds or specialized institutions for the care of common illnesses and accidents in the work of its workers or will have their own means which, in the opinion of the Chief Inspector, to release the contractor to sign such agreements.

D. The work fronts

The Contractor shall have first aid kits and stretchers on all fronts.

The quantity and quality of the means to care for sick and injured people who must have the Contractor in ground must be compatible with local conditions, the regularizations and legislation and in accordance with the bases of special execution.

The contractor will provide emergency medical assistance to its field staff consisting of the maintenance of a first-aid post in the place of the works, or will sign agreements with some mutual or institution specializes to provide this service, keeping the Contractor its responsibility on this matter.

This post shall comply with the following requirements:

- a) Being under the responsibility of a practitioner or nurse with experience, authorized by the Health Service, hired full time.
- b) To have a suitable premise, composed of at least, desk, chairs, washing, medicine cabinet, a showcase for instrumental, etc., and a piece of emergency or control, with the purpose of keeping under observation and treatment to a patient until it is transferred or discharged. This room must have suitable hygienic services.
- c) To provide the equipment, instruments and medicines necessary for the attentions of the most frequent emergency (trauma, shock, hemorrhage, etc.).

In addition, the Contractor shall have an ambulance authorized by the appropriate health service, for the transfer of sick or injured at work, the health care center nearest you. The ambulance must be available permanently, except when there is no staff working in the contract works. The contractor may enter into agreement with some specialized institution to provide this service, but keeping his responsibility for operation of the service.

5.1.6 Industrial Safety and Hygiene

The Contractor shall take all necessary and reasonable precautions to avoid damage to the persons, the works and to public property, of the Owner and third parties.

Throughout the construction period, the Contractor shall be obliged to take the necessary measures to effectively protect the life and health of their workers, workers of the Owner featured in the works or in its immediate vicinity, and of the workers of their subcontractors.

No provision of the contract documents, or decision of the Chief Inspector it will relieve the contractor of this responsibility, nor shall be construed as an impediment to that, at their own expense, install secure access, guards, framings, holds and other elements of a temporary or permanent basis as it deems necessary and appropriate for these purposes.

During the development of the works, the Contractor, its staff and subcontractors, shall adopt and enforce all rules and regulations on Safety and Industrial Hygiene of the Chilean legislation that is necessary and appropriate to safeguard the public and persons working in the works. Shall abide by the laws, rules and regulations for the prevention of risks and special instructions concerning safety and industrial hygiene imparted by the Chief Inspector.

The Owner reserves the right to verify the strict compliance by the contractor, such laws, without that on this particular, the owner assumes no responsibility or liability.

The Violation of these rules on the part of the contractor's personnel, or by any of its subcontractors, the Contractor shall be jointly and severally liable with the originator of the infringement.

The Contractor must develop within a period not exceeding thirty (30) calendar days after the date of the Order to proceed, a program of activities for the Prevention of Risks.

This program will contain at least: Constitution of the unit for the Prevention of Risks; constitution of the Joint Committee on Health and Safety; preparation of the Internal Rules of Order, Hygiene and Safety; frequency of inspection equipment and facilities.

The contractor will have the necessary elements to combat effectively and in a timely fashion the fires in their facilities; to do this, install and maintain fire extinguishers or fire water network in proper proportion to their camps, offices, warehouses and fronts of work.

The Contractor shall provide your staff with the elements of personal protection that the nature of the work required.

The transportation, air or water of Contractor's personnel shall be made only in means of transport that have the consent of the competent authority.

5.1.6.1 Order and cleanliness

All actions and procedures of the contractor in this aspect should be done under strict compliance with the provisions of the Internal Regulations of the Owner thereon (Minimum Environmental Conditions for Contractors) and in the study or Environmental Impact Statement approved by the sea. The excess material or disused shall be removed from the work fronts, thus preventing accumulations that obstruct the rapid transit of people and teams.

5.1.7 Work shifts and work schedules

At the beginning of the works, the Contractor shall inform the Chief Inspector schedules and work schedules that will develop in the works. Any changes that you want to do to the calendar and schedules in effect authorized, shall be reported to the Chief Inspector with fourteen (14) calendar days in advance, except in cases of emergency in which this term may be smaller.

The modalities of work schedule, schedules, shifts and relays, distribution of days and rest, etc., must be previously informed the Chief Inspector and to comply with the legal provisions in force and be approved by the competent authority.

5.2 Construction Plant

The Contractor shall be responsible for providing the entire plant of construction that requires for the proper execution of works.

The Contractor will only lead to the field of construction equipment in good mechanical condition and must keep it operable. The Contractor shall replace all equipment that the Chief Inspector considers that is ineffective or inappropriate for the normal development of the works.

No part of the plant for the construction of the contractor or Subcontractors may be withdrawn from the ground without the prior written consent of the Chief Inspector.

5.3 Construction Materials

The Contractor shall be responsible for the timely provision of construction materials that are necessary for the proper execution of works.

No construction material may be removed from the field by the Contractor or subcontractors without the authorization of the Chief Inspector.

The building materials that will provide the Contractor shall comply with the specifications stipulated in the contract or in the Technical Specifications.

The Contractor shall replace, building materials which do not fulfill the conditions stipulated in the contract, or good engineering practices, workshop, or construction.

5.4 Local use Rules

5.4.1 Restriction of movement

The entire plot area will be restricted. The Owner may install control barriers in access roads. The existence of these barriers of control of the Owner does not relieve the contractor of any of its obligations under the contract in relation to the care and supervision of the works.

The barriers of control that install the Contractor shall first be reported to the Chief Inspector and operated in a manner that does not interfere unnecessarily or unduly the transit. The Contractor may not restrict the movement of staff or equipment from other contractors who are working in the area.

When, for reasons of work, staff, or the contractor's team will pass through areas of work of other contractors or third parties, shall abide by all the rules that govern in these areas, in such a way as not to cause any damage or problems.

The Chief Inspector may establish areas of restricted circulation in the area of the contract works for the staff and equipment of the contractor and of third parties.

The Contractor shall be responsible for preventing the entry and keep out of the ground to all those people that are not duly authorized to do so, pursuant to the contract.

The areas of work within the substations will be demarcated and indicated to the satisfaction of the operation/inspection of the Owner, to avoid that the contractor's personnel transiting through unauthorized areas.

In addition, for the realization of any work in the facilities of the Owner or in its vicinity, the contractor and his staff should stick to what sets the General Technical Specifications, procedures for work permits from the Owner and any other instruction on this subject that imparted by the Chief Inspector.

5.4.2 Identification of the Contractor's Personnel

The Contractor shall establish a system of identification for its staff, which will include a visible badge that identifies them as such; this flag must be approved by the Chief Inspector. The staff shall, in addition, possess their respective identity card or passport.

In addition, for the realization of any work in the facilities of the Owner, the Contractor shall deliver to the Owner a list of personnel that will enter its precincts.

This list will be delivered to the Owner for their knowledge and observations. Each list must contain the following background:

- i. Full name and
- ii. Number of Identity Card or passport
- iii. Home
- iv. Profession or Trade
- v. Work assigned by the contract
- vi. Date of the Contract of Employment

The entry of any contractor staff to venues of the Owner must be authorized by the Chief Inspector, for which it will follow the same procedure described above.

The contractor shall report monthly to the Chief Inspector staffing (Income and Expenses).

5.4.3 Visits to the Works

A. General Information

The regulation and control of access of field visits of the works it is the responsibility of the organization of the contractor, who must adhere to the rules laid down in these bases for expansion and to which your opportunity to deliver the Chief Inspector.

B. MOVEMENT OF PEOPLE

The contractor shall delimit, signal and warn, cloths, patios or positions that are in exploitation and energized and that they are not involved in the project.

Additionally, you should consider the following, as relevant to the movement of persons:

- The staff of the plant of workers of the Owner and Chief Inspector has credentials that identifies it as such and can move in all sectors of the terrain of the works without restrictions.
- Contractors and subcontractors of other works or services for the Owner and Chief Inspector have credentials that identify them, pointing out to them the contract or service they provide and the deadline and validity of the same. The displacement of this staff within the field of the works is restricted to the sectors in which should provide their functions or services.

C. Visits of the Owner

Persons invited by the Owner can travel to the field of the works provided they are accompanied by a supervisor of the organization of the Chief Inspector.

D. COORDINATOR'S VISITS

The persons designated by the Coordinator to visit works can travel to the field of the works without restrictions, accompanied by a supervisor of the organization of Chief Inspector or of the ITO.

E. VISITS AUTHORIZED BY THE CONTRACTOR

The staff from outside the organization of the contractor must certify, if necessary, that is authorized by the Contractor to visit the works or, failing that, to be accompanied by a representative of the organization.

F. VISITS OF AUTHORITIES

The visits of government authorities, embassies, institutions or State enterprises, social communication, etc., which take place at the initiative of the Contractor shall be informed and justified the Chief Inspector with reasonable advance notice. This information shall include a list of the people who will visit the works, opportunity, program of the visit and other relevant background information.

In the event that authorities are submitted to visit the construction site without notice, the Contractor must inform this situation immediately to the Chief Inspector, giving the facilities of the case to these visits.

5.4.4 Control Gate

The Contractor shall install at your own expense and cost a toll booth on goal in the land of the work, for the control of their staff and the access to the venue where you will carry out the works, during the 24 hours a day.

For the control of input and output, both staff and own as their subcontractors, the Contractor shall have charge and cost of necessary personnel, sufficient and appropriate to exercise this control.

At the door of control will maintain a current list of staff in contractor's work. The entry of this authorized personnel, the person in charge of the control of entry will ask each person entering the grounds of the works, his identity card, which will be returned on departure.

The Owner will notify the Contractor of the staff of the inspection of the Owner, authorized to enter and circulate in the area of the works.

5.5 Protection of the Environment

The contractor will be responsible for the environmental processing of the project, with regard to their processing, processing and obtaining all relevant environmental permits for the development of the same.

In the same way, the Contractor shall be responsible for their actions and that of his staff and/or subcontractors to comply with all the rules, and regulations and environmental resolutions applicable to any activity that should be developing with the purpose of this Contract. This includes the activities carried out within the grounds of the works and other facilities of the Owner, the related for example to the transport and staff housing, transport and storage of materials and equipment, elimination of solid and liquid waste from any point related to the work, garbage, etc.

In particular, the contractor and his staff have an obligation to know and comply with all the conditions, recommendations and environmental commitments that have been established for the development of the project at all stages of their development. In the same way, must comply with environmental regulations, whether indicated in the environmental processing of the project.

In addition, the Contractor shall apply to the works the internal regulations of the Owner that establishes guidelines for the development of any project of the Owner. This includes all mitigation measures and environmental commitments set out in the EIA, day and/or RCA to be carried out during the term of the contract until final acceptance of the works.

5.5.1 Obligations and responsibilities of the Contractor in environmental matters

These obligations apply to every contract, independent if the Contractor has made and/or managed or not within the scope of the study or Environmental Impact Statement:

- A. The contractor will be responsible for processing and obtain all permits and environmental authorizations that require the works, as well as abide by the obligations which are contained in them.
- B. The contractor has the obligation to know, apply and enforce all environmental commitments, and mitigation measures, restoration and compensation stipulated in the Environmental Impact Study, Environmental Impact Statement or Exempt Resolution Environmental Rating Report on the project to its charge. It is the responsibility of the contractor that his entire command hierarchy is in full knowledge of these matters, to enforce them by all staff.
- C. Respond to any fine or legal action arising from non-compliance with the requirements and prohibitions contained in the documents mentioned above, especially if in the course of the proceedings should be gravely affects protected areas such as National Parks or National Reserves, areas of scientific interest, protection areas, tour desk, etc.
- D. The Contractor must train all staff in general environmental aspects, such as the respectful attitudes with the environment and its protection (handling of fuels and lubricants, proper disposal of domestic and industrial waste, disposal of remains of concrete, not to destroy the flora or fauna, not to contaminate the waters or soil, etc.), unrestricted compliance express prohibitions (not smoking, lighting fires, etc.).
- E. The Contractor shall implement and apply all those measures aimed at protecting the flora, fauna, soil, landscape and cultural resources that are required by the studies specified above. In the event of a contravention, you must assume at your own cost measures of restoration or mitigation that the Owner or the environmental authority shall determine, as the case may be the lack (complete restoration of areas destroyed by error or negligence, transplanted of species affected by works, compensation for environmental damage, collection and removal of debris scattered, etc.).
- F. If by neglect or negligence, the Contractor is responsible for the destruction of part or all of a site or archaeological site, you must assume the costs of legal actions and/or fines associated with this fact, together with the financing of expertise and possible restoration work that the relevant authority deems necessary.

- G. Give all facilities to place at the disposal of the environmental authority, of the holder or their delegates technical personnel necessary to be able to make full use of its control functions of the work.
- H. The Contractor shall, at the beginning of their works, shall submit for review of the Owner, an Environmental Management Plan, where you specify the measures to be taken and the resources that will handle in order to comply with the provisions of this chapter.
- I. The Contractor shall implement the commitments arising from the resolutions of the sea.
- J. The contractor to your whole cost, must take reasonable steps to protect the environment in the area of the works.
- K. The Contractor shall provide a fire brigade, according to standards of CONAF for the risks of forest fires.

5.5.2 Law No. 19,300

The Contractor must comply with all the provisions of the law 19,300 on General Bases of the Environment, their modifications and their regulation.

The Terms of Reference should consider the minimum contents indicated in the Law No. 19,300 and its Regulation and, in addition, shall include a detailed description of the rationale for the development of an Environmental Impact Statement instead of an Environmental Impact Study.

Similarly, the Contractor shall describe in detail the justification submitted to the Environmental Assessment Service (SEA) a letter of relevance for a ruling, as to whether the expansion project is in the obligation to submit to the SEIA prior to their implementation.

5.5.3 Protection of the Environment

The Contractor, to your whole cost, must take reasonable steps to protect the environment in the area of the works and its surroundings, for which shall be made in accordance with the general rules of these bases for extension works, to impose the legislation in force, at the Contract, to the requirements of the Environmental Authority, to the domestic legislation of the Owner thereon, to the provisions of the databases, and special execution to any instructions that opportunity the Chief Inspector.

5.5.4 Environmental Damage

The Contractor shall release and indemnify the Owner of all injury caused by acts or omissions that are attributable to him or to their workers, by which the Owner was convicted, fined, or had to pay a sum of money, under any title, and involving a breach of its obligations including, but not limited to, any total or partial shutdown of the works and/or services, for violation of the rules for the protection of the environment. In the event that the Owner would have to pay as a result of damage to the environment caused by the Contractor, their dependents or subcontractors, the Contractor agrees to reimburse all payment made by this concept.

5.5.5 Environmental Management Plan

The contractor shall deliver, thirty (30) calendar days before starting any work on the or the sites of the work, an Environmental Management Plan, which detail the implementation of the obligations of environmental protection.

This plan shall be developed in accordance with the present rules of execution for Enlargement works and Special Implementation Rules at least as indicated in the RCA corresponding to the project. In addition, shall draw up a monthly report of environment and all those involved in the RCA reports that are requested by the Superintendence for the Environment or the respective authority.

5.6 Articles of Interest or Geological or Archaeological Value

All fossils, valuable items or antiques and other remnants of objects of interest or value geological or archaeological site discovered in the field by the contractor, shall be considered as discovered by the Owner. In the face of such findings, both the contractor as the Owner shall proceed in accordance with the provisions of Law No.17.288 on National Monuments of 4 February 1970 and its Regulations contained in the Supreme Decree of the Ministry of Education N°484 of 28 March 1990. Immediately that these species are discovered, the Contractor shall comply with the legal regulations cited above; take all reasonable precautions to prevent its staff or other persons to take or damage such species and warn the Chief Inspector.

5.7 Signs or Notices

The Contractor may not install any sign or notice without the authorization of the Chief Inspector, except that the Contractor deems necessary for security reasons, transit, or to identify the main parts of works and installations of camp.

You will not be able to take any photograph, video or film of commercial nature in the field without the prior written consent of the Chief Inspector.

All pictures, videos, movies, press articles and notices that the contractor wishes to publish with reference to the contract and to the works, shall be subject to the prior approval in writing by the Chief Inspector, during the construction of the works, or of the Owner after retiring from the ground.

5.8 Tests and trials in the field

5.8.1 Cost of the samples

All samples for quality control must be provided by the contractor in charge and cost. Equally, they will be in charge and cost of the Contractor the proficiency testing that should render its qualified personnel.

5.8.2 Cost of tests and trials

Tests to check if the execution of a work finished or partially finished is suitable or not, shall be borne by the Contractor.

If the Chief Inspector ordered any test or rehearse that is not considered in the contract or, being specified in the contract, be effected by an entity other than those specified, or arrange for its implementation in accordance with other methods or procedures, the cost of such tests or trials will be borne by the Contractor.

5.8.3 Inspection of the tests and trials

The removal of the samples and all tests and tests provided for in the contract, shall be made in the presence of the Chief Inspector or an Inspector duly authorized by it.

Before starting any part of a work, the contractor must agree with the Chief Inspector in advance you must inform you of the date of completion of a test or rehearse.

The Owner may order, with the contractor, the repetition of a test or try of any nature which has been implemented without the presence of the Chief Inspector.

The contractor will be able to run without the presence of the Chief Inspector, only trials or tests that the expressly authorizes in writing.

In all the tests and trials carried out in the contract, the contractor must issue an act or protocol in which certify the conditions and objectives of the rehearse or test, the measures undertaken and results achieved.

The contractor must adhere to the indications and consider the comments that the Chief Inspector perform to any aspect of the tests and trials, such as: the methods, standards, equipment and instruments, personnel, sampling, results reporting, etc., including the repetition of tests and trials if, in the judgment of the Chief Inspector, as necessary. All the above shall not entitle the Contractor to increases of deadlines or increase in the Contract Price.

The execution of tests or tests does not release the contractor in any way to the responsibilities imposed by the contract on the material, structure, or part of the Work, tested or tested.

5.9 Errors in the Implementation of the Works

5.9.1 Errors

The Chief Inspector during the execution of works may order, whenever necessary, as follows:

- a) Remove from the Field, within the period indicated in the respective order, any equipment or material which, in his opinion, are not in agreement with what is specified in the contract documents.
- b) The substitution of equipment or material rejected by equipment and suitable materials.
- c) The demolition and adequate reconstruction, however, any test or provisional payment already made, of any part of the works which, in the opinion founded of the Chief Inspector has not been executed with the equipment, materials or quality of workmanship stipulated in the contract.

In the event of refusing the contractor to fulfill those orders, the Chief Inspector may order the execution of these works with staff from the Owner or to contract and pay for third parties to carry out such demolitions and reconstructions. The expenses incurred by this concept shall be borne by the contractor and will be charged by the Owner or deducted from any amount that the Owner due at that time or may owe in the future. No increase in term to the contractor because of the need to carry out demolitions or repair works in used equipment, materials or workmanship defective or lower quality than specified, or that have not been carried out in accordance with the contract.

Up to the time of redo any part of work found defective, the Owner shall have the right to use it under the responsibility of the contractor and without that use affects the rights of the Owner. However, the Contractor may claim exemption from this responsibility, communicating to the Chief Inspector in writing that in his opinion the work or work may not be used without incurring risks for people or works.

5.9.2 Covered Works

- a) You will not be able to cover or hide any part of a work without the knowledge of the Chief Inspector, the Contractor shall provide the facilities and opportunities to examine and measure all the works that should be covered or hidden, particularly the foundations, prior to the construction of permanent works on them.
- b) The Contractor shall notify in advance of the Chief Inspector when such works ready for consideration.
- c) The Contractor must discover any part of the works, practice openings and investigate the cause of any defect, imperfection or error in the works in accordance with the Chief Inspector ordered, leaving everything in good condition, in the opinion of that, after making such investigations.

The expenses incurred by this concept shall be borne by the Contractor and shall not have the right to request increases in term.

5.10 Rethinking the Works

5.10.1 The Responsibility of the Stakeout

The Chief Inspector shall provide the Contractor a single point of reference for the contractor to perform all uprisings and topography studies required for the contract works. The Contractor shall perform, at your expense and cost, among other activities, the staking, obtaining the coordinates and dimensions of the vertices of the triangulation and leveling of the monoliths, required in the area of the works or adjacent to it.

The Contractor shall be solely liable for the correct rethinking of the works.

The Contractor must rethink their cost all reference points and axes which are necessary for the proper execution of works; take all necessary precautions to prevent the removal or alteration of the references provided by the Chief Inspector, and shall be responsible for the consequences of such removals or alterations, as well as the correct refitting them.

5.10.2 Stakeout Errors

If at any time during the execution of the works, the Contractor discovers an error in the location, slope, leveling, dimensions or alignment of any part of them, shall immediately report the incident to the Chief Inspector and rectify such error to its cost and in a manner satisfactory to the Chief Inspector.

5.10.3 Verification of the stakeout

The works must rethink to the satisfaction of the Chief Inspector, but the acceptance on the part of the Chief Inspector shall not relieve the contractor of any of its responsibilities in relation to the contract. The Chief

Inspector may require the contractor to make a verification of the restated in his presence or within the person that the Chief Inspector designated by him.

The Owner will not make any payment for expenses incurred by the Contractor for the verification of the chapter, or by the checks or required by the uprisings Chief Inspector.

5.10.4 Cessation because of mistake in the stakeout

The Chief Inspector may order the suspension of any work if points of location and contour, mentioned by the Contractor, are not adequate to check for work performed or not running, or to obtain an accuracy that is within the permitted tolerances in the contract.

5.10.5 The monoliths and other references

The Contractor shall build, at your expense, in accordance with the technical specifications applicable to all the monoliths as may be required to rethink the support points are required in order for the execution of the works. Also, during the execution of the works, the Contractor shall, at the request of the Chief Inspector, you will need to build additional monoliths, leveled, and in general all elements that are necessary to control dimensions, materialize, shaft or other purposes of topography of control. The Contractor shall take all necessary measures to protect these references and in case they are damaged, the replenishment will be your responsibility and cost. The data, values and other topographic driving of the contractor, the Chief Inspector deems necessary to know, shall be delivered by the Contractor when prompted. You should exercise particular care in that the information requested always reflects the degree of precision with which measures have been made.

5.11 Subcontracts

To outsource any part of the works of the Contract, the Contractor must have the prior approval and written of the Chief Inspector.

The Contractor shall submit in writing, for knowledge of the Chief Inspector, the basis on which will be awarded the subcontract, the nature and extent of the work and supplies consulted in the subcontract and subsequently, the name and background to ensure the capacity and expertise of the subcontractor.

When the contractor to obtain authorization to outsource part of the works, this authorization shall not relieve the contractor of any obligation or liability referred to in the contract, and forcing him to meet the demands imposed by the Owner under the Law 20,123 and its right of retention.

Nothing contained in the contract or in the subcontracts will create any contractual relationship between the subcontractors and the Owner. Furthermore, the Contractor shall be solely responsible for paying to each subcontractor.

The Contractor shall be responsible to the Owner of the acts, defects or omissions of its subcontractors, and agents and staff of its subcontractors, in the same way as if such acts, defects or omissions due to the Contractor, its agents or its staff.

The provisions of the subcontract must be consistent and compatible with the terms of the contract.

5.12 Parallel Contracts

The Owner will be able to contract or to execute itself other works in the field. By virtue of the foregoing, the Contractor shall incorporate in the Contract Price interference that such work will result in the execution of the works.

The Contractor shall ensure that they do not suffer damage, on the part of its agents, the facilities owned by other contractors and the works performed by them.

The Contractor shall take the necessary measures in order not to impede the work of other contractors or the Owner and give the facilities that are required to their normal development.

The Contractor will give free access and allow the circulation in all areas of the works in the field, the staff to run other contracts, required for work reasons.

The Contractor shall be responsible for the proper coordination of its work with those of other contractors. Not proceed any application or claim based on delays that have occurred due to lack of coordination.

The differences or conflicts between contractors in relation to their jobs or with their coordination will be arbitrated by the Chief Inspector.

When any part of the works depends on other contractors for its timely or proper execution or completion, the Contractor shall inform in writing the Chief Inspector, as soon as possible, of any defect or delay in the works executed by other contractors, or any other circumstance which prevents or hinders the proper execution of works.

If the Contractor does not report with opportunity to the Chief Inspector, you will not be able to claim for delays attributable to those causes.

5.13 Communications and notifications between the Owner and the Contractor

The relations and communications between the Owner and the Contractor shall be valid only for the purposes of the contract when conducted in writing between the Chief Inspector and the Contract Administrator.

The Contractor will extend its official correspondence to the main offices of the Chief Inspector and, if you wish, you will be returned a signed copy as proof of receipt. The Contractor shall arrange or establish a central office of receipt of official correspondence, also taking a certification procedure in respect of the documents received.

The Contractor shall have in the field a Book of Works exclusively for record aspects of field activities in the field of construction, in which the Chief Inspector and the Inspectors recorded their comments, instructions, records, decisions, and most important details of the works. The contractor may enter in the Book of Works, their own observations, comments or disagreements with regard to the annotations made by the inspectors. The Administrator of the Contract by the Contractor and the Chief Inspector shall sign each annotation accusing knowledge.

The Book of Works will be numbered and each folio will consist of three sheets:

- a) An original that will be delivered to the Chief Inspector.
- b) A copy that will be delivered to the Contractor.
- c) A copy that will remain in the Book of Works.

Can be used as a means to replace the Book of Works already mentioned, a book of Digital Works (LOD), which may be defined in the Special Administrative Databases.

Periodically the Chief Inspector and the Contract Administrator will meet to analyze the observations of the Book of Works.

In the field of the Works the Contractor must meet the needs of internal communications and direct them on their own, independently of the resources, systems, frequencies and other facilities that has the Owner.

For these purposes, the Contractor must install their radio or telephone equipment and manage by itself the concessions of radio frequency you need, at your expense, and without the involvement of the Owner.

The Contractor shall allow a reasonable use of their handsets on the part of the Chief Inspector and other persons authorized by him.

5.14 Technical and Administrative Reports

The Contractor shall have in the work a technical office of planning and control, with specialized personnel and trained for planning, scheduling and controlling the execution of the works.

The Office must be able to deliver information in the form, timeliness and frequency that the Chief Inspector shall determine. In addition, you must provide all information of a technical and administrative nature, it is necessary to verify the proper execution of works or you need for statistical purposes.

The contractor shall deliver the information and background that set forth below:

5.14.1 General Provision Project of the Work Facilities

The contractor shall deliver to knowledge of the Chief Inspector, a project of the general layout of all the facilities of works necessary for the execution of the works, you need to consider at least the following general aspects:

- a) Bodegas, workshops, dining rooms, offices, first-aid, etc., with an indication of the built-up area and list in the main equipment of each one of them.
- b) Energy supply system to be used, including electrical distribution lines.
- c) Network, drinking and industrial water.
- d) Sewerage and wastewater treatment system.
- e) The communications system.
- f) Stores of flammable materials and explosives.
- g) Construction roads
- h) Location of the fire system.
- i) Security zone in the event of an earthquake.

The Contractor shall maintain all levels of the works and when you want to modify them, should submit them again to knowledge of the Chief Inspector.

5.14.2 Statistics of Accidents

The Contractor shall provide monthly reports to the Chief Inspector, within ten (10) calendar days of the first month, statistics on occupational accidents that occurred during the execution of the works of the month immediately preceding, to include the staff that was present at work during the calendar month (name, item, Ruth, and service provided by the company, name and Ruth staff), the frequency, severity ratings, the amount of man-days (H-D) worked and amount of man-days (H-D) not worked, accompanied by a report of the professional expert in risk prevention. The report must identify the activities carried out in staff training and meetings and inspections carried out by the inspectors and by the Joint Committee on Occupational Health and Safety, inspections, control of losses, the preventive maintenance that have been made to the equipment and procedures or standards prepared.

In this statistic is included also accidents of subcontractors, commuting accidents and accidents involving vehicles of the contractor or subcontractors, including a record of time lost.

Personal accidents causing death or serious injury as defined by the Circular No. 2,345 of the Superintendence of Social Security and their respective modifications, the Contractor shall immediately suspend the operations concerned, carried out the evacuation of workers if necessary and shall inform immediately occurred to the Labor Inspectorate (Inspection) and the Regional Secretary of the Ministry of Health (Seremi) as appropriate. It shall also report immediately to the Chief Inspector and will give you a full technical report of the accident, no later than 24 hours (24) counted from the time of the accident.

This report shall clearly indicate the circumstances, causes and consequences of the accident, and corrective and preventative actions to be taken by the contractor to avoid further accidents.

Will be delivered a report of accidents with statistical indicators indicated:

- i. No. of Accidents C.T.P. Monthly and accumulated.
- ii. No. of Accidents S.T.P. Monthly and Accumulated.
- iii. No. of Calendar Days lost. Monthly and Accumulated.
- iv. Index of Monthly Frequency and Accumulated.
- v. Severity Index Monthly and Accumulated.
- vi. Monthly Accident Rate and Accumulated.
- vii. Monthly Claims Ratio and Accumulated.
- viii. No. of Consecutive Days lost due to Work Accidents and Occupational Illnesses.
- ix. Man-hours Worked per Month and Accumulated.

In addition, would include, if appropriate, a report with the accidents that have material loss or damage to the equipment and facilities. It will include the analysis of the real measured and comparing it with the goals that have been established.

5.14.3 Supply Status Report

The contractor must present and surrender to the Chief Inspector periodic information about the status of all supplies of the contract. This information will be delivered by the Contractor, the date and periodicity to indicate the Chief Inspector.

The contractor shall deliver to the Owner all the information corresponding to the process of importing supplies of foreign origin.

5.14.4 Control and Progress Reports

The Contractor shall submit and submitted for approval to the Chief Inspector, within thirty (30) calendar days after the order to proceed, a schedule containing the fundamentals that sustains the detailed programming for the execution of the works, being compatible with deadlines and dates of the general plan in your proposal.

The Programming and Control of the execution of the works must incorporate all the milestones or dates established in the contract and those that are necessary for the proper control of the works in accordance with the following:

a) Programming Works

The programming of the work shall be carried out on the basis of the program of activities of the project, agreed between the contractor and the Chief Inspector, and authorized by this program shall be known as the Master of the Contract, and will include the Stages of engineering, supply, construction, assembly, testing and commissioning and the fined intermediate milestones. It shall be structured according to the structure of disaggregation of the Project (EDP), using an appropriate encoding. The EDP must include everything you need to generate and support all steps in the phase of the contract to meet the demands of the traceability of the assets.

The Contractor shall provide a detailed programming in stages, on the basis of the Master of the contract, for this purpose will have as a reference the structure of disaggregation of the project.

The Master Schedule of the contract, that includes the curve of physical progress, will be a contractual obligation, and for all intents and purposes of the contract will be the reference.

The Chief Inspector may require a greater level of breakdown of the programs of Detail (Engineering, Procurement, Construction), for a better programming and control of work, on the part of this.

The Master Schedule and details programs shall be reviewed and updated monthly by the Contractor during the development of the Contract, or when the Chief Inspector deems it convenient. This update of the programs will be required to correct the alterations produced, with the purpose of adjust the deadlines for complying with the Program Master of the contract.

Any modification of the Master Program of the contract must be submitted prior to the review and authorization of the Chief Inspector.

Forward checks shall be carried out monthly and will be delivered with the Monthly Progress Report.

If, as a result of the events or conditions encountered, the contractor you would like to change or modify the dates, durations, or requirements of man-hours of the Program Teacher to reflect more accurately the forecasts of the work, the contractor may submit a proposal to the Owner for the purpose of modifying the Program Master, and if approved by the Owner, such revised programming will be called Master Program Rescheduled Today.

Each program must be current Teacher Reprogramed numbered sequentially with date modified, so that it can be compared electronically with the previous one, with the Master Schedule and Program Real Master.

The comparison of the Curves S generated by these Programs Teachers and displayed in the Monthly Report, it must be possible to establish a prognosis (Forecast) of the project term. If the comparison indicates that some of these parameters exceed those indicated. The Contractor shall propose plans to the Chief Inspector for the costs and deadlines.

The Contractor shall give special attention to the fulfillment of the Program Master of the Contract, as this will be a basic reference document for planning and award other contracts in the field of works.

Any change in the program or variation of the pace of progress with respect to the Program Teacher shall be formally and immediately to the Chief Inspector, to enable it to assess the consequences of those changes and give their approval or rejection in accordance with interference that may occur with other contracts.

When the development of the works so requires, the Chief Inspector may request the Contractor to modify its work program in such a way that will allow a harmonious progress of all the works carried out in the field and in its immediate vicinity.

Partial arrears will be corrected by this contractor in charge and cost, with the aim of maintaining the coordination of work with the other contractors or of the Owner, in accordance with the Master Schedule of the contract.

b) Control of physical progress and compliance dates

In order to carry out an effective control of progress of the project, the contractor must issue to the Owner a Monthly Report of Progress, sticking strictly to the Model Report that will be delivered in a timely manner to the contractor, which shall include, among others, the physical progress.

The contractor once issued the Monthly Report, you will have the obligation to immediately perform a meeting with the Chief Inspector for the Control of the project.

The Contractor shall have the obligation to maintain and develop, according to the Manual of Procedures of the Contract, and with the greatest degree of detail, all records, controls, and partial general programs that allow satisfactorily check the physical progress of the project and compliance dates. Progress will be measured according to the methodology proposed by the contractor and approved by the Chief Inspector. In any case, based on the Physical Progress.

The knowledge, review and/or approval that the Chief Inspector to Contractor programs must not involve any degree of responsibility for it on these, nor with regard to the direction, management and adequacy of own resources or of the contribution of the Contractor.

Consequently, any difficulty, higher costs, idle times, losses, damages and other expenses produced of any nature, both of the Contractor and its subcontractors, suppliers or others, that they arose through the differences between real progress of work with regard to programs, will be the sole responsibility of the Contractor.

If through the regular controls that perform the Chief Inspector arrears are detected in the Physical repeated Real progress with regard to the Master Program in effect of the Contract, the Chief Inspector may take the actions it deems appropriate, which may include the definition of the Contractor to a program that is used to retrieve the situation of backwardness, the costs will be the sole responsibility of the Contractor.

This program Master of the Contract shall be formed by a list and description of activities, Bar Chart, Diagram of sequences, Occupational Curve and Curve of Physical Progress. To do this, the Contractor shall assign to each of the activities of the project a weighting or specific weight, so that, when multiplied by its advance, to obtain a weighted average physical progress of each of the subparts of the contract and the total advance the project. The information of progress must be delivered in a timely manner to the Chief Inspector at least once a month, on the date that defines this.

c) Feed Control meetings

The Contractor agrees to attend the meetings of Forward Control defined by the Chief Inspector. The ITO will lift the corresponding Minutes shall be signed by the Parties.

d) Program of Disconnections

The Contractor shall prepare and deliver to the Owner according to the master of the Contract Program, a program of disconnections for knowledge of the Owner and was sent to the Coordinator.

The authorization on the part of the Coordinator to carry out the disconnections is conditional to the availability of the system. The Owner will only be responsible for sending this Program of disconnections prepared by the contractor to the Coordinator, without being, in any case, responsible for the disconnections requested and not approved by the Coordinator, nor for the disconnections approved and canceled by the Coordinator at the last moment.

It should be considered that the maximum time of interruption of annual supply of regulated clients corresponds to the time established in the legislation in force. For the purposes of do not exceed the maximum time of disconnection or for the purpose of execution of the work without the need to request disconnections, the contractor shall evaluate jobs with live or backup alternatives and/or local generation. The contractor must include in its offer all costs associated with the alternative to consider to comply with the foregoing.

The Contractor must take control of your program by means of a system compatible with that used by the Chief Inspector to carry out their own controls.

The Monthly Progress Report shall be sent to the Chief Inspector no later than five calendar days from the date of monthly closure that this set.

The Monthly Report on the status of the works consolidates the occurrences of the month in such a way that the Owner has a complete view of the state of progress of the contract and can integrate with other information from other consultants if necessary.

The contents of the monthly report are reviewed and agreed at the start of the Service and your minimum content is as follows:

a) Program will include the following subjects:

- Summary of the main activities carried out during the previous month.
 - Main activities to develop in the next month.
 - Current Program of Work of the works up to date with the start/end dates or projections and its progress.
 - Analysis of the critical activities and accomplishment of milestones.
- b) Real progress curve v/s Scheduled
- It is produced on the basis of a Forward box, where indicated for each program activity, the amount of hired labor, the executed until the previous period, executed during the period and the accumulated total to date.
- Will be delivered an analysis and comments on the above information.
- c) Detailed Description of Progress
- You must include each of the stages of the project, that is to say, engineering, environmental impact study, purchase management, manufacturing, deliveries made in the field, civil works, assembly, testing, commissioning and operation test.
- d) Staff
- Information regarding the personnel used will be provided and displayed in the different parts of the works, classified by specialty and category, if the complexity of the work so requires. The information must be delivered detailed in Man Hours or Man Month categories worked by existing staff until the last day of the month informed, both of the Contractor and subcontractors. An analysis of the actual obtained should be included comparing it with the scheduled.
- e) Organization charts
- The updated organizational charts of the different Contracts and the Service will be issued. Comments concerning the changes that occurred will be made.
- f) Report of Machinery
- This report consists of a list of construction machinery used in the execution of the works, indicating for each of them, the date of admission to the work, the hours used in the month, the activity in which was occupied, the date of withdrawal of the task. You must include an analysis of the real controlled versus the scheduled.
- g) Self-monitoring Reports
- A report of the self-control of quality carried out by Contractors that contains a summary of the tests and certification of support of all the activities carried out during the period. In the case of having carried out trials with external laboratories should also be incorporated into the report. An analysis of the results obtained will be made and actions will be taken if applicable.
- h) Requests, Change Orders and Extraordinary Works
- A list of requests for new prices will be issued, generated by change orders, Extraordinary Works or claims, submitted by the Contractors in the month, as well as those that are pending resolution, indicating the amounts requested in each one of them and their status.
- i) List of Existing Plans

It will include a complete record of the plans in force and bring the last modification date issued and the letter which was sent to the Contractor.

j) Subcontracts

A list of subcontractors in force and the description of the activities they perform will be given.

k) Photographic and Schematic Report

A photo gallery of works will be issued where can be seen the progress and methodology applied to the development of the works. It should also include photographs of relevant and specific facts that occurred in the month. The photographs will be identified with the date and with a small description of what needs to be highlighted.

l) Executive Report

This report is aimed at a managerial level and allows for the display in a compact and objective form the state of a Contract. It is generally composed of two parts, one is a draft and another on a previously defined tab.

5.14.5 Activation Reports

To the extent that they are ending the stages of the Implementation Planning the Contractor must develop "Form Activation of Work", whose format and filling instructions will be provided by the Owner, and if not present, proposed by the Contractor.

The Contractor shall indicate on the form the items of Work, each with its respective valorization, that will go into the Fixed Assets in Operation of the Owner.

The form with the final and definitive information to activate, shall be sent to the Owner without delay with an anticipation of thirty (30) Calendar Days to the Commissioning of Works. The failure in the delivery of this final information is subject to the implementation of the fine defined in clause 3.11.3 of these Implementation rules for Expansion Works.

5.14.6 Reports and progressive transfer of "as built" plans (As Built)

The Contractor shall prepare and deliver the As-built plans with the respective explanatory report, as the the various stages of construction of the project are being completed. The Contractor must deliver to the Owner all plans as built within a period not exceeding 15 Calendar Days from the date of Commissioning of the Project.

5.14.7 Administrative Reports

The Contractor must send monthly to the Chief Inspector, within the first fourteen (14) Calendar Days of the month, a Statement that it has complied with its obligations, and that includes in their offices with the demonstrative endorsements of the case, available for consideration by the Chief Inspector, in the following subjects:

- i. List with identification of its personnel and Subcontractors and valid Employment Contracts.

- ii. Payroll of the impositions of the Institute for Social Security Standardization, Pension Funds or other institutions as appropriate, in respect to all its staff, of the month immediately preceding the month of the Declaration, with acceptable demonstration that were paid.
- iii. Certificate of Labor Inspection to which the Work corresponds, to declare that there are no pending claims on the part of its staff.
- iv. Certificates of Subcontractors and suppliers indicating that the Contractor does not have outstanding debts with them for more than thirty (30) Calendar Days. These certificates may be replaced by an affidavit of the Contractor in the same sense, always and when this modality is authorized by the Chief Inspector.
- v. Report of the company in charge of the provision of the Service of Labor Control.

In addition, must be submitted monthly, within the first seven (7) Calendar Days of the month, if applicable:

- i. List of applications for long-term increases and adjustments to the Contract price that are pending.
- ii. List of all claims submitted that are pending under the clause 11.1 of these Rules for Expansion Works.
- iii. Safety statistics, including detailed information of incidents and environmental activities and public relations.
- iv. Any other reports or documents requested by the Chief Inspector or mentioned in the Contract.

The lack of one or any of these reports, declarations or documents referred to in this clause, authorizes the Chief Inspector to apply the fines indicated on the Rules of the Contract.

5.14.8 Reports requested by the Authority

The Coordinator shall issue periodic reports of implementation of the works awarded and shall be sent to the Commission and to the Superintendence.

5.14.9 TOP Folders

Within a period not exceeding thirty (30) Calendar Days after the Entry into Operation, the Contractor must issue the TOP folders "Turn Over Package".

Within the documents that make up the folders, or folders "TOP", consider the following items:

- i. Description of the system.
- ii. Equipment Testing Protocols in the factory.
- iii. Testing protocols for receipt of equipment, on site.
- iv. The act of delivery of replacement materials.
- v. Guarantee of the equipment.
- vi. Record of the training of the Owner's staff.
- vii. Record of the lifting of the pending list (Punch List).

- viii. Commissioning protocols.
- ix. As-Built Plans.
- x. Installation manuals, maintenance and operation of the facilities, equipment and systems.
- xi. List of special tools and equipment that are transferred from the construction for the maintenance and operation.

5.15 Relations with Third Parties

5.15.1 Scope

In its relations with the owners of the sites and facilities affected by the execution of the contract works and in the exercise of the rights and easements, the Contractor shall organize the work and care for their execution, so as to avoid or minimize damage.

In addition, must pay the greatest attention and care during the execution of the work, the movement of machines, vehicles and staff and existing works, crops and facilities bordering the area reserved for the execution of the works.

The Contractor shall be responsible for maintaining enabled all waterways and the fences that are affected by the execution of the works, the paths constructed with this objective, the exploitation of the deposits, the use of spoil heaps and any other consequence of its action in the area. Any damage occurring as a result of their activity, as well as the necessary measures to prevent or remedy them, will be His/her responsibility, (contractor) and they shall be deemed to be included in the Contract Price.

5.15.2 Acquisition of Land and Rights of Passage

It will be the responsibility of the Contractor Management and the costs of land acquisition, payment of temporary or special-step fees that may be necessary, including those necessary for access to land, leases and all other costs that are charged by the owners or authorities in the area, which shall be deemed to be included in the Contract Price.

5.15.3 Agreements with the owners of the sites and facilities affected by the Works

It will be the responsibility, and cost of the Contractor to sign the conventions of bondage and authorization and permissions to build, with the owners of the sites and facilities affected by the Works.

The bondage contracts for the Work must be signed by the owners of the land and the Owner. In the event that the latter grant a power to the contractor may be subscribed between the contractor and the owner of the land. These easements will be awarded by public deed and the Contractor shall perform the procedures necessary for its registration with the competent Real Estate Conservatives.

The contractor shall inform the Chief Inspector the scope of the agreements signed with the owners of the land affected. In case that corresponds, the Contractor shall use the model of writing of servitude that the owner indicate.

The Contractor shall be solely liable to the owners of the premises and facilities in which are to be performed work of this contract, for any damage or modifications, as well as the restoration and adaptations that are necessary for the satisfaction of the owners.

Within the areas of bondage, the Contractor may only perform the work necessary for the execution of the contract works and to access them. Therefore, the Contractor may not occupy areas of bonded labor camps or other installations, except that for your account and separately as appropriate directly with the owner of the land.

During the execution of the works, the Contractor shall be liable and shall be responsible for all damages caused to people, animals and property, your actions or their agents.

It will be the responsibility of the Contractor leaving the agricultural land damaged by the execution of the Contract Works, as they were when the work started, replenishing irrigation channels and fences, matching the ground and even replacing it if necessary, failing to do this, compensate the owner for the damages caused.

Will be under the Contractor's responsibility and cost the delays and disruptions that suffer the works motivated by disagreements between the Contractor and the owners of the land.

5.15.4 Permits and compensation for access to bonded land

Although the Owner may already have voluntary easements and/or concessions of electrical service in the grounds of the works, will be the sole responsibility and cost of the Contractor to obtain access from the owners to the places of the works or, failing that, exercise in its cost, appropriate legal action. Any effect of this aspect in the implementation deadlines of the works shall not entitle the Contractor to increase the deadline of the contract.

5.15.5 Certificates of the Owners

Prior to admission to ground, the contractor with the owners shall draw up a report in which shall record the state of the land and to be attached a photographic record.

At the end of the work, the contractor must obtain from the owners of each of the sites and facilities affected by the bondage, a certificate attesting to their quality of such and not have pending claims for damages incurred during the execution of the contract works indicating that frees the Owner of subsequent claims.

It will constitute one of the requirements for the approval of the State of final payment delivery that must make the contractor to the Chief Inspector, and to the satisfaction of it of the total of certificates of the owners demanded in this clause.

5.15.6 Jobs outside of the Areas of Bondage

When the contractor required to transit, or to build roads and other areas outside of servitude or on the premises of third parties, it must obtain from the respective owners the corresponding authorizations. Will charge the expenses that these permissions and jobs originate, as well as all the damage caused by it.

It will be a requirement for approval from the State of final payment to the contractor to deliver to the Chief Inspector, and to the satisfaction of the, the total of certificates of the owners of the land outside of the areas of bondage, that proves not to have pending claims for damages on the grounds caused during the execution of the contract works.

5.15.7 Interference with Public and Private Services.

The Contractor shall take all necessary precautions or required to run jobs that may interfere with electrical transmission lines, telegraphic and telephone, railways, waterways and public roads and individuals, so that the interference with the operation and maintenance of the service they perform in a satisfactory manner for the owners and users of such services and for the Chief Inspector.

All expenses incurred by the obtaining of permits or authorizations, as well as the repair of all damages that the contractor causes in the facilities of the property of third parties, on the occasion of the execution of the Contract works, shall be under Contractor's exclusive responsibility and cost.

5.15.8 Disruption to Traffic and Outstanding Traffic

All the operations necessary for the execution of the works will be carried out, to the extent permitted the fulfilment of the requirements of the Contract, in a way that does not interfere unnecessarily or unduly by the public roads, access to and use of roads, trails and access to assets or properties of the Owner or third parties.

The Contractor shall indemnify and safeguard to the Owner of all injury claims, demands, proceedings, damages, costs, and expenses of any kind arising from such disturbances, to the extent that they are your responsibility.

The Contractor shall use all reasonable means at its disposal to prevent the roads and bridges are damaged or worn by the transit of vehicles that use the or its subcontractors. Above all, you will need to choose routes, use vehicles, limit and to distribute the loads, in such a way that the extraordinary which will inevitably lead to transit transportation of equipment and materials to and from the construction site to be reduced within as reasonably possible, so that the roads and bridges that are used are not experiencing unnecessary damage or deterioration.

It will be the responsibility of the contractor to gather all the technical information about the condition and load capacity of the highways, roads, bridges and railroads that use; run the reinforcements, modifications, repairs and efforts that have to do with the competent authorities, for the transfer of equipment, materials, and any type of load, and repair the damage it causes.

All work that means to impede or suspend the transit of vehicles and people, must be carried out in a way that the annoyances are as brief as circumstances permit. In any case, the affected area must be signposted conveniently, in compliance with the rule for the safety and road signs, and, if necessary, lit to avoid risks during the execution of the work.

5.16 Warranties

5.16.1 General Conditions

The Contractor shall ensure the faithful fulfillment of contract and the proper execution of works, works and services and warranty period on a trial service. In addition, shall ensure the proper resolution of pending claims for damage to the environment, as specified in clause 3.7.2.6 of these databases for Enlargement Works.

The clauses which allow the Owner to make effective without requirement or any judicial action any warranty as compensation for damages shall in addition in the sense that in such cases has established a penalty clause whose amount is equal to the amount of the guarantee. Consequently, the Owner may make the

effectiveness of the guarantee of faithful fulfillment of the Contract or any other, and endorse the corresponding amount, pursuant to the terms of article 1542 of the Civil Code.

Compensation to the Owner to enforce a warranty is additional to the fines to which shall affect the Contractor in accordance with the contract documents.

As described in the preceding paragraphs does not affect the ability of the Owner to collect additional damages that might prove that resulted in the failure of the Contractor.

In the event that any warranty will not be renewed in a timely manner by the Contractor, given that it is contractually changed the period and/or the amount of warranty, the Owner may proceed with the execution of such warranty within the last five calendar days prior to its expiration date.

That would mean the expenses or extensions and/or increases in the value of the Guarantees, shall be borne by and account of the Contractor.

5.16.2 Guarantee of loyal compliance of the Contract and the Correct Implementation of the Works

To ensure the faithful, full, correct and timely compliance with each and every one of the obligations of that gives account of the Contract, the Contractor shall make delivery to the Owner a ballot of guarantee from a bank payable to the view or a Surety Policy, whose wording and final formulation will be subject to the prior approval of the Owner.

You must provide a guarantee for each contract.

The "Guarantee of faithful fulfillment of the Contract and correct execution of works" also ensures the proper execution of works, works and services, as well as the correct operation of the equipment, the proper execution of Extraordinary Works and the works motivated by Change Orders, compliance with the labor obligations, interim and taxation of the Contractor and its subcontractors' employees in the works, works and services, as well as the fulfilment of any other obligation arising from the execution of the contract.

The Owner will be able to make use of this Warranty to face the costs that may result in claims or third-party actions motivated by non-compliance with the Contractor toward them, of which proves to be the Owner of solidarity or liable to be the owner of the works.

The guarantee must meet the following requirements:

- a) The amount of the guarantee shall be equivalent to 10% of the Contract Price shall be expressed in United States Dollars.
- b) The gloss of the guarantee(s) will be:
To ensure the faithful fulfillment of the contract and the proper execution of code works set out in [Contract]."
- c) Must be issued in the name of the respective owner of the work, as the beneficiary.
- d) Must be irrevocable(s), immediate execution or at the sight and upon first demand.
- e) The Guarantee(s) shall be taken by the Contractor or by one of the members of the Consortium, if applicable.

- f) Must be issued(s) in Santiago, Chile, by a bank or insurance company authorized by the SBIF and the CPM, respectively, to operate in Chile; and shall be issued(s) by an office with domicile in Chile.
- g) Shall be valid for a period of 30 additional days to the date foreseen for the issuance of the Provisional Acceptance Certificate of the Works.

The Guarantee shall be delivered to the Coordinator along with the Public Deed of acceptance of the award, within the deadlines set out in clause 13.1 of the General Administrative Rules. If the guarantee was not delivered within the time limit indicated, the Coordinator may collect a Guarantee of Seriousness of the proposal and to entrust the work to the proponent that, according to the results of the evaluation will follow in the score and so on, unless he/she (coordinator) chooses to or it is appropriate to declare the Tender void; as noted in paragraph 13.2 of the General Administrative Rules.

If during the term of the Contract, the Owner gives the contractor an increase of deadline for completing the works and/or services, or other conditions that make it necessary, or increases the price of the Contract, the Contractor, in advance, will need to obtain the corresponding extension of the period of validity of the guarantee document and/or increase the amount of the guarantee document to comply with the percentage value defined above. Otherwise, if the extension or an increase in the value of the guarantees mentioned above are not carried out by the contractor, for any reason, the Owner may make the guarantee in force as compensation for damages.

Without prejudice to the foregoing, any amendment to the contract will alter the terms of Decree for the award of construction of enlargement. The Owner shall be entitled, in the case of non-compliance by the Contractor of any of its obligations under the contract to retain and make yours by way of penalty this guarantee, without requirement or any judicial action and without prejudice to the relevant compliance actions and/or compensation for damage and prejudice, can exercise separately and independently.

The contractor shall deliver to the Owner a letter of commitment in which it is obligated to extend the guarantee bonds with the same quality and for successive periods of ninety (90) calendar days, the only requirement of the Owner.

The Owner shall be entitled, in addition to the guarantee, to be made, among others, the following concepts:

- i. Repair of any error, or failure committed by the Contractor in the implementation and development of the works and/or services, which are detected at a later date at the end of the period of performance of the Contract and until the end of the term of the Warranty Period.
- ii. Contractual fines.
- iii. The judicial or administrative fines of any kind.
- iv. Compensation or amounts that the Owner has been sentenced or ordered to pay for a court or administrative order by complaints, claims, demands, complaints against the Contractor and/or its subcontractors.
- v. Payment to the institutions of social welfare, such as AFP, Isapres, IPS and other they charge the Owner for debts of the Contractor and/or its subcontractors.
- vi. Debts of the Contractor and its subcontractors, suppliers or third parties, intended to be charged by lawsuit.
- vii. Damage to property of the Owner resulting from actions of the Contractor or its subcontractors.

- viii. Third party damages caused by the Contractor or its subcontractors that intend to charge the Owner through judicial action.
- ix. Debts of the Contractor or its subcontractors in that there is joint and several liability or subsidiary of the Owner.

In the event that the "guarantee of faithful fulfillment of the Contract and correct execution of works" is charged by the Owner, either by some event of any failure to meet the obligations arising out of the Contract or for any other reason relevant, and not a termination of the Contract, the Contractor shall deliver to the Owner, within 15 (fifteen) days following the date of payment of the amount charged, a new bank guarantee of guarantee that meets the same requirements to the original warranty and that for all intents and purposes shall constitute the guarantee of faithful fulfillment of the contract. Not to proceed in this way, the Owner may terminate the contract in advance.

5.16.3 Warranty for the Warranty Period on a Trial Service

To ensure that the obligations laid down in the contract during the warranty period on a trial service, or warranty period of the works, that is, between the date of provisional acceptance and the date of the Final Acceptance of the works, the Contractor shall deliver a "guarantee by the warranty period on a trial service".

The guarantee must meet the following requirements:

- a) The amount of the guarantee shall be equivalent to 5% of the Contract Price shall be expressed in United States dollars, considering the exchange rate.
- b) The gloss of the guarantee(s) will be:
"In order to ensure the warranty period on a trial service of the works established in [code of the contract]."
- c) Must be issued in the name of the respective owner of the work, as the beneficiary.
- d) Must be irrevocable(s), immediate execution or at the sight and upon first demand.
- e) The Guarantee(s) shall be taken(s) by the contractor or by one of the members of the Consortium, if applicable.
- f) Must be issued(s) in Santiago, Chile, by a bank or insurance company authorized by the SBIF and the CPM, respectively, to operate in Chile; and shall be issued(s) by an office with residence in Chile.
- g) Shall be valid for a period of 30 Calendar Days additional to the expected date for the Final Acceptance of the works.

Delivery to the Owner of this ballot will be a requirement for the issuance of the certificate of provisional acceptance of the works.

In the event that the "warranty by the warranty period on a Trial Service is charged by the Owner, either by some event of any failure to meet the obligations arising out of the Contract or for any other reason relevant, and not a termination of the Contract, the Contractor shall deliver to the Owner, within 15 (fifteen) days following the date of payment of the amount charged, a new bank guarantee of guarantee that meets the same requirements to the original warranty and that for all intents and purposes shall constitute the guarantee by the

warranty period on a Trial Service Contract. Not to proceed in this way, the Owner may terminate the contract in advance.

5.16.4 Return of the Guarantee of Loyal Compliance of the Contract and Correct Implementation of the Works

The Warranty document of faithful compliance with the contract and correct execution of works are released or released fifteen (15) calendar days after awarded the Certificate of Provisional Acceptance of the works, provided that there are no fines, penalties or claims against the contractor that affect or may affect the Owner and has received the new guarantee document pointed out in the previous clause 5.16.3 , for the Warranty Period on a trial service.

5.16.5 Return of the Warranty for The Warranty Period on a Trial Service

The warranty for the Warranty Period of the works shall be released or released fifteen (15) calendar days after Final Acceptance Certificate, provided that they do not stay pending any aspect of contract the contractor's responsibility. If at the end of the Warranty Period of the works remain pending contractual aspects on the part of the contractor, this should give successive extensions to this warranty until the date of compliance with these aspects.

So it will be restored this Warranty to the contractor, the latter shall have solved all the problems, be they design or assembly, the failures of equipment and in general of the overall operation of the installation, delivered under all the documentation listed in the contract documents, have resolved all outstanding commitments with their subcontractors and/or third parties may exercise claims under the activities of the contract, and provided that the Owner has not taken knowledge or has not been notified of demands of administrative actions initiated by workers or former employees of the Contractor or its subcontractors, or has knowledge of the initiation of legal proceedings against them, for the fulfillment of labor obligations Or pension payments to the contractor's responsibility, that could generate joint and several liability or subsidiary of the Owner referred to the Labor Code.

In the event that, as of the date of term of the warranty period of the works, the contractor keeps pending work and obligations laid down in the contract, shall extend the ballot by a minimum of 30 calendar days or until the scheduled date of compliance with the earnings. If the pending jobs are not completed in conformity of the Owner in the date, the ballot of guarantee shall again be extended.

5.16.6 Other Guarantees

The Chief Inspector may establish other guarantees during the development of the Contract for different reasons or secure events that may arise during the work, when justifiably so.

5.17 Resources Provided by The Owner

5.17.1 Land for the Implementation of the Works and the Installation of the Task

The Particular Technical Specification document shall indicate whether the Owner will provide the land for the implementation of the Works and the installations of the task of the Contractor.

5.17.2 Other Resources

In the Particular Technical Specification document shall indicate whether the Owner will provide electrical energy, water, or some other resource of this type for the execution of the works, and fees if this is the case.

5.18 Transfer to the Owner

5.18.1 Transfer of Land

In the case that the Contractor acquires land for the development of the Works mandated by the Owner, as pointed out in the 2.1, this must render account and symbolically transfer the property to the Owner, without implying a new transfer, assignment or registration of a domain of these along with the presentation of the Final Progress Payment.

5.18.2 Transfer of the facilities

The Contractor shall, after the commissioning, shall prepare a record of delivery of new installations to the Owner, identifying each of the teams which were transferred with their characteristics, serial number, and recovery.

6 Deadlines

6.1 Start of the Work

For the purpose of the Contract deadlines, the start of the work will be counted from the date of publication in the Official Journal of the Adjudication Decree for each respective work, having verified the compliance with the obligations set out for the successful Tenderer in paragraph 15 of the General Administrative Rules of the Bidding Rules.

In the period between delivery of the Public Deed of acceptance of the award to the Coordinator and the publication in the Official Journal of the decree of award of construction of enlargement, the winner will be able to carry out those reasonable expenses, according to the program included in the offer, may be required to start the execution of the works. During this period, the successful tenderer shall provide the Chief Inspector all the records request.

In the event that for reasons beyond the control of the successful tenderer does not sign the contract, the Owner will reimburse only the actual expenditure which, in the opinion of the Chief Inspector, satisfy the conditions specified above. The amount of reimbursement shall not exceed the market value when the actual expenditure exceeds it. The refund will be made without payment of surcharge and will correspond exclusively to the actual direct costs, with the exception of freight rates of return. Freight rates of return to their place of origin of those elements whose transport to the work is qualified by the Chief Inspector as justified, shall be paid to the contractor at the same price that it will be adopted by the freight of these elements toward the work, without any extra charge as interest, adjustments, general expenses, utilities, etc. In the event that, within the expenses incurred by the successful tenderer, procurement of goods and ask for a refund, such property shall

be sold to the Owner, to its real cost, or, at the latest, the market value if the actual cost over it. The Owner is not obligated to purchase such goods.

On the contrary, if it is not signed the contract for reasons of the responsibility of the successful tenderer, the Owner shall inform the coordinator within 24 hours of confirmed the fact, for evaluation. The refusal of the successful tenderer to sign for any observation or objection to the content of the pro forma Contract Model that is part of the Bidding Rules, and which was known for this during the bidding process, it will be understood always the responsibility of the successful tenderer.

The foregoing shall empower the Coordinator to proceed with the recovery of the relevant guarantees and award the contract to the second best proponent. Will not be refunded any expenditure and the Owner shall have the right to buy and the proponent successful tenderer the obligation to sell, at your expense, according to Bill accepted by the Chief Inspector, without interest or adjustments, part or all of the goods you have purchased the proponent successful tenderer.

The works are to be implemented with strict observance of deadlines that are set out in the contract documents and programs approved for execution.

All time limits set out in this clause begin to run from the day following the date of publication in the Official Journal of the **Decree of award of expansion construction**.

If the Owner sends an Order to Proceed the Contractor, the deadlines are set from the date of issuance of award by the Coordinator.

6.2 Deliver and return the Land

6.2.1 Deliver the Land

The Owner, where appropriate, will deliver the land to the Contractor in accordance with the program of current Works.

If, for reasons attributable to the contractor, this does not reply has been received from the field, it shall be presumed that the delivery has been made on the last day of the deadline indicated in the program of works in force.

The act of delivery of the land to the contractor shall draw up minutes of delivery in recording the date and the circumstances that the Chief Inspector and the Contractor as they deem appropriate.

The delivery of possession on the ground should not be considered in the sense of creating any right or other interest on it in favor of the Contractor.

Access to and possession of the land that the Owner can provide to the Contractor under the contract do not have exclusive character and is solely intended to enable it to execute the work and fulfill its obligations under the contract until its completion.

The Contractor must inform the Chief Inspector, the beginning of the services and works, by means of a description of the work that has been started and the expectations of development. In relation to the overall organization of the contractor for the administration of the Contract, shall communicate the names of the executives of higher hierarchical level and staff assigned to the work already begun.

A similar description shall be required in connection with the services of engineering and with the study or Environmental Impact Statement.

6.2.2 The Beginning of Works in the Land

The Contractor shall start works within the period stipulated in the Program Teacher or within long-term extensions granted to her by the Chief Inspector. These extensions of time to start work on the ground will not be grounds for postponing the date of completion of the same, except in cases of force majeure.

6.2.3 Deadline for completion of the Works

The Contractor shall complete the works of this Contract and carry out the testing and commissioning in a manner satisfactory to the Chief Inspector, within the period stipulated in the Special Execution databases from the start date of the work indicated in the numeral 6.1 of these bases for Extension Works, which may not be modified or altered in any way by Addendum or any other document.

All in all, it will be understood by date of completion of works by the date established by the Coordinator in the declaration of entry into operation of the Expansion Project.

The following are excluded from the period referred to the removal of the work, general cleaning with the exception of the removal of those facilities which, in the opinion of the Chief Inspector, disturb the commissioning and exploitation of works.

6.2.4 Deadline for the return of the Land

The Contractor shall carry out the return of the terrain of the works to the Chief Inspector, not later than forty-five (45) calendar days after obtaining the Certificate of Provisional Acceptance, except that they are pending jobs set out in a list ("Punch List") which must be attached to the certificate of provisional acceptance of the works. In the latter case, the return of the land shall occur no later than 30 calendar days after the end of the works to the satisfaction of the Chief Inspector of the works included in the Punch List.

The Contractor shall complete the disarmament and withdrawal of its facilities, remove from the field all the construction machinery and surplus materials, perform general cleaning and restoration in the areas occupied by the deposits, tips and which have been polluted or contaminated during the execution of the works. Once these jobs, to the satisfaction of the Chief Inspector, shall return the field through an Act of the Return of the field, signed by the Chief Inspector and the head of the Contractor in the field.

6.3 Important Milestones or Intermediate Milestones to be fined

The Contractor shall comply with the following stages or intermediate milestones in the implementation of the Contract Works, and that the Contractor shall lay down the Master Program of the Contract. Non-compliance in a timely manner will be affected the fines indicated in clause 3.11.2 of these bases for extension work.

- a) Intermediate milestone N°1: delivery to the Owner of all field studies that are required for the proper execution of the work in the field, such as, for example, but not limited to, soil mechanics, topography, short circuit and calculation of the mesh of earth, among others. Compliance with this milestone should not occur after 60 days from the date stated for the milestone of payment associated with the formalization of the initial contractual conditions reported in the master schedule of supply and in the timetable agreed with the owner.

- b) Intermediate milestone N°2: delivery to the Owner of all documents associated with the Basic Engineering in Revision 0 approved by the Owner and the studies requested by the Coordinator to verify compliance with the technical specifications of the work. Basic Engineering documents that are delivered shall be submitted by the proponent in its Technical Offer. The adoption of the Basic Engineering does not relieve the contractor of any error of omission of any history technical support and any additional costs caused by such error shall be charged to the Contractor.

The compliance date for this milestone must be consistent with the activities of the Basic Engineering and must not be later than the date of compliance approval milestone payment of Basic Engineering. This should be reflected in the program Master of the offer and in the timetable agreed with the owner.

- c) Intermediate milestone N°3: delivery to the Owner of the documents attesting to the approval of the necessary permissions for the start of the construction works.

The compliance date for this milestone must be consistent with the activities of the environmental processing and sectorial environmental permits that apply, as well as any other permissions that apply. The compliance date for this milestone must not be later than the date of compliance Payment Milestone Environmental Permit.

- d) Intermediate milestone N°4: delivery to the Owner of all documents associated with the project's engineering details of Civil Works Electromechanical and in review 0 accepted by the Owner. The listing of these documents must conform to the submitted by the proponent in its Technical Offer. The adoption of the detail engineering does not relieve the contractor of any error or omission of any history technical support and any additional costs caused by such error or omission shall be charged to the contractor.

The compliance date for this milestone must not be later than the date of Compliance Milestone of Payment Detail Engineering of the project. This should be reflected in the program Master of the offer and in the timetable agreed with the owner.

- e) Intermediate milestone N°5: delivery to the Owner of a copy of the contract signed between the contractor and the ITO designated by the Coordinator for the work awarded. Compliance with this milestone should occur at least 10 days before the start date of the fatigues. This should be reflected in the program Master of the offer and in the timetable agreed with the owner.

- f) Intermediate milestone N°6: delivery to the Owner and a copy of the Purchase Orders for the following equipment, if applicable:

- Transformers of power.
- Instrument transformers.
- Switches.

- GIS equipment.
- Breaker/Isolating switch.
- Medium Voltage Switchgear
- Driver for increased capacity of lines.

g) Intermediate milestone N°7: delivery to the Owner of a document issued by the ITO certifying that:

- In the case of extensions of substations, modifications of cloths, sectioning or other works involving the construction of foundations for the installation of equipment of transformation, maneuver, or others, has received in accordance with the construction of the 100% of the foundations of these teams and tall structures that contemplates the work.
- In the case of jobs associated with increased capacity of lines, it has been received in accordance with the laying of 100% of the driver.

The programming of this milestone must be consistent with the activities of the construction of the civil works and the date of this must not be later than the date on the milestone of payment Delivery of foundations, structures and house of general services in case of expansion of substations and/or layout of line driver. This should be reflected in the program Master of the offer and in the timetable agreed with the owner.

h) Intermediate milestone N°8: delivery to the Owner of a document certifying that the ITO has received in accordance with the laying of the driver for the case of lines, as well as in the case of substations, the mounting of the following primary teams, as appropriate:

- Transformers of power.
- Instrument transformers.
- Switches.
- GIS equipment.
- Breaker/Isolating switch.
- Medium Voltage Switchgear

The programming of this milestone must be consistent with the activities of the assembly of High Voltage equipment and the date of this must not be later than the date on the milestone-assembly of equipment, SSAA and High Voltage. This should be reflected in the program Master of the offer and in the timetable agreed with the owner.

i) Intermediate milestone N°9: delivery to the Owner of all studies and information requested by the National Electric Coordinator for commissioning the work according to what is established in the Technical Bases of the work.

The programming of this milestone must be consistent with the commissioning activities and the date of this must not be later to the milestone of payment Commissioning. This should be reflected in the program Master of the offer and in the timetable agreed with the owner.

6.4 Deadline of the Implementation of the Works

6.4.1 Implementation Deadline

Long-term means of execution of the works, the period between the start of the work indicated in clause 6.1 of these bases for expansion and the date of signature of the Act of devolution of land set out in clause 6.2.4 of the same.

6.4.2 Delays

In the event that the Chief Inspector verify that, for reasons unrelated to the Owner, is not complying with the Program Master of the Contract, the Contractor shall be obligated to alter their programs and methods of work, to mobilize greater human or material resources, to introduce extraordinary work regimes, to increase the capacity of its plant in construction and to adopt any other measure aimed to meet deadlines. All expenses incurred by the contractor for these concepts will be your responsibility, without prejudice to the application of the fines established in clause 3.11 of these bases for expansion and of the provisions of the Special Execution Bases.

6.4.3 Speeding up the Works

The Chief Inspector may instruct the contractor, and this proceed as instructed, to reduce the time periods for implementation of all or any part of the works, whether they correspond to those originally established or in accordance with the contract have been modified during the development of the works. In such a case, the Chief Inspector will issue a written order of Acceleration of work and the Contractor shall be entitled to the date of such order, request the corresponding adjustment to the Contract Price, which will be requested and shall be settled in accordance with the clause 7.2.3.1 of these bases for extension work.

The Contractor shall not be incurring costs associated with the acceleration of work without first having been formally authorized by the Chief Inspector by the Order of acceleration. Any expenses incurred in advance will be your responsibility and cost.

Any other instruction issued by the Chief Inspector may be considered as an Order of acceleration by the Contractor, if it has not been expressly issued as such by the Chief Inspector.

6.4.4 Period or Deadline of the Warranty

It is understood by the Warranty Period, the period from the date of issuance of the certificate of provisional acceptance of the works and the issuance of the Certificate of Final Acceptance of the works.

During the Warranty Period, the Owner will use or exploit the Works without this release to the contractor of the responsibility that has assumed in the contract, by all the defects in design, manufacture, construction, assembly and the quality of the materials and equipment that can be detected, you must repair to your office and coast.

In case of loss, damage or malfunction of the contractor's responsibility, this must proceed to the repair, reconditioning or replacement that corresponds, at your expense, and Costa, in order to ensure delivery of the works in the Final Acceptance, in good condition and in accordance with the contract.

If the Contractor should repair any defective part of the work during the warranty period, this part will be subject to the provisions of this clause for a period of at least the warranty period defined in special execution databases, counted from the date on which the repair or replacement is approved by the Chief Inspector.

In no case shall the Contractor excuse their liability for loss, damage or malfunction, cited above, under the pretext of having been accepted the works in whole or in part by the Chief Inspector, nor for having been inspected by the Chief Inspector during its execution.

However, it is not considered as wear, deterioration that come from the normal exploitation of works, in which case there will be no liability on the part of the Contractor.

The warranty period of the works will be applied to the total of the contract works. The partial interim receptions of foreign works will begin the Warranty Period.

If during the warranty period, a team or accessory supplied by the Contractor is defective, does not meet its operation in normal service or do not give satisfactory results the tests to which they are subjected, in conditions attributable to the contractor's liability and/or the manufacturer, the Contractor will repair or renew, at your expense, and costa, teams or defective accessories, repairing or replacing defective parts or inadequate, or replacing them with new equipment or accessories not objectionable, as the case may be, to eliminate the defect and malfunction and comply with what is specified in the contract. This renewal or replacement shall be such as to enable your team to comply with what is specified in the contract.

The warranty period for the repaired section of the team or teams of replacement will be of at least the warranty period, counted from the date on which the repair or replacement is approved by the Chief Inspector.

The Warranty Period of the works, will be twelve (12) months. This warranty term is without prejudice to the responsibility of the entrepreneur five-year set out in rule 3 of article 2,003 of the Civil Code.

Before any notice of the Owner to the Contractor, during this period, a defect of a team, material or installation, the Contractor shall respond within a maximum period of one week, delivering a report to diagnose the type of defect, the causes that provoked and the measures it will take to repair it. Once you verify the defect, the Contractor shall submit for the approval of the Owner, a program of the repair or replacement of the equipment, materials or installation.

6.5 Increases of the Deadline

6.5.1 General Conditions

The Contractor must develop the work in such a way that meets the work plan established in the contract and the time limits in the indicated.

The Contractor shall have the right to request increases in term of intermediate milestones and to finish the works, or any part of them have a deadline stipulated in the Master Schedule of the contract, if it considers that it has been unduly delayed in the execution of the same by any of the following reasons:

- a) Change orders duly issued in accordance with the clause 4.2.2 of these bases for expansion and for which it has been explicitly approved changes to the deadlines.
- b) Force majeure, as set out in clause 3.4 of these bases for extension work.

The Contractor shall not be entitled to long-term increases when, notwithstanding the existence of any of the grounds listed above, there are other reasons of their own responsibility for delays.

The Extraordinary Works shall not give the right to long-term increases, except for those awarded in the form expressed by the Chief Inspector to sort them.

Any fact or circumstance which, in accordance with this clause of law to the contractor to request an increase in term and which, in the opinion of the Contractor, prevents or hinders the fulfilment of deadlines and scheduled dates, you must be notified immediately, in writing, to the Chief Inspector. The omission of this notice, or its notification after fourteen (14) calendar days from the occurrence of that circumstance, will mean the expiration date of the right of the contractor to the increase of term.

The contractor along with the notice of request for increase in term, shall send to the Chief Inspector the fundamentals and history that support it and the magnitude of the increase request. If this is not possible, shall have a period of seven (7) calendar days from the aforementioned notification, to submit the application, complete all the background and clarify the magnitude of the increase requested. The fact that the contractor did not present your request or provide all the background within the period indicated, it will mean that has waived the right to obtain an increase of term.

The Chief Inspector will determine whether the grounds invoked to justify an extension in the deadline for completion of the works or in the partial deadlines set forth in the Agreement, and the contractor may be granted an increase of term provided the arrears that could cause, in the development of the work, the grounds mentioned above.

The Chief Inspector shall not grant increase of term if, quantified the delay produced by the impediments or difficulties invoked in the application for an increase in the term, this turns out to be less than seven (7) calendar days. These increases in term not granted, shall not be cumulative, unless the same grounds have been submitted repeatedly.

If the Contractor is in disagreement with the decision may submit, immediately, and at the latest within seven (7) calendar days following the communication of the Chief Inspector, a claim in accordance with the clause 11.1 of these bases for extension work.

In any case, the Contractor shall be obliged to continue with the execution of the works with all diligence.

Do not give the right to long-term increase in delays that are:

- i. Essential to the good execution of works.
- ii. Motivated by work stoppages, strikes or other labor disputes.
- iii. Caused by weather conditions or their effects on safety, quality or progress of the works, unless configured as a major force according to the provisions of clause 3.4 of this document.
- iv. Necessary for the safety of the works, or any of its parts, or the personnel working in them, or in its surroundings.
- v. Caused by acts or omissions of the Contractor in fields of its own responsibility.
- vi. For delays that may be experienced by not granting or delaying of the disconnections that must be approved by the Center of Economic Load Dispatch (Coordinator).
- vii. For arrears that they can experience the work as a consequence of the rejection may be carried out by the Chief Inspector in respect of materials or works that do not comply with the terms of the contract.

- viii. The circumstances of the works or works made with delay, rejected by the Chief Inspector or executed in contravention of their instructions, as well as those arising from causes attributable to the contractor or by the same.

6.5.2 Measurement of the Deadline Increases

The Contractor shall be responsible to demonstrate, to the satisfaction of the Chief Inspector, that the grounds invoked affect the fulfilment of deadlines and dates that you modify, which bears no responsibility for the grounds invoked and that has minimized the impact of the delay consistent. To do this you should consider that the requests for increases in term will be studied taking into account the control of programs indicated in clause 5.14.4 of these bases for Extension Works, the Master Schedule of the contract and the productivity or advances considered in these programs, effective progress achieved so that occurred on the grounds that it was requesting the increase in term, the deviations observed with respect to the current program of work, the influence of any loss of time, delay or deterioration in productivity that is attributable to the contractor and the effect of the grounds invoked on critical activities of the Program Teacher.

The granting of any increase in term will be restricted to the dates of completion of the activities that are directly affected by the grounds invoked, being the exclusive responsibility of the Chief Inspector authorize increased term for other parts of the works which are not directly affected by the grounds invoked.

6.5.3 Benefits for Deadline increases

If you required a change order the Contractor considers that, in addition to having the right to be granted long-term increase, also has a right to compensation, the ordered along with the application for an increase in the term and within the same time periods. The request for compensation will be resolved and valued in accordance with clause 7.2.3.2 valuation of compensation of these bases for extension work.

6.5.4 Request of Deadline increases

Without prejudice to the delivery of other precedents, the Contractor shall deliver a monthly list of requests for an increase of term that are pending, with or without compensation associated with it. Be construed as such which have not yet been resolved by the Chief Inspector.

These requests for an increase of term will continue pending while the Contractor has exercised the actions that, according to the contract, allowing you to maintain in force their rights. The Contractor shall be deemed to have waived their rights in respect of any increase in term, when the pending request has not been included in the monthly report of clause 5.14.5 of these bases for expansion works in two (2) consecutive months.

6.6 Cessation or Suspension of the Works

The Owner may, without cause, suspend part or the total of the Works, with prior written notice given by the Chief Inspector at least seven (7) calendar days.

In addition, in the field, the Chief Inspector may order the immediate stoppage verbally when required to do so by their safety or that of the staff working in them or in its immediate vicinity, the record in the Book of Works. This stoppage would be ratified in writing within twenty-four (24) hours and may be extended until the cause that originated it has disappeared or rectified its effects.

In the case of ordering the suspension for a period not exceeding thirty (30) calendar days, it will be noted in detail in acts of the state of the works at a standstill.

Received by the Contractor the order of deadlock, this will take the necessary measures to minimize the expenditures that origins and promptly comply with the instructions that you teach, and must, during the subsequent period, protect and preserve the works to the satisfaction of the Chief Inspector.

The measures taken by the contractor to reduce costs must be reported to the Chief Inspector within 24 hours, who may request application of additional measures with that objective.

When the orderly cessation is motivated by a different reason of breach of the obligations of the contractor or the defective execution of the work, the Chief Inspector shall grant an extension of time proportional to the stoppage.

In the event such stoppage incurred legitimate and necessary and actual damages, duly verified and proven, the Contractor shall have the right to compensation for such expenses and damages, valued in accordance with clause 7.2.3.2 valuation of compensation of these bases for extension work.

The Contractor must apply for compensation and extension referred to, within fourteen (14) calendar days following the order of restart jobs. If he does not do so, shall be deemed not to have been affected by the stoppage, and therefore has no right to compensation or to increase in term.

If the above-mentioned cessation shall stretch for more than ninety (90) calendar days, the Contractor shall have the right to request that the termination of the affected part of the works, or termination of the contract, if the stay committed to the totality of the works, as the case may be.

If the stay is motivated by non-compliance by the Contractor, the contractor shall not give right to extension or the payment of compensation.

7 Terms of Payment

7.1 The Contract Price

The contract price shall be paid in accordance to the Bases of payment and as indicated in clause 10.4 of the general administrative databases, the price established in the contract constitutes the total payment the contractor will receive of the Owner for the execution of the Works and Services, and will cover its usefulness and all costs, expenses, liabilities and risk of any kind involved in the execution of the works and services, including the establishment of temporary easements, permits, the ITO, etc.

In the contract price will be inclusive of all taxes, fees, duties, taxes, impositions, right to social security or other of any order or denomination that imposed the contract or the performance of the obligations contained therein on the occasion or as a consequence of the execution of the contract works.

It will only be borne by the Owner the Payment of Value Added Tax (VAT).

It is understood that the contractor included in its estimates of cost and in the Contract Price, under their sole responsibility, cost variances for their inputs throughout the term of the contract.

In addition, the Contractor shall assume the risk of the exchange rate, for which you will be able to recruit those hedging instruments for currency risk as it deems necessary.

The Contract price includes all direct and indirect costs that will be incurred by the Contractor for the execution of the works and services hired by the Owner as well as the general expenses and contingencies and all those expenditures that are not explicit in the contract, they are, however, necessary or inherent to the execution of the contract works. The Price of the contract also includes the usefulness of the Contractor, (which the Owner does not guarantee the contractor to gather those utilities), and all costs for facilities, temporary works and works, such as works, empowerment of deposit and heaps of materials, access, signage, temporary detours, works with live lines, generation of support, self-control laboratories of the Contractor, fees and expenses associated with the use of computers.

The use by the Contractor from different resources to those offered in its offer, even when they are of higher cost, shall be your sole responsibility.

The price of the contract sum includes all expenses of any kind, direct and indirect, motivated by the jobs that are specified in the contract documents and all those who, not being explicit, are, however, necessary or inherent in the execution of the contract works. In all parts of the contract documents where you read the Contract Price, Total Price, Price of the Lump Sum, etc., it will be understood that do not include Value Added Tax (VAT).

The Owner agrees to pay the contractor the contract price as stipulated in the contract, as the sole and total compensation for the fulfilment of all obligations.

7.1.1 Adequacy of the Contract Price

It is considered for all intents and purposes of the contract that the Contractor has satisfied itself each and every one of the conditions and circumstances that affect or could affect the price of the Contract, including, but not limited to, the nature and characteristics of the jobs to be executed, the location and environmental conditions, seismic and climatic conditions prevailing in the field, the presence of other contractors or subcontractors or other installations in the field (including the Owner or its facilities, as applicable), the conditions of soil and subsoil, topographical conditions, existing facilities, general conditions of work in the field and at other locations, the paths with conservation easements and possession of the lands, Etc. and have determined the adequacy of the Contract price accordingly. The Contractor shall be responsible to the Owner and the authority of any mistake or by any defect or error in interpretation or by mistakes or by any wrong information, is that the contractor would have prepared or prepared by third parties and the Contractor has used. Also, the Contractor has been considered in the Contract Price the programming for the execution of the work laid down in the contract documents, with the necessary precautions and complying with the regulations in force.

7.1.2 Permits and Licenses

It will be of responsibility, charge and cost of the Contractor process, obtain and make effective all rights, permissions and authorizations (including sectorial, environmental the Environmental Rating (RCA) or pronouncement of relevance to the SEIA issued by the environmental authority), and judicial pronouncements needed to build the project works; and/or their respective modifications. Among others, without the enumeration is exhaustive or exclusive, lists the following permissions and licenses: short of vegetation, extraction of aggregates, health permits, transfer of fauna in conservation problems, use of explosives, construction of works, use of dumps and landfills, transit of vehicles with weight overload and/or oversized, possession of the lands, environmental, disposal and storage of fuels and lubricants, security and environmental hygiene, and crosses of all kinds, among others.

7.1.3 Services Splices

It will be of responsibility, charge and cost of the Contractor the management before public agencies, municipal and private for obtaining and complete processing of the adoption of sewerage facilities and gas and the joints and interior installations of the services of electricity and drinking water, with the companies that give the respective service in the area of works, in terms of quality, opportunity, and coordination with third parties. These efforts must be included in the Contract Price.

In addition, it shall be the responsibility and the contractor, and is included in the price of the Contract, the cost of the rights and permissions, and the costs of splices that charged by public agencies.

The contractor shall deliver, when you request the certificate of provisional acceptance of the works, all certificates of approval from relevant government agencies or expressly indicated in the contract documents.

7.2 Adjustments to the Price of the Contract

7.2.1 General Information

During the execution of works, you should always be understood that the agreed price is unique and unchanging.

Without prejudice to the foregoing, may make adjustments to the contract price when the Chief Inspector to issue a Change Order, ordering the execution of increases or decreases in the originally contracted services; an extraordinary work; an acceleration of the works; or a stay or suspension of works; or in the cases provided for in paragraph 3.2.5; provided that the conditions for compensation set forth in clauses relating to such actions in these bases for extension work.

In addition, the Contractor may request a price adjustment in the event of a supervening alteration and serious circumstances present at the time of conclusion of the contract, that it has not been possible to foresee by the Contractor using the standard of the sum due diligence, and to produce a substantial imbalance in the obligations of the Parties, or excessively more difficult the fulfillment of the contract for the Contractor. This causal link may not be invoked in respect of those risks which the Contractor has expressly assumed under the Contract or any of its documents.

Price changes do not alter the terms set out in the Decree for the award of construction of expansion and obligated only to Parties.

If the contractor was not in accordance with the price adjustment determined by the Chief Inspector, may have recourse to mechanisms for the resolution of discrepancies regulated in clause 11 of these databases for extension work.

7.2.2 Procedures

When any of the circumstances described in clause 7.2.1 and the Contractor considers that, as a result, you have the right to request adjustment to the contract price, this will notify you in writing to the Chief Inspector within the shortest possible time and, at the latest, before after seven (7) calendar days from the occurrence of that circumstance, and in any case before incurring expenses for that cause.

Along with the previous notification or, at the latest, within fourteen (14) calendar days following such communication, the Contractor will then send the Chief Inspector a detailed statement of the reasons upon

which he bases his request for an adjustment to the contract price and value which, in his view, you must have the setting for the calculation of which shall be as set out in the following clause 7.2.3 .

The fact that the contractor did not send the notification or the foundation of the adjustment requested within the time limits indicated will mean the extinction of the right to request an adjustment to the Contract Price.

If the Chief Inspector is in agreement with the requested adjustment, to adopt it. Otherwise, reject it or will determine the setting with the background to it, using the form of valuation it deems appropriate.

If the interested party in the setting is the Owner, the Chief Inspector shall communicate the reasons of adjustment and its value, for the determination of which the Contractor shall provide the background that the Chief Inspector requested and which it deems appropriate.

Adjustments to the price of the contract requested by the contractor or by the Owner, and approved or determined by the Chief Inspector, shall be included in the progress payment. The omission of an adjustment to the Contract Price pending in the monthly report of clause 5.14.5 of these databases running on two (2) consecutive months, will mean that the contractor has withdrawn from the corresponding adjustment.

7.2.3 Assessment of the adjustments to the Price of the Contract

Whatever the form of valuation of an adjustment to the Contract Price, will not consider values by utilities not accrued profits, damages or consequential loss, loss of chance or opportunity or concepts of conjectural.

In the case of price adjustments of work carried out by subcontractors, shall be the setting as if the works were carried out by the Contractor. We will not accept the overlap of surcharges for general expenses, Contingency and Utilities applied by intermediaries.

The Contractor is obliged to provide the Chief Inspector all the information required to set the value of the adjustments to the Contract Price.

7.2.3.1 Assessment for speeding up the work

The settings motivated by an order of acceleration of work in accordance with clause 6.4.3 of these Rules for Expansion Works, will be assessed using criteria of marginal cost.

Shall only be regarded as:

- The additional direct costs (materials, wages, equipment, services).
- The direct cost of increasing the direct supervision staff, establish additional shifts and on time.
- Additional indirect costs, if any.
- The lowering of costs for the contractor because of the shorter terms of execution of the works affected by an acceleration.

The surcharge for general expenses and utility of the Contractor shall be approved by the Chief Inspector, considering that there is no need to pay for items covered in the prices of the works in execution.

7.2.3.2 Assessment of compensation for Deadline increase and cessation or suspension of the Works

The awards are intended to compensate a party for damages, losses and higher actual costs, legitimate and necessary, suffered by causes beyond its control, arising from acts or omissions of the other or derived from responsibilities assumed by the other in reason of the contract.

The amount of compensation shall be limited to the actual verified direct costs that relate directly to the grounds invoked. The amount thus determined shall not be the object of charge for utilities, contingency fund or general expenses.

The Chief Inspector to approve the payment of compensation to the extent that the contractor can demonstrate to the satisfaction of the one, that this is coming from.

7.2.3.3 Assessments of settings of the direct expense reimbursement system and surcharge

The system will be used for reimbursement of direct expenses more surcharge for rate adjustments applicable to the execution of works, when the Chief Inspector, in the form of deprivation, so decides.

In the case of works involving subcontractors, the valuation shall proceed in the same way that if the works are executed by the contractor, without, for this fact corresponds to overlay other charges.

Before starting any work subject to assessment by the system of reimbursement of direct expenses more surcharge, the contractor must obtain the approval of the Chief Inspector of all staff, construction plant, equipment, materials and methods of work that the contractor intends to use.

The value of a setting by the system of reimbursement of direct expenses more charge shall consist of the sum of:

- The direct costs of labor and materials, as they are defined in paragraphs A and B Annex No.1 REFUND SYSTEM OF DIRECT EXPENSES AND SURCHARGE of these bases for extension work.
- The value of use of construction equipment according to the guidelines and definitions contained in the letter D Annex No.1 REFUND SYSTEM OF DIRECT EXPENSES AND SURCHARGE of these bases for extension work.
- A surcharge of 25% on these direct costs of labor, materials and construction equipment. The surcharge of twenty-five percent (25%) on the direct cost, constitutes the entire compensation that will receive the Contractor.
- The cost of food and travel expenses that have been granted to staff prior authorization of the Chief Inspector, in accordance with letter C of the Annex No.1 REFUND SYSTEM OF DIRECT EXPENSES AND SURCHARGE implementation of these databases for extension work.

7.2.4 Reports related to the adjustments to the Contract Price

Without prejudice to the delivery of other precedents, the Contractor shall deliver to the Chief Inspector the following:

- A. A daily report detailing all the resources used in connection with the grounds for requesting the adjustment, since it takes place.

The Contractor may not invoke in their requests to adjust the use of resources that have not been duly informed the Chief Inspector and approved by this.

The delivery of these daily reports will continue as long as the request for an adjustment to continue pending, as set out in letter B below.

- B. A monthly list of all the applications for adjustment to the Contract Price pending or not resolved satisfactorily by the Chief Inspector in the opinion of the contractor, and so that it can submit a claim, in accordance with the procedures and time frames established in the contract.

Such requests shall be deemed to be pending while the Contractor has exercised the actions in accordance with the contract allow you to maintain their rights.

The Contractor shall be deemed to have waived its rights in respect of all those requests for outstanding adjustments, not included in the monthly list.

7.3 Extraordinary Works

At any time during the development of the works, the Chief Inspector may order the Contractor in writing to the implementation of Extraordinary Works.

The Contractor must perform the extraordinary works in accordance with the instructions of the Chief Inspector and in accordance with the rules, procedures and other conditions stipulated in the contract.

The Extraordinary Works shall be as agreed upon at every opportunity. In case of disagreement, the Chief Inspector shall have the authority to value them by Direct Expenses Reimbursement and Surcharge of the clause 7.2.3.3 of these Rules of the Expansion of the Works.

7.4 Payments

This type of Contract, any payment made by the Owner in accordance with any modality established in the contract, it should not be interpreted as approval of supply or work executed, nor relieve the contractor of the responsibilities assumed in the contract.

The Owner will pay a percentage of the Contract Price to compliance with predefined payment milestones, in databases, which have been executed in accordance with the contract specifications and approved by the Chief Inspector.

The payment of the Contract shall be verified by the presentation of States in payment for the fulfilment of these milestones of payment and the corresponding invoice presented correctly in accordance with the contract and the law.

7.4.1 Payment Dates.

The payment of invoices for a State-approved by the Owner will be made within thirty (30) calendar days from the date of receipt of the invoice by the Owner.

7.4.2 Payment Currencies

The contract price shall be paid in pesos (\$) legal currency of the Republic of Chile, according to the exchange rate as defined in clause 7.4.3 of these databases for Enlargement Works valid for the month of issuance of the invoice.

7.4.3 Exchange Rates

For all intents and purposes of the Contract, the exchange rate of the dollar of the United States of America with respect to the Chilean peso, expressed in Chilean pesos per dollar for the corresponding month, will be the value published by the Central Bank of Chile in the Informative report called "Daily", in point VI: "The dollar values" under the name "observed", corresponding to the day prior to the day of invoicing or the one published in the document that replaces it.

7.4.4 Late payments

The lateness of a payment in respect with the period established in the Milestone of corresponding Payment will result in a percentage equal to the annual interest rate defined in article 6 of the Law 18,010 for non-indexed operations in national currency, determined by the SBIF, published between the first and the 15th of each month in the Official Journal of the Republic of Chile.

The interest rate will be some three hundred sixty (1/360) of the annual interest rate. The percentage of total surcharge is add the products of each rate of interest on a daily basis, by the number of calendar days of backwardness that troops have elapsed during the validity of each rate.

This surcharge will be the only compensation that the Owner shall grant to the contractor for the delay in payments to be done.

7.5 Progress Payments

The Statuses of Payment shall include only payment milestones defined in the Table of Milestones for Payment of the Rules of Payment, which have been implemented in accordance with the contract specifications and which have been accepted by the Owner.

Eventually, the States of payment may also contain other payments approved by the Owner that are as set out in the contract as well as the discounts that apply in accordance with this. Also, in any State of payment may settle the fines that may have been applied under the contract.

The conditions of compliance with each milestone of payment in relation to the construction and commissioning of the contract works must be previously validated by the ITO for presentation in a state of payment by the Contractor.

7.5.1 Presentation form and deadlines

Once the contractor to execute the work or activities that give fulfillment to a particular milestone-defined on the basis of payment, the contractor may submit for the approval of the Chief Inspector, a progress payment, within a month of fulfilment of the milestone.

The Progress Payment must be duly approved by the Head of ITO. The Owner will not pay jobs or activities belonging to a milestone of payment if you are not completely finalized and approved by the ITO.

During the period that the ITO is not running at its functions, will be the Owner, through the Chief Inspector, who will either approve the progress payment.

The Progress Payment will be presented in a form that is designed in accordance with the instructions given in a timely manner the Chief Inspector and must be backed up with the Monthly Report that appropriate, prepared by the contractor and approved by the Owner.

In conjunction with the State of payment, the Contractor must provide documentation and statements laid down in the bidding rules for the period, in respect of employment contracts, payment of pension funds, statistics of accidents and other certifications predefined. The Chief Inspector will qualify in each case the lack of one or more of these documents and may authorize the payment of a State of payment or make deductions as it deems appropriate to safeguard their interests, being able to retain up to the total amount payable for the progress payment.

The Contractor shall submit in the progress payment of all the works executed and that are included in the milestone and received in accordance with the Chief Inspector.

The Contractor shall not include in the States of payment, charges corresponding to advances in work or activities in relation to the Program Master of the Contract, which belong to another milestone payment.

We will not accept States of partial payment, or presentation of these by milestones completed in part, or the partition or split Pay Statements in varying percentages to the indicated in the tables of milestones for payment of the Bases of payment.

In the event of rejection is justified by the Chief Inspector, the State of payment will be deemed not to be presented and the deadline for review shall take effect from the date of presentation of the new progress payment with the comments corrected to the satisfaction of the Chief Inspector.

7.5.2 Value of the Progress Payment

The value of a Progress Payment shall consist of:

- A. The amount allocated to each milestone payment mechanism, as a percentage of the Contract Price defined on the basis of payment.
- B. Other payments approved by the Chief Inspector are appropriate as stipulated in the contract.
- C. For each progress payment it can be deducted:
 - a) The retention as a guarantee of the proper execution of works, according to what is established in clause 5.16.4 of these rules for Expansion Works, if applicable.
 - b) The agreed discounts to settle payments, if any.
 - c) The retentions, discounts and fines that apply in accordance with the contract and in legislation.

The value of each progress payment will be subtracted from the sum of the quantities corresponding to the letters A and B the discounts of the letter C above, and add the Value Added Tax (VAT) of the contract.

7.6 Review of the Progress Payments

The Chief Inspector will review the status of payment and punished within seven (7) calendar days from the date of submission.

In the event of rejection, the progress payment will be deemed not to be presented, with the Owner to inform the specific reasons for rejection, and the deadline for review shall take effect from the date of presentation of the new progress payment with the comments corrected to the satisfaction of the Chief Inspector.

Once approved the progress payment by the Chief Inspector, this will issue a document certifying the value to which the Contractor shall be entitled for such progress payment and return to the Contractor two (2) copies signed by the state-approved.

7.7 Progress Payment Commissioning.

The Contractor may issue Progress Payment corresponding to the Commissioning once the Owner has issued the Provisional Acceptance of the works and the conditions have been met, listed below:

- a) The Contractor must have completed to conformity of the Owner the execution of all the works contained in the contract, with the exception of those that are contained in a "Punch List" with dates of commitment approved by the Owner.
- b) The Contractor must be completed by the accordance of the Owner the phase of testing and commissioning of the Works contained in the contract. The new facility must have the declaration of entry into operation by the Coordinator.
- c) The Contractors must deliver in conformity with the Owner The warranty period of the works.
- d) The Owner should have issued the certificate of provisional acceptance of the works.
- e) The Contractor shall have the Monthly Progress Reports and administrative per day and have presented the certificates of compliance with labor and social obligations, and to pay its subcontractors and suppliers.
- f) The Contractor must be delivered to conformity of the Owner all Plans As Built and the red line of the new installation and existing facilities intervened and the As-built of the general layout of the uniplanar and complete installation.
- g) The Contractor must be delivered to conformity of the Owner all the information of the new installation for incorporation in the fixed assets of the company (Forms of activation of the works).

7.8 Status of Final Payment

The Contractor shall submit the status of final payment, corresponding to the last payment of the Contract Price, when you have complied with all the following conditions:

- a) The Contractor must have delivered every month the corresponding monthly report with the certificates of compliance with labor and social welfare obligations.
- b) If it is still in force the Warranty Period of the works, the Contractor must have in force applicable warranty.

- c) The Contractor must have concluded to the satisfaction of the Chief Inspector the "punch list" of earrings, if the Provisional Acceptance Certificate was issued "Observations".
- d) The Owner should have issued the act of returning the field.
- e) The Owner must have received to the satisfaction of the Chief Inspector the totality of art works, works and services included in the scope of the contract.
- f) Final Report of the company in charge of the provision of the Service of Labor Control.
- g) Delivery to the Owner of the declaration of entry into operation by the Coordinator.

This state of payment shall include discounts on fines, withholding or other to proceed according to the contract, and that there have been settled in the state of previous payment.

The State of final payment must be accompanied by:

- a) A complete list of all the requests for adjustment to the contract price and increases in term and all pending claims or that may be made by the contractor at the time, in accordance with the provisions of the contract.
- b) The claims and requests for adjustment that the contractor may be done at the time of presenting the status of final payment, are only those that have their origin in circumstances that occurred within fourteen (14) calendar days prior to the signing of the Return of the field.
- c) Documents that certify or declare, as prescribed by the Chief Inspector, which the Contractor and its subcontractors have paid all the implementation costs of the works, including taxes, fees and charges, inpatient salaries and wages, pension social laws, materials, and services used or incorporated into the works.
- d) A history of that there are no anticipated embargoes or lawsuits in connection with the works that affect or may affect the contractor or its subcontractors.
- e) A complete list of the land and supplied equipment and installations and product of the works executed and that under the Contract become the property of the Owner.
- f) Report of breakdown of prices, according to detail prepared by the Chief Inspector in order to incorporate the goods to the assets of the Owner.

The Chief Inspector shall have a period of thirty (30) calendar days, counted from the filing date, to review and express an opinion on the State of final payment. If necessary, the Chief Inspector may employ an additional period that, at most, shall be equal to other thirty (30) calendar days, which shall be notified formally to the Contractor within the initial term of review of thirty (30) calendar days.

If the Chief Inspector does not agree with the State of final payment submitted by the Contractor shall return with relevant comments to be corrected.

In the case of applying fines and discounts of any kind, these will be deducted from the total to pay of the States of payments applicable to the contract.

Along with the approval of the State of final payment, the Chief Inspector will be resolved in the final analysis pending applications, claims not resolved and that could have presented the Contractor along with the State of final payment. The payments to proceed will be incorporated in the State of final payment.

Approved the State of final payment, the Chief Inspector shall proceed to sort your payment within a period not exceeding thirty (30) calendar days from the date of submission of the invoice.

In addition, it shall be deemed that the partial or total rejection to requests and pending claims, including in the relationship referred to in (a) above, shall constitute the final decision of the Chief Inspector on them.

7.9 Deduction from Progress Payment

In the case that the contractor is not in compliance or incurred delay in compliance with any of the obligations of the contract, unpaid or keep breached, even partially, the commitments with third parties and which are direct or indirect consequence of the execution of the works or the contract that the contractor is not to comply with the Law No.20.123, the Owner has been notified of a lawsuit initiated against the contractor, or take knowledge of the home of the aforementioned legal actions against the contractor, the Owner is irrevocably authorized by the Contractor and the present contracts to withhold part or all of any of the States of payment.

The Contractor expressly empowers the Owner, for in such cases, carry out the aforementioned retention and resignation to any action for damages against the Owner, derived from the fact that the Owner has exercised such authority. In this regard, the Owner will respond only by its negligence.

The Chief Inspector may withhold payment of any State of payment or part of this while regularizes the situation of non-compliance.

By incurring a delay means the exceed a pre-established date in any provision of the contract or the lack of timely compliance with any instruction that the Chief Inspector of the Contractor.

The partial or total withholding payment of any Progress Payment does not entitle the Contractor to receive the penalty set out in clause 7.4.4 of these bases for extension works, or the receipt of interest, readjustments or any compensation.

8 Design

8.1 General Obligations of the Project

The contractor shall review and make yours the conceptual design and engineering received in response to the invitation to tender. The Contractor must review and revise the engineering, specifications, design requirements and any other antecedent received in response to the invitation to tender. For this review and consideration, the Contractor agrees to use the standard of the sum due diligence. The Contractor will update the existing facilities to give you the Owner, depending on actual conditions of land for which you will need to perform the uprisings of land that may be required. The contractor is responsible for the project.

Any information or data received by the Contractor, either from the Owner or from another source of information shall not relieve the contractor from its responsibility for the good of project development and execution of the works.

The Contractor shall be responsible for preparing the basic design and detail of the totality of the works, including the engineering design of equipment and embedded systems, in order to give it to the Owner complete and in accordance with the terms of the contract.

The design shall include the preparation of drawings and technical specifications, computer programs, reports, calculations, operation and maintenance manuals, procedures manuals, reports, studies, protocols, progress reports and other documents in preparation of the contractor for the fulfilment of the contract.

The Contractor shall coordinate and integrate the engineering of the contract works with the engineering design itself of all the equipment, materials and systems that form part of the contract. In specific and without limitation, the Contractor shall coordinate its engineering with its subcontractors, manufacturers and suppliers.

The Contractor shall submit to the Owner, within a period not exceeding thirty (30) calendar days from the date of the Order to proceed, a master program where indicated the main activities of engineering, including at least the engineering of civil works, structures, roads, electrical works, design of equipment and materials, electrical, engineering studies for control systems and protections.

The Contractor shall perform periodic meetings, at such times and places as are determined by the Chief Inspector, with the participation of all engineering of the Contract, including representatives from its suppliers of equipment and systems. At these meetings, the Contractor must submit to the Chief Inspector of the progress of all engineering and the review of the implementation of the Program Master, along with the issuance of progress reports.

The Contractor is obliged to incorporate into their cost and charge, the resources that are necessary to ensure compliance with the deadlines set out in the contract and/or the program teacher, without altering the quality of the engineering.

The Chief Inspector will be able to visit the offices of engineering contractor, and make the comments it deems pertinent. In particular, but not limited to, the Chief Inspector will be able to check if the team of professionals and the respective infrastructure dedicated to this Contract correspond to what was offered by the Contractor in its proposal.

The Contractor shall consider all comments to design, without that granted the right to request increases in term.

8.2 The Contractor's documents

The Contractor shall prepare all the documents of the contractor as defined and require implementation in these databases for extension work.

The hardware and software you use and provide the Contractor shall be to the latest version or the authorized by the Chief Inspector, and with the respective existing licenses.

The Documents of the contractor should understand the technical documents specified in the contract documents, the documents necessary to meet all regulatory approvals and the documents referred to in the following clauses: Drawings of the Contract, technical specifications and Operation and Maintenance Manuals.

All documents of the contractor must be submitted to the Owner for your awareness along with a notification. The notification must establish that the documents of the Contractor comply with what is established in the contract, or shall indicate the part thereof that do not conform to the contract.

The Owner will be able to comment on any document prepared by the Contractor shall, within a maximum period of fourteen (14) calendar days from the date of reception of the document. The Contractor shall not implement or develop work or any work that has been commented on by the Owner.

If after this period the Owner makes no comment on the document, this does not mean that the document is approved and/or sanctioned and that the contractor is released, in whole or in part, of their obligations and responsibilities to carry out work or provide materials and equipment, or other parts of the works so that the work once complies with all the conditions and specifications of the contract.

In any case, the Owner may at any time during the execution of the works, comment on, observe, and reject any document, manpower, materials or equipment in its sole judgment and without cause, by issuing a notification or annotation in the Book of Works to the Contractor. The contractor at the time of receiving such notification of the Owner shall immediately take all necessary actions to correct the defect identified in the above-mentioned notification.

All observations, comments, refusals to make the Owner to documents delivered by the Contractor shall be corrected by the Contractor and submitted again to the Owner within a maximum of twenty-one (21) calendar days for his knowledge.

All corrections you need to make the Contractor to documents, manpower, materials or equipment must have them under their responsibility, risk, charge and cost, and shall not entitle the contractor to request increases in term nor a rise in the price of the contract.

The agreements and revisions of the Owner will not release the contractor from its obligations and responsibilities assigned to the contract terms.

8.3 Technical Specifications

The contractor based on the conceptual design provided by the Owner, shall prepare the technical specifications for the contract works, including specifications for the civil works, roads, metal structures, electrical works, supply of equipment, materials and embedded systems.

The technical specifications prepared by the contractor must meet at least the standards defined by the Owner in the conceptual design and should incorporate the provisions of the technical specifications provided by the client as part of the contract documents.

The contractor shall deliver these technical specifications to the Owner for knowledge and comments, prior to the completion of works and the provision of equipment, materials, and respective systems. If this is not met, the Owner will apply to the Contractor the fines provided for in the contract.

In order to protect the safety of the people in the case to be carried out work on electric installations, if the solution to the project includes the installation of a hybrid team, it will be necessary to consider as part of the work, the installation of additional equipment to ensure the conventional electrical insulation of this computer.

8.4 Technical Standards and Regulations.

The Project, Documents of the contractor, the execution and the works completed shall be subject to the provisions of the technical standards and legislation on electrical installations of high, medium and low voltage, seismic aspects, security for individuals and teams, building, construction and environment, as well as any other rules applicable to the works.

All these regulations will be the one that, in connection with the works and every part of the same, is indicated in the contract documents and this in effect when the works or part of them must be competitively tendered by

the Coordinator during the construction and commissioning. All references in the contract published regulations shall be construed as references to the applicable on the date of receipt of proposals.

8.5 Training for the Staff of the Owner

The Contractor must perform to its cost and responsible for the training of staff of the Owner for the operation and maintenance of the works, as specified in the contract documents. The training of staff of the Owner must be done before the Provisional Acceptance of the works and shall not be considered completed the works for the purposes of reception, until this training has been completed to the satisfaction of the Owner.

8.6 Contract's Plans

In the set of plans of the Contract distinguishes four types of drawings: Tender drawings, Design, Implementation Plans and as-built drawings.

A. Tender drawings

Are the planes of conceptual design that delivers the Coordinator to allow the contractor the sufficient knowledge to prepare the proposal and on the basis of which the Contractor shall perform the basic design and detail design. Also correspond to tender those planes planes of facilities, equipment and structures that provides the Coordinator.

The Planes of the Tender lack validity for the construction and manufacture and it is the contractor's responsibility to verify the validity of the information contained in them, updating them and proposing possible solutions, which necessarily the Contractor must submit for comments and approval of the Chief Inspector.

B. Design plans

Are the planes corresponding to the basic design that prepares the contractor based on the tender drawings, technical specifications and instructions given by the Owner. The contractor must present these planes to the Chief Inspector for his knowledge.

The basic design are the planes with the data necessary and sufficient to describe works to be carried out. These planes are understood to be complemented by technical specifications and the rules of art.

C. Implementation Plans

Are the plans for the detailed design that prepares the Contractor and delivered for the knowledge of the Inspector Chief

The Implementation Plans may be:

- Building Plans

Are the plans prepared by the Contractor from its own experience, based on information provided in the contract documents and by the Chief Inspector, which are necessary to build the works, defining characteristics of detail, constructive sequences of operations, manipulations of materials and equipment incorporated and plant construction, as well as any other activity necessary to carry out works.

Between the construction plans may include the following: lists of materials, sizing of parts and pieces, provisions of equipment, details, and wiring diagram wiring, electrical control planes, dimensions and local topography, terrain profiles and progress of the works, metal mesh, grounding, location and layout, diagrams of shots, execution sequences, etc.

- Manufacturing Plans

Are the plans prepared by the Contractor starting with the layout plans, to create an element, item, material, structure or equipment. These plans are understood to be complemented by technical specifications and the rules of art.

- Assembly Plans

Are the plans to be prepared by the Contractor, and that are necessary to install or elements, parts, materials or equipment. These planes will be complemented with the fitting instructions, which you must also prepare the Contractor.

- Levels of supply of equipment and systems

Are the planes to prepare the Contractor for supplies of equipment and systems incorporated into the contract, including also the final drawings that will be delivered by the contractor to the Owner, as indicated in the Technical Specifications.

The only plans are valid to carry out the works are the Implementation Plans prepared by the Contractor and delivered to the Chief Inspector for knowledge, and they have printed, through a ringer, the legend "Valid for build."

D. As Built drawings

Is the set of plans to be prepared by the Contractor, describing the final state in which the works have been constructed, as well as the exact location of the equipment and the size and detailed information of the work done.

The contractor shall deliver the as-built drawings of the works, in which must be represented, in all its details, as they were built really works.

As Built drawings of each of the parts of works should be submitted for review and approval of the Chief Inspector within thirty (30) calendar days following the end of the execution of the part of respective work.

The delivery by the contractor of all planes as Built, is a prerequisite for presenting the status of final payment.

E. Presentation of the Planes

All levels to prepare the Contractor, whether new plans or drawings of existing installations (which the Contractor must update), you must draw them using the computer program that indicated in these bases for expansion and according to the rules of drawing and identification that will mark the Chief Inspector. However, in the case of the planes that require to be signed and that have a legal character, municipal permits, among others, shall be printed, signed and sent to the Owner along with your digital scanner the plane on colors.

The amount of paper copies and CD will be laid down in these bases for extension work.

8.7 Operation and Maintenance Handbooks

Before the start of commissioning tests, the Contractor shall deliver to the Owner provisional manuals of operation and maintenance sufficiently detailed to the Owner can operate, maintain, disassemble, reassemble, adjust and repair facilities. The comments that you can carry out the Owner to the operation and maintenance manuals shall be incorporated immediately by the Contractor in the final version of those manuals.

Shall only be regarded as completed the works once the Owner has received consistent and sufficiently detailed final manuals of operation and maintenance manual and any other specified in the contract documents for such purposes.

The Contractor shall, during the warranty period, you will need to revise or update the operation and maintenance manuals as a condition to verify the final acceptance of the works.

Any expenses or costs that you incur the Owner at any time (during the warranty period) as a result of errors or omissions in the operation and maintenance manuals or in the information contained therein, shall be responsible and cost of the Contractor.

8.8 Project Error

If there are errors, omissions, inconsistencies, inadequacies or other defects in documents of the Contractor, these and the works must be corrected by the contractor in charge and cost, without prejudice to any consent or awareness of the Owner under the provisions of this clause, without the right to the contractor to request increases in time limits in case of delays in the execution of the works. To avoid unexpected delays as a result of these errors, the Contractor will work with the method of gradual transfer of documentation which will make it possible to correct them in the milestones are scheduled in between. The transfer of the documentation to the Owner is a continuous activity that must be carried out throughout the development of the work.

9 The Supply

9.1 Quality of the incorporated materials and equipment

The materials and equipment that will provide the Contractor, must be new, of first quality, without defects or imperfections, and shall conform to the specifications of the contract.

The Materials and Equipment Incorporated that have not been stipulated in the Technical Specifications, which must be supplied by the contractor, must be functional and constructively, consistent with the purposes for which they are intended.

9.2 Contractor's supply of incorporated materials and equipment

9.2.1 General Conditions

The Contractor shall be responsible for providing all equipment and materials that are required to operate the works or project contracted by the Owner through the EPC contract, in accordance with the conditions specified in the contract documents.

For all purposes of the Agreement, all supplier or manufacturer to whom the Contractor purchase incorporated materials or equipment that, in accordance with the Contract, will be the responsibility of the contractor supply, will be considered as a subcontractor and apply the relevant provisions of these bases for extension work.

The Chief Inspector may request the Contractor to submit samples, records or protocols of tests or trials of equipment and materials that will provide.

It will be the responsibility of the Contractor to carry out all necessary actions, from the preparation of the background to place the shop orders and purchase, transport (air, sea, river or land, as applicable), loading, unloading, handling, stay in customs duties and any other necessary to comply with their obligations, until the delivery on the ground of works, of all equipment and materials incorporated, whether Chilean or foreign origin.

All efforts, payment of duties and taxes, both abroad and in Chile, necessary for admission to Chile of Materials and Equipment Incorporated of foreign origin, acquired for the contract works, shall be made by the contractor and to its name, and will be included in the price of the Contract, unless the Owner set otherwise in special execution databases.

The Contractor may not eligible for the deferred payment of the rights of admission to equipment and imported materials or to the internment of part of the goods, including the processing of 1 Rules for equipment and materials that require it for your stay in Chile.

All documentation related to the supply of equipment and materials, whether Chilean or foreign origin, must be issued in the name of the contractor. The Owner shall have no liability with regard to the provision of equipment and incorporated materials to be delivered by the Contractor, unless the Owner set otherwise in special execution databases.

The ownership of the equipment and materials incorporated to provide the Contractor are transferred to the Owner to the presentation of the State of final payment.

The Contractor shall be responsible for the care, custody and control of equipment and materials incorporated that supplies, as well as the risk of loss or damage of any of them, and shall be responsible and shall be obliged to its cost and charge to repair or replace the equipment and materials which is lost, damaged or destroyed, regardless of the form or cause to produce or cause such loss or damage, while not appropriate to the Provisional Acceptance of the works.

Any equipment or material incorporated may be removed from the field by the contractor or subcontractor without the authorization of the Chief Inspector.

In the event of theft of materials and/or equipment, the refitting of these shall be borne by the Contractor.

9.2.2 Responsibility for the Supply

Any defect of quality and performance is detected during the period of manufacture, transport and warranty period of the equipment and materials incorporated, shall be corrected by the contractor to the satisfaction of the Chief Inspector and at no cost to the Owner.

9.2.3 Cargos, Insurances and others

All equipment and material supplied by the Contractor must be transported from their place of manufacture, either in Chile or abroad, until the storage site in the field of works, under the sole responsibility of the contractor, who shall take all insurance required in the contract and those that are necessary to cover their liability.

All necessary expenses for teams and incorporated materials arriving from the factories to the warehouses of final destination, shall be borne by the Contractor and would be considered to be included in the Contract Price.

9.2.4 Change of Supplier or Manufacturer

The Contractor may not replace a manufacturer or supplier of a material or equipment incorporated already authorized, without the prior written approval of the Chief Inspector.

Any proposal of this type shall be addressed in writing to the Chief Inspector for study and comments, at least twenty-eight (28) calendar days prior to the date on which the contractor you want to place the Purchase Order or Shop Order of such equipment, article or material for use in the works. The cost of the Study of the history of this new manufacturer or supplier will charge and contractor's cost, value that will be deducted from the progress payment.

9.2.5 Conditions for the supply of power transformers

The proponent shall ensure that the total losses at full load of transformers that are included as part of the supply of labor, are less than or equal to the total losses indicated in the Annex No.2 TOTAL LOSSES OF TRANSFORMERS implementation of these databases for extension work.

9.3 Tests and trials at the factory

9.3.1 Types of Tests and Trials for the supplied equipment

The types of tests and trials are indicated in the Technical Specifications.

9.3.2 Cost of the trials and tests.

The tests and trials of materials and equipment incorporated to be implemented in factories, workshops, test beds, own of the contractor or third parties, shall be as laid down in the contract and prescribed by the rules applicable to them, and shall be borne by and at the cost of contractor. Notwithstanding the foregoing, the Chief Inspector may request those tests or additional evidence as it deems necessary, which shall also be of charge and cost of the Contractor.

If the Chief Inspector ordered any trial or test that is not referred to in the contract or that, being specified in the contract, order your execution by an entity other than the one specified or arrange for its implementation in accordance with other methods or procedures, the costs of such trials and tests shall be borne by the Contractor.

The Contractor shall provide at its own expense and cost all the assistance, staff, supplies, equipment, instruments and everything that is necessary or reasonable in order to carry out efficiently the respective tests and trials of materials and equipment incorporated.

All expenses incurred by the Owner in re-inspections as may be necessary to perform, as well as the Calendar days lost in hopes of being able to perform an inspection, shall be borne by and at the cost of contractor, value that will be deducted from the progress payment.

9.3.3 Inspection of the trials and tests.

The removal of the samples and all trials and tests stipulated in the contract, shall be made in the presence of the Chief Inspector or by a representative duly authorized by it. In this case, shall be borne by the owner the costs incurred by the presence of the Chief Inspector in the respective evidence.

Before starting the manufacturing of a team, material, or any part or element of the works that must be supplied by the Contractor, the latter shall agree with the Chief Inspector, at every opportunity, the anticipation with which the Contractor shall inform the Chief Inspector the date of completion of a test or test. The Chief Inspector may order, with the contractor, the repetition of a test or proof of any nature which has been implemented without his presence or his authorized representative.

The contractor will be able to run without the presence of the Chief Inspector or his authorized representative, only those tests or evidence that the Chief Inspector expressly authorizes in writing.

In all tests and tests that run the Contractor, the latter shall issue a certificate or protocol in which certify the conditions and objectives under which ran the rehearse or test, the measures undertaken and results achieved.

The contractor, at its own expense and cost must adhere to the indications and consider the comments that the Chief Inspector perform to any aspect of the tests and trials, such as: the methods, standards, equipment and instruments, personnel, sampling, results reporting, etc., including the repetition of tests and trials if, in the judgment of the Chief Inspector, as necessary. All of the above shall not entitle the Contractor to increases of deadlines or increase in the Contract Price.

The execution of tests or tests do not in any way frees the Contractor of its responsibilities under the Contract on Equipment and Material Incorporated, tested or tested.

9.3.4 Control framework

The Contractor shall give or obtain from their manufacturers or suppliers all facilities as may be necessary to ensure that the Chief Inspector or his representative Place checkmarks own of the Owner control in the samples, specimens, parts or parts and in the material or equipment approved or rejected.

9.3.5 Tests and trials of minor equipment

Testing is not required in the factory of those materials and equipment under standard design and manufacturing in series. In any case, the Chief Inspector shall have the right to demand records or protocols of the sampling tests executed normally by the manufacturer.

9.3.6 Unsatisfactory tests or trials

In the event that the results of any testing or rehearse of equipment or materials, yield results that are considered by the Owner as unsatisfactory and that therefore the respective equipment or materials are deficient or not in accordance with the terms of the Contract, then the Owner shall notify such circumstances to the Contractor in order to rectify the defect or lack warned in accordance with the terms of the contract.

The Contractor shall promptly correct any of such defects or lack of conformity, in order for the equipment or material complies with the terms of the contract.

Once such a rectification and being subject the equipment or material with the terms of the Contract, the Owner may request that a repetition of tests and trials, being forced the Contractor to cover all of the costs that this demand and expenses that the Owner demonstrates that he has incurred.

9.4 Repair or replacement of incorporated materials and equipment

Whatever the advancement of manufacturing, the Contractor must correct or replace, at no cost to the Owner, materials or equipment incorporated provided that do not meet the purpose required, the conditions stipulated in the contract, or good engineering practices, workshop, or construction.

The contractor will have no right to increase in term by arrears that they can experience the work as a consequence of the rejection may be carried out by the Chief Inspector in respect of equipment and materials that do not comply with the terms of the contract.

9.5 Modifications to the supply requested by the Chief Inspector

The Chief Inspector may request, through a change order as defined in clause 4.2.2, modifications in equipment and incorporated materials supplied, by modifying stipulated in the specifications or in the agreements already adopted.

To a request for modification, the contractor must send, within seven (7) calendar days, a quote by pointing out the delivery time of the item affected by the modification and variation of the Contract Price, if any. The Chief Inspector must resolve within seven (7) calendar days following the date of receipt of the quote, confirming or withdraw from the modification.

9.6 Approval of incorporated materials and equipment

Any material or equipment shall be deemed to be approved provided Embedded definitely once it has been issued the Certificate of Final Acceptance of the works.

The Materials and Equipment Incorporated provided that do not comply with what is specified in the contract, with the applicable rules or instructions issued by the Chief Inspector, will be rejected. The rejection may be run at any time prior to the issuance of the Final Acceptance Certificate.

9.7 Replacement of lost or damaged supplied and incorporated material and equipment

Until the issuance of the certificate of provisional acceptance of the works, shall be the responsibility, account, and position of the Contractor the refitting of the equipment or incorporated materials supplied, lost, stolen or damaged, as well as get of the insurance companies the appropriate compensation. If during the Warranty Period, the equipment is damaged by poor quality materials, manufacturing defect and, in general, for any cause attributable to the contractor, shall be the responsibility, the responsibility of the contractor of his replacement or repair and obtain compensation.

If the replacement or repair is of such a nature that may affect the efficiency of the works or part of them, the Chief Inspector may request the Contractor the repetition of tests of reception.

An increase in the period of execution of the works shall be governed in accordance with the numeral 6.5 of the Bases for extension work.

9.8 Spare parts for Assembly, Commissioning and Warranty Period

In order to ensure the timely implementation of the project, the Contractor shall provide, at your expense, all necessary spare parts for the replacement of equipment or materials incorporated provided that could be damaged during assembly, or that are lost, stolen or damaged in any phase of the implementation of the project. Likewise, the Contractor shall provide, at your expense, all replacement parts necessary to ensure the replenishment of equipment or materials incorporated provided as may be necessary to replace by malfunction or poor quality, or which have been damaged, during the Warranty Period, in such a way that complies with the terms of unavailability allowed establishing the NTSyCS.

These spare parts must be sufficient in quantity and quality for the commissioning without setbacks and the correct operation of the installation throughout the warranty period of the contract.

Those parts referred to for the period of construction and warranty, as indicated in the proposal, that have not been used must be delivered to the owner at the end of the Warranty Period of the contract. This delivery is also a necessary condition for the issuance of the certificate of final acceptance of the works by the owner.

10 Contract Termination

10.1 Early Termination of the Contract

The early termination of the contract or part of the works may be caused by:

- Agreement of the Parties.
- Due to causes attributable to the Contractor.

The early termination of the Contract shall be communicated by the Owner to the Coordinator, with a copy to the Ministry, the Commission and Superintendence, within two (2) calendar days of occurrence.

In any case, the early termination of the contract is formalized through a deed of the contract.

10.1.1 Contractor's Attributable Causes

The Owner shall be entitled to terminate the contract in advance in case of verify, among others, the following facts:

- a) If the contractor or partner or shareholder or any of its directors, managers, administrators and key executives, they were convicted of any crime that deserves an afflictive penalty.
- b) If the Contractor is convicted of any of the crimes established in the Law No. 20,393 on criminal liability of legal persons in the crimes of washings of assets, financing of terrorism and crimes of bribery.

- c) If the Contractor welcomes any kind of agreements with their respective creditors or is in notorious insolvency law, without prejudice to the provisions of Law No. 20,720.
- d) If the Contractor does not start the works within the deadline set in the Master Schedule of the Contract without just cause; the Republic suspends without the authorization of the Chief Inspector for more than seven (7) calendar days, or forsake you.
- e) If the Contractor will not execute the works in accordance with the Contract; it will not move nor replace materials or equipment rejected by the Chief Inspector; or if because of errors attributable to it, suffered the works of irreparable defects that compromise your safety or oblige modify substantially the design.
- f) If the Contractor repeatedly and declares, in breach of its obligations, and especially if you don't will abide by the instructions of the Chief Inspector.
- g) If the contractor did not maintain in force the guarantees and insurance required by the contract.
- h) If the Contractor fails to comply with the timeliness and frequency of delivery to the Chief Inspector of the Declaration, the information, documents and certificates that are defined in clause 5.14 of these bases for extension work.
- i) When the fines issued to the Contractor exceed a 10% of the Contract Price.
- j) By dissolution, term of rotation, or liquidation of the contractor company.
- k) If it will be transferred all or part of the Contract, or outsource without the approval of the Owner.
- l) If the contractor remains unpaid debts with any of its suppliers for more than 60 calendar days, counted from the day on which payment is made.
- m) For non-compliance with the labor obligations, social security or both of the contractor tax as its subcontractor and without prejudice to the right of the Owner to retain the amounts cannot be responsible subsidiarity.
- n) When the actual progress of the works displays an unwarranted delay greater than a 30% in relation to schedule.

Produced any of the grounds of breach of contract, the Chief Inspector shall notify the Contractor in writing of the grounds of non-compliance, in order that that, within fourteen (14) calendar days, troubleshoot or remedy the alleged causal of non-compliance. If, on the expiry of fourteen (14) calendar days, the Contractor has resolved or remedied the alleged causal of non-compliance, to the satisfaction of the Chief Inspector, the Owner may take the following measures, as it considers most appropriate to their interests:

- Intervene the works in accordance with the provisions below in the letter A) Intervention of the works, or
- Put an end advance to the contract.

10.1.1.1 Intervention of the Works

If, on the expiry of fourteen (14) calendar days referred to in this clause, the Contractor shall not find a solution or remedy for the cause of alleged non-compliance, to the satisfaction of the Chief Inspector, the Owner shall

have authority to take over the Implementation of the Works, on behalf of the Contractor until the completion of the Works, an action that will be referred to as "Intervention of the Works".

At the time of the intervention of the works, the Contractor shall abstain from taking part in any way in the management of works and the Owner may occupy the field and works, and to prohibit the administration of them by the contractor, without which this would vitiate the Contract or release the contractor from its obligations or affect the rights or powers conferred upon the Owner or to the Chief Inspector by the contract.

By virtue of the foregoing, among others, the Contractor may not alter the employment situation of their staff existing on the date of the intervention.

Produced the intervention of the works, the Owner may make the guarantee of compliance with the contract, compensation of damages.

The Owner to your single trial you will be able to complete the works by itself or use another contractor to complete the work.

The Owner or the new Contractor may use for the completion of the Works, in whole or in part, the construction plant, and the materials of the Contractor, and the Contractor is prohibited access to works. In this case, the Owner may sell, in whole or in part, the plant of construction, materials not yet used and apply the proceeds of disposition to the payment of any amount due by the contractor at that time or may owe in the future in relation to the contract.

a) Appraisal to the date of the operation.

The Chief Inspector, as soon as the Owner is in charge of the Contract by the Contractor and after having heard the opinion of this or done research, surveys and evaluations as it deems necessary, determined summarily executed:

- The sum of money that the Contractor has received up to the time of the Owner to take over the works or to be credited for work already performed under the contract.
- The value of any new material or partially used.
- The value of the plant construction.

The Contractor may not claim for losses or profits that would have expected, nor the Owner will be responsible for them.

From the date of intervention of the works, the plant construction, the temporary facilities and materials will be used by the Owner and will be returned to the Contractor as they are no longer needed in the works, subject to compliance with the indicated in (a) above.

b) Payments because of the intervention of the Works

If the Owner is in charge of the works in accordance with this clause, it shall not be obliged to pay the Contractor any sum on account of the contract, but after 90 days from the Provisional Acceptance of the works and after you have determined the termination costs and conservation, fines for delays produced in the completion of the works and all those other costs incurred by the Owner and whose

values have been certified by the Chief Inspector. The contractor will receive the difference, if it exists, between what the Chief Inspector certifying that would have been the sum that the Owner would have paid the contractor, if the contractor had finished the works, and the expenses incurred by the Owner.

If the difference is in favor of the Owner, she will be considered a debt of the contractor for with the Owner, enforceable immediately, and will be deducted from the guarantees, states of payment, of proceeds of disposition of the plant construction, or charged by the courts.

10.1.1.2 Contract Termination

If, on the expiry of fourteen (14) calendar days referred to in clause 10.1.1 of these Rules for Expansion Works, the Contractor shall not try to find the cause of the alleged non-compliance, to the satisfaction of the Chief Inspector, the Owner may proceed to terminate the Contract in advance and to make effective the guarantee of Compliance with the Contract, to compensation of damages title.

If the Owner puts an end advance to the contract, shall have the authority to take immediate possession expressly of the works, the terrain and the Materials and Equipment Incorporated and plant construction that they are intended for the execution of the works.

The Owner will be able to continue the works by itself or through third parties and finish under its responsibility in the way that it considers most appropriate to their interests.

The fact that the Owner end advance to the contract should not be construed as a waiver of the right, to claim the Contractor the value of damages that resulted in the breach of contract by the Contractor and collect the fines that had been completed.

Once notified the contractor of the decision of the Owner to terminate advance to the contract, the Contractor shall submit to the Chief Inspector a state of Final Payment valued according to the latest forward curve S submitted by the Contractor and sanctioned by the Chief Inspector. The value obtained shall be added values that the Owner due to the contractor for other causes and subtracted the values that the contractor owes the Owner. If the Owner proves to debtor of the contractor, will proceed to pay the State of final payment in the form stipulated in the contract. If, on the contrary, the Contractor is the debtor, a procedure shall be agreed between the Parties or in his absence will be deducted from any amount that the Owner due to the contractor at that time or you might owe later in connection with the contract, including the withholding.

Along with the State of final payment, the Contractor shall deliver a written statement containing the unpaid pledges that the contractor has with third parties and which are direct or indirect consequence of the works.

The costs of removing the facilities and plant construction of the property of the Contractor shall be borne by the Contractor.

The return of the guarantee for the proper execution of the works shall be carried out in accordance with the established pattern in the clause 5.16.4 of these bases for extension work.

All rights and obligations of Owner and Contractor, with respect to the work done or omitted before the date of early termination of the Contract, remain in full force and effect according to the terms of the contract.

Notwithstanding the foregoing, the Owner and contractor by mutual agreement may agree on the following:

- a) The payment of the work carried out in part and that the Owner deems useful for the continuation of the works.

- b) The payment of materials acquired by the Contractor for the works and that the Owner resolved to use in the pursuit of the work.
- c) Adequate compensation for the use of that part of the plant of construction the Owner deems necessary for the continuation of the works, determining a rebate program.
- d) The scheme under which the Contractor could put an end to the manufacture of equipment and materials incorporated and the implementation of other jobs that the Owner asked.

10.2 Reception of the Work

10.2.1 Provisional Acceptance

Once the renovation is complete, as noted in the numeral 6.2.3 of these bases for Extension Works, with the exception of the withdrawal of facilities on construction of the contractor who, in the opinion of the Chief Inspector, do not affect the efficient use of works, and carried out the tests that are applicable, the Contractor may request the Chief Inspector Provisional Acceptance of the works. The Chief Inspector shall verify that the faithful compliance of the drawings, specifications and other contract documents as appropriate.

If this verification proves that the works do not comply with the requirements laid down in the contract, the Chief Inspector sent a detailed report to the contractor to execute the work and repairs for it, or any other commitment or requirement stipulated in the contract, setting a deadline for its delivery, implementation or execution.

There were no comments or once rectified the defects indicated in the report referred to the full conformity of the Chief Inspector, the latter shall grant the certificate of provisional acceptance of the works.

The Chief Inspector will be able to provisionally receive part of the works that constitute a section full of them and issue a Certificate of Partial Provisional Acceptance allowing the contractor to remove the part of the plant construction that appropriate and authorize the Chief Inspector, but will not lead to the return of the deductions or part of them, nor have any other effect.

The Partial Provisional Acceptance may correspond to a set of works that is in a position to be placed in service, pending some details of termination or replacement of any item is not satisfactory, but without which the whole can operate on a temporary basis.

10.2.2 Final Acceptance

Until Final Acceptance of the Works, the Contractor shall be fully responsible for what, according to the Contract Documents must comply with during the Warranty Period and with what have been entrusted to the Chief Inspector during the implementation of the Works.

Once the Warranty Period has expired, the Contractor may request the Final Acceptance of the Works to the Chief Inspector, who will verify the loyal compliance of its instructions and what is stipulated in the Contract Documents during the Warranty Period.

If this box is derived observations of the Chief Inspector, this will send a detailed report to the contractor to execute the repairs for it, establishing a deadline for its implementation.

There were no comments or once corrected the indicated in that report, to the satisfaction of the Chief Inspector, this will grant the Certificate of Final Acceptance of the works.

However, the issuance of the Certificate of Final Acceptance, the Parties shall remain liable for the fulfillment of any obligation incurred under the Contract, and whose noncompliance has not been warned at the date of issuance of the certificate and for the purposes of determining the nature and extent of such obligations, it shall be deemed that the contract shall continue in force between the Parties.

10.3 Closing out and Settlement of the Contract

The liquidation of the contract will be made by the Chief Inspector and approved by the Owner within ninety (90) calendar days following the date of grant of the Certificate of Final Acceptance of the works, and will include, the amount paid by each and every one of the States of payment, including the State of Final Payment; all Addendums and their background, which have subscribed between the Parties; dates of the Provisional and Final Acceptance of the works; and outstanding balances resulting in favor or against the contractor, if any.

When liquidation has been accepted by the Contractor, the Parties shall sign a deed of release. Otherwise, the Contractor shall leave book of shares and exercise them within the time and form established for claims, it being understood that otherwise has waived its right.

11 Resolving areas of disagreement

11.1 Demands from the Contractor

11.1.1 General Conditions

If the Contractor considers that any circumstance entitles you to any charge or an extension of deadlines, so requested, within seven (7) calendar days of the occurrence of this circumstance to the procedures stipulated in Clauses 6.4 and 7.2 these bases for expansion works, under penalty of extinction ipso-facto their right.

If the decision of the Chief Inspector on your request does not satisfy you, you can file a complaint within seven (7) calendar days from the date of notification of that decision. Otherwise, shall be deemed to have resigned to claim and has accepted the decision of the Chief Inspector.

On the same occasion or in the period that the Chief Inspector granted, shall deliver all information necessary for the Chief Inspector know complete and definitive manner the fundamentals and the scope of the claim.

The claim must contain the following sections in which the Contractor will address separately the concepts described here:

- A. Detailed exposition of the contractual provisions in that supports their potential rights, the precise circumstances that originate it, the references demonstrating the circumstances provided and how they differ from those which actually have been presented in the works.
- B. Description of the labor resources, equipment, and materials used to date with regard to the question claimed and demonstration, that they were duly informed the Chief Inspector.
- C. Demonstration of cost overruns and delays incurred by the Contractor and its specific relationship with the grounds invoked, as well as its compatibility with the relevant provisions of the contract.

- D. A history of prices and deadlines, records of data from the field, progress and performance related to the claim.
- E. Accurate determination of the increase of term and the amount claimed and statement that there are no other additional effects to which they are exposed in the claim.
- F. Statement by the legal representative of the contractor about that all data and information provided have been established in good faith and that constitute a faithful expression and complete, from the best background, of the total of those who consider their rights.

The failure of the Contractor in its obligation to support his claim with the documents listed above will result in the rejection of the claim.

The Chief Inspector may not refuse to consider the claims that have been submitted within the time limits and in accordance with the procedure laid down in the contract.

11.1.2 Analysis of the Demand.

Since the submission of the contractor, the claim shall enter into a study phase, during which the Chief Inspector may request additional background, examine documentation in the possession of the Contractor and any other initiative to allow its resolution.

The Contractor may not deny the delivery of the additional background that the Chief Inspector may require for its analysis, study and resolution.

11.1.3 Settlement of the Demand

The Chief Inspector shall notify the Contractor of his resolution. In the case of acceptance, it shall authorize the increase in term or adjustment to the contract price, without necessarily must ascend to the totals claimed by the Contractor. The increase in term or adjustment to the contract price awarded shall apply without further proceedings in the manner indicated in the resolution, but that does not mean, in the event that the claim was partially accepted, that the Contractor renounces its rights under the contract.

The fact that the Chief Inspector is not resolved a claim does not imply their acceptance.

11.1.4 Actions to be taken by the Contractor.

From the resolution of the Chief Inspector, the Contractor may follow one of the following actions:

- A. Accept the resolution of the Chief Inspector.
- B. Insist, for once, in the claim or on the part of him that the Chief Inspector has been determined negatively. The Contractor must express its insistence in writing within seven (7) calendar days from the date of the communication of the resolution of the complaint. Otherwise, it is understood that the contractor has accepted that resolution and who has renounced, therefore, to the claim.
- C. In the event that the contractor did not agree with the resolution of the Chief Inspector at the insistence of his claim, shall have a term of thirty (30) calendar days from the date on which the Chief Inspector has communicated its final decision on each claim, to appeal to a higher court stipulated in clause 11.2 of these bases for extension work.

D. After this period, the Contractor shall be deemed to have waived his right.

11.1.5 Continuity of the Works

The Contractor shall be obliged to carry out the works in accordance with the contract documents, whatever the claims made about them, and regardless of the resolutions that the Chief Inspector has taken on them.

11.1.6 Reports

Pending resolution of a complaint, or this has been resolved in such a way that the Contractor deems insufficient and has decided to persist, either via the insistence or arbitration, the Contractor will be sent to the Chief Inspector a daily report of the resources used in the work for which he is claiming, except that, due to the characteristics of the claim, the Chief Inspector release him from that obligation. In addition, the Contractor shall report monthly to the Chief Inspector of the claims presented are pending resolution.

The lack of the daily report of resources, as appropriate, or the omission of a claim pending in the monthly report of clause 5.14.5 of these bases for expansion works in two (2) consecutive months, will mean that the contractor has withdrawn the relevant claim.

11.2 Differences between the Owner and the Contractor

The difficulties or disputes related to the contract that may arise among the Parties, with respect to the application, interpretation, duration, validity or execution of the Contract or any other reason, shall be submitted to mediation in accordance with the Rules of Mediation Procedure of the Santiago Arbitration and Mediation Center in effect at the time of request.

In the event the Mediation is not successful, the difficulty or controversy shall be resolved through arbitration pursuant to the Rules of Arbitration Procedure of the same center, which is in force at the time of your request.

The parties confer an irrevocable special power to the Santiago Chamber of Commerce AG, so that, at the written request of either party, designate an arbitrator as to the procedure and law with regard to the fault, from among the members of the arbitral tribunal in the Arbitration and Mediation Center of Santiago.

Against the resolutions of the arbitrator shall be no remedy. The arbitrator is especially empowered to resolve any dispute relating to his/her competence and/or jurisdiction.

The start of a process of mediation and arbitration must be communicated in a timely manner to the Coordinator, to the Commission and to the Superintendence, as well as the term of this process, either by arbitration, conciliation or any other form that involves an agreement of the Parties.

In any case, the amendments to be made to the contract shall be limited to the strictly necessary to adapt it to the new circumstances, preserving at all times the transparency and non-discrimination of the bidding process which gave rise to the present contract.

The costs of the arbitrator's fees, expert reports, as required, and any other incurred as a result of the arbitration, shall be borne by the parties to bring the judgment.

Annex No.1 REFUND SYSTEM OF DIRECT EXPENSES AND SURCHARGE

(Refer to the clause 7.2.3.3 of these databases for Enlargement Works)

1. Subject to reimbursement resources

To determine the value of the adjustment, the scope, nature and the measuring mode of the resources used, shall be restricted to the definitions, limits and guidelines set forth below:

A. Direct Cost of Labor

It is understood as a direct cost of labor, to the remuneration paid to staff who work directly in the works that are evaluating, with their respective legal fees and per day run effectively worked. Such remuneration shall comprise the wages bases, treatment, awards and about time to approve the Chief Inspector prior to the execution of the work, and should relate to which the contractor has paid its staff in the execution of the works of normal contract. The respective values are obtained from the forms or other documents evidence of payment to staff.

B. Direct Cost of materials

It is considered as a direct cost of materials, at net cost, labor, of the materials necessary for the execution of the work or that they are incorporated in the works and that are supplied directly by the contractor or by a subcontractor.

It is understood by direct cost of materials, the invoice value of excluding Value Added Tax (VAT), since in the factory or supplier's warehouse, plus the cost of freight until the work, also with VAT.

If in the work being valued, used materials are being used belonging to the Contractor, the Chief Inspector shall determine the net cost on the basis of the reasonable commercial price. The part of them not consumed (except that they are unusable) will be recovered by the Contractor and its residual value, determined also by the Chief Inspector, is deducted from the cost.

C. Food costs and reasonable per diem

The assessment of the costs of food of the personnel employed in the work shall be carried out to its direct cost, at no extra charge, provided that the contractor has been granted to the personnel assigned to the works of normal Contract and according to the guidelines and values that has approved the Chief Inspector.

Are valued, also to its direct cost, those reasonable per diem, provided that the contractor has paid staff assigned to the contract works and according to the same guidelines and values that has approved the Chief Inspector.

D. Use of Construction Equipment

For the purposes of this clause, the term "team building" shall apply to all equipment moved to engine and those older computers that are not motorized vehicles designated by the Chief Inspector as such. The term "hand tools" shall apply to all the tools such as picks, shovels, wheelbarrows, hoses and other

elements that have a commercial value when new, equal to or less than the equivalent of twenty units of development (20 UF).

The prices for the use of construction equipment shall be approved by the Chief Inspector for the effects of implementation of the system of reimbursement of direct expenses more charge.

The prices for use of equipment do not include the wages of the operators, but if all the costs of possession, maintenance and other operation. The Contractor may not lead to the ground no construction equipment to be used only in works that are valued by the system of reimbursement of direct expenses more charge, without the prior consent of the Chief Inspector.

The Chief Inspector may suspend or refuse, at any time, the use of any construction equipment or require their replacement in the jobs that are valued by the system of reimbursement of direct expenses more charge. The change in a team by another in better condition shall be charged to the Contractor, including freight to and from their place of origin, if necessary.

In the event that the Chief Inspector may require the Contractor to use a particular type of equipment and it does not have the contractor, at the request of the Chief Inspector, you should take him to the ground, if it is available elsewhere. In this case, the Owner will pay for the cost of chartering the team excluded VAT, free of charge, from their place of origin to the place of the works and their return when you quit. If the contractor uses such equipment in other parts of the work not included in the jobs that are being valued by the system of reimbursement of direct expenses more surcharge, the Owner will pay for shipping only the amount proportional to the real time worked by that team in these works.

The unit prices for use of the contractor's team will be unchanged regardless of the amount of hours you work.

For all construction equipment and depending on the situation of team work, apply the following criteria to determine unit prices that will be applied by use of equipment:

2. Real time worked

To calculate the hours of operation of the equipment, it will be understood as real time worked as shown in the following cases:

- When used in the works authorized by the Chief Inspector, in the field or elsewhere.
- When moving in the field by their own means, for work authorized by the Chief Inspector.
- When it is highlighted in a work area, with the engine running and with the operator ready to begin to work, provided that, in the opinion of the Chief Inspector, the nature of the work to implement necessary to take these precautions.

The unit price to be applied in this case will be one hundred percent (100%) of the unit price by use of the equipment. Unless there is an express derogation, measurements will not be accepted to throw real time worked in excess of 85% of the time available each day.

3. Waiting Time

It is considered to be the team is waiting, in the following cases:

- When performing cyclical or discontinuous type in which the computer must stop regularly, but for periods as short not to allow its use in another place. This situation will be qualified by the Chief Inspector.
- When you modify or adapt, with the consent of the Chief Inspector, to run a specific job or when returning to its previous state.
- Where, at the request of the Chief Inspector, is maintained in the specifically for future task.

The waiting time will be counted only during the days and working hours of the chore that values.

Use shall only be paid by timeout if there is, when the actual time of day-to-day work is less than eight (8) hours, and up to a daily time less than or at least equal to the difference between a working day of eight (8) hours and the actual work time of the day.

The maximum time to be paid by expects will be of eight (8) hours per day, forty-eight (48) hours a week or two hundred (200) hours per month.

By actual times of expected higher than these maximums and only in those cases in which, in the opinion of the Chief Inspector, where appropriate, will pay for the cost of the wages of the operators, of the hours of waiting not paid for.

Unit prices to be applied in waiting times will be fifty percent (50%) of the unit price by use of the equipment.

4. Time not worked

It is considered that the contractor's team is not in work, in all cases not considered as actual work time or as a standby time.

In this case, the Owner will not make any payment for the use of construction equipment.

Specific and without prejudice to the generality of the definition given, shall be considered as time not worked by the teams, among others, the following specific cases:

- When you are in the regular daily maintenance, during working hours.
- When arrive in maintenance or repair.
- When it is not possible to use for having any malfunction.
- When it is not possible to use due to bad weather, fires, or acts of God.
- When not in operation due to the fact that the operator is in collation or when the computer is on a business trip, because the operator must receive or deliver the turn, either in surface or underground.
- If used, or if you are on the ground in or for other purposes.
- When in transport. Transportation shall be deemed to be in when you mobilize, transport and download, for the first time in the field and when loading and dispatch from the field, because it has been unoccupied, or because, in the opinion of the Chief Inspector, it is no longer necessary. In the latter case shall be deemed to be loaded and dispatched from the moment the Chief Inspector communicated to the Contractor such decision.

5. Daily reports

The contractor shall deliver daily to the Chief Inspector a report about all the works in execution subject to this system of valuation. The report should be in the format and with the number of copies requested by the Chief Inspector and shall be handed to, from the first day following the beginning of the execution of the work. The report shall include the following information:

- a) The name, classification, daily journal with their legal fees and time worked for all workers.
- b) The description and quantity of all materials actually used or incorporated into the works.
- c) The description and actual work, waiting, and not worked for each piece of equipment actually used.
- d) All the information that will serve as a basis for the calculation of costs for food costs or per diem agreed previously.
- e) In his daily report, the contractor should detail all the jobs that are executed by subcontractors, in the same way as if those works were executed by him.
- f) The Chief Inspector will return copies of such reports to the contractor once approved.

6. REVIEW OF ACCOUNTS

The Contractor shall ensure the accurate accounting and detailed of all costs related to the work whose valuation is based on the system of reimbursement of direct expenses more surcharge and maintain their records for up to a year after payment of the State of final payment.

In addition, it must give the Chief Inspector to review at any time, all your books, accounts, documents and correspondence relating to the execution of the works, under the system of reimbursement of direct expenses more charge.

Annex No.2 TOTAL LOSSES OF TRANSFORMERS

The successful tenderer shall ensure that the total losses of or transformers that supplies, are less than or equal to the total losses shown in the annex, considering the operation at rated voltage, a frequency of 50Hz and the connection to the nominal.

The maximum value allowed for the total losses of the transformer (sum of the load losses more losses in copper with tension and nominal power) is as indicated in the table "total losses at full load" below. The percentage of total losses shall be calculated as the ratio of the losses of the transformer (in vacuum and in the copper, expressed in kW) and the rated power of the transformer (expressed in kW).

The total losses of a transformer will be the sum of no load losses and losses under load. The loss of fans, oil pumps, radiators, and other ancillary equipment should not be included as part of the total losses.

Losses will be the following:

- Losses with 85°C load.
- Losses 20 °C load.

Total allowable losses depending on the Power (see the table below)

Pérdidas Totales Admisibles en Función de la Potencia																	
5	7,5	10	12	15	16	20	25	30	37,5	50	60	75	90	100	150	200	250
1,02%	0,81%	0,70%	0,65%	0,60%	0,58%	0,54%	0,50%	0,47%	0,44%	0,40%	0,39%	0,36%	0,35%	0,34%	0,31%	0,29%	0,28%

The values resulting from the tests at the factory (FAT) of the transformers of power shall comply with the following tolerance:

- The losses without load of a transformer shall not exceed the losses specified by the Manufacturer in more than 10%.
- The total losses of a transformer shall not exceed the losses specified in the table above by more than 6 %.
- For components such as fans, pumps, oil pumps, radiators and other auxiliary equipment the total losses shall not exceed the losses specified by the Proponent in more than 15%.

It is important to note that the maximum admissible values for the total losses at full load expressed as a function of the power in MVA shown in the above table, and the tolerances described above, form part of the acceptance criteria of the transformers of power.