

PROVINCE OF MENDOZA

AUTHORIZATION

October 5, 2020

Reference is made to the Indenture dated as of May 19, 2016 (as amended, modified or supplemented from time to time, the “**Indenture**”) between the Province of Mendoza (the “**Province**”) and The Bank of New York Mellon, as trustee (the “**Trustee**”). Terms used but not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

The undersigned, acting on behalf of the Province in the capacity specified below, hereby certifies that:

(A) Pursuant to Section 2.1 of the Indenture, there is hereby established a Series of Debt Securities, the Amortizing Step-up Securities (the “**Notes**”), to be issued in the initial aggregate principal amount of U.S.\$562,082,000 and delivered under the Indenture, as described in the Province’s amended and restated invitation memorandum dated as of July 6, 2020, as supplemented on September 22, 2020 by the Supplement No. 1 to the Amended and Restated Invitation Memorandum, copies of which are attached hereto as Annex A and Annex B, respectively; and

(B) The Notes shall have the terms and be subject to the conditions set forth in the certificates representing the Notes, true, correct and complete specimens of which are attached hereto as Annex C.

Annex A Amended and Restated Invitation Memorandum

Annex B Supplement No. 1 to the Amended and Restated Invitation Memorandum

Annex C Specimens of Notes

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IN WITNESS WHEREOF, the Province has caused this Authorization to be duly executed as of the date and year first written above.

THE PROVINCE OF MENDOZA

By: _____

Name: Lic. LISANDRO NIERI
Title: MINISTRO DE HACIENDA Y FINANZAS

[Signature Page to the Authorization of the New Notes]

Annex A

Invitation Memorandum

IMPORTANT NOTICE

THE ATTACHED AMENDED AND RESTATED INVITATION MEMORANDUM (THE “INVITATION MEMORANDUM”) DOES NOT CONSTITUTE A PROSPECTUS WITHIN THE MEANING OF EU REGULATION 2017/1129, AS AMENDED (THE “PROSPECTUS REGULATION”), AND NO SUCH PROSPECTUS HAS BEEN OR WILL BE PREPARED IN CONNECTION WITH THE INVITATION. THE ATTACHED INVITATION MEMORANDUM HAS NOT BEEN REVIEWED OR APPROVED BY ANY COMPETENT AUTHORITY OF ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA.

THE DISTRIBUTION OF THE ATTACHED INVITATION MEMORANDUM IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. SEE THE ISSUE AND RESALE RESTRICTIONS. PERSONS INTO WHOSE POSSESSION THE ATTACHED INVITATION MEMORANDUM COMES ARE REQUIRED BY THE PROVINCE OF MENDOZA TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached invitation memorandum, and you are therefore required to read this disclaimer carefully before accessing, reading or making any other use of the attached invitation memorandum. By accessing the attached invitation memorandum, you shall be deemed to agree (in addition to giving the representations below) to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Province of Mendoza or D.F. King, as information, tabulation and exchange agent, as a result of such access. Terms used in this notice and defined in the attached invitation memorandum are used herein as so defined.

THIS ELECTRONIC TRANSMISSION DOES NOT CONTAIN OR CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO EXCHANGE, BUY OR SUBSCRIBE FOR SECURITIES TO OR FROM ANY PERSON IN ANY JURISDICTION TO WHOM OR IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. THE EXCHANGE OFFER DESCRIBED IN THE ATTACHED INVITATION MEMORANDUM IS DIRECTED TO, AND EXISTING NOTES MAY BE EXCHANGED FOR NEW SECURITIES AS DESCRIBED THEREIN ONLY BY, A HOLDER OF EXISTING NOTES (AS DEFINED BELOW) THAT IS: (A) A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OR (B) (X) OUTSIDE THE UNITED STATES AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT, (Y) IF LOCATED WITHIN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (THE “EEA”) OR IN THE UNITED KINGDOM (THE “UK”), A “QUALIFIED INVESTOR” AS DEFINED IN REGULATION (EU) 1129/2017 AND (Z) IF LOCATED OUTSIDE THE EEA OR THE UK, IS ELIGIBLE TO RECEIVE THIS OFFER UNDER THE LAWS OF ITS JURISDICTION (EACH AN “ELIGIBLE HOLDER”).

THIS INVITATION MEMORANDUM HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE NEW NOTES IN ANY EEA MEMBER STATE OR THE UK WILL BE MADE PURSUANT TO AN EXEMPTION UNDER THE PROSPECTUS REGULATION, FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE NEW NOTES. ACCORDINGLY ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER WITHIN THE EEA OR THE UK OF THE NEW NOTES WHICH ARE THE SUBJECT OF THE PLACEMENT CONTEMPLATED IN THIS INVITATION MEMORANDUM MAY ONLY DO SO WITH RESPECT TO QUALIFIED INVESTORS WITHIN THE MEANING OF THE PROSPECTUS REGULATION AND SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE PROVINCE OF MENDOZA OR ANY OF THE DEALER MANAGERS TO PRODUCE A PROSPECTUS FOR SUCH OFFER. NEITHER THE PROVINCE OF MENDOZA NOR THE DEALER MANAGERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF THE NEW NOTES THROUGH ANY FINANCIAL INTERMEDIARY OR IN CIRCUMSTANCES IN WHICH AN OBLIGATION ARISES FOR THE PROVINCE OF MENDOZA OR THE DEALER MANAGERS TO PUBLISH A PROSPECTUS FOR THE OFFER.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS —THE NEW NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UK. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED (“MIFID II”); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN PROSPECTUS REGULATION. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE “PRIIPS REGULATION”), FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA

OR IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UK MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THIS COMMUNICATION AND ANY OTHER DOCUMENT OR MATERIALS RELATING TO THE ISSUE OF THE NEW NOTES OFFERED HEREBY IS NOT BEING MADE, AND SUCH DOCUMENTS AND/OR MATERIALS HAVE NOT BEEN APPROVED, BY AN AUTHORIZED PERSON FOR THE PURPOSES OF SECTION 21 OF THE UK'S FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (THE "FSMA"). ACCORDINGLY, SUCH DOCUMENTS AND/OR MATERIALS ARE NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UK. THE COMMUNICATION OF SUCH DOCUMENTS AND/OR MATERIALS AS A FINANCIAL PROMOTION IS ONLY BEING MADE TO THOSE PERSONS IN THE UNITED KINGDOM WHO ARE "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS REGULATION) WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND WHO FALL WITHIN THE DEFINITION OF INVESTMENT PROFESSIONALS (AS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER")), OR (II) FALL WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, OR (III) WHO ARE ANY OTHER PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY BE MADE UNDER THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). IN THE UK, THE NEW NOTES OFFERED HEREBY ARE ONLY AVAILABLE TO, AND ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS INVITATION MEMORANDUM RELATES WILL BE ENGAGED IN ONLY WITH, RELEVANT PERSONS. ANY PERSON IN THE UK THAT IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS INVITATION MEMORANDUM OR ANY OF ITS CONTENTS.

THE RECIPIENT MAY NOT FORWARD OR DISTRIBUTE THE ATTACHED INVITATION MEMORANDUM IN WHOLE OR IN PART TO ANY OTHER PERSON OR REPRODUCE THE ATTACHED INVITATION MEMORANDUM IN ANY MANNER WHATSOEVER AND ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED INVITATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your representation: In order to be eligible to view the attached invitation memorandum or make an investment decision with respect to the invitation by the Province of Mendoza pursuant to the attached invitation memorandum, you must be an Eligible Holder and otherwise be able to participate lawfully in the Invitation (as defined in the invitation memorandum) on the terms and subject to the conditions set out in the attached invitation memorandum, including the jurisdictional restrictions beginning on page 134 (the "Jurisdictional Restrictions"). The attached invitation memorandum was provided to you at your request, and by accessing the attached invitation memorandum, you shall be deemed to have represented to the Province of Mendoza that:

- (i) you are a holder or a beneficial owner of Existing Notes;
- (ii) you are (A) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act or (B) (x) outside the United States in reliance on Regulation S under the Securities Act, (y) if located within a member state of the European Economic Area or in the United Kingdom, a "qualified investor" as defined in Regulation (EU) 1129/2017, and (z) if located outside the EEA or the UK, is eligible to receive this offer under the laws of its jurisdiction; and
- (iii) you consent to delivery of the attached invitation memorandum by electronic transmission.

The attached invitation memorandum has been provided to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently none of the Province of Mendoza, the sender of the invitation memorandum, nor any person who is an official or a director, officer, employee, agent or affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the actual invitation memorandum and the version you have.

You are also reminded that the attached invitation memorandum has been provided to you on the basis that you are a person into whose possession the attached invitation memorandum may be lawfully delivered in accordance with (i) the laws of the jurisdiction in which you are located or resident and (ii) the Jurisdictional Restrictions, and you may not, nor are you authorized to, deliver the attached invitation memorandum to any other person.

Any materials relating to the Invitation do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law.

The attached invitation memorandum contains important information which should be read carefully before any decision is made with respect to the Invitation. If any holder of Existing Notes is in any doubt as to the action it should take, such holder of Existing Notes should seek its own financial advice, including as to any tax consequences, from its stockbroker, bank manager, legal adviser, accountant or other independent financial adviser. Any investor whose Existing Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to participate in the Invitation with respect to its Existing Notes.

AMENDMENT AND RESTATEMENT
TO THE INVITATION MEMORANDUM DATED JUNE 5, 2020



Invitation Memorandum

THE PROVINCE OF MENDOZA
(A Province of the Republic of Argentina)

Invites Eligible Holders (as defined below) of its 8.375% Notes due 2024 (the “Existing Notes”) to exchange Existing Notes for new notes (the “New Notes”) to be issued under the Indenture (as defined below) on the terms and subject to the conditions described in this amended and restated invitation memorandum (the “Invitation”)

Existing Notes	ISIN/CUSIP	Outstanding amount ⁽¹⁾	Exchange Offer Consideration
8.375% Notes Due 2024	Reg S USP6480JAG24 / P6480J AG2 144 A US586805AH63 / 586805 AH6	U.S.\$590,000,000	For each U.S.\$1,000 outstanding principal amount of Existing Notes, U.S.\$1,000 principal amount of New Notes

(1) Includes a principal amount of U.S.\$60,040,000 held by the Province, which are not deemed to be Outstanding for purposes of consenting to the Proposed Modifications.

Overview of Changes Made to the Original Invitation Memorandum

On June 5, 2020, we launched the Invitation to achieve a sustainable debt profile for the Province, which period was extended on June 15, 2020 and June 26, 2020. Based on constructive input from certain investors, we have determined to revise the original invitation memorandum (as amended and restated, the “**Invitation Memorandum**”), as summarized below:

- we are extending the expiration of the Invitation from 9:00 a.m. (New York time) on July 6, 2020, to **9:00 a.m. (New York Time (“NYT”)) on July 27, 2020** (such time and date, as may be further extended or earlier terminated by the Province, the “**Expiration**”), and the deadline to revoke Tender Orders (as defined below) to July 10, 2020 at 9:00 a.m. (NYT) (the “**Revocation Deadline**”);
- we are offering to pay holders who tender their Existing Notes by July 20, 2020 at 9:00 a.m. (NYT) (the “**Consent Payment Eligibility Deadline**”) a fee in an amount equal to U.S.\$41.88 for each U.S.\$1,000 principal amount of Existing Notes (as applicable, the “**Consent Payment**”);
- we are substantially modifying the financial terms of the New Notes as described under “Financial Terms of the New Notes”, including by increasing certain step-up coupon payments, accruing interest on the New Notes from and including May 19, 2020, increasing the number of amortization payments from 11 to 13 semi-annual equal installments starting on November 19, 2023 and with final maturity on November 19, 2029; and adding a redemption provision at the option of the Province;
- we are proposing to eliminate certain restrictive covenants of the Existing Notes as described under “Terms of the Invitation—Proposed Modifications”; and
- we are adding certain rights of holders of New Notes in connection with any voluntary offer to purchase or exchange or solicitation of consents to amend any Existing Notes that were not exchanged or amended pursuant to the Invitation. See “Description of the New Notes—Rights Upon Future Offers”.

The Province reserves its right to waive or further modify any term of, extend or terminate, the Invitation at any time and in its sole discretion. On the following pages we have restated the entire original invitation memorandum to reflect the revised terms. You are advised to read this Invitation Memorandum carefully.

The Dealer Managers for the Invitation are:

Credit Suisse

AdCap Securities

July 6, 2020

The Province of Mendoza (the “**Province**”) hereby invites Eligible Holders to submit orders to exchange (the “**Tender Orders**”) their Existing Notes for New Notes on the terms and subject to the conditions described in this invitation memorandum (the “**Exchange Offer**”). Each Eligible Holder that submits (and does not validly revoke) a Tender Order thereby also consents to the actions as proposed in this Invitation, including to authorize and direct the indenture trustee for the Existing Notes, The Bank of New York Mellon (the “**Trustee**”), to enter into a supplemental indenture in order to modify or modify and exchange any Existing Notes that remain outstanding after giving effect to the Exchange Offer to give effect to the Proposed 75% Modifications (as defined below) or the Proposed 50% Modifications (as defined below) (collectively, the “**Proposed Modifications**”), on the terms and subject to the conditions described in this invitation memorandum. **If we accept your Tender Order, you will receive New Notes in exchange for the Existing Notes you tendered, even if no Proposed Modifications are adopted.**

The term “Outstanding” has the meaning ascribed to it in the indenture governing the Existing Notes dated as of May 19, 2016 between us and the Trustee (the “Indenture”). The Province holds U.S.\$60,040,000 principal amount of Existing Notes that it has submitted for exchange in the Exchange Offer, which are not deemed to be Outstanding for purposes of consenting to the Proposed Modifications.

Holders whose Existing Notes are validly tendered at any time prior to the Consent Payment Eligibility Deadline, not validly revoked by the Revocation Deadline and accepted by us in the Exchange Offer pursuant to the Invitation, will be eligible to receive the Consent Payment. The Province reserves its right to further extend the Expiration without extending the Revocation Deadline or the Consent Payment Eligibility Deadline. Holders who have previously validly tendered (and do not revoke) their Existing Notes pursuant to the original Invitation will, and do not need to re-tender their Existing Notes to, be eligible to receive the Consent Payment.

Other than the Consent Payment, if applicable, holders who submit valid Tender Orders that are accepted pursuant to the Invitation or whose Existing Notes are amended and exchanged will not be entitled to receive any cash payment or additional consideration for any interest accrued and unpaid on any Existing Notes that are exchanged for the New Notes pursuant to the Exchange Offer or modified and exchanged for New Notes pursuant to the Proposed Modifications, if they become effective.

The Invitation will expire at 9:00 a.m. (NYT) on July 27, 2020. Holders may revoke their Tender Orders at any time prior to 9:00 a.m. (NYT) on July 10, 2020, but not thereafter. Subject to the terms and conditions of this Invitation Memorandum, on the Settlement Date (as defined below), we expect to (i) issue the New Notes in exchange for all Existing Notes accepted by the Province, (ii) pay the Consent Payment, and (iii) if the applicable Requisite Consents (as defined below) have been obtained, modify or modify and exchange the Existing Notes, as the case may be, to give effect to the relevant Proposed Modifications.

It is a condition to the effectiveness of the Proposed Modifications that we receive and accept valid written consents (which are part of each Tender Order) from the registered holders representing more than: (i) 75% of the aggregate principal amount of Outstanding Existing Notes for the Proposed 75% Modifications (the “**Requisite 75% Consent**”), or (ii) 50% of the aggregate principal amount of Outstanding Existing Notes for the Proposed 50% Modifications (the “**Requisite 50% Consent**”, and together with the Requisite 75% Consent, as applicable, the “**Requisite Consents**”), as described under “Terms of the Invitation—Requisite Consents.”

If we receive the applicable Requisite Consents with respect to the relevant Proposed Modifications, the other conditions to the effectiveness of the Proposed Modifications are satisfied or waived and we decide to declare the Proposed Modifications effective, then those Proposed Modifications will be conclusive and binding on all Holders of Existing Notes, whether or not they have consented to the Proposed Modifications, including Holders of Existing Notes that are not Eligible Holders (“**Ineligible Holders**”). In that event, Holders that submitted a Tender Order will

be entitled to receive the New Notes, and all Existing Notes held by non-consenting Holders, including any Ineligible Holders, will be modified or modified and exchanged for the relevant amounts of New Notes, as the case may be, in order to give effect to the Proposed Modifications.

A separate Tender Order must be submitted in respect of each beneficial owner of Existing Notes wishing to tender in the Exchange Offer.

The New Notes will be issued pursuant to the Indenture and will contain provisions, commonly known as “**collective action clauses**,” regarding future modifications to the terms of the New Notes. Under these provisions the Province may amend the payment provisions of any series of debt securities issued under the Indenture and other reserve matters listed in the Indenture with the consent of less than all of the holders of the debt securities. See “Description of the New Notes—Meetings, Amendments and Waivers—Collective Action.” Furthermore, following the consummation of the Invitation, any failure to pay any interest on, or principal of, or acceleration of, any Existing Notes that remain outstanding after the consummation of the Invitation will not be an event of default under the New Notes.

This Invitation is being made on the terms and subject to the conditions set out in this Invitation Memorandum, which amends and restates the original invitation memorandum in its entirety. The Province plans to conduct a concurrent invitation in Argentina relating to its Ps.5,218,752,500 Bono Mendoza 2021 (the “**Local 2021 Notes**”), on the terms and subject to the conditions set forth in certain Spanish language documents (the “**Argentine Invitation**”). The consummation of the Invitation and the Argentine Invitation are not conditioned upon each other.

For the purposes of the Invitation, the term “**Holder**” shall be deemed to include beneficial owners of Existing Notes on the books of Euroclear Bank SA/NV, as operator of the Euroclear System (“**Euroclear**” and such holders, “**Euroclear Participants**”), Clearstream Banking, Société Anonyme (“**Clearstream**”, and such holders “**Clearstream Participants**”), Caja de Valores S.A. (“**Caja de Valores**”, and such holders “**Caja de Valores Participants**”) and in The Depository Trust Company (“**DTC**”, and such holders “**DTC Participants**” and, collectively with the Euroclear Participants, the Clearstream Participants and the Caja de Valores Participants, the “**Direct Participants**”).

THIS INVITATION IS ONLY BEING DIRECTED TO ELIGIBLE HOLDERS.

The New Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any other jurisdiction. Unless they are registered under the Securities Act, the New Notes may be offered only in transactions that are exempt from registration under the Securities Act. Accordingly, the Invitation is being directed only to holders of Existing Notes that are: (i) “**qualified institutional buyers**” as defined in Rule 144A under the Securities Act or (ii) (x) outside the United States as defined in Regulation S under the Securities Act, (y) if located within a member state of the European Economic Area (the “**EEA**”) or the United Kingdom (the “**UK**”), a “**qualified investor**” as defined in Regulation (EU) 1129/2017 (as amended, the “**Prospectus Regulation**”) and (z) if outside the EEA or the UK, is eligible to receive this offer under the laws of its jurisdiction (each, an “**Eligible Holder**”). Any Holder who does not certify its status as an Eligible Holder will not be entitled to submit Tender Orders. All holders other than Eligible Holders are referred to as “**Ineligible Holders**.” For further details about the resale restrictions for the New Notes, see “**Jurisdictional Restrictions**” and “**Transfer Restrictions**.”

Special Notice to Investors in the European Economic Area and the United Kingdom.

The Invitation is not being made to any retail investors in any Member State of the EEA or the UK (each, a “**Relevant State**”) and EEA and UK retail investors will not be given the opportunity to state their views on the Proposed Modifications. As a result, no “offer” of new securities is being made to retail investors in the EEA or the UK. Any holder who does not deliver a Tender Order is effectively not consenting to the Proposed Modifications. Therefore, it will be necessary for other (not such retail) investors representing a greater nominal principal amount Outstanding to consent to the Proposed Modifications for the Proposed Modifications to become effective. If the Proposed Modifications become effective with respect to the Existing Notes, then, in accordance with the terms of such Existing Notes, the Existing Notes will be exchanged for New Notes, and such exchange will affect all Holders, including Ineligible Holders of the Existing Notes, regardless of whether they consented or if they were entitled to participate in the Invitation.

This Invitation is only being made to beneficial owners of Existing Notes who are within a Relevant State if they are “qualified investors” as defined in Regulation (EU) 2017/1129 (as amended or superseded, the “**Prospectus Regulation**”). For the purposes of the Invitation, “**Eligible Holders**” do not include any beneficial owner located within a Relevant State who is not a “qualified investor” (as defined in the Prospectus Regulation) or any other beneficial owner located in a jurisdiction where the Invitation is not permitted by law. No offer of any kind is being made to Ineligible Holders. For further details about eligible offerees and resale restrictions, see “Jurisdictional Restrictions” and “Transfer Restrictions.”

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in a Relevant State. For these purposes, a “**retail investor**” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the New Notes or otherwise making them available to retail investors in a Relevant State has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in a Relevant State may be unlawful under the PRIIPs Regulation. References to Regulations or Directives include, in relation to the UK, those Regulations or Directives as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 or have been implemented in UK domestic law, as appropriate.

This Invitation is being made on the terms and subject to the conditions set out in this invitation memorandum.

The Internet address for the offer website (the “**Invitation Website**”) is: <https://sites.dfkingltd.com/mendoza>.

The information, tabulation and exchange agent for the Invitation is D.F. King & Co., Inc. (the “**Information, Tabulation and Exchange Agent**”) which may be reached at the address and telephone number specified on the back cover of this invitation memorandum. The Information, Tabulation and Exchange Agent will operate the Invitation Website and answer questions from Holders regarding the procedures to deliver Tender Orders.

If you are a beneficial owner of Existing Notes through a financial institution or intermediary, you may need to contact your financial institution or intermediary and inform such financial institution or intermediary that you wish to instruct it to deliver a Tender Order on your behalf in respect of such Existing Notes and tender your Existing Notes in the Exchange Offer. Financial institutions or intermediaries may impose their own deadlines for instructions to be received from investors in the Existing Notes with respect to the Invitation, which may be earlier than the Expiration for the Invitation set out above. Investors holding the Existing Notes through financial institutions or intermediaries should therefore contact their financial institutions or intermediaries to ensure timely receipt of your Tender Order. If your financial institution or intermediary does not have adequate time to process your instruction, your Tender Order will not be given effect.

The Province intends to list the New Notes on the Luxembourg Stock Exchange and the Bolsas y Mercados Argentinos S.A. (the “**ByMA**”) and to have the New Notes admitted for trading on the Euro MTF Market and the Mercado Abierto Electrónico S.A. (the “**MAE**”). See “Terms of the Invitation—Market for the Existing Notes and the New Notes.”

In this invitation memorandum, references to the “Province”, “we,” “our” and “us” are to the Province of Mendoza.

This invitation memorandum does not constitute an offer to tender, or the solicitation of an offer to tender, securities in any jurisdiction where such offer or solicitation is unlawful. The distribution of this invitation memorandum in certain jurisdictions may be restricted by law, and persons into whose possession this invitation memorandum comes are requested to inform themselves about and to observe such restrictions, including whether they are Eligible Holders pursuant to the laws of their respective jurisdictions. See “Representations and Acknowledgements of the Beneficial Owners of the Existing Notes” and “Jurisdictional Restrictions.”

This invitation memorandum contains important information which should be read carefully before any decision is made with respect to the Invitation. Any Holder that is in any doubt as to the action it should take should seek its own financial advice, including as to any tax consequences, from its legal adviser, accountant or other independent financial adviser.

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INTRODUCTION

We are responsible for the information contained in this invitation memorandum. We have not authorized anyone to give you any other information, and we take no responsibility for any other information that others may give you. Neither the delivery of this invitation memorandum or the delivery of any Tender Order, nor the exchange or modification and exchange of any New Notes for Existing Notes pursuant to the Invitation shall, under any circumstances, create any implication that there has been no change in our condition since the date of this invitation memorandum.

We are furnishing this invitation memorandum to you solely for your use in connection with the Invitation.

The Province is a province of the Republic of Argentina. The Republic of Argentina is a sovereign state. Consequently, it may be difficult for you to obtain or realize upon judgments of courts or arbitral awards in the United States and other jurisdictions against the Province. See “Risk Factors— Risks Factors Relating to the New Notes— It may be difficult for you to obtain or enforce judgments against the Province.”

This invitation memorandum contains specific information about the terms of the Invitation and the New Notes. Before you participate in the Invitation, you should read this invitation memorandum. You should base your decision on the information in the invitation memorandum. We do not accept responsibility for any other information.

None of us, the Trustee, the Luxembourg Listing Agent, the Dealer Managers or the Information, Tabulation and Exchange Agent has expressed any opinion as to whether the terms of the Invitation are fair or made any recommendation that you deliver Tender Orders or refrain from doing so pursuant to the Invitation or authorized any other person to make any such recommendation. You must make your own decision as to whether to deliver Tender Orders for any or all Existing Notes that you may beneficially own or refrain from doing so.

The Invitation Website can be accessed at <https://sites.dfkingltd.com/mendoza>. Access to the Invitation Website will be subject to certain restrictions in compliance with exemptions from regulatory approval being relied on by the Province in such jurisdictions. See “Transfer Restrictions” and “Jurisdictional Restrictions.” Information on the Invitation Website is not incorporated by reference in this invitation memorandum.

Questions and requests for assistance in connection with the procedures to deliver Tender Orders may be directed to the Information, Tabulation and Exchange Agent, the contact details for which are on the back cover of this invitation memorandum.

Unless otherwise noted, capitalized terms used in this invitation memorandum have the meanings given in “Certain Defined Terms.”

PRESERVATION OF DEFENSES

Nothing in this invitation memorandum, or in any communication from the Province relating to the Invitation or otherwise, constitutes an acknowledgment or admission of the existence of any claim or any liability of the Province to pay that claim or an acknowledgment that any ability to bring proceedings in any jurisdiction in respect of such claim or any limitation period relating thereto has been revived or reinstated, or an express or implied promise to pay any such claim (or part thereof). All defenses available to the Province relating to any applicable statute of limitations or otherwise are expressly preserved for all purposes. This invitation memorandum may not be relied upon as evidence of the Province's agreement that a claim exists, or of the Province's willingness, ability or obligation to pay any claim. Any attribution of any value to any claim will not be considered an acknowledgment of the existence or validity of that claim and any consideration given by or on behalf of the Province to the proponent of that claim will be consideration only for the agreement by the proponent of that claim to cease all actions or proceedings in respect of that claim and to irrevocably assign and transfer to the Province all rights, if any, with respect to such claim and to undertake to complete any and all formalities or requirements necessary to ensure that if such claim existed neither the proponent nor any successor or assignee of the proponent (other than the Province) is able to evidence or allege such claim to remain in existence or to be a liability of the Province.

CERTAIN LEGAL RESTRICTIONS

The distribution of this invitation memorandum and the transactions contemplated by this invitation memorandum are restricted by law in certain jurisdictions. If this invitation memorandum comes into your possession, you are required by the Province to inform yourself of and to observe all of these restrictions, including whether you are an Eligible Holder pursuant to the laws of their respective jurisdictions. This invitation memorandum does not constitute, and may not be used in connection with, an offer or solicitation in any jurisdiction where offers or solicitations are not permitted by law. Holders should carefully review the restrictions and limitations applicable in certain jurisdictions and the manner in which this invitation memorandum will be made available in such jurisdictions, as set forth under “Transfer Restrictions” and “Jurisdictional Restrictions.”

If a jurisdiction requires that the Invitation be made by a licensed broker or dealer and any Dealer Manager or any affiliate of any Dealer Manager is a licensed broker or dealer in that jurisdiction, the Invitation shall be deemed to be made by such Dealer Manager or such affiliate on behalf of the Province in that jurisdiction.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Province is making the Invitation in reliance on exemptions from the registration requirements of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. The New Notes have not been recommended by any U.S. or non-U.S. securities authorities, and these authorities have not determined that this invitation memorandum is accurate or complete. Any representation to the contrary is a criminal offence.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All annual information presented in this invitation memorandum is based upon January 1 to December 31 periods, unless otherwise indicated. Totals in some tables in this invitation memorandum may differ from the sum of the individual items in those tables due to rounding.

Unless otherwise stated, prices and figures are stated in current values of the currency presented.

Presentation and accounting practices

The Province maintains its books and records in pesos and prepares its budgets and statements of revenues and expenditures in accordance with provincial accounting principles as set out in provincial Law No. 3,799, as amended, and other rules, regulations and practices consistent therewith (“**Provincial Accounting Practices**”). Provincial Accounting Practices are in line with those followed by other provinces in Argentina but differ in material respects from Argentine generally accepted accounting principles (“**GAAP**”) and GAAP in other jurisdictions, including U.S. GAAP. The primary features of Provincial Accounting Practices are:

- revenues are not accounted for in the Province’s budgets and statements of revenues and expenditures on an accrual basis but are recognized in the period in which they are received;
- expenditures are accounted for in the Province’s budgets and statements of revenues and expenditures on an accrual basis and not when paid;
- capital investments are carried at cost, without reduction for depreciation or amortization and, accordingly, the Province does not record any charges for depreciation or amortization in its accounts;
- capital expenditures and investments in tangible assets are not capitalized and are expensed in the year incurred;
- construction contracts are expensed using the percentage of completion method; and
- the Province does not adjust its information on revenues, expenditures or public debt for inflation.

Figures for 2015 to 2018

The financial information relating to the Province presented in this invitation memorandum for 2015 to 2018 is derived from the Province’s statements of actual revenues and expenditures prepared by its general accounting office and each of its autonomous entities (as defined below) and submitted to the Province’s Auditing Tribunal for approval. The Auditing Tribunal has approved the statements of revenues and expenditures for 2015 to 2018.

2019 figures

The financial information presented for the year ended December 31, 2019, marked as “preliminary”, reflects an interim calculation or estimate and is subject to change. In the case of the financial information relating to the Province, the 2019 figures have been prepared by the Province’s Ministry of Finance based on information provided by its general accounting office and each of its autonomous entities up to April 28, 2020. The deadlines for submitting the 2019 figures before the Auditing Tribunal for approval have been extended pursuant to Section 5 of the Decree 401/2020, ratified by Law 9,220. Due to its preliminary nature, there can be no assurance that the 2019 financial information will not change.

Revenues and expenditures of municipalities, provincial enterprises and autonomous entities

Information on the revenues and expenditures of the Province presented in this invitation memorandum does not consolidate the revenues and expenditures of its municipalities, provincial enterprises or certain other entities, which do not rely on the Province’s budgetary resources for its operations (“autonomous entities”). In the case of the municipalities, which carry out certain functions delegated to them by the Province, the Province is required to transfer a portion of its revenues to them and these transfers are registered as expenditures of the Province. In the case of provincial enterprises or autonomous entities, capital contributions, loans, advances and transfers from the Province

to these entities are included among the Province's expenditures and transfers from these entities to the Province are included among the Province's revenues.

Currency of Presentation

Financial information in this invitation memorandum relating to Argentine national gross domestic product (“**GDP**”) is presented in both nominal pesos (pesos not adjusted for inflation) and constant pesos that reflect the relative prices prevailing at the relevant date. In the case of presentation of Argentine national GDP figures in constant pesos, Argentina uses 1993 constant pesos (“**1993 constant pesos**”) for periods prior to 2013, and 2004 constant pesos (“**2004 constant pesos**”) for periods since 2013.

Financial information relating to the Province's GDP is presented in 1993 constant pesos. The GDP figures for 2018 and 2019 included in this invitation memorandum are preliminary.

Financial information in this invitation memorandum relating to historic revenues, expenditures and public debt is presented in nominal pesos, as the Province believes that such presentation is likely to result in less distortion to the period-on-period comparability of such information than those which would result from presenting such analysis in reference to constant peso figures.

Information derived from the 2020 budget (the “**2020 Budget**”) is also presented in nominal pesos.

Methodology of calculation of Gross Domestic Product

The Province's GDP is calculated by the Province's *Dirección de Estadística e Investigaciones Económicas* (the “Statistics and Economic Research Department of the Province”) pursuant to a methodology substantially similar to the methodology employed by the federal government for the calculation of Argentina's GDP; except that the Province uses 1993 constant pesos to calculate the provincial GDP and the federal government uses 2004 constant pesos to calculate Argentina's GDP since 2013.

Exchange Rates and Exchange Controls

Unless otherwise specified, references in this invitation memorandum to “dollars,” “U.S. dollars” and “U.S.\$” are to the currency of the United States of America and references to “pesos” and “Ps.” are to Argentine pesos.

The Province publishes most of its economic indicators and other statistics in pesos.

Beginning in February 2002, the peso was allowed to float against other currencies. After several years of fluctuations in the nominal exchange rate, the peso lost approximately 14% of its value against the U.S. dollar in 2012. Despite increased Argentine Central Bank (“**Central Bank**”) intervention and measures to limit Argentine residents’ access to foreign currency, the peso devalued by 50.3% and 36.9% against the U.S. dollar in 2018 and 2019, respectively. In 2019, the exchange rate varied between a maximum of Ps. 60.00 to U.S.\$1.00 in October and a minimum of Ps. 37.04 to U.S.\$1.00 in January.

The following table sets forth the annual high, low, average and period-end “reference” exchange rates for the periods indicated, expressed in pesos per U.S. dollar and not adjusted for inflation. There can be no assurance that the peso will not depreciate or appreciate in the future. The Federal Reserve Bank of New York does not report a noon buying rate for pesos.

	Exchange rates ⁽¹⁾			
	High	Low	Average ⁽²⁾	Period end
Year ended December 31,				
2015	13.763	8.554	9.269	13.005
2016	16.039	13.069	14.779	15.850
2017	18.830	15.174	16.567	18.774
2018	40.897	18.416	28.094	37.808
2019	60.003	37.035	48.242	59.895
2020				
January 2020.....	60.331	59.815	60.011	60.331
February 2020.....	62.208	60.433	61.348	62.208
March 2020.....	64.470	62.250	63.123	64.470
April 2020.....	66.835	64.529	65.762	66.835
May 2020.....	68.535	66.925	67.725	68.535
June 2020.....	70.455	68.625	69.541	70.455

Notes:

Central Bank reference exchange rates (Communication “A” 3500 of Central Bank).

Average of daily closing quotes.

Source: Central Bank

Currency conversions, including conversions of pesos into U.S. dollars, are included for the convenience of the reader only and should not be construed as a representation that the amounts in question have been, could have been or could be converted into any particular denomination, at any particular rate or at all.

Unless otherwise indicated, dollar amounts have been converted from peso amounts at an exchange rate of Ps. 59.895 per U.S.\$1.00, based on the currency bid daily rate published by Banco de la Nación Argentina (“**Banco Nación**”) on December 31, 2019. As of July 2, 2020, the peso-dollar reference exchange rate was Ps.70.58 to U.S.\$1.00.

Foreign Exchange Controls

In September 2019, the Central Bank reintroduced regulations on foreign currency transactions, requiring financial institutions to obtain prior Central Bank approval to buy foreign currency in the exchange market (except in the case of foreign trade), among others. In October 2019, the Central Bank tightened the foreign exchange regulations imposed in September 2019 and introduced new regulations on individual and legal persons' access to the foreign exchange market, including monthly limits of up to U.S.\$200 on purchases of foreign currency by individuals in Argentina. On December 5, 2019, the Central Bank restated the foreign exchange regulations in effect in a single publication, Communication "A" 6844, under which the proceeds of foreign financial indebtedness incurred after September 1, 2019 must be repatriated and settled for pesos through the foreign exchange market if the debtor will require access to such market to service principal and interest (with certain limited exceptions). Access to the foreign exchange market for repayment of foreign financial indebtedness and certain other transactions are also conditioned on the debtor's compliance with the External Assets and Liabilities Reporting Regime.

Exporters of goods must repatriate and settle for pesos through the foreign exchange market the proceeds of exports that cleared customs as of September 2, 2019 (subject to limited exceptions). Any amounts collected in foreign currency in connection with insurance claims related to exported goods must also be repatriated and settled in pesos through the foreign exchange market, up to the amount of the insured exported goods. Exporters of services must repatriate and settle through the foreign exchange market the proceeds of exports of services within five business days following the earlier of the receipt of such proceeds by the exporter in Argentina or abroad, or the crediting of such amounts to any foreign account of the exporter.

Residents are authorized to access the foreign exchange market for the payment of goods imports subject to certain requirements (which vary depending on whether it relates to the payment of goods imports with customs clearance or with pending customs clearance). Prior authorization by the Central Bank is required for access to the foreign exchange market for payments of goods imports with related companies abroad when in excess of the peso-equivalent of U.S.\$2 million per month per resident customer, provided that these payments have no agreed-on maturity date or that they matured before August 31, 2019. Residents may access the foreign exchange market for the payment of services provided by non-residents (provided they are, unless expressly admitted, unrelated entities) if such transaction has been reported in accordance with the External Assets and Liabilities Reporting Regime, if applicable. Prior authorization by the Central Bank is required for residents to access the foreign exchange market for the pre-payment of debt originated in services provided by non-residents.

Access to the foreign exchange market by an entity to pay dividends to non-resident shareholders in an amount exceeding 30% of the foreign direct investment contributions in resident companies entered and settled through the foreign exchange market since January 17, 2020 is subject to Central Bank approval, with certain limited exceptions. In addition, except under limited exceptions, derivative transactions entered into after September 11, 2019, must be settled in pesos.

In December 2019, the Law No. 27,541 *Ley de Solidaridad Social y Reactivación Productiva en el Marco de la Emergencia Pública* (the "**Solidarity Law**") introduced a special tax on a number of transactions such as the purchase of foreign currency; the purchase of services abroad through travel or tourism agencies; the purchase of land, air or water passenger transport services to destinations outside the country, among others, in foreign exchange for a period of five fiscal years, commencing on the date of the enactment of the law. On May 28, 2020, the Central Bank adopted additional restrictions on access to the foreign exchange market including, as amended on June 25, 2020, (i) to pay for goods and services imports, requiring that residents use up all their available U.S. dollars and other "external liquid assets" held abroad or in Argentina (outside of the financial system) prior to being allowed access to the foreign exchange market, (ii) to pay in advance for imported goods or pre-import financing, limiting access to the amount required to pay for registered imports in the current year through July 31, 2020, and (iii) to repay foreign financial indebtedness with affiliates, which currently requires Central Bank authorization until July 31, 2020. In addition, the Central Bank extended from 30 to 90 days the before-and-after periods where access to the foreign exchange market is restricted as a result of the making of certain securities transaction in the local stock exchange.

Since the reintroduction of foreign exchange controls in September 2019, an unofficial U.S. dollar trading market has developed in which the peso-U.S. dollar exchange rate differs substantially from the official peso-U.S. dollar exchange rate. We cannot predict how the current foreign exchange restrictions will evolve or assure that our ability

to make payments of our public debt denominated in U.S. dollars will not be affected thereby. For more information, see “The Provincial Economy—The Argentine Economy since December 2019.” Access to the foreign exchange market for the repayment of local debt securities and other debt obligations denominated in foreign currency incurred after September 1, 2019 among Argentine residents is subject to certain limitations.

FORWARD-LOOKING STATEMENTS

This invitation memorandum and any related supplement (including any documents incorporated by reference) may contain forward-looking statements within the meaning of Section 27A of the Securities Act and section 21E of the U.S. Securities Exchange Act of 1934 as amended (the “**Exchange Act**”). Forward-looking statements are statements that are not historical facts, including statements about the Province’s beliefs and expectations. These statements are based on the Province’s current plans, estimates and projections. Therefore, you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made. The Province undertakes no obligation to update any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties, including, but not limited to, those set forth in “Risk Factors” in this invitation memorandum. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. The information contained in this invitation memorandum identifies important factors that could cause such differences. Such factors include, but are not limited to:

- adverse domestic factors, such as increases in inflation and salaries, high domestic interest rates, exchange rate volatility, lack of sufficient investment, limited access to credit and/or to foreign currency, political disputes or social unrest, any of which could lead to lower economic growth;
- adverse external factors, such as a decline in foreign investment, changes in international prices (including commodity prices) for goods produced within the Province, changes in international interest rates, recession or low economic growth in Argentina’s trading partners, which could decrease the value or quantity of exports from the Province, cause a contraction of the Province’s economy and, indirectly, reduce tax revenues and other public sector revenues and adversely affect the Province’s fiscal accounts;
- the relationships with the federal government and other provinces, in particular, in the context of any possible modification of the tax arrangements between the federal government and the provinces of Argentina as established by the *Ley de Coparticipación Federal de Recursos Fiscales* (the “Federal Tax Co-Participation Law,” pursuant to which the federal government agreed to collect certain taxes on an exclusive basis and to distribute a portion of those tax revenues among such provinces (the “Federal Co-Participation Regime”), currently the main source of revenue for the Province;
- other adverse factors, such as climatic or political events, international or domestic hostilities and political uncertainty, including the effects of the results of the recent Argentine presidential and legislative elections held in October 2019 and the gubernatorial and legislative elections held in the Province in September 2019; and
- the novel coronavirus (“**COVID-19**”) pandemic and its impact on the economic and financial situation of Argentina and the Province, and other public health crises.

Each of these factors could lead to lower economic growth, reduce the Province’s revenues thereby affecting the Province’s accounts, and adversely affect its financial condition.

SUMMARY OF INFORMATION REGARDING THE PROVINCE

This summary highlights selected economic and financial information about the Province and the Republic of Argentina. It is not complete and may not contain all of the information you should consider before submitting Tender Orders. You should carefully read the entire invitation memorandum, including the “Risk Factors” section, before participating in the Invitation by submitting any Tender Orders.

Selected Economic Information (in billions of pesos unless otherwise indicated)

	2015	2016	2017	2018	2019 ⁽¹⁾
PROVINCIAL ECONOMY					
Real GDP (in billions of 1993 constants pesos)	14.19	13.37	13.69	13.70	13.49
Rate of change from prior year	3.7%	(5.8)%	2.1%	0.3%	(1.5)%
Provincial Real GDP / National Real GDP ⁽²⁾	3.2%	3.1%	3.1%	3.1%	3.2%
NATIONAL ECONOMY					
Real GDP (in billions of 2004 pesos)	721.49	706.48	725.33	707.33	692.03
Rate of change from prior year	2.7%	(2.1)%	2.7%	(2.5)%	(2.2)%
PROVINCIAL PUBLIC SECTOR FINANCES					
Total Revenues	37.25	50.52	67.07	92.44	132.39
Total Expenditures	42.19	53.57	71.61	93.79	145.11
Primary Fiscal Balance ⁽³⁾					
Operating Balance ⁽⁴⁾	(2.55)	(1.12)	(0.75)	7.42	(0.43)
Overall Balance ⁽⁵⁾	(4.93)	(3.05)	(4.54)	(1.35)	(12.72)
PROVINCIAL PUBLIC SECTOR DEBT ⁽⁶⁾					
Federal government	3.09	5.75	6.62	8.13	12.93
Other ⁽⁷⁾	11.5	20.40	26.44	39.93	60.15
Total debt	14.59	26.14	33.07	48.06	73.07
Total debt (in millions of U.S.\$) ⁽⁸⁾	1.57	1.77	2.00	1.71	1.51
Debt as a % of nominal GDP ⁽⁹⁾	8.78%	11.75%	11.77%	12.13%	12.11%
Debt as a % of total revenues	8.55%	10.98%	12.04%	11.30%	8.84%

(1) Preliminary figures.

(2) 1993 constant pesos are not directly comparable with 2004 constant pesos. The underlying calculation methodology differs in terms of sectors and activities. For comparison purposes, since the federal government uses 2004 constant pesos to calculate Argentina’s GDP since 2013, a sector by sector reclassification from 2004 constant pesos to 1993 constant pesos was used for calculations thereafter

(3) Operating balance minus interest payments.

(4) Represents current revenue, minus current expenditures.

(5) Represents total revenue, minus total expenditures.

(6) Does not include “floating debt” of the Province, which as of December 31, 2019, amounted to Ps. 9,439.51 million. See “Public Debt—Description of Non-Consolidated Indebtedness.”

(7) Includes Banco Nación, commercial banks and financial institutions, multilaterals and securities.

(8) Converted into U.S.\$ at the following average annual exchange rates published by the Central Bank: Ps. 9.27 to U.S.\$1.00 in 2015, Ps. 14.78 to U.S.\$1.00 in 2016, Ps. 16.56 to U.S.\$1.00 in 2017, Ps. 28.11 to U.S.\$1.00 in 2018 and Ps. 48.25 to U.S.\$1.00 in 2019.

(9) For purposes of this ratio, the Province’s nominal GDP amounted to Ps. 166,195.03 million in 2015, Ps. 222,509.5 million in 2016, Ps. 281,052.7 million in 2017, Ps. 396,248.4 million in 2018 and Ps. 603,349.4 million in 2019.

Source: Statistics and Economic Research Department and Department of Finance of the Province; Federal Ministry of Treasury and Finance and the National Institute of Statistics and Censuses (“INDEC”).

SUMMARY TIME SCHEDULE FOR THE INVITATION

The following summarizes the anticipated time schedule for the Invitation, assuming, among other things, that we do not further extend the Expiration or terminate the Invitation early. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this invitation memorandum. All references are to New York Time (NYT) unless otherwise noted.

<u>Date</u>	<u>Action</u>
June 5, 2020.....	<i>Commencement of the Invitation</i> The date on which the Invitation launched pursuant to the original invitation memorandum.
July 6, 2020	<i>Amendment and Restatement to Invitation</i> The original Invitation is amended and restated pursuant to this Invitation Memorandum.
June 5, 2020 – July 27, 2020	<i>Invitation Period (unless further extended or earlier terminated)</i> The Invitation is open during this period (the “ Invitation Period ”).
July 10, 2020 at 9:00 a.m. (NYT).....	<i>Revocation Deadline</i> Deadline for Holders to revoke their Tender Orders. After the Revocation Deadline, you may no longer revoke Tender Orders. We reserve the right, subject to applicable law, to further extend the Expiration without extending the Revocation Deadline.
July 20, 2020 at 9:00 a.m. (NYT).....	<i>Consent Payment Eligibility Deadline</i> Deadline for Holders to deliver Tender Orders to be eligible to receive the Consent Payment. We reserve the right to further extend the Expiration without extending the Consent Payment Eligibility Deadline.
July 27, 2020 at 9:00 a.m. (NYT)	<i>Expiration Date and Time</i> Deadline for Holders to deliver Tender Orders, unless we further extend or terminate the Invitation earlier in our sole discretion. After the Expiration, you may no longer submit Tender Orders. <i>The clearing systems and financial institutions through which a beneficial owner holds the Existing Notes may in accordance with their normal procedures establish earlier deadlines for the receipt and revocation of Tender Orders from their participants and customers, as described under “Terms of the Invitation—Tender Procedures.”</i>
July 28, 2020, or as soon as practicable thereafter	<i>Results Announcement Date</i>

On this date (the “**Results Announcement Date**”) we will announce (i) the aggregate principal amount of Existing Notes with respect to which the Province has accepted any Tender Orders and (ii) the results of the Invitation, including whether the conditions to the effectiveness of the Proposed Modifications have been met.

July 31, 2020, or as soon as practicable thereafter

Settlement Date, Execution Date and Effective Date

On this date, we will (i) issue the New Notes (the “**Execution Date**”) in exchange for all Existing Notes accepted by the Province pursuant to the Exchange Offer (the “**Settlement Date**”) and (ii) pay the Consent Payment to holders whose Existing Notes are validly tendered at any time prior to the Consent Payment Eligibility Deadline, not validly revoked by the Revocation Deadline and accepted by us in the Exchange Offer pursuant to the Invitation. If the Requisite Consents for the Proposed Modifications have been obtained, on this date we and the Trustee will execute a supplemental indenture to the Indenture (the “**Supplemental Indenture**”) to modify or modify and exchange the Existing Notes, as the case may be, to give effect to the Proposed Modifications (the “**Effective Date**”).

SUMMARY OF THE INVITATION

This summary highlights information contained elsewhere in this invitation memorandum and it is provided solely for the convenience of the Holders. This summary is not complete and may not contain all of the information that you should consider before tendering Existing Notes in exchange for New Notes and consenting to the Proposed Modifications. You should read the entire invitation memorandum, including the “Risk Factors” section, carefully.

Issuer.....	The Province of Mendoza.
The Invitation	<p>The Invitation will expire at 9:00 a.m. (NYT) on July 27, 2020 unless we, in our sole discretion, further extend or terminate the Invitation.</p> <p>On the Results Announcement Date, we will announce (i) the aggregate principal amount of Existing Notes with respect to which the Province has accepted any Tender Orders, (ii) the results of the Invitation, including whether the conditions to the effectiveness of the Proposed Modifications have been met, and (iii) the aggregate amount of Consent Payment that the Province will pay pursuant to the Invitation.</p> <p>See “Summary Timetable for the Invitation.”</p>
Principal Amount Currently Outstanding	<p>The aggregate principal amount of Existing Notes Outstanding is approximately U.S.\$529,960,000.</p> <p>The Province holds U.S.\$60,040,000 principal amount of Existing Notes that it has submitted for exchange in the Exchange Offer, which are not deemed to be Outstanding for purposes of consenting to the Proposed Modifications.</p> <p>See “Terms of the Invitation—Requisite Consents” for additional information.</p>
Termination, Amendments	<p>At any time before we announce the acceptance of any tenders on the Results Announcement Date, we may, in our sole discretion and to the extent permitted by the applicable laws, rules and regulations in each jurisdiction where we are making the Invitation:</p> <ul style="list-style-type: none">• terminate the Invitation (including with respect to Tender Orders submitted prior to the time of the termination);• extend the Invitation past the originally scheduled Expiration;• withdraw the Invitation from any one or more jurisdictions; or• amend the Invitation, including amendments in any one or more jurisdictions.
The Exchange Offer.....	<p>The Province is inviting Eligible Holders to submit Tender Orders to exchange their Existing Notes for New Notes on the terms and subject to the conditions described in this invitation memorandum.</p> <p>Tender Orders may be revoked at any time prior to the Revocation Deadline, but not thereafter. We reserve the right, subject to applicable law, to further extend the Expiration without extending the Revocation Deadline.</p>

EACH HOLDER THAT VALIDLY SUBMITS (AND DOES NOT VALIDLY REVOKE) A TENDER ORDER FOR EXISTING NOTES THEREBY ALSO CONSENTS TO THE ACTIONS AS PROPOSED IN THIS INVITATION, INCLUDING TO AUTHORIZE AND DIRECT THE TRUSTEE, IN ORDER TO GIVE EFFECT TO THE PROPOSED MODIFICATIONS, TO ENTER INTO THE SUPPLEMENTAL INDENTURE AND MODIFY AND EXCHANGE ANY EXISTING NOTES THAT REMAIN OUTSTANDING AFTER GIVING EFFECT TO THE EXCHANGE OFFER.

The Settlement Date for the Exchange Offer will be July 31, 2020 or as soon as practicable thereafter unless the Exchange Offer is further extended, in which case a new Settlement Date, if necessary, will be announced by press release.

Consideration to be Received Pursuant to Tender Orders

As described in detail in “Terms of the Invitation—Consideration to Be Received Pursuant to Tender Orders” and the other terms of the Invitation, Holders of Existing Notes whose Tender Orders are accepted will receive on the Settlement Date (the applicable “**Exchange Consideration**”), for each U.S.\$1,000 of the Existing Notes, U.S.\$1,000 principal amount of the New Notes.

In addition, we will pay the Consent Payment to holders who validly tender (and not validly revoke) their Existing Notes at any time prior to the Consent Payment Eligibility Deadline. See “Consent Payment”.

Other than the Consent Payment, if applicable, holders who submit valid Tender Orders that are accepted pursuant to the Invitation will not be entitled to receive any cash payment or additional consideration for any interest accrued and unpaid on any Eligible Notes that are exchanged for New Notes pursuant to the Exchange Offer.

Consent Payment

Holders whose Existing Notes are validly tendered at any time prior to the Consent Payment Eligibility Deadline, not validly revoked by the Revocation Deadline and accepted by us in the Exchange Offer pursuant to the Invitation, will be eligible to receive the Consent Payment.

Holders who have previously validly tendered (and do not revoke) their Existing Notes pursuant to the original Invitation will, and do not need to re-tender their Existing Notes to, be eligible to receive the Consent Payment.

The Province reserves its right to extend the Expiration without extending the Consent Payment Eligibility Deadline.

Tender Procedures

The Invitation is being made to all Eligible Holders of Existing Notes provided that they are in a jurisdiction where such offer is permitted to such a person. Only Eligible Holders or the financial institutions or other intermediaries through which they hold their Existing Notes may deliver a Tender Order.

If you wish to participate in the Invitation by submitting a Tender Order and you hold your Existing Notes in DTC, you must cause the book-entry transfer of your Existing Notes to the Information, Tabulation and Exchange Agent’s account at DTC, and the Information, Tabulation and Exchange Agent must receive a confirmation of book-entry transfer and an agent’s message transmitted pursuant to DTC’s Automated Tender

Offer Program (“ATOP”), by which each tendering Holder will agree to be bound by the terms and conditions of the Invitation set forth in this invitation memorandum.

If you hold Eligible Bonds through Euroclear, Clearstream or Caja de Valores, you must arrange for a Euroclear Participant, a Clearstream Participant or a Caja de Valores Participant, as the case may be, to deliver their Tender Orders, which includes “blocking” instructions (as defined herein), to Euroclear, Clearstream or Caja de Valores in accordance with the procedures and deadlines specified by Euroclear, Clearstream or Caja de Valores at or prior to the Expiration.

Existing Notes may be tendered only in minimum denominations of U.S.\$1,000 and integral multiples thereof.

A separate Tender Order must be submitted on behalf of each beneficial owner of the Existing Notes.

For more information, see “Tender Procedures.”

Revocation Rights.....

Tender Orders may be revoked at any time prior to the Revocation Deadline but not thereafter. If a Holder revokes its Tender Order with respect to Existing Notes, the related consent to the Proposed Modifications with respect to such Existing Notes will be automatically revoked.

We reserve the right, subject to applicable law, to extend the Expiration without extending the Revocation Deadline.

No Holder may revoke a Tender Order (including its related consent to the Proposed Modifications) after the Revocation Deadline. See “Tender Procedures—Revocation Rights.”

Acceptance

We reserve the right not to accept Tender Orders of Existing Notes in our sole discretion, if and to the extent permitted by applicable laws, rules and regulations, in each jurisdiction where we are making the Invitation. Our acceptance of Tender Orders will be subject to the satisfaction or waiver of the conditions described under “—Conditions to the Invitation.”

Conditions to the Invitation

The Invitation is conditional upon the satisfaction of the following conditions:

1. the absence of any law or regulation that would, and the absence of any injunction, action or other proceeding (whether pending or threatened) that could, make unlawful or invalid or enjoin the implementation of the Proposed Modifications or the Invitation or question the legality or validity thereof; and
2. there not having been any change or development that, in the Province’s sole discretion, materially reduces the anticipated benefits to the Province of the Invitation or that could be likely to prejudice materially the success of the Invitation or that has had, or could reasonably be expected to have, a material adverse effect on the Province or its economy.

We reserve the right to waive or modify any term of, or terminate, the Invitation at any time and in our sole discretion; provided that we cannot modify or waive the additional conditions to the Proposed Modification described under “Conditions to the Proposed Modifications.”

Proposed Modifications

If you deliver a Tender Order, you are also giving us your written consent authorizing us and the Trustee, and instructing the Trustee, upon the satisfaction of the effectiveness conditions described below, to enter into the Supplemental Indenture in order to give effect to the Proposed Modifications and to modify or modify and exchange for New Notes, as the case may be, any Existing Notes that are not exchanged in the Exchange Offer. See “Terms of the Invitation—Proposed Modifications”. Even if the Proposed Modifications are not adopted, any Existing Notes tendered pursuant to a Tender Order may, in the sole discretion of the Province, be accepted for exchange in the Exchange Offer and exchanged for New Notes.

If (i) you do not tender your Existing Notes prior to the Expiration, if you revoke your Tender Order by the Revocation Deadline, or if you are an Ineligible Holder, and (ii) the Proposed 75% Modifications are effected, then on the Settlement Date you will receive for each U.S.\$1,000 principal amount of Existing Notes, U.S.\$1,000 principal amount of New Notes, but no Consent Payment.

If your Existing Notes are not tendered and accepted in the Exchange Offer and the Proposed Modifications are not effected, you will retain your Existing Notes.

For the avoidance of doubt, if you do not deliver a Tender Order at any time prior to the Consent Payment Eligibility Deadline accepted for exchange in the Exchange Offer for which the conditions to the Invitation, as applicable, have been satisfied or waived on the Settlement Date, you will not receive the Consent Payment, even if the relevant Proposed Modifications are successful and your Existing Notes are modified or modified and exchanged for New Notes, as the case may be, pursuant to the Invitation.

You will not receive payment of any accrued and unpaid interest on your Existing Notes that are exchanged for New Notes.

Conditions to the Proposed Modifications.....

In addition to the conditions to the Invitation above, the Proposed Modifications are subject to:

1. receipt of the applicable Requisite Consents for the relevant Proposed Modifications; and
2. the execution of the applicable Supplemental Indenture.

We cannot modify or waive these additional conditions to the Proposed Modifications.

Requisite Consents for the Proposed Modifications.....

It is a condition to the effectiveness of the Proposed Modifications that we receive and accept valid written consents (which are part of each Tender Order) from Holders of more than: (i) 50% of the aggregate principal amount of the Existing Notes for the Proposed 50% Modifications, and (ii)

75% of the aggregate principal amount of the Existing Notes for the Proposed 75% Modifications.

As of the date of this invitation memorandum, U.S.\$529,960,000 in principal amount of Existing Notes was Outstanding. The Province holds U.S.\$60,040,000 principal amount of Existing Notes that it has submitted for exchange in the Exchange Offer, which are not deemed to be Outstanding for purposes of consenting to the Proposed Modifications.

The term “Outstanding” has the meaning ascribed to it in the Indenture.

If we receive the applicable Requisite Consents with respect to the relevant Proposed Modifications to the Existing Notes, the other conditions to the effectiveness of the Proposed Modifications are satisfied or waived and the relevant Proposed Modifications become effective, then those Proposed Modifications will be conclusive and binding on all Holders of the Existing Notes, whether or not they have consented to the Proposed Modifications, including Ineligible Holders of Existing Notes.

In that event, Holders that submitted a Tender Order will be entitled to receive the New Notes, and all Existing Notes held by non-consenting Holders, including Ineligible Holders will be modified or modified and exchanged for the relevant amounts of New Notes, as the case may be, in order to give effect to the Proposed Modifications. However, Holders who do not submit a Tender Order will not be entitled to receive the Consent Payment even if their Existing Notes are modified or modified and exchanged for New Notes, as the case may be, pursuant to the Invitation.

If your Existing Notes are not tendered and accepted in the Exchange Offer and the Proposed Modifications are not effected, you will retain your Existing Notes. See “Terms of the Invitation—Requisite Consents”.

Effect on Non-Consenting Holders and Ineligible Holders

If we receive the applicable Requisite Consents with respect to the relevant Proposed Modifications, the other conditions to the effectiveness of the Proposed Modifications are satisfied or waived and we decide to declare the Proposed Modifications effective, then the Proposed Modifications will be conclusive and binding on all Holders of Existing Notes, whether or not they have consented to the Proposed Modifications, including Ineligible Holders. In that event, Holders that submitted a Tender Order will be entitled to receive the New Notes, and all Existing Notes held by non-consenting Holders, including Ineligible Holders will be modified or modified and exchanged for the relevant amounts of New Notes, as the case may be, in order to give effect to the Proposed Modifications.

Supplemental Indenture

If we receive the applicable Requisite Consents with respect to the relevant Proposed Modifications, that are not revoked at any time prior to the Revocation Deadline, on the Settlement Date, we and the Trustee will execute the Supplemental Indenture to modify or modify and exchange the remaining Existing Notes for the relevant amounts of New Notes, as the case may be, in order to give effect to the Proposed Modifications.

The Proposed Modifications will become effective upon the execution of the Supplemental Indenture on the Settlement Date.

Settlement.....

By tendering your Existing Notes, you acknowledge that all Existing Notes so delivered will be cancelled by the Trustee. If any court or arbitral order or administrative or legal proceeding prohibits or delays the delivery of the tendered or modified and exchanged Existing Notes, we will postpone the Execution Date until such court or arbitral order or administrative or legal proceeding no longer prohibits the delivery of the Existing Notes. If in our judgment, delivery cannot be effected without unreasonable delay, we will cancel the Invitation.

If we accept your Tender Order, you will receive on the Settlement Date the New Notes by credit to the same account at the principal clearing system from which your Existing Notes were tendered.

If you deliver a Tender Order at any time prior to the Consent Payment Eligibility Deadline and your Existing Notes are accepted for exchange in the Exchange Offer for which the conditions to the Invitation, as applicable, have been satisfied or waived then on the Settlement Date, you will also receive the Consent Payment, even if the Proposed Modifications are not successful.

If (i) you do not tender your Existing Notes prior to the Expiration, if you revoke your Tender Order by the Revocation Deadline, or if you are an Ineligible Holder, and (ii) the Proposed 75% Modifications are effected, then your Existing Notes will be amended and exchanged and on the Settlement Date you will receive the corresponding New Notes by credit to the same account at the principal clearing system in which you hold your Existing Notes, but no Consent Payment.

If your Existing Notes are not tendered and accepted in the Exchange Offer and the Proposed Modifications are not effected, you will retain your Existing Notes.

Taxation.....

For a discussion of the Argentine and U.S. federal tax considerations of this Invitation see "Taxation." Each Holder should seek advice from an independent tax advisor based on its particular circumstances.

Representations and Acknowledgements of the beneficial owners of the Existing Notes.....

By submitting a Tender Order and consenting to the Proposed Modifications with respect to Existing Notes, Holders are deemed to make certain acknowledgments, representations, warranties and undertakings to us, the Dealer Managers, the Trustee and the Information, Tabulation and Exchange Agent as set forth under "Representations and Acknowledgements of the beneficial owners of the Existing Notes."

Jurisdictional Restrictions.....

The distribution of this invitation memorandum and the transactions contemplated herein may be restricted by law in certain jurisdictions. Persons into whose possession this material comes are required to inform themselves of and to observe any of these restrictions.

This invitation memorandum does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not authorized or in which the person making an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or solicitation.

In any jurisdiction in which the Invitation is required to be made by a licensed broker or dealer and in which the Dealer Managers or any affiliate thereof is so licensed, it shall be deemed to be made by the Dealer Managers or their respective affiliate on behalf of us.

If you are not a resident of the United States, Argentina or one of the jurisdictions listed under “Jurisdictional Restrictions” in this invitation memorandum, you should contact the Dealer Managers to request assistance and seek your own legal advice regarding your ability to participate in the Invitation.

Dealer Managers	Credit Suisse Securities (USA) LLC and AdCap Securities Ltd.
Information, Tabulation and Exchange Agent	D.F. King.
Trustee for Existing Notes	The Bank of New York Mellon.
Indenture	Indenture between the Province and the Trustee, dated as of May 19, 2016.
Risk Factors	The Invitation involves a significant degree of risk. Investors are urged to read carefully this invitation memorandum, including, in particular, “Risk Factors” beginning on page 17 of this invitation memorandum.
Further Information	Any questions or requests for assistance concerning this Invitation should be directed to the Information, Tabulation and Exchange Agent and the Dealer Managers at their respective addresses and telephone numbers set forth on the back cover of this invitation memorandum.

TERMS OF THE NEW NOTES

The New Notes will be issued in order to give effect to the Indenture. The table set forth below presents a summary of certain terms of the New Notes, and should be read in conjunction with the more detailed description of the New Notes appearing in this invitation memorandum.

Issuer	Province of Mendoza
Indenture	Indenture between the Province and The Bank of New York Mellon, as trustee, dated as of May 19, 2016 (the “ Indenture ”). References to the Indenture will include references to the Supplemental Indenture, if applicable.
Status	The New Notes will be direct, general, unconditional and unsubordinated Public External Indebtedness of the Province. The New Notes rank and will rank without any preference among themselves and equally with all other unsubordinated Public External Indebtedness of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the New Notes ratably with payments being made under any other Public External Indebtedness of the Province. See “Description of the New Notes—Status.”
Interest Coverage Covenant ..	The Province has agreed that it will not incur, assume or guarantee (“incur”) and will not permit any Provincial Agency to incur any Indebtedness unless, at the proposed date of incurrence, the amount of Interest Expense accrued during the preceding twelve months ending on March 31, June 30, September 30 or December 31, as the case may be, immediately preceding such proposed date of incurrence does not exceed 13% of Revenues collected during such twelve-month period, in each case determined on a pro forma basis giving effect to the incurrence of such Indebtedness and the use of proceeds therefrom and the incurrence, repayment or retirement of any other Indebtedness during such twelve-month period. See “Description of the New Notes—Interest Coverage Covenant.”
Negative Pledge Covenant	The Province has agreed that it will not and it will not permit any of the Provincial Agencies to, for so long as any New Note remains outstanding, create or permit to subsist any Lien, other than a Permitted Lien, upon the whole or any part of its or any of the Provincial Agencies’ property or assets to secure any Indebtedness of the Province or any of the Provincial Agencies unless the New Notes are secured equally and ratably with such Indebtedness. See “Description of the New Notes—Negative Pledge Covenant.”
Optional Redemption	The Province will have the right at its option, upon giving not less than 30 days’ nor more than 60 days’ notice, to redeem New Notes, in whole or in part, at any time or from time to time prior to their maturity, at a redemption price equal to the principal amount thereof, plus interest accrued but not paid on the principal amount of such New Notes to (but excluding) the date of redemption.
Rights Upon Future Offers	Under the terms of the New Notes, if following the Expiration and prior to October 19, 2023, the Province voluntarily makes an offer to purchase or exchange or solicits consents to amend any Existing Notes, other than any such offer or solicitation that is made in satisfaction of a final, non-appealable court order or arbitral award (a “Qualifying Offer”), the

Province will take all steps necessary so that each Holder of New Notes will have the right, for a period of at least 30 calendar days following the commencement of such Qualifying Offer, to exchange any of such Holder's New Notes for:

- the consideration in cash or in kind to be offered in connection with such Qualifying Offer, or
- securities having terms substantially the same as those that holders of Existing Notes would hold upon consummation of such Qualifying Offer,

in each case in accordance with the terms and conditions of such Qualifying Offer, as if such Holder held a principal amount of Existing Notes at least equal to (a) the principal amount of such Holder's New Notes *minus* (b) an amount equal to the aggregate amount of interest, if any, previously paid on such New Notes.

Additional Amounts	All payments by the Province in respect of the New Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Argentina or the Province or any political subdivision or taxing authority or agency therein or thereof having the power to tax, unless the withholding or deduction of such Relevant Tax is required by law. In that event, the Province will pay such additional amounts as may be necessary to ensure that the amounts received by the holders after such withholding or deduction will equal the respective amounts of principal and interest that would have been receivable in respect of the New Notes in the absence of such withholding or deduction; except under certain circumstances. See "Description of the New Notes—Additional Amounts."
Further Issues	The Province may from time to time, without the consent of the holders of the New Notes, create and issue additional notes of the same series having terms and conditions which are the same as those of the New Notes in all respects, except for the issue date, issue price and first payment date of interest on the New Notes; provided, however, that any additional New Notes subsequently issued that are not fungible with the previously outstanding New Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from the previously outstanding New Notes. Additional New Notes that are fungible with the previously outstanding New Notes for U.S. federal income tax purposes will be consolidated with, and will form a single series with the previously outstanding New Notes. See "Description of the New Notes—Further Issuances."
Modification Provisions	The New Notes will contain provisions, commonly known as "collective action clauses," regarding future modifications to the terms of the New Notes. Under these provisions the Province may amend the payment provisions of any series of debt securities issued under the Indenture and other reserve matters listed in the Indenture with the consent of less than all of the holders of such New Notes. See "Description of the New Notes—Meetings, Amendments and Waivers—Collective Action."
Events of Default	Each of the following is an event of default with respect to the New Notes:

- (a) The Province fails to pay any principal due on the New Notes when due and payable for three (3) days after the applicable payment date; or
- (b) The Province fails to pay any interest or Additional Amounts due on the New Notes when due and payable for thirty (30) days after the applicable payment date; or
- (c) The Province fails to duly perform or observe any term or obligation contained in the New Notes, or the Indenture, which failure continues unremedied for sixty (60) days after written notice thereof has been given to the Province by the trustee; or
- (d) The Province or any Provincial Agency fails to make any payment when due, after any applicable grace periods, on any of its Indebtedness (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to U.S.\$15,000,000 (or its equivalent in other currencies); or
- (e) The Province fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any Indebtedness of the Province or any Provincial Agency (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to U.S.\$15,000,000 (or its equivalent in other currencies), and such failure continues after the applicable grace or notice period, if any, specified in the relevant document of the date of such failure if the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness (other than Excluded Indebtedness) or beneficiary or beneficiaries of such Indebtedness (other than Excluded Indebtedness) (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause such Indebtedness (other than Excluded Indebtedness) to be declared to be due and payable prior to its stated maturity, or in the case of Indebtedness consisting of Contingent Obligations, to become due and payable; or
- (f) Any representation, warranty or certification made by the Province (or any of its duly authorized officers or officials) in any New Note, the Indenture or in any document, instrument or certificate delivered by the Province pursuant to any New Note or the Indenture shall prove to have been incorrect, incomplete or misleading in any material respect when made; *provided* that the same is reasonably likely to have a material adverse effect on the ability of the Province to perform its material obligations thereunder or the legality, validity or enforceability of any New Note, the Indenture or any such document or instrument; or
- (g) The validity or enforceability of any of the New Notes or the Indenture shall be contested by the Province, or any final decision by any court or agency from which no appeal may be or is taken shall purport to render any provision of the New Notes or any material provision of the Indenture invalid or unenforceable or purport to prevent or delay the performance or observance by the

Province of any of its obligations under the New Notes or any of its material obligations under the Indenture; or

- (h) The Province shall fail generally to pay its Indebtedness (other than Excluded Indebtedness) as it becomes due, or a moratorium on the payment of the Province's Indebtedness (other than Excluded Indebtedness) shall be declared by Argentina or the Province (including, without limitation, any moratorium that is limited to the Province's obligations denominated in any particular currency or currencies or to foreign creditors of the Province), or Argentina or the Province shall declare a general suspension of payment or a moratorium on the payment of debt of the Province (which does not expressly exclude the New Notes); or
- (i) There has been entered against the Province or a Provincial Agency a final judgment, decree or order by a court of competent jurisdiction from which no appeal may be or is taken for the payment of money in excess of U.S.\$15,000,000 (or the equivalent thereof in another currency or currencies) (other than a final judgment, decree or order in respect of any Excluded Indebtedness) and 60 days shall have passed since the entry of such final judgment, decree or order without it having been satisfied or stayed; or
- (j) Any constitutional provision, law, regulation, ordinance or decree necessary to enable the Province to perform its obligations under the New Notes or the Indenture, or for the validity or enforceability thereof, shall expire, is withheld, revoked or terminated or otherwise ceases to remain in full force and effect, or is modified in a manner which materially adversely affects, or may reasonably be expected to materially adversely affect, any rights or claims of any of the holders of the New Notes, or (B) any final decision by any court in Argentina having jurisdiction from which no appeal may be or is taken shall purport to render any material provision of the New Notes or any material provision of the Indenture invalid or unenforceable, or purport to prevent or delay the performance or observance by the Province of its obligations under the New Notes or under the Indenture, and, in each case, such expiration, withholding, revocation, termination, cessation, invalidity, unenforceability or delay shall continue in effect for a period of 60 days.

For more information, see "Description of the New Notes—Events of Default."

Settlement; Form..... The Province will issue the Notes in fully registered form, without interest coupons attached, only in denominations of U.S.\$1,000 and in integral multiples thereof. The Notes will be registered in global form in the name of a nominee of The Depository Trust Company or its nominee and will be held through direct and indirect participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking, *société anonyme*. See "Description of the New Notes—Registration and Book-Entry System."

Prescription..... To the extent permitted by law, claims against the Province for the payment of principal of premium, if any, or interest or other amounts due

	on the New Notes (including Additional Amounts) will become void unless made within four years of the date on which that payment first became due.
Governing Law	Subject to certain exceptions, the New Notes will be, and the Indenture is, governed by and construed in accordance with the laws of the State of New York, except with respect to the authorization and execution of the New Notes and the Indenture by and on behalf of the Province, which shall be governed by and construed in accordance with the laws of Argentina.
Listing	The Province expects to list the New Notes on the Luxembourg Stock Exchange and the ByMA and to have the New Notes admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange. Application will be made to list the Notes on the MERVAL and on the MAE. No assurance can be given as to the liquidity of the trading market for the New Notes. The price at which the New Notes will trade in the secondary market is uncertain.
Trustee, Registrar, Transfer Agent and Paying Agent	The Bank of New York Mellon
CUSIP, ISIN and Common Codes	The New Notes will have new CUSIP, ISIN and Common Code numbers, which will be different than those of the Existing Notes.
Luxembourg Listing Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch

FINANCIAL TERMS OF THE NEW NOTES

The table set forth below presents a summary description of certain financial terms of the New Notes, and should be read in conjunction with the more detailed description of the bonds appearing elsewhere in this invitation memorandum. For more information, please refer to “Summary of Proposed Modifications and Exchange Offer Terms”.

Interest Rate		
<i>From and including</i>	<i>To but excluding</i>	<i>Rate</i>
May 19, 2020	November 19, 2021	2.75%
November 19, 2021	May 19, 2023	4.25%
May 19, 2023	November 19, 2029	5.75%

Interest Accrual and Payment Dates
<p>Interest on the New Notes will:</p> <ul style="list-style-type: none"> • accrue on any unpaid principal from May 19, 2020, or the most recent interest payment date; • be payable semi-annually in arrears on May 19 and November 19 of each year, beginning on November 19, 2021, to persons in whose names the New Notes are registered at the close of business on the calendar day preceding the corresponding payment date (whether or not a business day); and • be computed on the basis of a 360-day year comprised of twelve 30-day months.

Maturity Date
November 19, 2029

Principal Repayment
<p>13 semi-annual installments on November 19, 2023, May 19, 2024, November 19, 2024, May 19, 2025, November 19, 2025, May 19, 2026, November 19, 2026, May 19, 2027, November 19, 2027, May 19, 2028, November 19, 2028, May 19, 2029 and November 19, 2029, to be calculated as follows: the aggregate amount of each principal payment on the New Notes shall equal the principal amount outstanding as of the close of business on the day before any principal payment date, divided by the number of remaining principal installments.</p>

BACKGROUND TO THE INVITATION

In April 2016, Argentina reached a settlement with “hold-out” creditors of its 2001 defaulted debt. Since then, Argentina experienced a significant inflow of capitals until early 2018. Over U.S.\$60 billion in new foreign currency bonds were issued between 2016 and 2017 by Argentina, and certain Argentine provinces and companies. Since early 2018, a combination of persisting macro imbalances and a global de-risking from emerging markets triggered an outflow of capital from Argentina and a sharp currency sell-off, which in turn accelerated inflationary pressures and caused a slowdown in the real economy. Monetary policy came under pressure with a rapidly weakening currency and depleting international reserves. By the third quarter of 2018, the Argentine economy fell into a recession.

Despite the fiscal efforts made by the federal government to close the fiscal gap and reduce its financial needs, the lack of access to international capital markets compelled the federal government to partially fund its deficit through the limited domestic capital markets and negotiate with the International Monetary Fund (“IMF”) a stand-by credit facility agreement for up to U.S.\$7 billion (U.S.\$44 billion of which were disbursed). These actions were not enough to stabilize the economy, and private capital outflows did not cease, forcing the federal government to implement foreign exchange restrictions and to re-profile short-term domestic dollar-denominated debt in late 2019. In this context, economic activity declined and inflation increased sharply, contributing to higher federal and provincial fiscal deficits.

Throughout 2019, most of the macroeconomic indicators weakened significantly. Federal GDP dropped by 2.2% and annual inflation reached 53.8% (versus 47.6% in 2018). By the end of 2019, the official nominal exchange rate was Ps.59.89 per US dollar, a 58% devaluation of the peso against the US dollar compared to 2018 year-end and a 219% devaluation compared to 2017 year-end. Additionally, due to the implementation of currency controls, the gap between the official and blue chip swap exchange rate widened by 23% by 2019 year-end.

In recent months, the financial situation of Argentina has further deteriorated and the disbursements under the stand-by credit facility program with the IMF were interrupted since various macroeconomic targets were not met. The federal government decided to undertake steps to restructure its debt with private creditors in a context of fiscal difficulties, high inflation and expectations that the economy would continue declining in 2020. The recent outbreak of the COVID-19 pandemic has put additional pressure on the country’s finances and growth prospects, resulting in a series of strict measures implemented by the federal government to contain the spread of the virus, including a nationwide mandatory quarantine, which has almost paralyzed overall economic activity since March. As a consequence of those measures, economic activity in Argentina has decreased by 26.4% in April 2020, compared to April 2019, as informed by the INDEC on June 29, 2020. This impact was suffered mainly by the construction sector and the tourism and hotel sector, which suffered an year-over-year downturn of (86.4%) and (85.6%), respectively

In line with Argentina, between 2016 and 2018, the Province’s GDP increased by 2.42%. That increase in provincial GDP contributed to the fiscal consolidation efforts that the Province put in place since 2016. The budget deficit decreased from 6% of revenues in 2016 to 1.5% in 2018, which was partially possible due to a reduction of 3.3% in real terms of current expenditures.

However, the overall adverse macroeconomic conditions since mid-2018 had a negative impact on the economic activity of the Province, which is estimated to have fallen around 1.5% in 2019. As a result of this economic contraction, federal and provincial tax revenues declined sharply by 7.3% year-over-year in real terms in 2019. Furthermore, Provincial inflation rose sharply from 24.6% in 2017 to 53.7% in 2018 (above national inflation of 47.6%), and 53.8% in 2019 (in line with national inflation). The persisting high inflation contributed to expectations of a higher provincial fiscal deficit due to the indexation of most expenditures. Due to this adverse economic scenario, the macroeconomic expectations at the time of the issuance of the Existing Notes did not materialize.

As a response to the adverse macroeconomic context, the Province has made significant fiscal efforts to maintain healthy public finances through the implementation of austerity measures to reduce its expenditures. These included a severe reduction in capital expenditures (public works), reductions in public services subsidies, public employees’ wage reduction in real terms and a significant halt in the tax reduction program, among others. These measures allowed the Province to keep servicing its domestic and external debt on a regular basis.

In recent months, the COVID-19 pandemic and the Provincial measures adopted so far to counter its spread have resulted in a further slowdown in economic activity at all levels. This is expected to adversely impact economic growth in 2020 and in 2021, in a magnitude that cannot be accurately predicted.

The full halt in tourism and retail activity, coupled with the sharp decline in the international price of crude oil, is having an additional negative impact on both taxes and royalties that the Province expected to collect in 2020 and the following years to the extent that the pandemic is not controlled. Tourism and retail commerce accounted for 12.2% of the Province's GDP during the 2014-2018 period (latest data available), while the oil and gas primary sector accounted for an average 6.2% of Provincial GDP.

Additionally, Provincial public expenditures have risen in 2020, both as a result of the Province's overall macroeconomic weaknesses (especially due to the impact in 2020 of inflation-adjusted expenses) and its ongoing response to the threat of the COVID-19 pandemic, which has included the procurement of medical supplies and equipment, and the provision of increased social and welfare assistance.

In addition, the strong depreciation of the Argentine Peso significantly increased the burden of U.S. dollar-denominated debt obligations of the Province (as of December 2019, 60.1% of public sector debt was denominated in U.S. dollars).

As a result of the above, the Province's fiscal situation has strongly deteriorated in recent months. In the first three weeks of May 2020, provincial tax revenues (including the gross revenue tax, stamp tax and court tax, automobile tax and real estate tax) declined by 8% in nominal terms vis a vis the first three weeks of April 2020, and increased only by 2% also in nominal terms vis a vis the first three weeks of May 2019. In the period January 1 to May 21, provincial tax revenues increased 27% in nominal terms compared to the same period in 2019.

The combination of Argentina's economic deterioration, coupled with the the recent outbreak of the pandemic, has negatively impacted the Province's ability to service its financial debt and pay ordinary expenditures in the short- to medium-term. Additionally, both the federal and provincial governments lack access to international financial markets, and as such, the Province is compelled to request this relief in order to continue servicing its existing U.S. dollar-denominated debt obligations.

Likewise, the Province is also seeking to refinance its Peso denominated debt including the Local 2021 Notes, liabilities with Banco de la Nación Argentina and with the federal government.

This Invitation seeks to extend the maturity of the Notes and reduce the Province's interest expense to provide time for the Province to overcome difficulties connected to the COVID-19 pandemic, and pursue the necessary policy reforms to reinstate fiscal discipline. As Argentina stabilizes its macroeconomic environment, it is expected to generate the conditions to regain access to international capital markets. A longer debt profile is expected to allow the Province to continue honoring its debt obligations, which have become unsustainably burdensome impairing any recovery efforts.

RISK FACTORS

Deciding whether to participate in the Invitation involves a significant degree of risk. Investors are urged to carefully read all of the information contained in this invitation memorandum, including, in particular, the following risk factors.

Risk Factors Relating to the Invitation

Risks of Not Participating in the Invitation

In the event of partial success or failure of the Invitation, the Province faces high default and refinancing risk.

If the transactions contemplated by the Invitation are not consummated, or if consummated but any debt relief obtained is not sufficient for the Province to regain the sustainability of its debt, the Province may not be able to make regular payments on a portion or all of its indebtedness and faces a significant risk of default, which would further impair the value and trading liquidity of the Existing Notes. Failure to put the Province's debt on a sustainable path is likely to result in continued lack of access to the international capital markets by the Province for the foreseeable future and may further limit access to official sector financing. Even if the Invitation is completed, there can be no assurance that it will be sustainable and that the risk of default will be substantially reduced or eliminated. See "Risk Factors Relating to the Province—There can be no assurances that the Province's credit rating will improve or will not deteriorate." As of the launch date of the Invitation, the Province was availing itself of a grace period with respect to payment of interest under the Existing Notes due on May 19, 2020. See "Background to the Invitation."

Since the failure to pay any interest on or principal of, or the acceleration of, any Existing Notes or Local 2021 Notes would not be an event of default under any New Notes, the Province may be less likely to make future payments on the Existing Notes or Local 2021 Notes that remain outstanding following consummation of the Invitation.

Additionally, if the Invitation is not completed, the Province cannot predict whether, or when, it may be able to implement a successful liability management program affecting the Existing Notes or any other outstanding instruments. Further, if the Invitation is not completed and the Province pursues alternative liability management options with respect to its debt obligations, including in relation to the Existing Notes, the terms of such alternative liability management program offered to holders of Existing Notes could be less favorable than those offered in this Invitation.

Risk of Modification of the Terms and Conditions of the Existing Notes.

The Existing Notes contain provisions regarding voting on amendments, modifications and waivers, which are commonly referred to as "collective action clauses." Under these provisions, certain key terms of the Existing Notes may be amended, including the maturity date, interest rate and other payment terms, without your consent.

If we receive the applicable Requisite Consents with respect to the relevant Proposed Modifications, the other conditions to the effectiveness of the Proposed Modifications indicated in this invitation memorandum are met and we decide to declare any Proposed Modifications effective, then those Proposed Modifications will be conclusive and binding on all holders of Existing Notes, whether or not they have consented to the Proposed Modifications, including Ineligible Holders of the Existing Notes. In that event, Eligible Holders whose Tender Orders are accepted will be entitled to receive the New Notes, and all Existing Notes held by non-consenting Holders, including Ineligible Holders, will be modified or modified and exchanged for New Notes, as the case may be, in order to give effect to the Proposed Modifications.

In addition, following the consummation of the Invitation, neither the failure to pay interest on, or principal of, any Existing Notes or Local 2021 Notes within the applicable grace period nor the acceleration of any Existing Notes or Local 2021 Notes will be an event of default under the New Notes. Even if the Proposed Modifications do not become effective, we cannot assure you that there will not be future restructurings or liability management transactions in which the terms of the Existing Notes may be changed without your consent contrary to your interest if the required percentage of holders approve such an offer.

Ineligible Holders are not permitted to participate in the Invitation but will nevertheless be subject to the Proposed Modifications if they are beneficial owners of Existing Notes and the Requisite Consents are obtained.

The Invitation is not being made to Ineligible Holders and Ineligible Holders will not be given the opportunity to deliver a Tender Order with respect to the Proposed Modifications. As a result, no “offer” of New Notes is being made to Ineligible Holders. However, if the Proposed Modifications become effective, then, in accordance with the terms of the Existing Notes, the Existing Notes will be modified or exchanged for New Notes, affecting all Holders of Existing Notes, including Ineligible Holders of Existing Notes, regardless of whether they consented or if they were entitled to participate in the Invitation.

If the Proposed Modifications are not successful, certain Existing Notes may be exchanged for New Notes pursuant to the Exchange Offer and the trading market for any Existing Notes may become illiquid, which may adversely affect the market value of any Existing Notes and the ability of holders to sell Existing Notes.

All Existing Notes tendered and accepted pursuant to the Exchange Offer will be cancelled. The exchange of Existing Notes pursuant to the Exchange Offer and the cancellation of such Existing Notes will reduce the aggregate principal amount of Existing Notes that otherwise might trade in the market. In addition, the Province may decide to delist the Existing Notes from the stock exchanges and markets on which they are currently listed or admitted to trading, and may cease to seek credit ratings for the Existing Notes. As a result, if you elect not to participate in the Invitation and your Existing Notes are not modified and exchanged for New Notes pursuant to the Invitation, the market value of your Existing Notes may be adversely affected and it may become more difficult for you to trade your Existing Notes. None of the Province, the Dealer Managers, the Trustee, the Luxembourg Listing Agent, the Information, Tabulation and Exchange Agent or any other person has any obligation to make a market in any such remaining Existing Notes.

Risks of Participating in the Invitation

Differences between the terms of the Existing Notes and the New Notes.

The financial terms and certain other conditions of the New Notes will be substantially different from those of the Existing Notes. Holders should carefully consider these differences (which include, inter alia, the principal amount, the payment dates, the interest rate, the maturity date and cross-defaults) in deciding whether to participate in the Invitation in respect of their Existing Notes.

Your decision to deliver Tender Orders should be made with the understanding of such differences and that you will receive securities discounted from the original value of your Existing Notes. The amount of New Notes that you will receive per amount of the Existing Notes you tender is outlined in “Terms of the Invitation—Consideration to be Received Pursuant to Tender Orders.” In addition, the New Notes will likely trade at a discount to their principal amount. Further, the interest rates of New Notes you receive will be lower than the interest rates applicable to your Existing Notes, and by submitting a Tender Order that is accepted, you will not be entitled to accrued and unpaid interest on your tendered Existing Notes prior to the Settlement Date. Given that the New Notes have a longer maturity than the Existing Notes, receiving the New Notes will expose you to the Province’s risk for a longer period of time. In addition, the lower fixed interest rates and longer maturities of the New Notes expose you to interest rate risk over a longer period of time, such that if interest rates rise generally, the price of your New Notes will fall. You should weigh these considerations against the risks of not participating in the Invitation described above.

Holders of Existing Notes who deliver a Tender Order, if accepted by us, will receive New Notes issued under the Indenture. In addition, holders of Existing Notes who do not tender or are Ineligible Holders, but whose Existing Notes are exchanged in order to give effect to the Proposed Modifications will receive New Notes issued under the Indenture. The Indenture contains provisions regarding voting on amendments, modifications and waivers (commonly referred to as “collective action clauses”). Under these collective action clauses, certain key terms of the New Notes may be amended, including the maturity date, interest rate and other payment terms, without your consent. See “Description of the New Notes—General.”

Furthermore, following the consummation of the Invitation, any failure to pay any interest on, or principal of, or acceleration of, any Existing Notes that were not successfully exchanged or modified and exchanged and remain outstanding after the Settlement Date will not be an event of default under the New Notes.

Failure of Holders to comply with the procedures of the Invitation may result in such Holders’ Existing Notes not being exchanged as intended.

Holders are responsible for complying with all of the procedures required for delivering Tender Orders.

For Existing Notes held through a financial institution or other intermediary, a beneficial owner must contact that financial institution or intermediary and instruct it to submit Tender Orders or revocation instructions on behalf of the beneficial owner. The financial institution or intermediary may have earlier deadlines by which it must receive instructions in order to have adequate time to meet the deadlines of the Clearing System through which Tender Orders or revocation instructions in respect of the Existing Notes are submitted. Holders are responsible for informing themselves of these deadlines and for arranging the due and timely delivery of their Tender Orders.

Any errors by or delays of the Clearing Systems, Direct Participants or custodians or other securities intermediaries may prejudice a beneficial owner's ability to participate in the Invitation and/or receive the New Notes and/or receive the Consent Payment. Where applicable, after contacting and providing information to a custodian or other securities intermediary, beneficial owners of Existing Notes will have to rely on this institution, any other relevant custodians and securities intermediaries, and on the relevant Direct Participant to take the steps necessary for the Tender Orders to be submitted properly and by the applicable deadline. If any person or entity commits an error in submitting Tender Orders, a beneficial owner of Existing Notes would have no claim to have their Tender Orders taken into account. In addition, any error committed in identifying an account to which the New Notes will be credited or in a Clearing System, Direct Participant or custodian or other securities intermediary in crediting the New Notes to the relevant account may result in delayed receipt of the New Notes, which may affect your ability to effect trades.

None of the Province, the Dealer Managers or the Information, Tabulation and Exchange Agent will be responsible for any errors, delays in processing or systemic breakdowns or other failure by (i) the Clearing Systems, Direct Participants or custodians or other securities intermediaries to comply with any of the submission or revocation procedures or (ii) the relevant Direct Participant and/or any other securities intermediary in the delivery of New Notes to the Holder, and no additional amounts or other compensation will be payable to the beneficial owner in the event of any delay in such delivery.

The Province reserves, in its sole discretion, the right to: (i) reject any and all Tender Orders not in proper form or for which any corresponding agreement by the Province to accept would, in the opinion of the Province and its legal advisers, be unlawful; (ii) waive any defects, irregularities or delay in the submission of any and all Tender Orders; and (iii) waive any such defect, irregularity or delay in respect of particular Tender Orders, whether or not the Province elects to waive similar defects, irregularities or any delay in respect of any other such Tender Orders.

None of the Province, the Dealer Managers or the Information, Tabulation and Exchange Agent shall be under any duty to give notice to a beneficial owner of any defects, irregularities or delays in any Tender Order, nor shall any of them incur any liability for failure to give such notice.

All questions regarding the validity, form and eligibility, including time of receipt or revocations, of any Tender Orders will be determined by us in our sole discretion, which determination shall be final and binding. The Invitation is not being made to Ineligible Holders. Tender Orders from Ineligible Holders will not be accepted.

Potential challenges to the Invitation or payments on the New Notes.

The Province may be subject to efforts by certain creditors opposed to the transactions to enjoin or otherwise prevent the consummation of the Invitation, or otherwise challenge payments on the New Notes. The Province cannot assure you that Ineligible Holders or non-consenting creditors will not take other actions that may, or that a court will not, enjoin, impede or delay the Invitation or that the Invitation may not be delayed or terminated due to such creditor intervention. The Province may become subject to suits to collect on defaulted Existing Notes or other indebtedness. While the Province intends to oppose vigorously any litigation efforts, it can offer no assurances of success or that a court would not take actions that may enjoin, impede or delay the implementation of the Invitation or payments on the New Notes.

Compliance with jurisdictional restrictions.

Beneficial owners of Existing Notes are referred to the jurisdictional restrictions in "Jurisdictional Restrictions" and the agreements, acknowledgements, representations, warranties and undertakings in "Representations and Acknowledgements of the Beneficial Owners of Existing Notes," which beneficial owners of Existing Notes will be deemed to make when delivering Tender Orders. Non-compliance with these jurisdictional restrictions could result in, among other things, the unwinding of trades or penalties and/or significant costs for investors.

No assurance can be given that the Invitation will be completed and Holders should understand the schedule and terms of the Invitation before tendering any Existing Notes.

Tendering Holders will not receive New Notes until the Settlement Date. No assurance can be given that the transactions contemplated in the Invitation will be completed until the Province (i) announces that the applicable Requisite Consents have been received and accepted and that all conditions to the effectiveness of the relevant Proposed Modifications and the Exchange Offer have been met; and (ii) executes, together with the Trustee, the Supplemental Indenture making the relevant Proposed Modifications effective, and accepts valid tenders of Existing Notes for exchange.

In addition, subject to applicable law and as provided in this invitation memorandum, the Province reserves the right, in its sole discretion to extend, re-open, amend or terminate any aspect of the Invitation, including any offer to exchange any Existing Notes, at any time before such announcement and may, in its sole discretion, waive certain of the conditions to any tender of Existing Notes for exchange or modify the Effective Date or Settlement Date, either before or after such announcement. Even if the Invitation is completed, there can be no assurance that it will be completed in accordance with the schedule and on the terms described herein, and therefore, the Settlement Date could be significantly delayed. As such, Holders participating in the Invitation may have to wait longer than expected to have their Existing Notes modified or exchanged for the New Notes, during which time those Holders will not be able to effect transfers of or trade in their Existing Notes in respect of which Tender Orders have been submitted, unless the Holder revokes its Tender Order prior to Expiration. Accordingly, while the market price of the Existing Notes may fluctuate while the restrictions on transfer apply, Holders of Existing Notes will be unable to benefit from favorable fluctuations because they will be unable to trade the Existing Notes, absent revoking the relevant Tender Order.

Restrictions on transfer of Existing Notes for which Tender Orders are submitted.

When considering whether to participate in the Invitation, Holders should take into account that restrictions on the transfer of such Existing Notes will apply from the time of submission of Tender Orders. A Holder will, on submitting a valid Tender Order, agree that its Existing Notes will be blocked in the relevant account in the Clearing System from the date the relevant Tender Order is submitted until the earlier of (i) the Settlement Date, (ii) the date of termination of the Invitation or any relevant part of the Invitation (including where such Existing Notes are not accepted by the Province for amendment or exchange) or (iii) the time at which the relevant Tender Order is revoked and the Existing Notes are unblocked by the Clearing System.

If the Proposed 75% Modifications are adopted, the U.S. Holders of Existing Notes should be treated for United States federal income tax purposes as having exchanged an unmodified debt instrument for a newly issued debt instrument with original issue discount.

The modification of the Existing Notes pursuant to the Proposed 75% Modifications should be treated for United States federal income tax purposes as a deemed exchange of the Existing Notes for a newly issued debt instrument, i.e., the New Notes. The New Notes will be issued with substantial original issue discount (“**OID**”) or an equivalent includible amount for U.S. federal income tax purposes, and all of the stated interest on the New Notes will be treated as such. Accordingly, a U.S. Holder (as defined in “Taxation—U.S. Federal Income Tax Consequences” below) generally will be required to accrue these amounts on a constant yield basis over the term of the New Notes. The inclusions will not be accompanied by any cash payments of interest until 2021 and may substantially exceed cash received by the U.S. Holder in all years prior to maturity, redemption or disposition of the New Notes. These accruals may increase the amount of capital loss, if any, recognized on disposition of the New Notes. Any such loss would not be offset with the previously accrued ordinary income.

For additional important information, see the discussion under “Taxation—U.S. Federal Income Tax Consequences” below). In general, each U.S. Holder should consult its own tax advisor with regard to the Invitation and the application of United States federal income tax laws, as well as the laws of any state, local or non-United States taxing jurisdictions, to its particular situation.

Risk Factors Relating to the New Notes

There is no prior market for the New Notes; if one develops, it may not be liquid. In addition, a listing of the New Notes on a securities exchange cannot be guaranteed.

There currently is no market for the New Notes. The Province cannot guarantee that such a market will develop or if one does develop, that it will continue to exist. If a market for the New Notes were to develop, prevailing interest rates and general market conditions could affect the price of the New Notes. This could cause the New Notes to trade

at prices that may be lower than their principal amount or their initial offering price. In addition, no assurance can be given as to the liquidity of the trading market for the New Notes and the price at which the New Notes will trade on the secondary market is uncertain.

Although the Province intends to list all series of New Notes on the Luxembourg Stock Exchange and to have them admitted for trading on the Euro MTF Market, certain series of New Notes issued hereby may not be so listed and traded. Moreover, even if a series of New Notes is so listed and traded, the Province may decide to delist the New Notes and/or seek an alternative listing for such New Notes on another stock exchange, although there can be no assurance that such alternative listing will be obtained.

Potential Challenges to the Province's Payments on the New Notes.

Holders of other debt instruments of the Province may attempt to attach, enjoin or otherwise challenge the Province's payments on the New Notes. Creditors of Argentina and other sovereign debtors have, in recent years, used litigation tactics in an effort to attach or interrupt payments made by Argentina or those sovereign debtors to, among others, holders of bonds and other creditors who have agreed to a debt reorganization and accepted new securities in an exchange offer. In the future, the Province may become subject to additional suits to collect on defaulted Existing Notes or other indebtedness. The Province cannot assure you that a creditor will not attempt to interfere, through an attachment of assets, injunction, temporary restraining order or otherwise, with payments made on the New Notes.

It may be difficult for you to obtain or enforce judgments against the Province.

The Province is a political subdivision of a sovereign entity. Consequently, while the Province has irrevocably submitted, subject to certain exceptions, to the jurisdiction of any New York state or U.S. federal court sitting in the City of New York, Borough of Manhattan (in addition to the courts of the Province), over any suit, action or proceeding against it or its properties, assets or revenues arising out of or relating to the New Notes or the Province's failure or alleged failure to perform any obligations under the New Notes, which are governed by New York law, it may be difficult for holders of New Notes or the trustee in respect of the New Notes to obtain or enforce judgments of courts in the United States or elsewhere, including in Argentina, against the Province.

In addition, if holders of New Notes obtained a foreign judgment against the Province, it may be difficult for holders to have that judgment recognized and enforced in Argentine courts during states of emergency, as was declared by Congress during the 2001 2002 crisis, in light of the March 6, 2014 decision of the Supreme Court of Justice of Argentina in Claren Corporation v. Estado Nacional. In that case, the Supreme Court of Justice of Argentina held that the enforcement of a foreign judgment sought by Claren Corporation did not satisfy one of the requirements set forth in the Code of Civil and Commercial Procedure of Argentina (i.e., that a foreign judgment cannot contravene Argentine law principles of public policy), given the fact that enforcement as requested by the plaintiff would imply that such plaintiff, through an individual action filed before a foreign court, could circumvent the public debt restructuring process set forth by the Argentine government through emergency legislation enacted in accordance with the Argentine Constitution after the debt securities subject to the foreign judgment were issued. The Supreme Court of Justice of Argentina further held that such norms were part of Argentine public policy and, therefore, that the enforcement of a foreign judgment like the one sought by the plaintiff could not be granted as it would be clearly contrary to such legislation.

Even in the absence of a state of emergency, it may be difficult for holders of New Notes to have a foreign judgment recognized and enforced against the Province in Argentina.

Exchange rate fluctuations may adversely affect the value of the New Notes.

The Province will pay interest and principal on the New Notes which will be payable in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which interest and principal on the New Notes it holds are payable. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollars or revaluation of the Investor's Currency). An appreciation in the value of the Investor's Currency relative to the U.S. dollars would decrease (1) the Investor's Currency-equivalent yield on the New Notes, (2) the Investor's Currency-equivalent value of the principal payable on the New Notes and (3) the Investor's Currency-equivalent market value of the New Notes.

Changes in market interest rates may adversely affect the value of the New Notes.

For holders that intend to sell the New Notes prior to maturity, subsequent changes in market interest rates may adversely affect the value of the New Notes.

U.S. Holders may recognize substantial ordinary interest income with respect to the New Notes in excess of the stated interest paid on the New Notes.

The New Notes will be issued with substantial OID or an equivalent includible amount for U.S. federal income tax purposes, and all of the stated interest on the New Notes will be treated as such.

A U.S. Holder (as defined in “Taxation—U.S. Federal Income Tax Consequences” below) generally will be required to accrue these amounts on a constant yield basis over the term of the New Notes. The inclusions will not be accompanied by any cash payments of interest until 2021 and may substantially exceed cash received by the U.S. Holder in all years prior to maturity, redemption or disposition of the New Notes.

For additional important information, see the discussion under “Taxation—U.S. Federal Income Tax Consequences” below. In general, each U.S. Holder should consult its own tax advisor with regard to the Invitation and the application of U.S. federal income tax laws, as well as the laws of any state, local or non-U.S. taxing jurisdictions, to its particular situation.

The New Notes are subject to restrictions on resales and transfers.

The New Notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the New Notes may not, prior to the resale restriction termination date (as defined below), be offered, sold, pledged or otherwise transferred except (a) to a person who the transferor reasonably believes is a “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act) acquiring for its own account or for the account of one or more “Qualified Institutional Buyers”; (b) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act; or (c) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. For certain restrictions on resale and transfer of the New Notes and the definition of resale restriction termination date, see “Transfer Restrictions.”

The Province may redeem the New Notes prior to maturity.

The New Notes may be totally or partially redeemable at par at our option at any time as described in “Description of the New Notes—Optional Redemption.” Accordingly, if interest rates continue to decline you may not be able to reinvest proceeds in a comparable security at the same interest rate the New Notes may have on such redemption date.

Risks Relating to the Province

Investing in a developing country such as Argentina, in which the Province is a political subdivision, entails certain inherent risks.

The Province is located in Argentina, which is a developing economy. Because the Province is a political subdivision of Argentina, the Province's economic performance and public finances are subject to general economic conditions in Argentina and may be significantly affected by national events and by decisions and measures adopted by the federal government, including those related to inflation, monetary policy and federal taxation. The Province does not control any of these events or decisions. As a result, you should also carefully consider the economic and other information periodically made public by Argentina. The Province does not take part in the formulation of such information. Investing in developing economies generally involves risks. These risks are associated with political, social and economic events that may affect Argentina's economic results. In the past, instability in Argentina and other Latin American and developing countries has been caused by many different factors, including, but not limited to, the following:

- fiscal deficits;
- adverse external economic shocks;
- dependence on external financing;
- inconsistent fiscal and monetary policies;
- high levels and changing levels of inflation;
- changes in currency values;
- high interest rates;
- wage increases and price controls;
- volatility of exchange rates and exchange controls;
- political and social tensions;
- fluctuations in Central Bank reserves; and
- pandemics.

Argentina has experienced political and social instability in the past and may experience further instability in the future. In 2001 and 2002, Argentina suffered a major political, economic and social crisis, which resulted in institutional instability and a severe contraction of the economy (GDP contracted 10.9% in 2002 compared to 2001) with significant increases in unemployment and poverty rates. Among other consequences, the crisis caused a large currency devaluation and led to the federal government defaulting on its external debt. In response, the federal government implemented a series of emergency measures, including strict foreign exchange restrictions and monthly limits on bank withdrawals, which affected public companies and other sectors of the Argentine economy.

The Argentine economy recovered following the 2001-2002 crisis. Since 2008, however, it has struggled to curb strong inflationary pressures, and since 2012 growth has stagnated. During the third quarter of 2018, the Argentine economy entered into an acute economic recession, which deepened in 2019, with a sharp decrease in international reserves and a strong loss in the value of the peso vis-à-vis the U.S. dollar, resulting in rising inflation, unemployment, poverty and extreme poverty rates.

During 2019, the recession that had been affecting the Argentine economy since the third quarter of 2018 deepened. In 2019, GDP contracted by 2.2%. Further, the Central Bank's gross international reserves decreased to USD 44.8 billion as of December 31, 2019 (a USD 20.9 billion decrease compared to gross international reserves as of December 31, 2018).

Notwithstanding the strong contraction in economic activity, inflation accelerated during 2019, reaching 53.8% year-on-year in December. In addition, the unemployment rate stood at 9.7% and 8.9% in the third and fourth

quarters of 2019, respectively, and 10.4% in the first quarter of 2020, compared to 9.0% and 9.1% in the third and fourth quarters of 2018, and 10.1% in the first quarter of 2019. In 2019, real wages in the formal and informal sectors decreased by 6.5% and 15.8%, respectively. In addition, in the second half of 2019, poverty and extreme poverty levels increased to 35.5% and 8% of the population, respectively. See “Background to the Invitation.” As a result of this economic backdrop, in December 2019, the Argentine Congress enacted legislation declaring a state of public emergency in economic, financial, fiscal, administrative, pension, tariff, energy, health and social matters, expected to remain in force until December 31, 2020. The government of the Province also issued regulation declaring a state of public health emergency in the Province on March 12, 2020, which was ratified by the Legislature by Law No. 9,220. The ultimate impact of each of these measures on the national and provincial economies as well as the ability to implement all announced measures as currently contemplated cannot be assured. The Province’s economic conditions depend, to a large extent, on the macroeconomic and political conditions prevailing in Argentina, and the Province does not control these conditions. Worsening economic conditions in the country could have an adverse effect on the Province’s economy, current revenues and ability to service its debt obligations, including the Existing Notes.

The Province’s future access to financing may be restricted.

The Province may be unable to meet future debt service obligations out of current revenues and it may have to rely, in part, on additional financing from the domestic or international capital markets (or official sector resources) in order to do so. In the future, the Province may not be able or willing to access such markets or sources of funding, and the Province’s ability to service its public debt, including the Existing Notes, may be adversely affected. See “—Argentina has previously defaulted and restructured external and domestic debt and had restricted access to financing”.

Argentina has previously defaulted, restructured external and domestic debt and has faced restricted access to financing.

Argentina may be unable to meet future debt service obligations out of current revenues and it may have to rely, in part, on additional financing from the domestic and international capital markets (or official sector resources) in order to do so. From time to time, Argentina has carried out debt restructuring transactions in accordance with Section 65 of Law No. 24,156 and other applicable legislation. During the past 30 years, Argentina had two periods of external and domestic debt in default in the 1980’s and in 2002, which resulted in Argentina not being able to obtain certain external financing. Consequently, Argentina entered into various restructurings or settlements: the Brady Plan, the 2005 Debt Exchange, the 2010 Debt Exchange and the 2016 Settlement (in each case, as defined in Argentina’s 2018 Annual Report). Moreover, as of the date of this invitation memorandum, Argentina commenced an offer to exchange existing debt securities for new securities. In the future, Argentina may be unable to service its debt and may again not be able to access such markets or sources of funding or it may seek or be required to restructure its then outstanding debt.

On April 22, 2020, Argentina failed to make interest payments under its 2021 Global Bond, 2026 Global Bond and 2046 Global Bond governed by foreign law in an aggregate amount of U.S.\$503 million; consequently, Argentina had a 30-day grace period to make such coupon payments in order to prevent an event of default under the applicable indentures. Negotiations among Argentina and the bondholders continued as of the date of this invitation memorandum.

The analysis of holders of whether to participate in the Invitation may be negatively affected by Argentina’s inability to successfully consummate the transactions proposed in its restructuring process. During 2018, the IMF approved a three-year stand-by agreement for Argentina for an amount exceeding U.S.\$ 50 billion. Between 2018 and 2019, the IMF disbursed approximately U.S.\$44.1 billion. The Argentine Government initiated negotiations with the IMF in order to renegotiate the maturities of the agreement, originally planned for the years 2021, 2022 and 2023. We cannot assure the result of such negotiations, the impact that they may have on the Argentine and the Province’s economies, or their financial condition.

If Argentina is not able to service its debt, to cure any default or is unable to access international financing, that may also affect the ability of the Province to do so, and may affect the Argentina’s financial capacity to make

discretionary transfers to the Province, as described under “Public Sector Debt—Main Sources of Revenue—Federal non-tax revenues.”

The novel coronavirus could have an adverse effect on our economy.

In December 2019, a novel strain first noticed in Wuhan, in the Hubei province of China (COVID-19, caused by a novel coronavirus) was reported to the World Health Organization, with cases soon confirmed in multiple provinces in China. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. Several measures have been undertaken by the governments of various countries, including China, member states of the European Union, the United Kingdom, the United States of America, South Korea, Japan, Mexico, Brazil, Colombia and Chile, among others, to control the coronavirus, including mandatory quarantines and travel restrictions. Since March 2020, the federal government has announced a series of measures, including a mandatory quarantine and travel restrictions, aimed at preventing the spread of COVID-19 and mitigating the effects that COVID-19 might have in the Argentine economy.

To date, the Argentine federal government, in coordination with the Argentine provinces (including the Province) adopted several measures in response to COVID-19 outbreak aimed at preventing mass contagion and overcrowding of Argentine health service facilities. See “The Provincial Economy—Measures Implemented by the Federal Government to Address the Outbreak of COVID-19”. As of July 3, 2020, Argentina had over 72,786 confirmed cases of coronavirus, over 1,437 of which were fatal.

The long-term effects to the global economy and the Argentine and the Province’s economies of epidemics and other public health crises, such as the ongoing COVID-19 outbreak, are difficult to assess or predict, and may include risks to citizens’ health and safety, as well as reduced economic activity, which in turn could result in decreased revenues and increased expenditures for the federal government and the Province. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term. Additionally, we cannot predict the evolution of the disease in Argentina and the Province, nor any additional restrictions that might need to be imposed. However, we expect that COVID-19 will have a significant adverse effect on the world economy, which will in turn negatively affect Argentina’s economy due to, among other things, decreased demand for its exports.

The measures implemented by Argentina and the Province so far have resulted in a significant slowdown in economic activity that will further adversely affect economic growth in 2020 and possibly 2021, to a degree that we cannot quantify as of the date of this invitation memorandum. Any prolonged restrictive measures put in place in order to control an outbreak of the contagious disease or other adverse public health development in Argentina or the Province may have a longer lasting material and adverse effect on Argentina’s and the Province’s economies. While the economic cost of COVID-19 is difficult to predict, the Province expects that GDP growth will be negative in 2020, that the fiscal deficit will increase and that its financial conditions will further deteriorate as a result thereof.

The ultimate impact of each of these measures on the Argentine and Provincial economies as well as the ability to implement all announced measures as currently contemplated, cannot be assured.

Growth rates in developing economies tend to be very volatile. A sudden and significant decline in the growth rate of the Province’s economy could have a material adverse effect on the Province’s public finances and its ability to service its debt obligations, including the Existing Notes.

The economy of the Province, in line with the economy of Argentina, has experienced significant volatility in recent decades, including numerous periods of low or negative growth and high and variable levels of inflation and devaluation of the peso. From 2016 to 2019, provincial GDP contracted in real terms by 0.2% on average. See “The Provincial Economy.”

Economic growth is dependent on a variety of factors, including (but not limited to) economic growth in Argentina’s main trading partners, the international demand for Argentine exports, the price of particular commodities, the stability and competitiveness of the peso against foreign currencies, inflation, confidence among provincial consumers, and foreign and domestic investment in the Province. In most cases, these factors are outside the control of the Province.

If the Province's economy does not recover and returns to a path of growth, its economy and financial condition will be adversely affected, including its long-term ability to service its public debt, including the Existing Notes.

A decline in international prices for the Province's principal commodity exports could have a material adverse effect on the Province's economy and public finances.

Historically, the commodities market has been characterized by high volatility. Commodities have significantly contributed to federal government revenues during recent years. Consequently, the Argentine economy has remained relatively dependent on the price of its main agricultural exports, primarily soy. This dependence has, in turn, rendered the Argentine economy more vulnerable to commodity price fluctuations. In particular, a strong decline in commodity prices may adversely affect the provincial economy and its public finances, directly and indirectly through lower collection of export taxes by the federal government, which may cause a decrease in export tax revenues shared with the Province.

A significant depreciation of the currencies of the Province's trading partners or trade competitors, in particular Brazil, may adversely affect the competitiveness of the Province and cause an increase in provincial imports, thus adversely affecting the Province's economy.

The depreciation of the currencies of one or more of the Province's trading partners, particularly Brazil, or trade competitors, relative to the peso may result in provincial exports becoming more expensive and less competitive. It may also cause an increase in relatively cheaper imports. Future devaluations of Argentine trading partners' or competitors' currencies may generate a decrease in Argentine exports and increase in imports, which may have a material adverse effect on the Province's economic growth, its financial condition and the ability of the Province to service its debt obligations, including the Existing Notes.

Exchange controls and restrictions on capital inflows and outflows could have a material adverse effect on the Province's public sector activity and ability to service its debt.

In 2001 and 2002, following a run on the financial system triggered by the general public's lack of confidence in the continuity of the Convertibility Regime that resulted in massive capital outflows, the federal government introduced exchange controls and restrictions on the transfer of foreign currency in an attempt to prevent capital flight and a further depreciation of the peso. These exchange controls substantially limited the ability of issuers of debt securities, among others, to accumulate or maintain foreign currency in Argentina or make payments abroad. Although several of such exchange controls and transfer restrictions were subsequently suspended or terminated, in June 2005 the federal government issued a decree that established new controls on capital flows, which resulted in a decrease in the availability of international credit for Argentine companies.

In addition, from 2011 until December 2015, the federal government increased controls on the sale of foreign currency and the acquisition of foreign assets by local residents, limiting the possibility of transferring funds abroad. Together with regulations established in 2012 that subjected certain foreign exchange transactions to prior approval by Argentine tax authorities or the Central Bank, the measures taken by the federal government significantly curtailed access to the foreign exchange market (*Mercado Único y Libre de Cambio*). In response, an unofficial U.S. dollar trading market developed in which the peso-U.S. dollar exchange rate differed substantially from the official peso-U.S. dollar exchange rate. As of August 2016, the federal government had eliminated all foreign exchange restrictions imposed since 2011. However, in September 2019, the Central Bank reinstated restrictions on foreign exchange transactions, which apply to access to the foreign exchange market by residents for the payment of external financial debts, the payment of dividends in foreign currency abroad, the payment of goods and services outside Argentina, the payment of imports of goods and services and the obligation to repatriate and settle for pesos the proceeds from exports of goods and services, among others. Following the change in government, the new administration extended such measures, which were originally effective until December 31, 2019, and established further restrictions, including a new tax on certain transactions involving the purchase of foreign currency by Argentine residents. Although the official exchange rate has stabilized since the adoption of these foreign exchange controls, we cannot assure you that the official exchange rate will not fluctuate significantly in the future. There can be no assurance regarding any future modification to foreign exchange controls.

Measures adopted in the future by the Central Bank and the federal government to maintain or introduce further exchange controls or impose additional restrictions on transfers abroad may negatively affect Argentina's and the

Province's international competitiveness, discouraging foreign investment and lending by foreign investors or increasing foreign capital outflows, which could have an adverse effect on economic activity in the Province. Although currently there are no foreign exchange restrictions applicable to the Province, the Argentine Central Bank could impose them in the future, preventing or restricting the Province's access to foreign currencies and/or limiting the transfer of funds outside Argentina. See "Exchange Regulations."

Fluctuations in the value of the peso could adversely affect the Province's economy and the Province's ability to service its debt obligations.

A nominal depreciation of the peso would increase the cost of servicing the Province's public debt denominated in U.S. dollars, while a real appreciation in the value of the peso could make exports from the Province less competitive than goods from other countries and lead to a decrease in exports from the Province. Because the Province's exports represent a material portion of the Province's GDP, decreased export earnings could have a material adverse effect on the Province's economic growth and its ability to service its debt obligations, including the Existing Notes. During the last years, the peso devalued significantly against the U.S. dollar, which substantially increased the Province's total foreign currency-denominated indebtedness when measured in pesos. See "Public Sector Debt."

The devaluation of the peso may also have a negative impact on the Province's revenues (measured in U.S. dollars), fuel inflation and significantly reduce real wages. After several years of moderate variations in the nominal exchange rate, the peso lost more than 35% of its value with respect to the U.S. dollar in 2015 and devalued further in 2018 and 2019, losing more than 70% of its value between December 2017 and December 2019. Persistent high inflation during this period, with periods of formal and "de facto" exchange controls, resulted in an increasingly overvalued real official exchange rate. Compounded by the effects of foreign exchange controls and restrictions on foreign trade, distorted relative prices resulted in a loss of competitiveness of Argentine production, impeded investment and resulted in economic stagnation during this period. Any further significant depreciations or appreciations of the peso could have a material adverse effect on the Argentine and provincial economies and the Province's ability to service its debt obligations, including the Existing Notes.

Increases in personnel and other public expenditures may have a significant adverse effect on the public finances of the Province and its ability to service its debt.

Total expenditures of the Province increased by 244% from Ps.42,189 million in the year ended December 31, 2015 to Ps.145,111 million in the year ended December 31, 2019. In connection with personnel expenditures, the Province adopted various measures in each year from 2015 to 2019, partially in response to pressure from labor unions, to improve, in real terms, the compensation and benefits of public employees. As a result, personnel expenditures increased by 195% from Ps.23,195 million in the year ended December 31, 2015 to Ps.68,495 million in the year ended December 31, 2019. During 2019, personnel expenditures represented 47% of the Province's total expenditures although the number of public employees has remained relatively stable. The Province has limited flexibility to reduce personnel expenditures in the future because its employees are covered by conditional guarantees of employment stability.

In addition, labor unions have exercised, and may exercise in the future, pressure on the provincial government to increase salaries and other personnel expenditures.

The Province cannot assure you that public employees will not request further compensation increases or that further increases will not be granted, or that additional personnel will not be hired. Such increases could have an adverse effect on the Province's public finances and its ability to service its debt, including the Existing Notes.

Certain programs introduced by the Province, including measures designed to address the COVID-19 outbreak, may increase public expenditures. See "—The novel coronavirus could have an adverse effect on our economy." Weaker fiscal results could have a material adverse effect on the Province's ability to access long term financing, which, in turn, could adversely affect the market value of the Existing Notes.

Any revisions to the Province's official financial or economic data resulting from a subsequent review of such data by the Provincial Office of Statistics or any other provincial entity could reveal a different economic or

financial situation in the Province, which could affect your evaluation of the market value of the Existing Notes.

Certain financial, economic and other information presented in this Invitation may subsequently be materially revised to reflect new or more accurate data as a result of the review by the Provincial Statistics and Research Department or any other provincial entity that reviews the Province's official financial and economic data and statistics. These revisions could reveal that the Province's economic and financial conditions as of any particular date are significantly different from those described in this offering memorandum. These differences could affect your evaluation of the Province's conditions and impact in the market value of the Existing Notes.

If the Federal Council of Fiscal Responsibility were to determine that the Province's budget did not comply with the Federal Fiscal Responsibility Law, the Province could be subject to sanctions.

In December 2017, the federal Congress adopted Law No. 27,428, modifying Law No. 25,917 (the "**Fiscal Responsibility Law**"), which establishes a fiscal regime for the federal government and the provinces relating to transparency in public administration, expenditures, fiscal balances and indebtedness and, in particular, requires balanced budgets. Law No. 27,428 establishes rules designed to enhance sound public finance practices at the federal and provincial levels, such as capping increases in public expenditures in any certain period at the inflation rate for that period, and capping increases in overall public employment at the rate of population growth. It also limits tax increases, especially taxes on labor and production and its financing, in order to foster economic growth at the national and regional level. In December 2019, the provinces and the federal government entered into an agreement to suspend certain agreements related to the limits of provincial tax increases until December 31, 2020. See "Public Sector Finances—Main Sources of Revenue—2017 Fiscal Consensus between the federal government, the City of Buenos Aires and the provinces." The Fiscal Responsibility Law created the *Consejo Federal de Responsabilidad Fiscal* (the "**Federal Council of Fiscal Responsibility**"), which is comprised of representatives from the federal and provincial governments and is responsible for controlling compliance by the provinces and the federal government with the Fiscal Responsibility Law. If the Federal Council of Fiscal Responsibility determines that the Province's budget does not comply with the applicable sections of the Fiscal Responsibility Law, the Province could be subject to sanctions, including limitations on guaranties from the federal government, and limitations on federal transfers (other than federal tax transfers mandated by law, including co-participation transfers).

A suspension, interruption or delay of federal tax transfers or financial assistance from the federal government or any modification of the Federal Co-Participation Regime in a manner that is unfavorable to the Province may have a material adverse effect on the Province's public finances and its ability to meet its debt service obligations, including the Existing Notes.

The Federal Co-Participation Law currently governs the Federal Co-Participation Regime. Under this law, the federal government is currently required to transfer to the provinces 100.0% of revenues from consumption taxes levied on various non-basic goods (such as cigarettes and alcohol), 89.0% of value-added tax revenues, 64.0% of income tax revenues, 100.0% of property transfer tax revenues, 80.6% of taxes on prizes, 50.0% of cooperative tax revenues, 100.0% of minimum presumed income tax revenues and 30.0% of financial transactions tax revenues.

During 2019, transfers from the federal government under the Federal Co-Participation Regime represented 31% and other federal government transfers represented approximately 16% of Province's total revenues. A modification of the Federal Co-Participation Regime is subject to the consent of all of the provinces of Argentina, the City of Buenos Aires and the federal government. Modifications have been postponed in several instances due to the importance of the revenues involved and the fact that no government was willing to reduce its participation in the regime. The Province cannot assure you that the current Federal Co-Participation Regime will not be suspended or interrupted or that it will be modified in a way that is not unfavorable to the Province. Any such event could have a material adverse effect on the Province's public finances and its ability to meet its debt service obligations, including the Existing Notes.

Any adverse developments in the oil and gas industry, including decreasing prices of oil and gas, could have a material adverse effect on the Province's economic performance and public finances.

Part of the Province's revenues rely on the oil and gas industry and on the ability of different concessionaires to continue to develop their investments and successfully implement their business strategies in the Province. As a result, certain factors could have a material adverse effect on the Province's economic performance and public finances. Due to the fact that a relevant percentage of the Province's revenues are derived from hydrocarbon royalties, the Province is particularly vulnerable to adverse changes in economic, market and regulatory conditions both in Argentina and worldwide that (i) reduce the demand for oil and gas products; (ii) limit oil and gas exports; and (iii) give rise to declines in oil and gas prices.

The demand for, and price of, oil and gas are highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments. International oil prices have fluctuated widely in recent years and are likely to continue to fluctuate significantly in the future. Volatility in oil and gas prices restrain longer term investment plans since the returns expected from such investments are unpredictable.

At the beginning of 2020 the conflict between Saudi Arabia and Russia, which was magnified by the effects of the global crisis caused by COVID-19, resulted in a collapse of crude oil prices. The Brent registered the worst decline of the last three decades with a 30% decrease, and the West Intermediate Texas (WTI) traded at negative prices. International oil prices may continue to decline or remain at current levels for a prolonged period in the future, which may result in a corresponding decrease in domestic oil prices. These factors could affect the economic viability of drilling projects or the development of proven reserves or cause the loss of proven reserves. Any such occurrences could negatively impact the Province's budget and estimates, which could, in turn, affect the value of, and rates of return on, certain assets.

Since approximately 6.0% of the Province's revenues are derived from hydrocarbon royalties, a decline in the price of oil or gas may reduce the amount of hydrocarbon royalties collected by the Province, and therefore have an adverse effect on the Province's economic performance and public finances. It may also have a material adverse effect on the financial condition and results of operations of the concessionaires and on the amount of total reserves. Furthermore, because in certain cases concessionaires use the revenues generated from the sale of crude oil and gas to fund the expansion of their operations, a substantial reduction in oil or gas prices would reduce or in some cases eliminate the ability of concessionaires to continue to fund such expansion activities or cause them to divert funding from oil operations to gas operations or vice-versa, and therefore may adversely affect the Province's economic performance, its public finances and the Province's ability to satisfy its repayment obligations under the Existing Notes.

Federal government intervention and regulation may adversely affect oil concessionaires' operations and financial condition and therefore may adversely affect the Province's economic performance and public finances.

- (i) *The federal government has from time to time established export taxes on certain hydrocarbon products.*

The federal government established export taxes on certain hydrocarbon in 2002 products through Law No. 25,561 of Public Emergency which was extended until, January 7, 2017. More recently, on September 4, 2018, Decree No. 793/2018 established an export duty of 12% on the export for consumption of all merchandise included in tariff positions of the Common Mercosur Nomenclature through December 31, 2020. This export duty may not exceed 4 pesos per U.S. dollar of the taxable value or the official FOB price, as applicable. For merchandise which does not constitute primary sector products, the duty may not exceed 3 pesos per U.S. dollar of the taxable value or the official FOB price, as applicable. Thereafter, pursuant to Decree No. 37/2019 (published in the Official Gazette on December 14, 2019) the aforementioned cap was eliminated and Law No. 27,541 (published in the Official Gazette on December 23, 2019) established a rate of 8%.

- (ii) *The federal government has intervened and may further intervene in the determination of oil and gas prices.*

Since 2002, the federal government has not allowed gas transportation and distribution companies to pass-through increases in gas prices to end-users, causing the price of non-liquefied natural gas in Argentina (particularly to the residential sector) to remain substantially below regional market prices for non-liquefied natural gas. These limitations have had and may continue to have a material adverse effect on the concessionaires' results of operations and financial condition and may therefore adversely affect the Province's economy, financial condition and ability to pay its debt obligations, including the Existing Notes. On May 19, 2020, Decree No. 488/20 established that, through December 31, 2020: (i) deliveries of crude oil in the local market must be invoiced and paid by applying a reference price for Medanito crude oil of U.S.\$ 45/barrel and, during such period hydrocarbon producing companies must sustain the level of activity or production registered in 2019.

(iii) *The federal government may limit oil and gas exports.*

Since 2002, the federal government has imposed extensive restrictions on non-liquefied natural gas, crude oil and liquefied petroleum gas (LPG) exports from Argentina. These limitations have had and may continue to have a material adverse effect on the concessionaires' operations and financial condition and therefore may continue to adversely affect the Province's economic performance and public finances. In addition, the concessionaires' operations and financial condition, as well as the Province's economic performance and public finances, may be adversely affected if the federal government: (a) continues issuing additional regulations or exerting political pressure to curb price increases or reduce exports on oil and gas products, (b) continues to apply its regulatory emergency authority to set prices on oil and gas products, (c) reassigns the volume of natural gas to be supplied to the local market or (d) adopts other measures to stabilize prices or determine domestic supply.

Adverse climatic factors or natural disasters could adversely affect the economic activities of the Province.

Adverse climatic factors or natural disasters, including wildfires, floods, extreme cold, hail or volcanic eruptions, among others, could adversely affect the economic activities of the Province, particularly in sectors which depend upon the sustainable enjoyment of geographic and natural conditions of the Province, such as fruit and vegetable production, tourism and livestock.

For example, in 2013 the Province suffered unusually low temperatures that caused provincial fruit and vegetable production to decrease significantly during that year. Farmers in the General Alvear region lost up to 80.0% of their production for the 2013 harvest season. In addition, hail frequently affects part of the Province's fruit and vegetable production. In 2016, production in the agriculture and livestock sector experienced a 21% decline in performance as compared to 2015, primarily as a consequence of a sharp decrease in the production of fruit, including grapes for wine production, due to adverse climatic factors and pest issues.

Despite the creation of programs that provide assistance to agricultural producers, such as the *Fondo Solidario Agrícola* (the "**Agriculture Solidarity Fund**"), created by the Province, and the federal government agricultural emergency regime established in 2009, both of which provide insurance to agricultural producers against losses caused by extreme weather conditions, a reduction in economic activity of the Province caused by adverse climatic factors or natural disasters could have an adverse effect upon the public finances of the Province and its ability to fulfill its obligations under its debt instruments, including the Existing Notes.

The Province maintains material levels of secured indebtedness.

The Province has in the past incurred secured indebtedness, including indebtedness secured by assignments and pledges ("pledges") of future Federal tax transfers from the federal government and pledges of future oil royalty payments from oil producers operating in the Province. As of December 31, 2019, the Province had pledged approximately 16.9% of its rights to receive Federal tax transfers and none of its right to receive oil royalty payments to secure indebtedness it has incurred. Furthermore, certain provincial laws require the allocation of oil royalty payments received by the Province to the funding of specific departments, funds and projects of the Province. There can be no assurance that, in the event of economic developments materially and adversely affecting the Province's aggregate revenues, the application of the encumbered co-participation payments and other revenue sources to payments in respect of such secured indebtedness would not impair the Province's ability to pay interest on, and principal at maturity of, its unsecured indebtedness (including amounts due under the Existing Notes).

There can be no assurances that the Province's credit ratings will be maintained, improved or will not deteriorate.

The Province's current long-term debt credit ratings are non-investment grade. As of the date of this invitation memorandum, the Existing Notes were rated "CC" by S&P and "Ca" by Moody's. Those ratings indicate that such debt securities are judged to be subject to very high credit risk and increase the cost of borrowing for the Province.

Any withdrawal, downgrade or lack of improvement in the Province's credit ratings could adversely affect the trading price of the Province's debt securities (including the Existing Notes) and have the potential to affect the Province's cost of funds in the international capital markets and the liquidity of and demand for the Province's debt securities. In addition, the Province may cease to seek credit ratings for its Existing Notes.

THE PROVINCE OF MENDOZA

General

The Province is the fifth largest of Argentina's 24 political districts (comprising 23 provinces and the autonomous City of Buenos Aires) in terms of GDP, and it occupies an area of 148,827 square kilometers (approximately 92,481 square miles). The Province is located in western Argentina, at the base of the Andean mountain range and it shares a border of approximately 550 kilometers with the Republic of Chile.

With an estimated population of 1,738,929 people according to the 2010 national census, the Province is the fifth most populous political district with approximately 4.3% of Argentina's total population. Approximately 62.4% of the Province's population is concentrated in the capital city of Mendoza and its surroundings.

Constitutional framework and relationship between federal and provincial governments

The Argentine federal constitution sets forth a division of powers between the federal and provincial governments. Each province has its own constitution, which establishes its governmental structure and provides for the election of a provincial governor and vice-governor and the Provincial Legislature. The provinces have general jurisdiction over matters of purely provincial or local concern, including, among others:

- healthcare and education,
- provincial police and courts, and
- the borrowing of money on its own credit, subject to a federal approval and control mechanism.

The jurisdiction of the federal government is limited to those matters that are expressly delegated to it by the federal constitution. These areas include, among others:

- the regulation of trade and transport,
- the issuance of currency,
- the regulation of banks and banking activities,
- national defense and foreign affairs, and
- customs and the regulation of shipping and ports.

The federal government does not guarantee, nor is responsible for, the financial obligations of any province.

Under the Argentine federal system, each province retains significant responsibility for the rendering of public services and other functions within its territory that require public expenditure, while relying primarily on a centralized tax collection system run by the federal government as a source of public revenues. The Federal Co-Participation Regime dates back to 1935, when the provinces agreed to delegate their constitutional power to collect several categories of taxes to the federal government in exchange for transfers of a portion of the related tax revenues. This coordinated taxation regime has been amended several times and currently, the "shared" or "co-participated" taxes include income tax, value-added tax, a tax on financial transactions and several specific excise taxes levied on consumption. See "Public Sector Finances—Taxation and other revenues—Federal Co-Participation Regime."

The federal constitution was amended in 1994. Although the main provisions of the federal constitution were maintained, some significant changes were implemented. Pursuant to the 1994 amendments, the federal and provincial governments were required to approve a new Federal Co-Participation Regime based on certain objective distribution criteria; however, they have not yet done so and the timing of any such amendment remains uncertain.

Political parties

The following are Argentina's principal national political parties:

- *Frente de Todos* (Front of All), a coalition of several parties, including primarily:

- *Partido Justicialista* (“**PJ**”), or Peronist Party, founded by President Juan D. Perón in the 1940s, which includes the following factions:
 - *Unidad Ciudadana* (Citizen’s Union), formerly *Frente para la Victoria* (Front for Victory); and
 - *Frente Peronista* (Peronist Front).
- *Frente Renovador* (*Renewal Front*, or “**FR**”), founded in 2013 as a split-off from the PJ. For the 2015 presidential elections, the FR and the former governor of the province of Córdoba, Juan Manuel de la Sota, formed the *Unidos por una Nueva Alternativa* (“**UNA**”) coalition.
- *Juntos por el Cambio* (Together for Change), formerly *Cambiamos*, was founded in 2015 and is a coalition of several parties, including primarily:
 - *Unión Propuesta Republicana* (Republican Proposal Union, or “**Unión PRO**”), a political alliance that emerged in Argentina in 2007 composed of the following parties: *Propuesta Republicana* (Republican Proposal) (formerly *Compromiso para el Cambio*), *Unión del Centro Democrático* (*UCeDé*) (Union of the Democratic Center), *Recrear para el Crecimiento* (Recreating for Growth), *Partido Federal* (Federal Party), *Unión Celeste y Blanco* (Blue and White Union), *Partido Popular Cristiano Bonaerense* (Christian People’s Party of Buenos Aires) and *Partido Nuevo Buenos Aires* (New Buenos Aires Party);
 - Radical Civic Union (“**UCR**”); and
 - *Coalición Cívica* (Civic Coalition, or “**ARI**”).

On October 27, 2019, presidential and congressional elections took place in Argentina. Alberto Fernández (*Frente de Todos*) obtained 48.10% of the votes, and was elected and currently serves as President of Argentina, Mauricio Macri (*Juntos por el Cambio*) obtained 40.37% of the votes and Roberto Lavagna (*Consenso Federal*) obtained 6.16% of the votes.

The next presidential election in Argentina and gubernatorial election in the Province will take place in October 2023. In October 2021 elections will be held to vote for one third of the members of the national Senate and half of the members of the national House of Deputies.

In Mendoza, the two main political forces are *Cambia Mendoza*, which is a provincial political alliance led by UCR and *Elegí Frente Político y Social*, one of the several Peronist branches which is now led by *Frente de Todos* in Mendoza. Between both forces, they represent 100% of municipalities and more than 90% of both legislative bodies.

Provincial government

The constitution of the Province was adopted in 1916 and has been amended five times, most recently in 2005. According to the provincial constitution, the government of the Province has general responsibility for the performance of public administration activities within the Province, other than those activities that have been delegated to the federal government or the municipalities within the Province.

Amendments to the constitution of the Province must be approved by two-thirds of each of the House of Deputies and the Provincial Senate, and must then be submitted to a public referendum by majority vote.

Executive branch

The executive branch consists of a governor and a vice-governor, who are elected together for a single four-year term and are not eligible for consecutive reelection, and a number of ministries and secretariats. The governor has the power to appoint and remove ministers. The governor also appoints, subject to confirmation by the Provincial

Senate, the provincial Attorney General and the president of the Audit Tribunal, among others. The governor also presents the statement of public accounts from the previous fiscal year and budget bills before the Provincial Legislature.

On September 29, 2019, provincial elections were held to appoint the governor and the vice-governor and members of the Provincial Legislature. Rodolfo Suárez and Mario Abed, both members of the political alliance *Cambia Mendoza*, obtained 51.67% of the total vote and were appointed governor and vice governor until 2023, respectively. *Cambia Mendoza* is a provincial political alliance led by UCR and *Cambiamos*. *Cambia Mendoza* also has a majority in both chambers of the Provincial Legislature.

Legislative branch

The Provincial Legislature is composed of two bodies: (i) the Provincial Senate, composed of 38 members, and (ii) the House of Deputies, composed of 48 members. The vice-governor serves as president of the Provincial Senate. The members of both bodies are elected by popular vote to four-year terms. Half of the members of each of these bodies face election every two years.

Each of the Provincial Senate and the House of Deputies take decisions by majority vote, except for certain specific matters for which a two-thirds vote is required. These matters include, among others:

- amendments to the jurisdiction of the Province over its territory;
- authorizations to issue provincial public debt;
- approvals of the resignation of the governor or vice-governor; and
- approvals of concessions related to the water management of provincial rivers.

The table below shows, by political force, the current composition of the Provincial Legislature after the most recent elections in 2019.

	Senate		House of Deputies	
	<i>Number of Seats</i>	<i>%</i>	<i>Number of Seats</i>	<i>%</i>
Cambia Mendoza	21	55.26	27	56.25
Frente de Todos	13	34.21	17	35.42
Protectora.....	1	2.63	2	4.17
Partido Intransigente	1	2.63	1	2.08
FIT	1	2.63	1	2.08
Mas Fe	1	2.63	0	0
Total	38	100	48	100

Source: Provincial Legislature

Judicial branch

The judicial branch of the Province consists of trial courts, courts of appeal and the provincial supreme court, all of which have jurisdiction over civil, commercial, administrative, labor, family and criminal matters within the Province. The provincial supreme court justices are appointed by the governor and confirmed by the Provincial Senate. The governor appoints other judges from a list of candidates proposed by the *Consejo de la Magistratura* (Magistrates' Council), with the Senate's approval. Judges serve for life and can be removed only by impeachment proceedings. Argentina also has a federal judiciary that has jurisdiction over federal matters within the territory of the Province.

Other agencies

The provincial constitution provides for two independent entities to be in charge of the financial and legal supervision and control of the Province's administration and municipalities. The Audit Tribunal carries out the

external audit of the Province's accounts and controls the use of public funds by provincial officers, mainly through the review of the provincial annual statements of revenues and expenditures and of budgetary performance, while the provincial Attorney General controls the legality of administrative decisions of the Province's administration. The internal audit of the Province's accounts and review of the use of public funds by provincial officers is carried out by the Office of Internal Audit of the Accounting Office of the Province, which is under the jurisdiction of the Province's ministry of finance.

Municipalities

There are 18 municipalities located within the Province. Each has its own government, which is responsible for providing certain basic services such as sanitation, public lighting and road maintenance. Certain municipal governments also supplement provincial public health and social welfare services.

Municipalities finance their activities through taxes and fees charged for the provision of services, such as healthcare, hygiene inspections of businesses and waste collection, and with funds transferred by the Province. The Province is required by provincial law to transfer to the municipalities a percentage of the Federal Co-Participation Regime payments and a percentage of oil concession royalties received and taxes collected. The percentage transferred to each municipality by the Province is based on different criteria, such as each municipality's population, economic development level, number of cars registered and oil production subject to a minimum transfer amount based on the population of each municipality. The overall percentage of funds transferred by the Province to the municipalities and the portion of such funds allocated by the Province to each municipality are determined by the Provincial Legislature and may be changed by the Provincial Legislature.

Representatives of the political force *Cambia Mendoza* were elected mayors in 12 of the municipalities of the Province, while representatives of *Frente de Todos* were elected in the remaining six municipalities.

Control entities

The constitution of the Province provides for two independent entities to be in charge of the financial and legal supervision and control of the Province's administration and municipalities. The Audit Tribunal carries out the external audit of the Province's accounts and control the use of public funds by provincial officers, mainly through the review of the provincial annual statements of revenues and expenditures, while the Attorney General controls the legality of administrative decisions of the Province's administration. The internal audit of the Province's accounts and review of the use of public funds by provincial officers is carried out by the Office of Internal Audit of the Accounting Office of the Province, which office is under the jurisdiction of the Province's ministry of finance.

THE PROVINCIAL ECONOMY

Introduction

The provincial economy and its economic cycle are closely tied to that of Argentina. The Province has experienced a period of economic growth between 2016 and 2018, which is reflected in provincial GDP growth in real terms. The economy of the Province is diversified among a number of economic sectors, the largest of which are: commerce, hotels and restaurants (22.44% of provincial GDP for the period 2015-2019); community, social and personal services (20.32% of provincial GDP for the period 2015-2019); financial services (15.84% of provincial GDP for the period 2015-2019); and manufacturing (14.81% of provincial GDP for the period 2015-2019). Historically, the Province's commerce, hotels and restaurants sector has been the single largest contributor to provincial GDP.

The provincial economy experienced GDP growth in real terms of 3.7% in 2015. This economic expansion was mainly driven by a 20% increase in telecommunications, 36% in storage and 16% in inter-provincial passenger transportation, which was partially offset by a decrease of 18% in train cargo transportation. In 2016, the GDP of the Province decreased by 5.8% compared to 2015 in real terms, mainly due to a decline in manufacturing mainly attributable to a 41% drop in the production of beverages, including a steep drop in wine production caused by a vine moth pest. In 2017, GDP of the Province increased by 2.1% in real terms, mainly attributable to increases in construction and financial services. In 2018, the Province's GDP slightly increased by 0.3% in real terms, mainly as a result of increases in agriculture and livestock production.

In 2019, the Province's GDP decreased by 1.5% in real terms, mainly as a consequence of a decline in commerce, hotel and restaurants.

Factors Affecting the Argentine Economy in 2018 and 2019

During the first five months of 2018, the Argentine economy was affected by a severe drought that led to a sharp decline in agricultural production and export revenue, while world energy prices increased and global access to financing became tighter through the appreciation of the U.S dollar and an upward shift in the U.S. yield curve. These factors negatively affected the peso, which lost 34.5% of its value vis-à-vis the U.S. dollar between January 2 and May 31, 2018, generated market concerns regarding the Central Bank's ability to roll-over its short-term debt and resulted in a marked increase of Argentina's sovereign risk premium.

In June 2018, the federal government announced a 36-month precautionary U.S.\$50 billion Stand-By Arrangement (the "SBA") with the IMF and other financing agreements with multilateral organizations. In spite of the SBA and Argentina's compliance with the structure benchmark, inflation did not abate, net international reserves continued to decrease, the current account deficit remained high and other program targets were not met. In August 2018, after the peso lost 21.3% of its value vis-à-vis the U.S. dollar over a period of 20 days, the federal government requested (i) an augmentation of access under the SBA of U.S.\$7 billion, (ii) a front-loading of access into 2018-2019 (instead of 2020-2021) and (iii) that the domestic counterpart of the access drawn under the SBA be made available to support budget needs.

During 2019, the recession that had been affecting the Argentine economy since the third quarter of 2018 deepened, and GDP contracted by 2.2%. Furthermore, the Central Bank's gross international reserves decreased to U.S.\$44.8 billion as of December 31, 2019 (a U.S.\$20.9 billion decrease compared to gross international reserves as of December 31, 2018).

Notwithstanding the strong contraction in economic activity, inflation accelerated during 2019, reaching 53.8% year-on-year in December 2019. In addition, the unemployment rate increased from 9.2% 2018 annual average to 9.8% 2019 annual average. In 2019, real wages in the formal and informal sectors decreased by 5.6% and 15.3%, respectively. In addition, poverty and extreme poverty levels increased to 35.5% and 8.0% of the population, respectively, in the second half of 2019 from 35.4% and 7.7% in the first half of 2019.

The Argentine Economy since December 2019

Against this political and economic backdrop, upon taking office in December 2019, the administration led by Mr. Alberto Fernández enacted the Solidarity Law, declaring a state of public emergency, expected to remain in

force until December 31, 2020, addressing diverse economic, financial, fiscal, administrative, pensions, tariff, energy, health and social matters. The Solidarity Law delegated certain legislative powers to Argentina's executive branch (the "**Federal Executive Power**") in order to tackle social and economic distress, as well as to manage Argentina's public debt profile. The main reforms introduced by the Solidarity Law include the following:

1. *Public Debt and its Sustainability*: The Federal Executive Power was authorized to perform all necessary acts to recover and ensure the sustainability of the Argentine public debt. In addition, the federal government was authorized to issue debt securities to the Central Bank for an amount of up to U.S.\$4.6 billion in exchange for reserves that could only be applied to meet Argentina's foreign currency-denominated debt obligations.
2. *Energy System*: The Federal Executive Power was authorized to freeze electricity and gas tariffs that are under federal jurisdiction for 180 days, starting on December 23, 2019, and to begin a comprehensive renegotiation of such tariffs with the relevant utilities companies.
3. *Tax Obligations*: The Solidarity Law modified the following tax obligations.
 - *Personal Property Tax*: Personal property tax rates were increased, effective for the year ended December 31, 2019. The rate increases varied by bracket and ranged from 0.5% to 1.25%.
 - *Foreign Assets Tax*: Differential rates ranging between 0.7% and 2.25% were established to tax assets held overseas.
 - *Taxation on Interest from Certain Argentine Investments*: The Solidarity Law amended the Income Tax Law to eliminate taxation on income derived from (i) interest from deposit and savings accounts and fixed-term Argentine peso-denominated deposits held in financial institutions regulated by the Financial Institutions Act (Law No. 21,526) and (ii) the sale, exchange or disposition of debt instruments issued by Argentina, its provinces or the City of Buenos Aires, and municipalities, if listed on exchanges or markets authorized by the *Comisión Nacional de Valores*. Fixed-term interest gains in local currency, securities and negotiable obligations with public offers were exempt for the 2019 fiscal year. As of 2020, this tax no longer applies to financial income, but remains effective only on the sale of companies' shares, stakes in companies' equity, and shares of certain common investments funds, debt titles of financial trusts and certain other investments such as shares of unquoted condominium and shares of closed investment funds.
 - *Bank Debits, Credits, and Withdrawals Tax*: The tax rate on all debits and bank credits on cash withdrawals from all accounts were doubled to 1.2%, except for accounts owned by individuals and/or small and medium size businesses ("**PyMEs**"), which are exempt from such doubling.
 - *Income Tax*: The previously approved reduction of the corporate tax rate from 30% to 25% that was scheduled to be effective as of January 1, 2020, was suspended until January 1, 2021. The corporate income tax rate for the year 2020 therefore remains at 30%. The scheduled increase of dividend withholding tax from 7% to 13% is also suspended until January 1, 2021.
 - *PAIS Tax*: The federal government established the *Impuesto Para una Argentina Inclusiva y Solidaria* (Tax for an Inclusive and Supportive Argentina, or the "**PAIS Tax**"), which will be effective for the next five years. The PAIS Tax imposes a 30% rate on the following transactions, and certain others, made in the foreign exchange market:
 - Purchase of foreign currency for savings purposes or without any other specified purpose;

- Purchases of foreign currency used to pay for goods or services provided by foreign sources and/or paid for with credit or debit cards (including withdrawals or cash advances made abroad);
 - Hiring of services abroad through local travel agencies; and
 - Purchase of transport services to travel abroad, if foreign currencies are bought in the foreign exchange market to pay for such services.
- *Export Duties:* The Federal Executive Power was authorized to establish export duties not exceeding 33% of the taxable value of such exports and with the following tax rate limits on specific goods: (i) a 33% limit for soybeans; (ii) a 15% limit for goods not subject to export duties as of September 2, 2018, including those with a rate of 0% at the time; (iii) a 5% limit for agro-industrial goods from regional economies, as defined by the Federal Executive Power; (iv) a 5% limit for goods or services of industrial origin; and (v) an 8% limit for hydrocarbons and mining.
 - *Internal Taxes:* Applicable regime is modified with respect to the assets included in Section 38 of Law No, 24,674 (different types of motor vehicles, motorcycles, chassis with engines, etc.) with new limits for exemptions and new taxable bases established, as well as incorporation of new value categories and increased rates according to the case.
 - *Employer contributions:* The employer contributions rates corresponding to Laws No. 19,032 (INSJJP), 24,013 (*Fondo Nacional de Empleo*), 24,241 (SIPA) and 24,714 (*Asignaciones Familiares*) are set at 20.40% for employers of the private sector whose main activities are framed in the “services” and “commerce” sectors and as long as their total annual sales exceed the limits for categorization as “medium business tranche 2,” and at 18% for the rest of the employers of the private sector and for entities of the public sector included in Section 1 of Law No. 22,016.
 - *Payment relief:* A new moratorium was established for fiscal, customs and social security debts due as of November 30, 2019, or for fines incurred as of such date by small and medium-sized businesses.
4. *Wages:* The Solidarity Law authorized the Federal Executive Power to impose mandatory minimum wage increases in the private sector. Consequently, the President has the power to order salary increases by decree. On January 4, 2020, President Fernández introduced a mandatory salary increase for private sector employees of Ps. 4,000: an initial increase of Ps. 3,000 effective from January 2020 and a further increase of Ps. 1,000 effective from February 2020.
 5. *Pensions:* Commencing on the date of promulgation of the Solidarity Law, the use of the existing formula for automatic adjustments of pension payments owed by the federal government was suspended for 180 days. The Solidarity Law empowered the Federal Executive Power to establish a new formula to be used in calculating pension adjustments on a quarterly basis going forward, following the temporary suspension. Such empowerment shall last until Congress adopts a new formula.

In addition, since December 2019 the federal government has announced and executed other economic and policy reforms, including: (i) the extension of foreign exchange control measures already in effect; (ii) the doubling of the legal severance payments that employers must pay when terminating employees without cause; (iii) the extension of the maturity of U.S. Dollar-denominated *Letras del Tesoro* (“Letes”); (iv) the reduction in, and subsequent price freeze on, the prices of certain drugs and pharmaceutical products until February 15, 2020; (v) the suspension of certain agreements entered into by the prior administration aimed at increasing the fiscal autonomy of the provinces; (vi) a price freeze on public transportation fares in the Buenos Aires metropolitan area; and (vii) the re-instatement of the Ministries of Health, Science and Technology, Labor and Culture, which had previously been transformed into state secretaries under the purview of other ministries.

Public Debt Sustainability and Financial Policies

On February 5, 2020, the federal Congress approved legislation authorizing the Federal Executive Power, acting through the federal Ministry of Economy, to engage in transactions and negotiations with Argentina's creditors to restore the sustainability of its external public debt (the "**Debt Sustainability Law**"), by modifying the principal amounts, maturities and interest payments of public securities issued by Argentina and governed by foreign law. The Debt Sustainability Law also authorizes the federal Ministry of Economy to issue new debt securities and to determine the appropriate methods and structures, as well as the terms, for the issuance of such debt instruments.

On February 12, 2020, in a special informational meeting held in the federal Congress, the federal Minister of Economy emphasized the importance of undertaking fiscal and commercial measures to put Argentina on a path to economic recovery, striking a balance on two fronts: the external front (noting that Argentina needs to take steps to avoid repeated balance of payments crises) and the fiscal front. On the external front, the federal Minister of Economy confirmed Argentina's willingness to meet its debt payment obligations, but stressed that the current debt levels are unsustainable for the country, noting that gross public debt grew from 52.6% of GDP in 2015 to 89.4% of GDP in 2019. On the fiscal front, the federal Minister of Economy indicated that it would not be realistic or sustainable to reduce the fiscal deficit in 2020 and discussed a number of scenarios that might allow Argentina to achieve fiscal equilibrium by 2023 and record moderate fiscal surpluses ranging between 0.6% and 0.8% of GDP in the following years. Although these potential scenarios for the Argentine economy might have been reasonable when formulated, actual outcomes depend on events and developments that are not within the control of Argentina, including the outbreak of COVID-19. Accordingly, Argentina and the Province can give no assurance that economic results will not differ materially from the potential scenarios described above.

In line with Argentina's forecast, on February 19, 2020, the IMF published a statement assessing Argentina's current debt levels to be unsustainable. In its statement, the IMF indicated that "a definitive debt operation—yielding a meaningful contribution from private creditors—is required to help restore debt sustainability with high probability."

On March 19, 2020, the federal government conducted an auction to exchange short-term peso-denominated debt represented by 13 different instruments for four new bills (BONCER) in an aggregate principal amount of new bills totaling Ps. 304,689 million, maturing between 2021 and 2024 and with coupons linked to the *Coefficiente de estabilización de referencia* plus a spread of between 1% and 1.5%. The federal government received a total of 673 orders to exchange Ps. 257,376 million aggregate principal amount of debt for Ps. 304,689 million total aggregate principal amount of new public debt instruments (BONCER 1.0% 2021, BONCER 1.2% 2022, BONCER 1.4% 2023, and BONCER 1.5% 2024).

On April 5, 2020, by means of Emergency Decree No. 346/2020, the federal government deferred all principal and interest payments due on outstanding Argentine-law governed U.S. dollar-denominated treasury notes until December 31, 2020 or such earlier date as may be determined by the Ministry of Economy taking into account the status and outcome of the debt restructuring process initiated by the Federal Executive Power to restore the sustainability of public debt. The Federal Executive Power's decision excluded certain instruments from the deferral, such as (i) treasury notes issued to and held by the Central Bank, (ii) treasury notes issued pursuant to Decree No. 668/2019, (iii) the *Bonos Programa Gas Natural*, and (iv) the guarantee notes issued pursuant to Resolution No. 147-E/17 of the former Ministry of Finance, among others.

In March and April 2020, the federal government held discussions with various groups of investors to find a path for the Argentina's debt sustainability and, on April 21, 2020, the federal government invited holders of its U.S.\$66 billion debt securities governed by foreign law to exchange such securities for new bonds and to consent to modify any debt securities of the relevant series that remain outstanding after giving effect to the exchange offer by substituting them for new bonds. The federal government's exchange invitation was scheduled to expire on May 8, 2020, and was subsequently extended until July 24, 2020, by Resolution No. 221/2020 of the Ministry of Economy issued on May 10, 2020, Resolution No. 243/2020 of the Ministry of Economy issued on May 21, 2020, Resolution No. 266/2020 of the Ministry of Economy issued on June 1, 2020, Resolution No. 282/2020 of the Ministry of Economy issued on June 12, 2020, and Resolution No. 289/2020 of the Ministry of Economy issued on June 19, 2020.

On April 22, 2020, Argentina failed to make interest payments under its 2021 Global Bond, 2026 Global Bond and 2046 Global Bond governed by foreign law in an aggregate amount of U.S.\$503 million; consequently, Argentina had a 30-day grace period to make such coupon payments in order to prevent an event of default under the applicable indentures. Negotiations among Argentina and the bondholders continued as of the date of this invitation memorandum.

Measures Implemented by the Federal Government to Address the Outbreak of COVID-19

In late December 2019, a novel form of pneumonia caused by a new strain of coronavirus (COVID-19) first noticed in Wuhan, Hubei Province, was reported to the World Health Organization, with cases soon confirmed in multiple provinces in China, as well as in other countries. On March 11, 2020, the World Health Organization characterized the COVID-19 as a pandemic. To control the spread of COVID-19, several preventive measures have been undertaken at different times by the governments of countries affected by the virus, including certain member states of the European Union, the United Kingdom, the United States of America, South Korea, Japan, Argentina, Brazil, Mexico, Colombia, Chile and Uruguay, among others. Such measures have included, among others, mandatory quarantines and travel restrictions. As of July 3, 2020, Argentina had over 72,786 confirmed cases of coronavirus, over 1,437 of which were fatal.

As of the date of this invitation memorandum, Argentina has adopted several measures in response to the outbreak of COVID-19 aimed at preventing mass contagion and overcrowding of Argentine health service facilities, which included the following (in chronological order):

- February 26—March 12, 2020: screening of passengers at airports; mandatory isolation for 14 days of persons with suspected or confirmed cases of COVID-19, persons in close contact with suspected or confirmed cases of COVID-19 and persons arriving or recently arrived from high risk jurisdictions identified by the Federal Executive Power; prohibition of activities involving gatherings of large numbers of persons (including a prohibition of attendance of audiences to sporting events).
- March 13—March 15, 2020: stronger surveillance of Argentine borders; suspension of flights by various airlines and adoption of regulations for the coordination of repatriation flights for Argentine residents; closure of national parks and protected areas; school closures (except for food assistance and administrative purposes).
- March 16—March 18, 2020: closure of Argentine borders; suspension of domestic flights and long-distance trains and buses; suspension of the national soccer league; and other professional sports; temporary work leaves for pregnant women, people over 60 years old and other persons considered at higher risk from infection; authorization for federal public employees to work remotely (except for employees providing certain essential services); encouraging the adoption of home office policies in the private sector and beginning of construction of eight modular hospitals.
- March 19, 2020: imposition of nation-wide mandatory lockdown, whereby only exceptional and essential activities and internal travel are allowed; deployment of security forces for the enforcement of lockdown.
- March 20—April 2, 2020: tightening of rules relating to closure of Argentine borders; authorization for the performance of certain economic activities.
- June 29, 2020: most recent extension of mandatory lockdown until July 17, 2020, provided that in certain provinces such as Mendoza, only social distancing is required (unless and until certain parameters are not met). Please see the particular case of Mendoza in “Provincial Emergency Declaration” below.

Simultaneously, Argentina has announced and is implementing several stimulus measures to limit the effects of the COVID-19 outbreak on the economy, which include the following:

- a one-time Ps. 3,100 cash payment to recipients of the universal child allowance;
- a one-time Ps. 3,000 cash payment to retirees receiving minimum benefits (currently Ps. 15,892) and those that receive above the minimum but less than Ps. 18,892, which covers approximately 4.6 million retirees;
- a one-time Ps. 3,000 cash payment to recipients of social plans, which targets approximately 556,000 persons;
- a Ps. 10,000 cash payment to unemployed persons and persons employed informally, among other economically vulnerable persons;
- a capital spending program on infrastructure, education and tourism for approximately Ps. 100 billion;
- an exemption for companies in vulnerable industries from payments relating to employers' contributions, an increase in unemployment insurance and payment by the federal government of a portion of wages in affected companies with a payroll of less than 100 employees; and
- subsidized working capital loans to PyMEs via the financial system of approximately Ps. 30 billion.

Other measures adopted by Argentina to mitigate the effects of the COVID-19 outbreak in the economy have included the following:

- the prohibition of the disconnection of electric energy, natural gas, running water, landline, mobile phone, Internet and cable television services due to the nonpayment of less than six invoices commencing on March 1, 2020 and for a 180-day period from June 19, 2020, which applies to certain users identified as vulnerable;
- the suspension of certain penalties and disqualifications applicable to checking accounts with insufficient funds until December 31, 2020, and the authorization for banks to grant loans to companies with outstanding debts with ANSES and the *Administración Federal de Ingresos Públicos* (“AFIP”);
- price freezes as of May 16, 2020 for certain essential goods such as food, personal care, medicines and medical products until August 30, 2020;
- the suspension of rent increases, extension of lease contract expiration dates and suspension of evictions due to non-payment of leases until September 30, 2020;
- the freezing of mortgage payments and certain *Unidades de Valor Adquisitivo* (“UVA”)-indexed loans;
- the adoption of a program to increase productivity (*Programa de Recuperación Productiva*, or “REPRO”) by which the federal government funds a portion of the monthly wages of private sector employees working for companies affected by the pandemic and whose revenues have declined;
- the prohibition of unjustified employment dismissals and suspensions for 60 days as from May 28, 2020;
- the reduction of pension and tax charges to health service providers aimed at strengthening the health sector and ensuring medical assistance;

- the shortening of the acceleration of payments of export reimbursements for industrial sector companies;
- requirement that exports of medical inputs and equipment necessary to overcome the pandemic obtain prior governmental authorization;
- one-time Ps. 5,000 payment to public sector employees in the health, security and national defense sectors;
- elimination of import taxes applicable to certain essential goods such as alcohol, laboratory or pharmaceutical items, medical gloves, disinfectants and other sanitary equipment and inputs;
- suspension until July 31, 2020 of fiscal foreclosures by AFIP for PyMEs;
- one-month deferral of gross income tax (*ingresos brutos*) applicable in the Province;
- assistance by the federal government to the provinces in an aggregate amount of Ps. 120 billion;
- fixed and mobile telephony, internet and pay-tv tariff freezes from May 18, 2020 until August 31, 2020; and
- setting the domestic crude oil reference price at U.S.\$45 per barrel from May 18, 2020 until December 31, 2020.

Provincial Emergency Declaration

On March 12, 2020, the government of the Province declared a public health emergency for one year through Decree No. 359/2020, which was ratified by Provincial Law No. 9,220. Since then, several measures have been adopted to complement the national regulations issued to fight the COVID-19 pandemic, including: microcredit facilities for small businesses and self-employed workers through the *Fondo de Transformación y Crecimiento Socioeconómico de la Provincia de Mendoza* (Growth and Socioeconomic Transformation Fund, or “FTC”), interest rate subsidies for medium businesses and several other specific regulations aimed at keeping agribusiness and other economic activities active during the COVID-19 pandemic.

Gross domestic product

Background

The Province’s GDP is calculated by the Province’s *Dirección de Estadística e Investigaciones Económicas* (Statistics and Economic Research Department of the Province) pursuant to a methodology substantially similar to the methodology employed by the federal government for the calculation of Argentina’s GDP, except that the Province uses 1993 constant pesos to calculate the provincial GDP and the federal government uses 2004 constant pesos to calculate Argentina’s GDP since 2013.

Gross domestic product 2015-2019

The following table sets out national and provincial GDP in real terms for the years 2015 to 2019 and the Province’s GDP for the years 2015 to 2019, as a percentage of national GDP in real terms.

	Gross Domestic Product				
	2015	2016	2017	2018	2019
PROVINCIAL ECONOMY					
Real GDP (in billions of 1993 constant pesos).....	14.19	13.37	13.69	13.70	13.49
Rate of change from prior year.....	3.7%	(5.8)%	2.1%	0.3%	(1.5)%

Provincial Real GDP / National Real GDP ⁽¹⁾	3.2%	3.1%	3.1%	3.1%	3.2%
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NATIONAL ECONOMY

Real GDP (in billions of 2004 constant pesos).....	720.90	708.34	725.33	707.33	692.03
Rate of change in Real GDP from prior year.....	2.7%	(2.1)%	2.7%	(2.5)%	(2.2)%

Note:

(1) 1993 constant pesos are not directly comparable with 2004 constant pesos. The underlying calculation methodology differs in terms of sectors and activities. For comparison purposes, since the federal government uses 2004 constant pesos to calculate Argentina's GDP since 2013, a sector by sector reclassification from 2004 constant pesos to 1993 constant pesos was used for calculations thereafter.

Source: Statistics and Economic Research Department of the Province and INDEC.

The Province's economy has traditionally been more exposed to fluctuations in commodity prices than the economy of Argentina as a whole. As a result, although trends in the provincial economy tend to follow those of Argentina, variations in the Province's GDP tend to be more severe than those experienced by national GDP figures.

Sectors of the provincial economy

The economy of the Province is diversified among a number of economic sectors, the largest of which are: commerce, hotels and restaurants (22.44% of provincial GDP for the period 2015-2019); community, social and personal services (20.32% of provincial GDP for the period 2015-2019); financial services (15.84% of provincial GDP for the period 2015-2019); and manufacturing (14.81% of provincial GDP for the period 2015-2019). Historically, the Province's commerce, hotels and restaurants sector has been the single largest contributor to provincial GDP.

The following table sets out a breakdown of the contribution to the Province's GDP of each principal sector in 1993 constant pesos and as a percentage of total provincial GDP for the years 2015 to 2019.

Real GDP by Sector

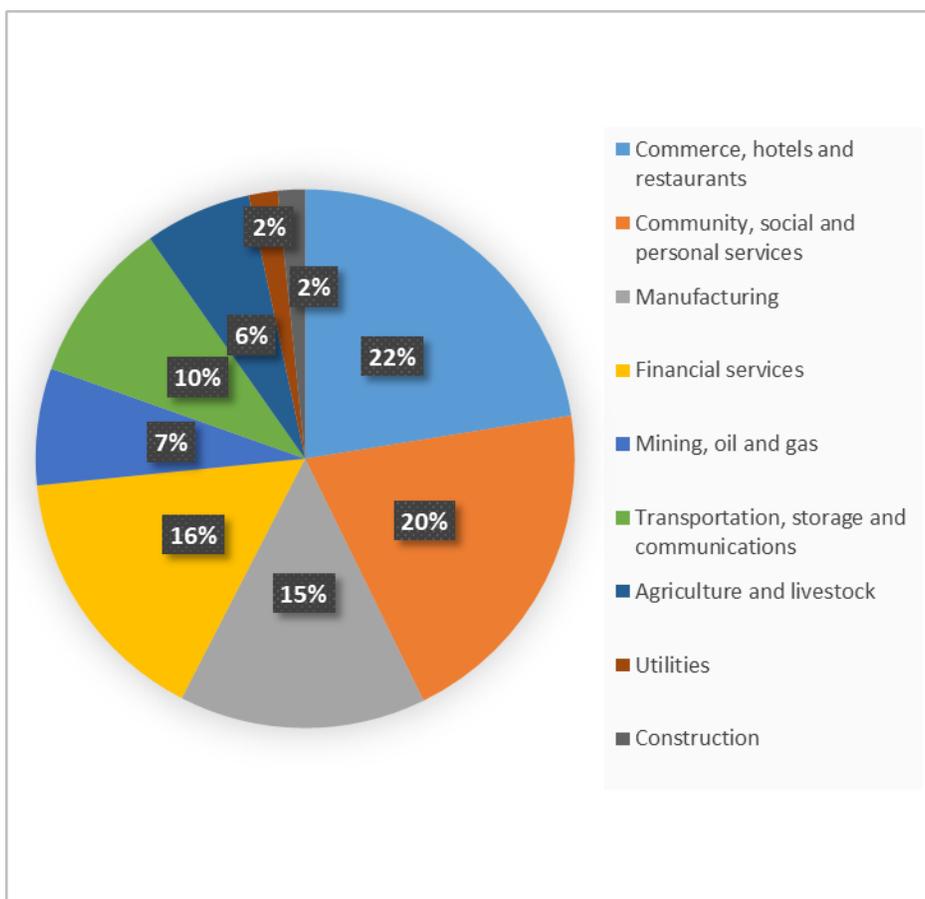
	2015		2016		2017		2018		2019	
	<i>(in millions of Ps. and %)</i>									
Commerce, hotels and restaurants	3,305.8	23.30%	3,054.5	22.84%	3,128.9	22.91%	3,042.2	22.21%	2,825.5	20.94%
Community, social and personal services	2,748.8	19.37%	2,719.1	20.33%	2,752.7	20.16%	2,789.5	20.37%	2,882.3	21.36%
Manufacturing.....	2,353.0	16.58%	1,953.1	14.60%	1,995.3	14.61%	1,915.7	13.99%	1,925.5	14.27%
Financial services.....	2,080.3	14.66%	2,072.5	15.50%	2,191.1	16.05%	2,219.6	16.21%	2,265.8	16.79%
Mining, oil and gas	1,023.60	7.21%	1,024.04	7.66%	964.93	7.07%	922.97	6.74%	866.67	6.42%
Transportation, storage and communications.....	1,242.1	8.75%	1,330.0	9.95%	1,372.8	10.05%	1,378.8	10.07%	1,375.9	10.20%
Agriculture and livestock.	983.3	6.93%	777.7	5.82%	773.9	5.67%	962.5	7.03%	890.4	6.60%
Utilities.....	242.7	1.71%	240.3	1.80%	241.1	1.77%	232.5	1.70%	226.9	1.68%
Construction.....	210.0	1.48%	201.7	1.51%	234.8	1.72%	232.9	1.70%	234.4	1.74%

	2015		2016		2017		2018		2019	
	(in millions of Ps. and %)									
Total	14,189.5	100.00	13,373.0	100.00	13,655.5	100.00	13,696.6	100.00	13,493.4	100.00

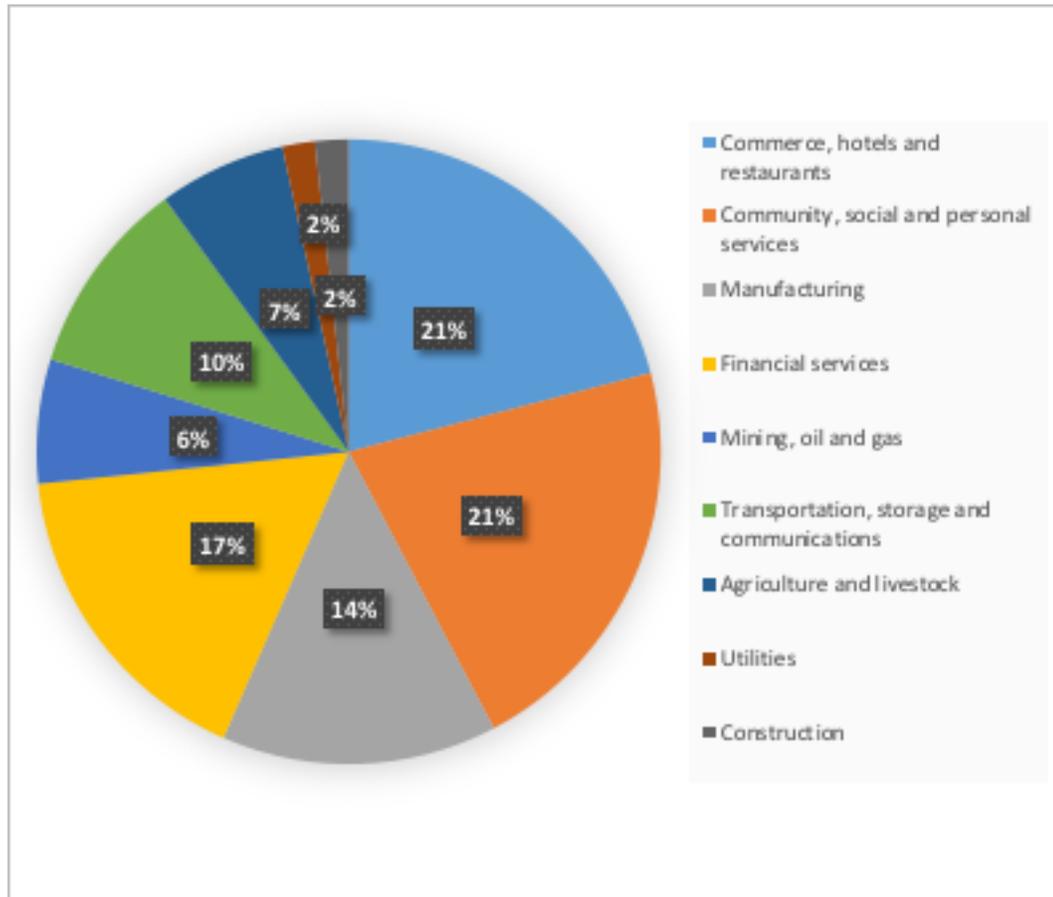
Source: Statistics and Economic Research Department of the Province.

The following chart sets out a breakdown of the average contribution to the Province’s GDP of each principal sector in 1993 constant pesos for the years 2015 to 2019.

Average Contribution by Principal Sector of the Provincial Economy (2015-2019)



Contribution by Principal Sector of the Provincial Economy (2019)



Based on 2019 information, the commerce, hotels and restaurants sector and the community, social and personal services sector accounted for 21.36% and 20.94% of provincial GDP, respectively. The financial services and manufacturing sectors ranked third and fourth, accounting for 16.79% and 14.27% of provincial GDP, respectively.

During the 2015-2019 period, the agriculture and livestock sector and the transportation, storage and communications sector were relatively less important contributors to provincial GDP than the other sectors, while the financial services sector has increased its percentage contribution to the overall provincial economy since 2015.

Although the Statistics and Economic Research Department of the Province does not have segregated data for each activity within sectors, data for 2019 has been estimated based on their 2018 shares.

Commerce, hotels and restaurants

The following table sets out a breakdown of the contribution of each major category of the commerce, hotels and restaurants sector in 1993 constant pesos for the years 2015 to 2019.

Commerce, hotels and restaurants

	2015		2016		2017		2018		2019*	
	(in millions of Ps.)	(%)								
Vehicle and oil by-products sales.....	160.1	5%	141.0	5%	150.1	5%	148.9	5%	138.3	5%

	2015		2016		2017		2018		2019*	
	(in millions of Ps. and %)									
Wholesale.....	1,352.2	41%	1,319.7	43%	1,346.1	43%	1,286.2	42%	1,194.6	42%
Retail.....	1,515.3	46%	1,330.5	44%	1,346.7	43%	1,310.0	43%	1,216.7	43%
Restaurants and hotels.....	278.2	8%	263.4	9%	286.0	9%	297.0	10%	275.9	10%
Total	3,305.8	100%	3,054.5	100%	3,128.9	100%	3,042.2	100%	2,825.5	100%

* Preliminary data.

Source: Statistics and Economic Research Department of the Province and Ministry of Finance of the Province.

The commerce, hotels and restaurants sector consists of vehicle and oil by-products sales, wholesale and retail trade as well as the restaurant, hotel and tourism related industries. The Province has a significant supermarket sector. Six major retail chains operate in the Province with over 122 retail outlets.

The Province has an important tourism industry which has benefitted from an increased number of foreign tourists attracted by the Province's growing reputation as a wine destination. Based on information gathered by *Observatorio para el Turismo Sostenible de Mendoza* (Sustainable Tourism Observatory of Mendoza), the Province estimates that in 2018 (the last year for which data was published) approximately 21.21% of the estimated 3.8 million tourists visiting the Province were non-Argentine residents.

In 2015, production from the commerce, hotels and restaurants sector amounted to Ps.3,305.8 million, mostly driven by retail. In addition, 25,052 vehicles were sold in the Province during this year.

In 2016, production from this sector decreased by 8%, mainly as a result of a 12% decrease in retail. In addition, the number of vehicles sold in the Province increased to 26,431 units, principally due to improvement in economic conditions.

Production from this sector increased by 2% in 2017. This increase was mainly a result of increased activity in restaurants and hotels, which was mainly attributable to an increase of tourists visiting the Province.

Production from the commerce, hotels and restaurants sector decreased by 3% in 2018. This decrease was mainly a result of diminished activity in wholesale, retail and vehicle and oil by-products sales, which was principally due to lower purchasing power of consumers in the Province.

In 2019, production from the commerce, hotels and restaurants sector reached Ps.2,825.5 million, decreasing 7% with respect to 2018, mostly driven by a decrease in retail and wholesale commerce as a result of lower purchasing power of consumers associated with a reduction of wages in real terms.

The percentage contribution of this sector to provincial GDP decreased from 23.30% in 2015 to 20.94% in 2019.

Community, social and personal services

The following table sets forth a breakdown of the contribution of each major category of the community, social and personal services sector in 1993 constant pesos for the years 2015 to 2019.

Community, social and personal services

	2015		2016		2017		2018		2019*	
	<i>(in millions of Ps. and %)</i>									
Public administration and defense										
Provincial government	317.4	12%	303.8	11%	296.5	11%	299.6	11%	309.5	11%
Municipal government	830.0	30%	814.3	30%	841.1	31%	813.4	29%	840.4	29%
National government	299.4	11%	283.7	10%	295.5	11%	350.5	13%	362.2	13%
Subtotal	1,446.8	53%	1,401.8	52%	1,433.2	52%	1,463.4	52%	1,512.1	52%
Social services and other community services										
Education										
Public sector	539.0	20%	544.5	20%	531.6	19%	520.5	19%	537.8	19%
Private sector	88.7	3%	89.7	3%	87.5	3%	89.1	3%	92.1	3%
Autonomous	4.5	0%	4.6	0%	4.5	0%	4.4	0%	4.6	0%
Subtotal	632.2	23%	638.8	23%	623.6	23%	614.0	22%	634.5	22%
Social and health services										
Private medical services	97.8	4%	100.1	4%	103.2	4%	102.7	4%	106.2	4%
Public medical services	344.4	13%	353.8	13%	375.2	14%	392.4	14%	405.5	14%
Autonomous	17.5	1%	17.9	1%	19.0	1%	19.9	1%	20.6	1%
Other community, social and personal services	29.6	1%	30.5	1%	30.3	1%	30.0	1%	31.0	1%
Subtotal	489.3	18%	502.3	18%	527.8	19%	545.1	20%	563.2	20%
Subtotal	2,568.3	93%	2,542.9	94%	2,584.6	94%	2,622.5	94%	2,709.8	94%
Recreational and sporting activities	56.2	2%	50.5	2%	45.4	2%	45.6	2%	47.1	2%
Personal and household services	124.2	5%	125.7	5%	122.7	4%	121.3	4%	125.4	4%
Total	2,748.8	100%	2,719.1	100%	2,752.7	100%	2,789.5	100%	2,882.3	100%

* Preliminary data.

Source: Statistics and Economic Research Department of the Province and the Ministry of Finance of the Province.

The community, social and personal services sector includes expenditures on public employees, public and private schools, medical services and various other miscellaneous services, which include cinemas, theatres, domestic personnel and home repair services, such as plumbers, painters and electricians.

During the period from 2015 to 2019, GDP related to public administration and defense increased by 5%, including a 2% decrease at the provincial level and a 1% increase at the municipal level, compared to an increase at the national level of 21%. During the period from 2015 to 2019, GDP related to social services and other community services increased overall by 6%.

During the period from 2015 to 2019, GDP related to education increased by 0.4%, including a 4% increase in private sector and a 1% increase in public education, mainly as a result of an increase in the tuition paid in private education. Social and health services increased by 15%, mainly due to an 18% increase in public medical service and autonomous health services a 9% increase in private medical services.

This sector's contribution to provincial GDP increased from 19.37% in 2015 to 21.36% in 2019.

Manufacturing

The following table sets out a breakdown of the contribution of each major category of the manufacturing sector, in 1993 constant pesos for the years 2015 to 2019.

Manufacturing											
	2015		2016		2017		2018		2019*		
	<i>(in millions of Ps. and %)</i>										
Oil and petrochemical refineries	993.4	42%	966.1	49%	907.29	45%	822.6	43%	826.8	43%	
Beverage production	893.3	38%	530.3	27%	668.52	34%	688.9	36%	692.5	36%	
Other industrial activities	168.0	7%	157.2	8%	127.19	6%	127.7	7%	128.3	7%	
Food production	83.7	4%	93.1	5%	82.85	4%	77.5	4%	77.9	4%	
Glass and glass products	41.9	2%	44.8	2%	45.07	2%	45.2	2%	45.4	2%	
Wood and wooden products	40.9	2%	42.0	2%	40.94	2%	38.9	2%	39.1	2%	
Cement products	43.7	2%	39.9	2%	40.71	2%	37.2	2%	37.4	2%	
Metallic products	35.6	2%	33.5	2%	36.19	2%	34.7	2%	34.9	2%	
Engine and turbines	36.2	2%	31.1	2%	31.48	2%	27.8	1%	28.0	1%	
Printing activities	9.2	0%	8.4	0%	8.43	0%	8.0	0%	8.1	0%	
Furniture	7.0	0%	6.6	0%	6.66	0%	7.2	0%	7.2	0%	
Total	2,353.0	100%	1953.1	100%	1,995.3	100%	1,915.7	100%	1,925.5	100%	

* Preliminary data.

Source: Statistics and Economic Research Department of the Province and Ministry of Finance of the Province.

The main activities in the manufacturing sector are oil and petrochemical refineries and beverage production.

Argentina's second largest oil refinery is located in Luján de Cuyo, approximately 20 kilometers from the city of Mendoza. This refinery is owned and operated by YPF and produces a significant portion of oil products used in western and central Argentina. This sub-sector contracted by 17% between 2015 and 2019, partially as a result of the energy sector reforms implemented by the federal administration since 2016, which included the settlement of debt with producers and stimulus pricing for non-conventional resources, among others. Despite such contraction, this sub-sector accounted for the largest share of the total manufacturing sector in 2019 (43%).

In addition, the Province's geographic and climatic conditions are well suited for wine production. This factor has contributed to the development of the grape growing industry and the establishment of a considerable number of wineries in the Province. Historically, the Province's wine production has represented approximately two-thirds of Argentina's total wine production.

During the 2015-2019 period, beverage production contracted by 22.4%, principally due to a 40% drop in wine production in the period 2015-2016 caused by a vine moth pest, which was followed by steady growth.

Food and vegetable production and canning also contribute to the manufacturing sector (4% in 2019). Significant processed food products include olive oil, vegetable and fruit preserves and marmalade. Other manufacturing activities mainly include machinery and equipment, chemicals, paper, paper products and printed materials. Food production remained largely unchanged in this period.

Other industrial activities and engine and turbine production remained relative stable between 2015 and 2019. Other industrial activities represented 7% of the manufacturing sector's total production during 2019, and engine and turbine production represented 1%.

Between 2015 and 2019, production in the manufacturing sector decreased by 18.2%, mainly as a consequence of a similar decrease (18%) in the wine and oil industries, along with a generalized drop in the production of other manufactures produced within the province. This sector's contribution to provincial GDP decreased from 16.58% in 2015 to 14.27% in 2019.

Financial services

The following table sets forth a breakdown of the contribution of each major category of the financial services sector in 1993 constant pesos for the years 2015 to 2019.

Financial services										
	2015		2016		2017		2018		2019*	
	<i>(in millions of Ps. and %)</i>									
Real Estate Activities										
Housing sales	1,074.3	52%	1,082.3	52%	1,092.8	50%	1,105.8	50%	1,128.8	50%
Housing lease	184.4	9%	191.6	9%	198.8	9%	206.1	9%	210.3	9%
Brokerage	0.3	0%	0.3	0%	0.3	0%	0.4	0%	0.4	0%
Subtotal	1,259.0	61%	1,274.2	61%	1,292.0	59%	1,312.2	59%	1,339.5	59%
Financial Institutions	392.3	19%	406.4	20%	477.9	22%	491.0	22%	501.2	22%
Services provided to companies	270.5	13%	238.1	11%	263.4	12%	272.9	12%	278.6	12%
Insurance	158.3	8%	153.7	7%	157.9	7%	143.6	6%	146.5	6%
Total	2,080.3	100%	2,072.5	100%	2,191.1	100%	2,219.6	100%	2,265.8	100%

* Preliminary Data.

Source: Statistics and Economic Research Department of the Province and Ministry of Finance of the Province.

The largest contributor to provincial GDP in the financial services sector is real estate. The continuous growth of the real estate activities sub-sector and financial services in general is in large part due to the tendency of Argentine consumers to view the purchase of real estate and other activities included in this sector as a hedging strategy against inflation and currency devaluation.

In accordance with the methodology used for the measurement of the Province's GDP, "real estate" includes added value generated in real estate activities as well as an estimate of the potential rental value of residential real estate located in the Province. The "financial institutions" category comprises financial services provided by banks and other financial entities. Real estate activities accounted for 59% and financial institutions accounted for 22% of the financial services sector in 2019.

Production from the financial services sector increased by 2.1% in 2019. This increase was mainly attributable to the positive performance of the entire sector, led by a 2.1% rise in services provided by financial institutions.

During 2018, this sector grew by 1.3%, mainly as a consequence of an increase in activities of financial institutions 2.7% and real estate 1.6%.

Overall, 2018 and 2019 growth were mainly driven by the steady increase in financial institutions services, mainly due to the expansion of lending activities and deposits in the banking sector, and to a lesser extent, by real estate activities associated with an increased housing capacity in the Province.

This sector's contribution to provincial GDP grew from 14.66% in 2015 to 16.79% in 2019.

Mining, oil and gas

The following table sets forth a breakdown of the contribution of each major category of oil, gas and mining in 1993 constant pesos for the years 2015 to 2019.

Mining, oil and gas										
	2015		2016		2017		2018		2019*	
	<i>(in millions of Ps. and %)</i>									
Oil and natural gas	956.6	93%	957.7	94%	901.7	93%	862.6	93%	810.0	93%
Oil and gas services	55.9	5%	56.0	5%	52.7	5%	50.4	5%	47.4	5%
Non-metallic minerals	8.0	1%	7.5	1%	7.6	1%	7.1	1%	6.7	1%
Rocks	3.1	0%	2.9	0%	2.9	0%	2.8	0%	2.6	0%
Metallic minerals	-	-	-	-	-	-	-	-	-	-
Total.....	1,023.6	100%	1,024.0	100%	964.9	100%	923.0	100%	866.7	100%

* Preliminary date.

Source: Statistics and Economic Research Department of the Province and Ministry of Finance of the Province.

The mining, oil and gas sector is principally comprised of oil and gas production. The sector also includes mining activities, which make up a small portion of the sector's total production and include the production of uranium, limestone, quartz and salt.

The Province is situated across two of Argentina's primary hydrocarbon extraction basins: the Cuyana and Neuquén basins. Oil and gas exploration and production activities in the Province decreased during the 2015-2019 period, principally due to a reduction in extraction activities within the Province.

The production of crude oil decreased during the 2015-2019 period, principally due to a progressive depletion of existing oil wells and the lack of additional investments in the sector. For similar reasons, natural gas production decreased during 2018 and 2019.

Oil and gas production in the Province is mainly the result of the activities from two companies that together represented 86.5% of total production in 2019. YPF represented approximately 65% of total oil and gas production in the Province and Pluspetrol produced approximately 21.5% during 2019.

Oil and natural gas production represented 98% of the sector's total production in 2018 and 2019. The Province's production represented 11.2% and 2% of total Argentine oil and gas production during 2019, respectively.

Mendoza is the province with the fourth largest production of crude oil and gas in Argentina. The Province shares the shale oil deposit "Vaca Muerta" with the province of Neuquén. The reserves of this shale oil deposit are estimated by the International Energy Agency ("IEA") to be the third largest shale oil deposit worldwide. This shale oil deposit covers an area of approximately 30,000 square kilometers and contains light oil, wet gas (liquefiable at room temperature) and dry gas. According to data gathered by the IEA this shale oil deposit has a potential of 20 trillion cubic meters of gas and 84,773.9 million barrels of oil.

This sector's contribution to provincial GDP decreased from 7.21% in 2015 to 6.42% in 2019.

Transportation, storage and communications

The following table sets out a breakdown of the contribution of each major category of the transportation, storage and communications sector in 1993 constant pesos for the years 2015 to 2019.

Transportation, storage and communications

	2015		2016		2017		2018		2019	
	<i>(in millions of Ps. and %)</i>									
Telecommunications.....	782.0	63%	883.3	66%	910.2	66%	879.3	64%	877.5	64%
Radio, television and others.....	171.5	14%	165.7	12%	170.7	12%	169.4	12%	169.1	12%
Air passenger transport.....	39.6	3%	32.4	2%	50.1	4%	57.6	4%	57.5	4%
Cargo.....	50.7	4%	48.1	4%	49.9	4%	49.4	4%	49.3	4%
Provincial passenger transport.....	42.3	3%	43.0	3%	41.5	3%	41.4	3%	41.3	3%
Tourism and others.....	19.9	2%	19.5	1%	22.8	2%	36.5	3%	36.5	3%
Parking.....	32.3	3%	33.1	2%	33.1	2%	35.7	3%	35.6	3%
Storage.....	29.5	2%	28.3	2%	19.7	1%	28.5	2%	28.4	2%
Mail.....	24.3	2%	25.0	2%	24.8	2%	26.5	2%	26.4	2%
Inter-provincial passenger transport.....	24.8	2%	25.2	2%	24.3	2%	24.2	2%	24.2	2%
Taxis and private cars.....	21.2	2%	22.6	2%	21.6	2%	23.7	2%	23.6	2%
Railways.....	4.0	0%	3.7	0%	4.0	0%	6.5	0%	6.5	0%
Total	1,242.1	100%	1,330.0	100%	1,372.8	100%	1,378.8	100%	1,375.9	100%

* Preliminary data.

Source: Statistics and Economic Research Department of the Province and Ministry of Finance of the Province.

This sector experienced a 11% increase between 2015 and 2019. This growth is principally explained by continued expansion in the telecommunications sub-sector driven by mobile phone usage, which represented almost one half of the sector's activity and grew by 3.1% annual on average during these years and 12% between 2015 and 2019. The second largest sub-sector is radio, television and others which decreased by 1% from 2015 to 2019.

The sub-sectors related to transport, including cargo and passenger transportation reflected varied results within the different categories of this sub-sector. Tourism and others was the category which increased the most, experiencing growth of 83% from 2015 to 2019, and 18.75% on year per average, during the 2015-2019 period, followed by air passenger transport, which experienced a growth of 45% from 2015 to 2019 and 12.8% annual on average. The growth in these categories was partially offset by a decline in cargo transportation, storage and passenger transportation, both at the national and inter-provincial levels, which fell by 3% annually on average during this period.

The percentage contribution of this sector to provincial GDP increased from 8.75% in 2015 to 10.20% in 2019.

Agriculture and livestock

The following table sets forth a breakdown of the contribution of each major category of agriculture and livestock in 1993 constant pesos for the years 2015 to 2019.

Agriculture and livestock										
	2015		2016		2017		2018		2019*	
<i>(in millions of Ps. and %)</i>										
Agriculture										
Cereals and other crops										
Fodder and cereals	10.3	1%	9.3	1%	10.9	1%	13.6	1%	12.6	1%
Vegetables and other crops										
Vegetables	81.3	8%	81.8	11%	69.7	9%	86.8	9%	80.3	9%
Fruit and plants										
Fruits	172.5	18%	157.4	20%	85.7	11%	160.0	17%	148.0	17%
Olives	35.3	4%	19.3	2%	21.6	3%	13.0	1%	12.0	1%
Grapes	478.3	49%	290.4	37%	358.3	46%	484.3	50%	448.0	50%
Aromatics and other crops	39.0	4%	45.9	6%	43.0	6%	14.5	2%	13.4	2%
Forestry										
Wood	7.2	1%	7.2	1%	7.2	1%	7.2	1%	6.7	1%
New crops	2.6	0%	2.6	0%	2.6	0%	3.2	0%	3.0	0%
Subtotal	826.4	84%	613.8	79%	599.0	77%	782.7	81%	724.1	81%
Livestock										
Beef cattle breeding	94.1	10%	100.3	13%	115.8	15%	112.6	12%	104.2	12%
Other animal breeding	33.3	3%	33.5	4%	31.2	4%	39.0	4%	36.1	4%
Animal products	29.5	3%	30.2	4%	27.9	4%	28.2	3%	26.1	3%
Subtotal	156.8	16%	163.9	21%	174.9	23%	179.8	19%	166.3	19%
Total	983.3	100%	777.7	100%	773.9	100%	962.5	100%	890.4	100%

* Preliminary data.

Source: Statistics and Economic Research Department of the Province and Ministry of Finance of the Province.

The Province has extensive irrigation systems that enable the efficient management of water resources in the Province's five most important basins, which include the Mendoza River, Tunuyán River, Diamante River, Atuel River and Malargüe River. In particular, one of the largest provincial irrigation projects, which was built in the Mendoza River (the Potrerillos dam) and was inaugurated in 2003, has been instrumental to the increases in agricultural production in the region.

This sector is divided into two subsectors, agriculture and livestock, which in 2019 accounted for 81% and 19%, respectively, of the sector's total production. The Province produces various types of fruit, including grapes, peaches, apples, plums, pears and tomatoes, and vegetables, including garlic, onions, potatoes and olives. Grape production accounted for an estimated 50% of the Province's agriculture and livestock sector in 2019. In addition, the Province's grape production represented an estimated 68% of Argentina's total grape production in 2019.

The agriculture and livestock sector experienced a production decline of 9% in the provincial GDP between 2015 and 2019.

In 2016, production in the agriculture and livestock sector experienced a 21% decline in performance as compared to 2015, primarily as a consequence of a sharp decrease in the production of fruit, including grapes for wine production, due to adverse climatic factors. In 2017, this sector experienced a 0.5% decline in production, principally due a drop in production of vegetables and fruits, which were negatively affected by adverse climatic conditions. In 2018, this sector experienced a significant recovery of 24%, mainly due to improved harvesting of fruits, grape and vegetables, as compared to 2017, primarily as a consequence of better climatic factors. In 2019,

this sector dropped by 7.5% partially due to lower grape production resulting from adverse climatic factors (based on preliminary information).

Production attributable to livestock activities slightly decreased since 2018 despite stable international and local prices.

This sector’s contribution to the Province’s GDP slightly decreased from 6.93% in 2015 to 6.60% in 2019, mainly as a result of the relative improvement of other sectors while the value of agricultural production in the Province has remained stable.

Utilities

The following table sets forth a breakdown of the contribution of each major category of the utilities sector in 1993 constant pesos for the years 2015 to 2019.

Utilities										
	2015		2016		2017		2018		2019*	
	<i>(in millions of Ps. and %)</i>									
Electricity.....	164.7	68%	162.4	68%	162.8	68%	153.5	66%	149.8	66%
Gas.....	41.9	17%	40.7	17%	41.0	17%	40.6	17%	39.6	17%
Water and sewage										
Water.....	19.7	8%	19.8	8%	19.8	8%	20.9	9%	20.4	9%
Sewage.....	16.4	7%	17.4	7%	17.5	7%	17.5	8%	17.1	8%
Subtotal.....	36.1	15%	37.2	15%	37.3	15%	38.4	17%	37.5	17%
Total.....	242.7	100%	240.3	100%	241.1	100%	232.5	100%	226.9	100%

* Preliminary data.

Source: Statistics and Economic Research Department of the Province and Ministry of Finance of the Province.

The utilities sector is heavily regulated and is comprised of various public services, primarily electricity, gas, water and sewage. During the 2015-2019 period, the utilities sector experienced a 7% contraction mainly associated with the distribution of electricity and gas.

The primary service within the utilities sector is electricity, which accounted for 66% of the sector’s total output in 2019, including electricity generation and distribution. Among the services included in this sector, water and sewage registered the highest growth rate during the 2015-2019 period, at 4%.

The percentage contribution of this sector to the Province’s total GDP remained stable at 1.7% between 2015 and 2019.

Construction

The following table sets out a breakdown of the contribution of each significant category within the construction sector in 1993 constant pesos for the years 2015 to 2019.

	Construction									
	2015		2016		2017		2018		2019*	
	<i>(in millions of Ps. and %)</i>									
Private construction	172.1	82%	169.8	84%	191.8	82%	171.2	74%	172.3	74%
Public construction										
Provincial	22.3	11%	17.7	9%	18.8	8%	40.1	17%	40.3	17%
Municipal	5.2	2%	3.6	2%	4.9	2%	9.2	4%	9.3	4%
National	10.3	5%	10.7	5%	19.3	8%	12.4	5%	12.5	5%
Subtotal	37.9	18%	32.0	16%	42.9	18%	61.7	26%	62.1	26%
Total	210.0	100%	201.7	100%	234.8	100%	232.9	100%	234.4	100%

* Preliminary data.

Source: Statistics and Economic Research Department of the Province and Ministry of Finance of Mendoza.

Private sector construction represented 74% of the aggregate construction activities in 2019, a decrease from 2015 when such activities represented 82%, reflecting an increase of public investment in infrastructure during the period 2016-2019.

The level of activity in the construction sector increased by 0.6% in 2019 compared to 2018, as a consequence of higher public construction. The public construction sub-sector experienced a steep increase in 2018, mainly attributable to a 113.6% rise in provincial public construction under improved public financial conditions which allowed for such expenses. In 2018, the ratio of capital expenses to total expenses exceeded, for the first time since 2011, the 8.3% historic average.

The construction sector's participation in the provincial GDP increased from 1.48% in 2015 to 1.74% in 2019.

Exports

In Argentina, information relating to exports is collected and released by INDEC, and is based mainly on data collected in connection with the issuance of shipping permits by the Argentine Federal Customs Bureau. Since 1995, export data has also been collected in connection with the export of goods that require no such permits, such as energy. Provincial exports include exports of all goods produced within the territory of the Province, either by growth, extraction or collection, and all goods processed or built completely in the Province, including those made entirely from raw materials produced outside of the Province and transformed within the Province into a different product (as classified under the rules of the *Mercado Común del Sur*, which is a regional trade agreement among Argentina, Brazil, Paraguay, Uruguay and Venezuela (suspended), and to which Bolivia is in the process of accession).

Based on information prepared by the Province's Ministry of Economy, the aggregate value of exports of the Province increased during the 2015-2019 period, primarily following a strong increase in manufactured and primary products exports. More than 48.7% of the Province's exports in 2019 comprised wine and other related alcoholic beverages. Other important exported products included fruits and vegetables (both fresh and canned), machinery and equipment and chemicals.

Mercado Común del Sur was the largest export market in 2019, with Brazil and Chile accounting for an estimated 24.8% and 4.8% of the Province's total exports, respectively, and the United States was the Province's second largest export market, accounting for an estimated 23.1% of total exports of the Province in 2019.

The Province's agricultural exports benefit from the prevailing weather patterns in the region that favor plague control and the implementation of natural fertilizers, which in turn result in high phytosanitary quality produce. Furthermore, given its location in the southern hemisphere, exporters in the Province are able to sell the majority of their production in a different export window than those of their main competitors.

In addition, a skilled labor force of technicians and professionals and the implementation of the latest technology and quality certifications have resulted in value added production and high quality industrial and agricultural exports.

Classification of main exported items

The following table sets forth a breakdown of the Province's exports by product category and each category's respective share of total provincial exports, from 2015 through 2019.

Products Exported (FOB) by Category										
	2015		2016		2017		2018		2019	
	<i>(in thousands of U.S.\$ and %)</i>									
Manufactured goods of agricultural origin										
Beverages, alcohol and vinegars	749.8	56.2%	755.8	57.1%	738.0	54.7%	759.4	49.8%	735.1	50.6%
Mill products	0.6	0.0%	0.2	0.0%	1.3	0.1%	0.2	0.0%	0.0	0.0%
Processed fruit and vegetables	201.9	15.1%	183.2	13.8%	150.2	11.1%	210.3	13.8%	225.8	15.5%
Oil and fats	51.4	3.9%	30.4	2.3%	58.3	4.3%	27.1	1.8%	18.1	1.2%
Hides and skins	0.0	0.0%	0.1	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Other manufactured goods of agricultural origin	9.5	0.7%	5.9	0.4%	3.3	0.2%	2.8	0.2%	2.7	0.2%
Subtotal	1013.1	75.9%	975.5	73.7%	951.1	70.5%	999.8	65.6%	981.7	67.6%
Manufactured goods of industrial origin										
Other manufactured goods of industrial origin	7.7	0.6%	6.7	0.5%	6.0	0.4%	6.8	0.4%	11.9	0.8%
Machinery and electric material	75.6	5.7%	54.9	4.1%	57.3	4.2%	61.0	4.0%	37.6	2.6%
Chemical products	22.5	1.7%	20.3	1.5%	18.9	1.4%	25.5	1.7%	16.6	1.1%
Stones	13.5	1.0%	13.2	1.0%	13.1	1.0%	12.0	0.8%	13.5	0.9%
Metals	41.9	3.1%	20.5	1.5%	30.1	2.2%	47.3	3.1%	39.2	2.7%
Plastics and rubbers	7.5	0.6%	27.2	2.1%	10.2	0.8%	120.5	7.9%	123.7	8.5%
Subtotal	168.7	12.6%	142.8	10.8%	135.6	10.0%	273.1	17.9%	242.6	16.7%
Primary products										
Unprocessed vegetables	67.6	5.1%	124.1	9.4%	136.4	10.1%	101.7	6.7%	101.8	7.0%
Unprocessed fruit	51.0	3.8%	44.8	3.4%	48.0	3.6%	60.3	4.0%	54.7	3.8%
Other primary products	8.0	0.6%	8.2	0.6%	30.5	2.3%	11.3	0.7%	11.2	0.8%
Subtotal	126.6	9.5%	177.0	13.4%	214.9	15.9%	173.2	11.4%	167.7	11.5%
Fuel and energy										
Total	1,334.2	100.0%	1,324.4	100.0%	1,349.5	100.0%	1,524.4	100.0%	1,453.0	100.0%

Source: Statistics and Economic Research Department of the Province

Primary products

Exports of primary products include animals and animal products (including unprocessed seafood and fish, but not meat), honey, fruits, vegetables, cereals and seeds and oilseeds. From 2015 through 2019, these products represented an annual average of 12.3% of total provincial exports.

Exports of unprocessed vegetables and fruit have traditionally accounted for the majority of provincial exports of primary products, accounting for 7% and 3.8%, respectively, of total exports of primary products in 2019. The provincial exports of primary goods for the year ended December 31, 2019, amounted to U.S.\$167.7 million and represented 11.5% of the total provincial exports.

Manufactured goods of agricultural origin

Exports of manufactured goods of agricultural origin include processed fruit and vegetables, mill products, oil and fats, beverages, alcohol and vinegars, food industry residue and waste, dyes and extracts, hides and skins, processed wood and other agricultural products that have undergone some sort of processing. The most representative products within this group are processed fruits and vegetables and beverages, alcohol and vinegars, which, on average, account for 15.5% and 50.6%, respectively, of total exports of manufactured goods of agricultural origin in 2019. Exports of manufactured goods of agricultural origin for the year ended December 31, 2019, amounted to U.S.\$981.7 million and represented 67.6% of the total provincial exports.

Manufactured goods of industrial origin

Manufactured goods of industrial origin include chemical products, plastics and rubbers, leather, paper, textiles, footwear, stone, precious stones, metals, machinery and electric material, navigation and other industrial goods. The products comprising the largest share of this segment are plastics and rubbers, metals, and machinery and electric materials, representing 8.5%, 2.7% and 2.6% of total exports, respectively, in 2019. Exports of manufactured goods of industrial origin for the year ended December 31, 2019, amounted to U.S.\$242.6 million and represented 16.7% of total provincial exports.

Fuel and energy

Fuel and energy exports consist of exports of fuel, grease and lubricants, petroleum gas, electrical energy and other fuel and energy products. Provincial exports of fuel and energy for the year ended December 31, 2019, totaled U.S.\$61.0 million and represented 4.2% of total provincial exports, representing a 137% increase with respect to 2015, mainly attributable to a significant increase of export prices in pesos as a result of foreign exchange rate differences.

Destination of exports

The following table sets forth the breakdown of the Province's exports by geographic destination from 2015 through 2019.

Major Trading Partners (FOB)										
	2015		2016		2017		2018		2019	
	<i>(in millions of U.S.\$ and %)</i>									
USA	376.8	28.2%	381.0	28.8%	335.3	24.8%	356.7	23.5%	335.7	23.1%
Brazil	190.7	14.3%	243.2	18.4%	250.0	18.5%	340.5	22.4%	360.9	24.8%
Chile	101.2	7.6%	85.6	6.5%	90.4	6.7%	83.2	5.5%	69.7	4.8%
Canada	75.7	5.7%	73.6	5.6%	69.9	5.2%	72.3	4.8%	72.2	5.0%
United Kingdom	72.5	5.4%	78.9	6.0%	89.1	6.6%	95.3	6.3%	100.7	6.9%
Netherlands	40.7	3.1%	38.8	2.9%	34.4	2.5%	37.3	2.5%	31.0	2.1%
Spain	37.2	2.8%	13.6	1.0%	28.0	2.1%	26.6	1.8%	11.7	0.8%
Russia	31.4	2.4%	22.6	1.7%	23.3	1.7%	34.1	2.2%	28.7	2.0%
Mexico	31.0	2.3%	29.6	2.2%	24.9	1.8%	26.6	1.7%	28.9	2.0%
Japan	28.6	2.1%	29.8	2.2%	25.6	1.9%	27.6	1.8%	26.0	1.8%
Colombia	22.5	1.7%	11.5	0.9%	11.1	0.8%	14.1	0.9%	20.1	1.4%
Paraguay	21.8	1.6%	28.5	2.2%	36.2	2.7%	33.6	2.2%	27.3	1.9%
Uruguay	20.0	1.5%	20.2	1.5%	20.7	1.5%	22.5	1.5%	21.9	1.5%
China	20.7	1.6%	26.9	2.0%	24.3	1.8%	26.9	1.8%	31.6	2.2%
Peru	20.1	1.5%	18.3	1.4%	18.1	1.3%	19.3	1.3%	20.6	1.4%
Other	243.3	18.2%	222.1	16.8%	268.1	19.9%	303.6	20.0%	266.0	18.3%
Total	1,334.2	100.0%	1,324.4	100.0%	1,349.5	100.0%	1,524.4	100.0%	1,453.0	100.0%

Source: Statistics and Economic Research Department of the Province

Historically, the main destinations for exports from the Province have been the United States, Brazil and Chile. Exports to these three destinations typically represent more than 50% of the total exports of the Province, as shown in the table above. From 2012 to 2018, the United States was the top destination for the Province's exports, whereas Brazil was the top destination in 2019.

From 2015 through 2019, exports from the Province increased by 8.9%, led by increases in exports to Brazil, by 89.3%. These increases were the result of several factors, including the depreciation of the peso and the relatively good performance of Brazil's economy.

The Province's most important export product is bottled wine, representing 44.7% of total exports in 2019. While bottled wine exports declined in U.S. dollar terms, they increased in terms of their contribution to the Province' total exports, reflecting the relative stability in the volume of bottled wine exports. Other important exports of the Province are grape juice and bulk wine.

The following table sets forth a breakdown of the Province's exports by main products exported from 2015 through 2019.

Main Products Exported

	2015		2016		2017		2018		2019	
	<i>(in millions of U.S.\$ and %)</i>									
Bottled wine	628.7	47.1%	682.0	51.5%	671.2	49.7%	673.7	44.2%	650.1	44.7%
Grape juice	67.9	5.1%	54.4	4.1%	40.3	3.0%	76.7	5.0%	85.1	5.9%
Bulk wine	63.1	4.7%	52.3	3.9%	44.1	3.3%	60.1	3.9%	58.7	4.0%
Garlic fresh.....	59.1	4.4%	114.9	8.7%	129.6	9.6%	93.3	6.1%	92.9	6.4%
Centrifugal pumps	51.8	3.9%	34.6	2.6%	23.5	1.7%	35.3	2.3%	20.2	1.4%
Dried plums pitted.....	19.6	1.5%	24.5	1.8%	13.7	1.0%	20.1	1.3%	10.7	0.7%
Fresh pears.....	32.4	2.4%	30.9	2.3%	29.4	2.2%	33.9	2.2%	27.7	1.9%
Virgin olive oil	31.7	2.4%	11.6	0.9%	32.1	2.4%	10.1	0.7%	8.8	0.6%
Canned olive.....	21.1	1.6%	28.7	2.2%	23.1	1.7%	20.9	1.4%	20.4	1.4%
Marmalades, fruit purees and pastes ⁽¹⁾ obtained by cooking	19.8	1.5%	19.1	1.4%	22.6	1.7%	0.7	0.0%	0.0	0.0%
Dried plums with stone fruit.....	19.6	1.5%	24.5	1.8%	13.7	1.0%	20.1	1.3%	10.7	0.7%
Ferroalloys ⁽¹⁾	14.9	1.1%	4.8	0.4%	9.8	0.7%	15.9	1.0%	14.3	1.0%
Sparkling wine excluding champagne type	13.6	1.0%	11.2	0.8%	11.9	0.9%	13.6	0.9%	12.7	0.9%
Plates, panels, similar articles of plaster without ornaments or reinforced with coated paper or cardboard	12.9	1.0%	12.9	1.0%	12.1	0.9%	9.9	0.6%	10.3	0.7%
Acid tartaric.....	12.0	0.9%	8.1	0.6%	6.4	0.5%	11.7	0.8%	6.0	0.4%
Other.....	266.0	19.9%	210.0	15.9%	266.1	19.7%	428.4	28.1%	424.3	29.2%
Total	1,334.2	100.0%	1,324.4	100.0%	1,349.5	100.0%	1,524.4	100.0%	1,453.0	100.0%

Note:

(1) Not otherwise accounted for.

Source: Statistics and Economic Research Department of the Province.

Labor force and employment

Between 2001 and 2010 (the years in which the most recent national censuses were undertaken), the Province's population increased from 1,579,651 to 1,738,929, an increase of 10.1%. This increase is in line with population growth on a national level, which experienced an increase of 10.6% during the same period.

INDEC prepares a series of indices that are used to measure the social, demographic and economic characteristics of the Argentine population based on data collected in the *Encuesta Permanente de Hogares* index ("EPH"). EPH is an ongoing survey used to track labor market trends, and its results are released periodically. The EPH is conducted in the greater Mendoza metropolitan area.

The region surveyed under the EPH covered 1,020,000 residents as of December 31, 2019.

Labor force and employment⁽¹⁾

	In thousands and as a percentage of residents				
	2015 ⁽²⁾	2016 ⁽³⁾	2017	2018	2019 ⁽⁴⁾
Residents.....	1,082	934	941	947	1,017
Activity rate (PEA %).....	46	45.4	43.4	45.8	47.7
Inactivity rate (PNEA %).....	54	54.6	56.6	54.2	52.3
Employment rate (% employed)	44.6	43.9	41.7	43.3	43.8
Unemployment rate (% unemployed)	3.1	3.3	3.9	5.5	8.3
Underemployment rate (% subemployed).....	8.4	9.6	8.6	14.3	15.8
Applying (% applying)	7.5	8.7	7.7	12.3	13.1
Not applying (% not applying) ..	0.9	0.9	1.0	2.1	2.7

Notes:

- (1) Annual averages, unless otherwise indicated. 2015 and 2016 figures cannot be compared directly to those of 2017 to 2019 due to methodological changes following the national statistical emergency declared in 2016.
- (2) As of the third quarter (due to methodological changes).
- (3) As of the fourth quarter (due to methodological changes).
- (4) As of the fourth quarter.

Source: INDEC.

The unemployment rate represents the percentage of the Province's labor force that does not have employment, is actively seeking employment and is available to work during the period covered by the unemployment questionnaire. The labor force refers to the sum of the population in the greater Mendoza metropolitan area that has worked a minimum of one hour with compensation or on a continuous basis during the month preceding the date of measurement (with or without compensation) plus the population that is unemployed but actively seeking employment. The underemployment rate represents the percentage of the Province's labor force that has worked fewer than 35 hours during the week preceding the date of measurement and seeks to work more. Based on information from INDEC, the activity rate increased from 46% in 2015 to 47.7% in 2019. The unemployment rate in 2015 was at its lowest point during the 2015-2019 period, at 3.1%, whereas it increased to 8.3% in 2019.

During this period, the underemployment rate for those actively seeking to be fully employed increased from 7.5% in 2015 to 13.1% in 2019, and the underemployment rate for those that do not seek to be fully employed increased from 0.9% in 2015 to 2.7% in 2019, resulting in an increase in the underemployment rate from 8.4% in 2015 to 15.8% in 2019. The underemployment rate represents the percentage of the Province's labor force that has worked fewer than 35 hours during the week preceding the date of measurement and seeks to work more than that number of hours.

Poverty

Poverty indicators are calculated bi-annually on the basis of a proportion of households whose income is insufficient to meet a basic basket of goods and services necessary to satisfy food and nonfood essential needs. The basket is valued at market prices and the resulting threshold is the "poverty line".

Following a three-year period without official statistics, in September 2016, the federal government resumed releasing data on poverty indicators. The figures for the second half of 2019 revealed that 35.5% of Argentina's population were poor, including 8.0% who were below the extreme poverty threshold.

In the Province, according to the INDEC, the poverty rate increased from 33.5% in the second semester of 2016 to 38.6% in the second semester of 2019. Those under the extreme poverty line, increased from 3.7% to 7.9% in the same period, although certain estimated variation coefficients exceed 16%.

PROVINCIAL ENTITIES

Overview

During the second half of the 1990's, the Province undertook a comprehensive privatization program that involved the sale of several provincial entities, including two banks, four electricity companies and one water utility company. The Province used the proceeds from such sales to fund certain infrastructure projects, as well as its normal operations. As a result, the non-consolidated sector of the Province as of the date of this invitation memorandum is relatively small. In addition, the Province put in place a regulatory framework, including the creation of a regulatory authority for each of the electricity and water industries.

Electricity

Pursuant to electricity privatization legislation, the generation, transmission and distribution of electricity in the Province is divided into three business units: generation, distribution in the western region of the Province and distribution in the eastern region of the Province. The assets of each of these business units (previously under the control of the Province's electricity utility company) were transferred to three new companies: Generación Eléctrica de Mendoza S.A. ("**Gemsa**"), Empresa Distribuidora de Electricidad de Mendoza S.A. ("**Edemsa**") and Empresa Distribuidora de Electricidad del Este S.A. ("**Edestesa**"). Edemsa and Edestesa, in the aggregate, provide electricity to 17 of the 18 departments of the Province, and, in certain departments, they share distribution rights with nine local electricity cooperatives. In addition, in 2012 the Province established Emesa as the holding company for its electricity companies.

Emesa

Empresa Mendocina de Energía Sociedad Anónima con Participación Estatal Mayoritaria ("**Emesa**") was established by Law No. 8,423, enacted on May 30, 2012. Emesa is responsible for the implementation of the energy policy of the Province. Among others, the main functions of Emesa are:

- researching, exploring, managing and exploiting energy resources;
- production, transportation, storage, distribution, commercialization and industrialization of all products, by-products and derivatives direct and indirect, from the exploitation referred to in the preceding paragraph;
- generating, transmitting, distributing and selling electricity;
- formulating and implementing the construction, renovation, reactivation and/or extension of projects required for the exploration and exploitation of all energy resources; and
- researching and developing projects related to renewable energy and environmentally sustainable alternatives.

Emesa's assets include, among others, 25% participation in Empresa de Transporte de Energía Eléctrica por Distribución Troncal de Cuyo (an electricity distribution company), 39.0% participation in Edestesa (an electricity distribution company), 39.0% participation in Hidroeléctrica Diamante S.A. (an electricity generation company) and approximately 47.96% participation in Hidroeléctrica Los Nihules S.A. (an electricity generation company).

The Province owns 90.0% of the share capital of Emesa, represented by Class A shares (71.0%) and Class C shares (19.0%). According to Emesa's constitutive documents, Class C shares are to be sold in a public offering. As of the date of this invitation memorandum, the Province has no specific timeline to execute such an offering.

By law, the balance 10.0% of share capital of Emesa, represented by Class B shares, has been transferred to the municipalities of the Province.

As of December 31, 2018, Emesa had total assets of Ps. 2,502 million, total liabilities of Ps. 67.1 million and a net worth of Ps. 2,435 million. In addition, for the year ended December 31, 2018, Emesa recorded a profit of Ps. 273.3 million.

Gemsa

The Province currently has no participation in Gemsa. Originally created as a provincially-owned entity, the Province's participation in Gemsa was transferred in December 1999 to the electricity workers' trade union and to the company's employees.

Edemsa

On July 31, 1998, 51.0% of the share capital of Edemsa was sold for U.S.\$237.8 million following an international public tender offer to an international consortium comprising French companies EDF International S.A. (45.0%), Saur International (15.0%) and a group of French companies led by Credit Lyonnais, which formed Mendivert S.A. (40.0%). In March 2004, those shares were subsequently sold to Sodemsa, a local business conglomerate with investments in media and energy. The Province maintained a 39.0% equity interest while the remaining 10.0% balance was included in an employee participation program. As of the date of this invitation memorandum, *Personal Programa Propiedad Participada de Edemsa - Asociación PPP* owned 9.52% of the share capital of Edemsa, while the transfer of the remaining 0.48% was pending.

During the December 2001 national crisis, electricity tariff rates were "pesified" at the U.S.\$1.00 = Ps. 1.00 exchange rate. Following failed negotiations between the controlling shareholders of Edemsa and the Province for an adjustment of tariffs, on August 12, 2003, EDF International S.A., Saur International, and Credit Lyonnais (on behalf of Mendivert S.A.) filed an arbitral complaint against the federal government before ICSID in Washington D.C. On February 6, 2016, an ICSID ad-hoc committee decided against the annulment petition presented by the federal government in respect of the original award by the ICSID arbitration panel against Argentina in this proceeding. The award granted claimants U.S.\$136.1 million with interest compounded annually at the rate for 10-year U.S. Treasury Bonds from December 31, 2001, until full payment of the award is satisfied. The Province may be asked by the federal government to reimburse amounts paid by it in respect of this award or the settlement thereof, on terms to be mutually agreed to by the Province and the federal government. See "Public Sector Debt—Contingencies—Litigation."

As of December 31, 2019, Edemsa had total assets of Ps. 18,927 million, total liabilities of Ps. 14,122 million and a net worth of Ps. 4,805 million. In addition, for the year ended December 31, 2019, Edemsa recorded a loss of Ps. 1,218 million.

Edestesa

On November 30, 1998, 51.0% of the share capital of Edestesa was sold to a consortium of local electricity co-operatives for Ps. 2.1 million. The Province maintained a 39.0% equity interest and the balance was included in an employee participation program.

As of December 31, 2019, Edestesa had total assets for Ps. 3,736 million, total liabilities for Ps. 1,780 million and net worth of Ps. 1,956 million. For the year ended December 31, 2019, Edestesa recorded a Ps. 6.18 million gain.

Water and sewage services

In August 2010, the provincial administration created Agua y Saneamiento Mendoza S.A. ("**AySAM**"), a majority state-owned company responsible for providing water and sanitation in the Province. The Province owns 90.0% of the shares, and the remaining 10.0% is owned by AySAM's employees.

As of December 31, 2019, AySAM provided drinking water and urban wastewater services to approximately 73% and 57%, respectively, of the population in the Province, corresponding to approximately 411,825 customers. As of December 31, 2019, AySAM had total assets of Ps. 2,625 million, total liabilities of Ps. 1,202 million and a net worth of Ps. 1,423 million. In addition, for the year ended December 31, 2019, AySAM recorded a loss of Ps. 116 million.

Urban transportation

The *Sociedad de Transporte de Mendoza SAUPE* (Mendoza's Transportation Company, or "**STM**") is a single-member state-owned company (*sociedad anónima unipersonal de participación estatal*) established by Law

No. 8,944, which was enacted on December 27, 2016. The STM is responsible for providing public transportation services in the city of Mendoza and its suburban areas and was created to replace the former *Empresa Provincial de Transporte de Mendoza* (Provincial Transportation Company of Mendoza or “EPTM”), which was dissolved and is being liquidated.

For the year ended December 31, 2018, STM recorded a net gain of Ps. 1.5 million and revenues of Ps. 332.11 million (taking into account net financing). For the same period, STM had assets of Ps. 160.7 million and total liabilities of Ps. 23.49 million. It is estimated that for the year ended December 31, 2018, STM’s total income was Ps. 332.11 million and total expenses were Ps. 330.56 million.

STM operates trolley-buses, buses and the *Metrotranvía* (a tramway). As of December 31, 2018, STM had 13 trolley-buses (eight of which were in active service and the other five were undergoing repairs and maintenance), 48 active buses and 12.5 kms of tramway lines. As of December 31, 2018, STM had 203 employees. STM transports approximately 11 million passengers per year. Approximately 12% of these passengers are senior citizens (over 70 years old), disabled people, teachers or firefighters, who are not required to pay a fare to use any transportation service provided by STM. Students attending primary school have a 60% discount on regular fares, while secondary and university students have a 50% discount.

Public transportation services in the city of Mendoza are also provided by eight privately-owned bus companies pursuant to concessions granted by the Province. These concessions were renewed as of January 2019 when a new transportation system that includes new itineraries and vehicles was launched.

Growth and Transformation Fund

In 1993, the Province used U.S.\$617.0 million received from the settlement of a litigation against the federal government to create the FTC. The FTC is an autonomous entity (*entidad autárquica*) within the jurisdiction of the Province’s Ministry of Finance. It is managed by a board comprised of the Province’s ministers of economy, finance, environment and public works, as well as the secretary of finance.

The purpose of the FTC is the funding of investment projects aimed at improving the Province’s infrastructure and the productivity of its human resources in order to promote sustainable economic growth levels in the Province. The FTC grants loans to both the private and public sector at subsidized interest rates following a review of the project by the FTC’s team of analysts and generally on a secured basis. The FTC is authorized to borrow or raise funds but can only sell its assets if authorized by the Province’s legislature.

As of December 31, 2019, the assets of the FTC amounted to Ps. 2,299 million, of which Ps. 1,131 million were short-term deposits, Ps. 166 million were long-term investments, Ps. 396 were current loans, Ps. 579 million were long-term loans, Ps. 2.3 million were debts of the Province to the FTC, Ps. 18.6 million were fixed assets and Ps. 5.7 million were other assets. Total liabilities of the FTC as of December 31, 2019, were Ps. 29.9 million.

As of December 31, 2019, 98% of the FTC’s loan portfolio was represented by loans to the private sector (almost entirely devoted to agricultural activities). Loans from the FTC have been mainly directed to frost prevention and hail defense programs, drip irrigation systems investment, temporary financial assistance in relation to the harvesting of the Province’s fruit production and working capital.

Gaming Commission

The *Instituto Provincial de Juegos y Casinos* (the Gaming and Casino Provincial Commission or “Gaming Commission”) is an autonomous entity (*entidad autárquica*) responsible for managing the Province’s lottery and other gambling activities. For the year ended December 31, 2019, the Gaming Commission had total revenues of Ps. 7,546 million and total expenditures of Ps. 7,574 million. These expenditures included transfers to the Province in an aggregate amount of Ps. 312.4 million.

Employees’ Mutual Insurance Entity

The *Caja de Seguro Mutual* (Employees’ Mutual Insurance Entity or “EMIE”) is an autonomous entity (*entidad autárquica*) responsible for managing life insurance for provincial government employees and retirees, their spouses and their children under 18 years of age or who are disabled. All employees and retirees of the

provincial administration are required to pay a premium for this insurance, which is deducted directly from their monthly salary.

It is estimated that for the year ended December 31, 2019, EMIE's total income was Ps.388 million and total expenses were Ps. 329 million.

Housing Institute

The *Instituto Provincial de la Vivienda* ("**Housing Institute**") is an autonomous entity (*entidad autárquica*) whose purpose is the financing and construction of housing projects, in particular, those oriented to the low-income sectors of the Province's population. Its main source of funding consists of transfers from the federal government.

The federal government is required to transfer 10.4% of revenues from the federal tax on fuels to the Fondo Nacional de la Vivienda (National Housing Fund, or "**FONAVI**") for purposes of funding the construction of low-income housing throughout the country. Under current federal law, the Province is entitled to 4.0% of the funds transferred to FONAVI. The Province received from the National Housing Fund Ps.342.13 million in 2015, Ps.427 million in 2016, Ps.610.47 million in 2017 and Ps.657 million in 2018. In 2019, the Province received an estimated Ps.876.43 million.

It is estimated that during the year ended December 31, 2019, the Housing Institute had revenues of Ps. 3,910 million and expenditures of Ps. 4,075 million. In addition, as of December 31, 2019, it had Ps. 661.23 million of total liabilities.

Potential liability of the Province

Each of the STM, the FTC, the Gaming Commission, EMIE and the Housing Institute is an autonomous entity of the Province under Argentine law (*entidad autárquica*). Autonomous entities are public law entities with the power and authority to manage their own affairs. The Province's responsibility for such autonomous entities' liabilities is secondary and indirect. Prior to requesting payment from the Province, creditors of any autonomous entity need to exhaust all legal remedies against such entity.

PUBLIC SECTOR FINANCES

Introduction

The following table sets out the Province's revenues and expenditures from 2015 to 2018 and estimates for 2019.

	2015	2016	2017	2018	2019 ⁽¹⁾
	<i>(in millions of Ps.)</i>				
Current revenues.....	36,562	49,540	65,728	91,149	130,829
Current expenditures ⁽²⁾	39,115	50,661	66,482	83,726	131,265
Operating balance⁽³⁾.....	(2,553)	(1,121)	(753)	7,423	(436)
Capital revenues.....	696	979	1,343	1,291	1,558
Capital expenditures.....	3,074	2,908	5,129	10,065	13,845
Overall balance⁽⁴⁾.....	(4,932)	(3,050)	(4,539)	(1,351)	(12,723)

Notes:

- (1) Figures are preliminary estimates.
- (2) Remittances to ATM and EMT are included as current expenditures.
- (3) Represents current revenue, minus current expenditures.
- (4) Represents total revenue, minus total expenditures.

Source: Department of Finance of the Province.

Under Provincial Accounting Practices, the Province records its revenues when received and its expenses when accrued. See "Presentation of Financial and Statistical Information." The revenues and expenditures of certain autonomous entities such as the FTC, the STM, the Gaming Commission, the EMIE and the Province's Housing Institute, are not consolidated on a line-by-line basis in the statements of revenues and expenditures of the Province (although transfers between the Province and these entities are included in the Province's statements of revenues and expenditures). During the year ended December 31, 2019, total revenues and expenditures of these non-consolidated entities represented an estimated Ps. 14,005 million and Ps. 13,469 million, respectively. Revenues and expenditures of the Province do not include revenues and expenditures of municipalities that carry out certain responsibilities delegated to them by the Province, except for transfers payments to such entities by the Province are included among the Province's expenditures as "Transfers."

Taxation and other revenues

The Province's total revenues for 2019 totaled Ps. 132,390 million, an increase of 43% from Ps. 92,440 million in 2018. This increase was mainly due to an increase of 47% in federal tax revenues. In 2019, 76% of the Province's revenues were derived from the collection of taxes. Federal taxes accounted for 47% and provincial taxes accounted for 30% of the Province's total revenues in 2019. In 2019, 6% of the Province's revenues were derived from the collection of royalties. The balance of total revenues was comprised of federal non-tax transfers and provincial non-tax revenues.

The following table sets out the Province's sources of revenues and their percentage participation in each of the years 2015 to 2018 and estimates for 2019.

Provincial Revenues										
	2015		2016		2017		2018		2019⁽¹⁾	
	<i>(in millions of Ps. and %)</i>									
Current revenues										
Federal source revenues										
Federal Tax Revenues	17,195	46%	22,497	45%	30,408	45%	41,948	45%	61,724	47%
Federal Co-Participation Regime payments.....	10,757	29%	14,086	28%	19,707	29%	27,554	30%	40,742	31%
Other federal tax transfers	6,438	17%	8,411	17%	10,701	16%	14,394	16%	20,983	16%
Federal non-tax revenues	2,124	6%	2,273	4%	2,778	4%	2,839	3%	2,188	2%
Federal nonrefundable contributions	2,124	6%	2,273	4%	2,778	4%	2,839	3%	2,188	2%
Subtotal federal source revenues.....	19,319	52%	24,770	49%	33,186	49%	44,787	48%	63,912	48%
Provincial Source Revenues										
Provincial tax revenues										
Gross revenues tax	9,841	26%	12,926	26%	16,662	25%	21,788	24%	30,524	23%
Stamp tax and court tax	1,282	3%	1,874	4%	2,949	4%	3,455	4%	3,895	3%
Automobile tax.....	816	2%	1,165	2%	1,721	3%	2,192	2%	2,935	2%
Real estate tax	499	1%	667	1%	918	1%	1,303	1%	1,658	1%
Other tax revenues.....	29	0%	50	0%	86	0%	87	0%	168	0%
Subtotal provincial tax revenues.....	12,467	33%	16,682	33%	22,336	33%	28,825	31%	39,181	30%
Provincial non-tax revenues										
Royalties	2,397	6%	3,360	7%	3,299	5%	6,337	7%	7,939	6%
Charges for Services rendered	872	2%	1,215	2%	1,499	2%	1,568	2%	2,077	2%
Gaming Commission transfers	91	0%	141	0%	152	0%	200	0%	257	0%
Financial revenues	37	0%	1,109	2%	2,565	4%	5,294	6%	10,986	8%
Other	1,373	4%	2,260	4%	2,691	4%	4,136	4%	6,477	5%
Subtotal provincial non-tax revenues.....	4,769	13%	8,086	16%	10,206	15%	17,535	19%	27,736	21%
Subtotal provincial source revenues	17,236	46%	24,768	49%	32,543	49%	46,360	50%	66,917	51%
Subtotal current revenues	36,555	98%	49,538	98%	65,728	98%	91,148	99%	130,829	99%
Capital revenues										
Federal transfers (Fondo Soja)....	633	2%	826	2%	965	1%	648	1%	-	0%
Transfer for capital expenditures	-	0%	-	0%	58	0%	568	1%	892	1%
Other capital revenues	62	0%	153	0%	320	0%	75	0%	665	1%
Subtotal Capital revenues	696	2%	979	2%	1,343	2%	1,291	1%	1,558	1%
Total revenues	37,250	100%	50,517	100%	67,072	100%	92,439	100%	132,387	100%

Note:

(1) Figures are preliminary estimates.

Source: Department of Finance of the Province

Current revenues

Current revenues of the Province were an estimated Ps. 130,829 million in 2019 and represented 99% of the Province's total revenues. Current revenues included federal source revenues and provincial tax and non-tax revenues.

Federal source revenues

Federal source revenues contributed an estimated Ps. 63,912 million and accounted for 48% of the Province's current revenues in 2019. The transfers were comprised mainly of Federal Co-Participation Regime payments made pursuant to the tax revenue-sharing scheme described below, with the balance being applied to funding of programs in the areas of education, housing and social welfare as well as highway and infrastructure construction and maintenance.

The following table sets out a breakdown of the federal source revenues in each of the years 2015 to 2018 and estimates for 2019.

	Federal Source Revenues				
	2015	2016	2017	2018	2019⁽¹⁾
	<i>(in millions of Ps.)</i>				
Federal tax revenues					
Federal Co-Participation	10,757	14,086	19,707	27,554	40,742
Other federal tax transfers.....					
Federal Education financing law	2,975	3,904	4,758	6,088	9,148
Fiscal Consensus	1,959	2,244	2,842	-	-
Buenos Aires Metropolitan Fund				6,701	9,995
Federal Teachers' Incentive Fund	259	664	1,146	968	1,035
Highway Fund.....	165	195	283	282	379
Fund for Fiscal Imbalances	26	26	26	26	26
Other	1,054	1,377	1,645	329	400
Subtotal other federal tax transfers.....	6,438	8,411	10,701	14,394	20,983
Subtotal federal tax revenues	17,195	22,497	30,408	41,948	61,724
Federal non-tax revenues					
Federal nonrefundable contributions.....	2,131	2,275	2,778	2,841	2,188
Total federal source revenues.....	19,326	24,772	33,186	44,789	63,912

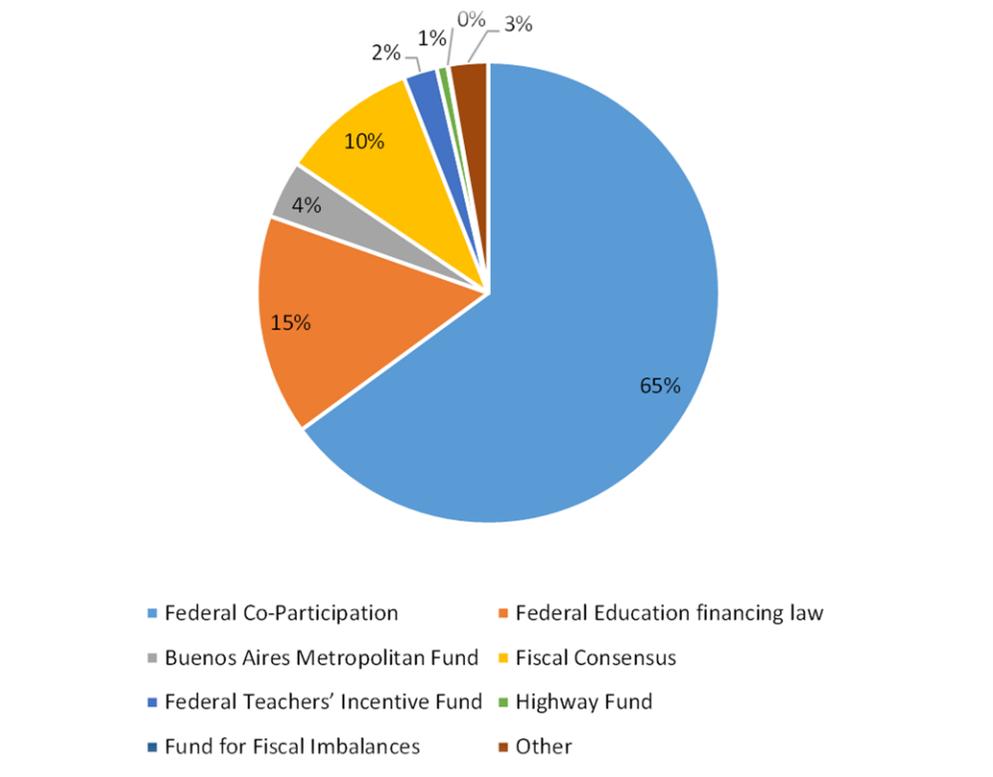
Note:

(1) Figures are preliminary estimates.

Source: Department of Finance of the Province

The following chart sets out a breakdown of the average participation of each federal source revenue for the period 2015 to 2019.

**Average Federal Revenues
by Sector (2015/2019)**



Federal Co-Participation Regime

Under the federal constitution, both the federal and provincial governments are authorized to levy taxes. In 1935, the federal and provincial governments entered into a coordinated tax arrangement pursuant to which the federal government agreed to collect certain taxes on an exclusive basis and to distribute a portion of those tax revenues among the provinces. In exchange, the provincial governments agreed to limit the types of taxes they collected. This coordinated taxation regime has been extended and modified several times since its inception. Currently, the “shared” or “co-participated” taxes are income taxes, value-added taxes, several excise taxes levied on consumption and taxes on financial transactions.

The Federal Tax Co-Participation Law and two agreements entered into between the federal and provincial governments in 1992 and 1993, currently govern the Federal Co-Participation Regime. This scheme was reflected in the 1994 amendments to the federal constitution, which granted constitutional recognition to the Federal Co-Participation Regime. The current allocation of taxing powers between the federal government and the provinces is as follows:

- federal and provincial governments are both authorized to levy taxes on consumption and impose other indirect taxes;
- the federal government may also levy direct taxes (such as income taxes) in exceptional cases;
- taxes collected by the federal government (except those collected for specific purposes) are to be shared between the federal and provincial governments;
- the federal government has the exclusive right to levy taxes on foreign trade, which are excluded from the Federal Co-Participation Regime; and
- the provinces retain all taxing and other powers that are not expressly delegated to the federal government in the federal constitution.

Under the Federal Co-Participation Regime, the federal government is currently required to transfer to a federal co-participation fund 100% of income tax revenues, 89% of value-added tax revenues and 100% of revenues from the presumptive minimum income tax and 100% of tax on interests paid and the revenues from excise tax and other minor taxes. The proceeds from banking debits and credits are not subject to Federal Co Participation Regime.

The annual tax revenue to be distributed to the provinces is distributed as follows: 42.3% of these funds is transferred to the federal government for its own needs and for transfers to the City of Buenos Aires (which until 1996 was under the administration of the federal government) and the Province of Tierra del Fuego; 1.0% is retained in a special reserve for emergency situations and financial difficulties of the provinces; and the remaining 56.7% of these funds is allocated to the provinces to be shared according to percentages set forth in the Federal Tax Co-Participation Law, which was established following negotiations among the federal government and the provinces. Under this law, the Province is entitled to 4.1% of the funds allocated to the provinces, subject to certain deductions or special allocations. The Province is required to transfer a portion of that amount to the municipalities. After transfers to the municipalities, the Province’s use of the remaining Federal Co-Participation Regime payments is discretionary.

In 2009, the federal government created the *Fondo Federal Solidario* (Federal Solidarity Fund) using 30.0% of the amount collected by the federal government from soybean export duties. The amounts from this fund are distributed to the provinces under the percentages established in the Federal Co-Participation Regime for use on infrastructure projects. In turn, the provinces were required to transfer 30.0% of their share of these revenues to their respective municipal governments. In August 2018, the federal government eliminated the Federal Solidarity Fund pursuant to Decree No. 756/18. In September 2018, to compensate the provinces for the loss in revenues, the *Programa de Asistencia Financiera a Provincias y Municipios* (Federal Financial Assistance Program to Provinces and Municipalities) was created through which the federal government transferred a total of Ps. 4,100 million to all jurisdictions that signed the 2017 Fiscal Consensus as described below.

Certain taxes not governed by the main Federal Co-Participation Regime, such as the personal asset tax, the *Monotributo* (simplified regime for small taxpayers), fuel tax and energy tax, are regulated by special regimes of co-participation.

In each year from 2015 through 2019, the Province received through the Federal Co-Participation Regime Ps. 10,757 million, Ps. 17,086 million, Ps. 19,707 million, Ps. 27,554 million and Ps. 40,742 million, respectively.

On May 18, 2016 the federal government, the Argentine provinces and the City of Buenos Aires entered into an agreement to gradually reduce the 15% co-participation funds allocated to social security obligations and other expenses related to ANSES, as provided for in the Federal Agreement of August 1992, as amended and supplemented. The deduction was reduced by 3% in each calendar year thereafter, and, as a result, it currently stands at 0% in 2020.

The Province has pledged a part of its revenues from federal tax transfers, including a part of the Federal Co-Participation Regime, to secure certain outstanding obligations, most of which are owed to the federal government (including Banco Nación). Under these security arrangements, the federal government, acting through Banco Nación, is entitled to withhold a portion of the Province's federal tax transfers to cover principal and interest payments on the secured obligations. See "Public Sector Debt—Banco Nación."

2017 Fiscal Consensus between the federal government, the City of Buenos Aires and the provinces

On November 16, 2017, the provinces (except for the province of San Luis), the City of Buenos Aires and the federal government signed a fiscal agreement (the "**2017 Fiscal Consensus**"). The 2017 Fiscal Consensus also sought to achieve a comprehensive solution to judicial disputes between the federal government and the other jurisdictions linked to the co-participation and specific revenue allocation regime. The 2017 Fiscal Consensus was approved by federal Law No. 27,429 and by Provincial Law No. 9,045.

All of the parties to the 2017 Fiscal Consensus agreed to approve measures that (i) amended the Fiscal Responsibility Law, the Income Tax Law and the Tax Revaluation Law, (ii) extended the validity of the tax on bank credits and debits allocating 100% of the proceeds to ANSES, and (iii) approved pension reforms while promoting the elimination of pension regimes of privilege. The parties to the 2017 Fiscal Consensus also agreed to negotiate a new law on federal tax co-participation based on objective repartition criteria.

In turn, the federal government:

- compensated the provinces adhering to the agreement for the elimination of specific revenues and of the current income tax distribution regime. See "Public Sector Finances—Main Sources of Revenues—Federal Tax Co-Participation Regime."
- issued 11-year bonds which generated coupon payments of Ps. 5,000 million in 2018 and Ps. 12,000 million from 2019 onward. Such bonds were distributed to all of the provinces (except for the Province of Buenos Aires) and the City of Buenos Aires, according to the co-participation coefficients.
- compensated the Province of Buenos Aires for the elimination of the Conurbano Fund. The compensation amounted Ps. 21,000 million in 2018, and Ps. 44 billion for 2019 and will be updated from 2020 onward based on the inflation rate.
- distributed the Federal Solidarity Fund among the jurisdictions that adhered to the agreement, excluding the federal government, according to the distribution established in the co-participation regime.
- agreed not to make any deduction from the co-participable revenues of the provinces that obtained favorable judgments before the Supreme Court of Argentina for the purpose of funding ANSES.
- funded retirement and/or early retirement programs for provincial and municipal public employees.

In turn, the provinces and the City of Buenos Aires:

- with respect to gross revenues tax, eliminated differential treatments regarding the taxpayers' residence or place of employment; deducted income from the export of goods and services and upheld the maximum rates established in the agreement.
- with respect to gross revenues tax, in 2018 and 2019 a five-year tax rate reduction plan was implemented establishing mandatory maximum rates for each economic activity, which was frozen for 2020 due to the COVID emergency.
- in relation to the real estate tax, adopted uniform valuation procedures and set rates between 0.5% and 2%.
- regarding the stamp tax, eliminated differential treatments and upheld the maximum rates set in the agreement.
- agreed not to initiate legal proceedings related to the federal tax co-participation regime and specific revenue allocations by the federal government and withdrew from outstanding judicial processes. See "Public Sector Finances—Main Sources of Revenues—Federal Tax Co-Participation Regime."

In December 2019, the federal government and the provinces entered into a new agreement to postpone until December 31, 2020, certain fiscal commitments assumed, under the 2017 Fiscal Consensus and the agreement entered into by the federal government and the provinces on September 13, 2018, for the term of one year, although other provisions of the 2017 Fiscal Consensus, such as certain changes introduced to the federal tax co-participation regime, remain in force. In addition, the lawsuits filed against the federal government regarding the reduction in income tax and the value added tax on the basic food basket were also suspended for one year. Such agreement was approved by federal Law No. 27,542 and by Provincial Law No. 9,212.

Other Federal Tax Transfers

The federal government also distributes to the Province other tax revenues that are not included in the Federal Co-Participation Regime described above, pursuant to specific statutes and programs. The principal tax transfers include the following:

- *Federal Education Financing Law.* On December 21, 2005 the federal congress approved Law No. 26,075 (*Ley de Financiamiento Educativo* or "**Federal Education Financing Law**") with the goal of increasing financing to education, science and technology to 6.0% of the federal GDP, taking into account the consolidated 2010 budget of the federal government, the provinces and the City of Buenos Aires. Funds received by the Province under the Federal Education Financing Law are deductible from the aggregate amount of co-participation tax transfers that the Province is entitled to under the Federal Co-Participation Regime. The Federal Education Financing Law expired in 2010 and was not renewed for 2011. However, since 2012, the national budget laws have reestablished this special allocation of funds. The Province received pursuant to the Federal Education Financing Law Ps. 3,904 million in 2016, Ps. 4,758 million in 2017 and Ps. 6,088 million in 2018. In 2019, the Province received an estimated Ps. 9,148 million.
- *Federal Teachers' Incentive Fund.* The *Fondo Nacional de Incentivo Docente* ("**Federal Teachers' Incentive Fund**") was created in 1999 and is intended to improve state and state-subsidized private school teachers' wages in the provinces and the City of Buenos Aires. The annual federal budget allocates general federal revenues to this fund. The allocation of this fund to the provinces is based on criteria corresponding to the number of teachers and class hours in every province. The Province received from the Federal Teacher's Incentive Fund Ps. 259 million in 2015, Ps. 664 million in 2016, Ps. 1,146 million in 2017 and Ps. 968 million in 2018. In 2019, the Province received an estimated Ps. 1,035 million.

- *Highway Fund.* The federal government is required to transfer 17.4% of revenues from the federal tax on fuels to the *Fondo de Vialidad* (“**Highway Fund**”). The Highway Fund distributes these funds to the provinces on the basis of road construction and maintenance expenditures of each province, as well as other factors that include population size and fuel consumption. The Province received from the Highway Fund Ps. 165 million in 2015, Ps. 195 million in 2016, Ps. 283 million in 2017 and Ps. 282 million in 2018. In 2019, the Province received an estimated Ps. 379 million.
- *Fund for Fiscal Imbalances.* The *Fondo de Desequilibrios Fiscales* (“**Fund for Fiscal Imbalances**”) is comprised of an annual fixed amount of Ps. 549.6 million at a federal level. The assets of the fund are drawn from the gross sharing revenues (*Masa Coparticipable Bruta*) in advance of the secondary distribution. These amounts are distributed within the provinces on a discretionary basis. Transfers from this fund to the Province amounted to Ps. 26 million per year in each year between 2015 and 2019.
- *Other federal tax transfers.* The Province receives other additional tax transfers from the federal government. These include transfers made by the federal government to the Province pursuant to specific statutes and programs. In 2019, the Province received an estimated Ps. 400 million as other federal tax transfers from the federal government.

Federal non-tax revenues

In addition to the tax transfers received by the Province under the Federal Co-Participation Regime, the Province records other payments or transfers from the federal government as federal contributions to finance certain current and capital expenditures of the Province.

Since 1988, the federal government provides discretionary transfers to the provinces, known as *Aportes No Reembolsables* (Non-Refundable Transfers, or “**ANRs**”). The ANRs include federal financing of activities undertaken by the Province and the *Aportes del Tesoro Nacional* (National Treasury Transfers, or “**ATNs**”), to meet special or emergency needs or to finance certain expenditures of national interest. In 2019, the Province received a total of Ps. 2,188 million of ANRs.

Provincial Source Revenues

Provincial source revenues contributed an estimated Ps. 39,181 million and accounted for 51% of the Province’s current revenues in 2019. Provincial source revenues were comprised mainly of gross revenues tax, stamp and court tax and hydrocarbon royalties, which accounted for 32% of the provincial sources of current revenues in 2019.

The following table sets out a breakdown of the provincial source revenues in each of the years 2015 to 2018 and estimates for 2019:

Provincial Source Revenues					
	2015	2016	2017	2018	2019⁽¹⁾
	<i>(in millions of Ps.)</i>				
Provincial tax revenues					
Gross revenues tax	9,841	12,926	16,662	21,788	30,524
Stamp tax and court tax	1,282	1,874	2,949	3,455	3,895
Automobile tax	816	1,165	1,721	2,192	2,935
Real estate tax	499	667	918	1,303	1,658
Other tax revenues.....	29	50	86	87	168
Subtotal.....	12,467	16,682	22,336	28,825	39,181
Provincial non-tax revenues					
Royalties	2,397	3,360	3,299	6,337	7,939
Charges for services rendered	872	1,215	1,499	1,568	2,077
Gaming Commission Transfers.....	91	141	152	200	261
Financial revenues.....	37	1,109	2,565	5,294	10,986
Other non-tax revenues	1,373	2,260	2,691	4,136	6,477
Subtotal.....	4,769	8,086	10,206	17,535	27,740
Total.....	17,236	24,768	32,543	46,360	66,921

Note:

(1) Figures are preliminary estimates.

Source: Department of Finance of the Province

Provincial Tax Revenues

In 2019, an estimated 30% of the Province's total revenues were provincial tax revenues.

The following are the main provincial taxes:

- **Gross Revenue Tax.** The gross revenue tax is the single largest source of provincial tax revenue. Gross revenues of most commercial or business activities carried out within the jurisdiction of the Province are taxed at fixed rates according to the type of activity. The general tax rate ranges from 0.75% to 6% (which rate applies for sales of oil and its by-products), although special tax rates may apply, for example gaming activities are taxed at a rate of 20%. In 2019, gross revenue tax represented an estimated 23% of the Province's total revenues, or Ps. 30,524 million. During the period 2018-2019, a five-year tax rate reduction plan was implemented under the 2017 Fiscal Consensus. The Province estimates that such tax reduction had a cumulative impact of 10%.
- **Stamp Tax and Court Tax.** The Province levies a stamp tax on all acts, agreements and transactions, for good and valuable consideration, entered into within the territory of, or that have effects in, the Province, and that are documented in private or public instruments. The general tax rate is 1.5% and special tax rates range from 0.5% to 4.5% of the value of the underlying agreement or transaction depending on the subject of the transaction. All parties to the activity subject to this tax are jointly and severally liable for its payment. The Province records stamp tax revenues and court tax revenues jointly. The court tax is a mandatory payment imposed to claimants based on the amount of their claims brought before the provincial court. In 2019, the stamp tax and court tax represented an estimated 3%, or Ps. 3,895 million, of the Province's total revenues.
- **Automobile Tax.** The Province charges a tax on automobiles registered in the Province. The tax rate amounts to 3% of the value of the vehicle as resulting from the valuation used by the federal government's *Dirección Nacional de la Propiedad Automotor y Créditos Prendarios* ("DNRPA") for

most motor vehicles, which is determined by taking into consideration the model, year, type, category and appraised value of the vehicle, and is fixed annually in a provincial tax law. The appraised value of each vehicle is calculated as a percentage of the valuation determined by the Federal Automobile Register and by recorded liens on the vehicle. Certain vehicles used for productive activities are classified as capital assets and are subject to a lower tax rate than vehicles deemed to be final consumer goods. In 2019, the automobile tax represented an estimated 2%, or Ps. 2,935 million, of the Province's total revenues. In 2019, the automobile tax revenues increased by 34% when compared to 2018. The increase was mainly due to the increase in the applicable tax value.

- *Real Estate Tax.* The real estate tax is determined by applying a tax assessment on the appraised fiscal value of urban and rural real estate located in the Province, which varies in a range from 0.2% to 1.5% on the appraised value (a percentage of the market value). Both the applicable tax rate and the applicable tax base depend on a variety of factors, including the location (urban or rural), the condition (vacant, built or improved) and whether the titleholder has other real estate property. In addition, all real estate owned by federal, provincial and municipal governments, religious temples, non-profit organizations, universities, public libraries, health care organizations and free social assistance and firefighting services, among others, or which are historical monuments, are exempt from the real estate tax. In 2019, the real estate tax represented an estimated 1%, or Ps. 1,658 million, of the Province's total revenues. In 2019, real estate tax revenues increased by 27% when compared to 2018. In 2019, property valuations for taxation purposes increased, on average, 23% compared to the values in 2018, to reflect the increase in property value.

Provincial Tax Administration

The Province has historically experienced problems collecting taxes levied on its citizens. In order to improve tax collections, in 2013 the Province created the *Administración Tributaria Mendoza* (the Provincial Tax Administration or “ATM”), an autonomous entity, through Law No. 8,521. The Province estimates that, in 2019, more than 25% of gross revenue, stamp, court, automobile and real estate taxes which should have been collected were not. The Province has undertaken a series of reforms to improve its tax collections. Such reforms include the implementation of a new tax management system for improved billing and monitoring of compliance by taxpayers, information sharing arrangements with the federal government, other provinces and utilities intended to facilitate better tracking of taxes owed, the creation of a unit dedicated to monitoring tax compliance by its largest taxpayers, improved training of tax inspectors and internal communications and the creation of a mobile tax unit in charge of tax audits.

Provincial Non-Tax Revenues

Royalties

The Province collects royalties related to the production of oil and gas and to the generation of hydroelectric energy.

Hydrocarbon royalties are payable to the Province by the concessionaires under law No. 17,319 (as amended and supplemented, the “**Hydrocarbons Law**”) and the terms of the concessions. The percentage of hydrocarbon production payable by each concessionaire to the Province on account of hydrocarbon royalties is set forth in each concession. The amount of hydrocarbon royalties payable under the concessions is fixed at the beginning of each concession between 12.0% and 18.0% of commercialized oil and gas production, valued at the wellhead price (currently, all concessions have a 12.0% royalty, which, according to Section 16 of the Hydrocarbons Law, considering the specific conditions of the concessions, can only be reduced by the Province upon evidence that effective production is not economically viable).

Concessionaires are required to pay on a monthly basis to the Province a royalty equal to 12.0% of the total value of production for solid and liquid hydrocarbons, gasoline, liquid gas and liquefied petroleum gas. For purposes of calculating the price of production, concessionaires must take the price of the corresponding natural resource at the well in the field as set by the federal government's secretary of energy (“**SEN**”) in U.S. dollars, converted to pesos at the exchange rate published by Banco Nación for the last business day of the corresponding month.

The following table sets out a breakdown of the royalties paid to the Province in each of the years 2015 to 2018 and estimates for 2019.

	Royalties				
	2015	2016	2017	2018	2019⁽¹⁾
	<i>(in millions of Ps.)</i>				
Oil production royalties.....	2,231	3,133	2,931	5,921	7,549
Gas production royalties	165	226	366	413	386
Hydroelectric production royalties	1	2	3	2	5
Total	2,397	3,360	3,299	6,337	7,939

Source: Department of Finance of the Province, Provincial Tax Authority.

- *Oil Royalties.*

The table below shows oil production, average price and royalties received by the Province for the periods indicated:

	Oil Production and Royalties				
	2015	2016	2017	2018	2019
Oil Production (in million m ³).....	4,5	4,6	4,4	4,2	4,0
Average Price (in pesos per m ³).....	496	688	667	1,402	1,901
Royalties (in millions of pesos).....	2,231	3,133	2,931	5,921	7,549
Royalties (in millions of U.S.\$) ⁽¹⁾	241	212	177	211	156

Note:

(1) Converted into U.S.\$ at the following average annual exchange rates published by the Central Bank: Ps. 9.27 to U.S.\$1.00 in 2015, Ps. 14.78 to U.S.\$1.00 in 2016, Ps. 16.56 to U.S.\$1.00 in 2017, Ps. 28.11 to U.S.\$1.00 in 2018 and Ps. 48.25 to U.S.\$1.00 in 2019.

Source: Department of Finance of the Province, Provincial Tax Authority

Oil royalties are paid to the Province by the concessionaires in pesos and calculated as a percentage of wellhead prices, which are denominated in U.S. dollars. According to the SEN, from 2015 through 2019, annual oil royalties paid to the Province increased by 238% from Ps. 2,397 million in 2015 to Ps. 7,549 million in 2019. Of total royalties received by the Province, oil royalties represented 93% (Ps. 2,549 million), 93% (Ps. 3,133 million), 89% (Ps. 2,931 million), 93% (Ps. 5,921 million) and 95% (Ps. 7,549 million), respectively, in 2015, 2016, 2017, 2018 and 2019.

- *Gas Royalties.*

The table below shows gas production, average price and royalties received by the Province in each of the years 2015 to 2018 and estimates for 2019.

Gas Production and Royalties

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Gas Production (in million m ³)	2,463	2,292	1,928	1,722	1,362
Average Price (in pesos per thousand m ³)..	67	98	190	240	283
Royalties (in millions of pesos).....	165	226	366	413	386
Royalties (in millions of U.S.\$) ⁽¹⁾	18	15	22	15	8

Note:

(1) Converted into U.S.\$ at the following average annual exchange rates published by the Central Bank: Ps. 9.27 to U.S.\$1.00 in 2015, Ps. 14.78 to U.S.\$1.00 in 2016, Ps. 16.56 to U.S.\$1.00 in 2017, Ps. 28.11 to U.S.\$1.00 in 2018 and Ps. 48.25 to U.S.\$1.00 in 2019.

Source: Department of Finance of the Province, Provincial Tax Authority.

Gas royalties are paid to the Province by the concessionaires in pesos and calculated as a percentage of wellhead prices, which depending on the intended use of the gas sold, is denominated in pesos or U.S. dollars, as determined by the federal government. Under applicable regulations, a significant portion of the gas royalties are calculated by reference to wellhead prices denominated in pesos (without adjustment to variation in the peso/U.S. dollar exchange rate) and equally payable in pesos. According to the SEN, since 2015 and through 2019, annual gas royalties paid to the Province increased by 134% (from Ps. 165 million in 2015 to Ps. 386 million in 2019), principally due to the devaluation of the peso. Of total royalties received by the Province, gas royalties represented 6.9% (Ps. 165 million), 6.7% (Ps. 226 million), 11% (Ps. 366 million), 6.5% (Ps. 413 million) and 4.9% (Ps. 386 million), respectively, in 2015, 2016, 2017, 2018 and 2019.

- *Hydroelectric Royalties.*

Pursuant to Law No. 15,336, as amended and supplemented, the Province is entitled to receive up to 12.0% of the total revenue corresponding to the commercialization of the hydroelectric energy produced in the Province. According to the SEN, since 2015 and through 2019, annual hydroelectric royalties paid to the Province increased by 282%, from Ps. 1.2 million in 2015 to Ps. 4.5 million in 2019. Of the total royalties received by the Province from 2015 to 2019, hydroelectric royalties represented between 0.08% to less than 0.04% during such period.

Charges for Services Rendered

The Province collects the fees it charges in relation to the provision of health services in its hospitals, special security services provided by the Province’s police force, the issuance of birth and death certificates, marriage licenses, identity cards and industrial permits and the administration of certain provincial programs such as those protecting agricultural production from hail.

Revenues from charges for services rendered by the Province increased by 32% from a recorded Ps. 1,568 million in 2018 to an estimated Ps. 2,077 million in 2019.

Gaming Commission

Pursuant to the treatment given to the autonomous entities of the Province, the revenues and expenditures of its Gaming Commission (which manages the provincial lottery and other related games of chance) are not consolidated on a line-by-line basis in the Province’s statements of revenues and expenditures, but rather the surplus generated each year by the Gaming Commission is transferred to the Province and recorded under this item. Transfers from the Gaming Commission increased by 30% from Ps. 200 million in 2018 to Ps. 261 million in 2019.

Financial Revenues

Financial revenues include accrued interest received in official bank accounts, financial investment income and exchange rate and securities trading differences. Financial revenues represented approximately 63%, or Ps. 10,986 million, of total other non-tax revenues in 2019, from 3%, or Ps.37 million in 2015. Financial revenues became increasingly important since 2016 mainly due to the increasing amount of transitory funds that the Province was able to hold in income earning peso-denominated and foreign currency-denominated accounts and other assets. At the start of 2020, however, these positions had been dismantled over time to address the economic recession and associated drop in revenues.

Other Non-Tax Revenues

In 2019, other non-tax revenues of the Province were estimated at Ps. 17,463 million, representing an 85% increase as compared to Ps. 9,430 million in 2018. The Province derives non-tax revenues from various sources, including, among others: non-recurring extraordinary down-payments by concessionaires payable once in connection with the extension of the relevant concession and extraordinary production fees totaling 28% of “other non-tax revenues”, which are calculated as a percentage of wellhead prices similar to the calculation of royalties.

Capital revenues

The Province derives capital revenues from transfers from residual funds, public works reimbursements and loan repayments. In 2019, the Province received an estimated Ps. 1,558 million in capital revenue transfers. In the past, the majority of such capital revenues was derived from the Fondo Soja federal transfers. This fund, created in 2009, was funded by 30% of duties collected on exports of soybeans. The balance of its proceeds were used for infrastructure expenditures in provinces and municipalities that participate in the program. This fund was eliminated in 2018 through Decree No. 756/2018. Other capital revenue transfers are used for financing public works and real direct investments. Most of these federal transfers are managed by the *Ministerio de Planificación Federal* (Federal Planning Ministry) and the *Dirección Nacional de Vialidad* (National Highways Department). The primary programs of the Planning Ministry are related to urban development, neighborhood gentrification and educational improvement, with the goal of enhancing low-income housing, schools and roads. In 2019, the Province received an estimated Ps. 665 million in other capital revenues.

Composition of Expenditures

The Province provides a number of public services, primarily related to healthcare, education, security (including police and prisons), social programs, investments in public infrastructure and general provincial administration. As of December 31, 2019, such services accounted for more than 93% of provincial expenditures (excluding debt service payments).

The Province’s expenditures are classified as current and capital expenditures. Current expenditures consist of costs of personnel, goods and services and current transfers, which include net transfers to municipalities in accordance with the Mendoza Participation Regime (Provincial Law No. 6,396) and to unconsolidated provincial agencies and enterprises. Capital expenditures include real direct investment, loans and capital contributions to provincial enterprises and loans and transfers to municipalities for public works.

The provincial government’s expenditure (in nominal terms) on goods and services grew on average 36% per year from 2015 to 2019.

The following table sets forth the Province's expenditures by category and their percentage participation of current and capital expenditure for the years 2015 to 2018 and estimates for 2019.

Provincial Expenditures

	2015		2016		2017		2018		2019 ⁽¹⁾	
	<i>(in millions of Ps. and %)</i>									
Current expenditures⁽²⁾										
Personnel.....	23,195	55%	28,412	53%	37,109	52%	43,651	47%	68,495	47%
Transfers to municipalities.....	5,795	14%	7,709	14%	10,396	15%	13,988	15%	19,651	14%
Other transfers	4,190	10%	5,231	10%	6,854	10%	8,698	9%	17,346	12%
Goods and services	4,895	12%	6,134	11%	8,102	11%	10,716	11%	16,138	11%
Debt interest	1,040	2%	3,174	6%	4,021	6%	6,673	7%	9,635	7%
Subtotal	39,115	93%	50,661	95%	66,482	93%	83,726	89%	131,265	90%
Capital expenditures										
Real direct investment	1,855	4%	1,827	3%	3,040	4%	6,341	7%	10,884	8%
Loans and capital contributions	244	1%	486	1%	670	1%	1,106	1%	855	1%
Other transfers	975	2%	594	1%	1,418	2%	2,618	3%	2,106	1%
Subtotal	3,074	7%	2,908	5%	5,129	7%	10,065	11%	13,845	10%
Total expenditures.....	42,189	100%	53,568	100%	71,610	100%	93,791	100%	145,111	100%

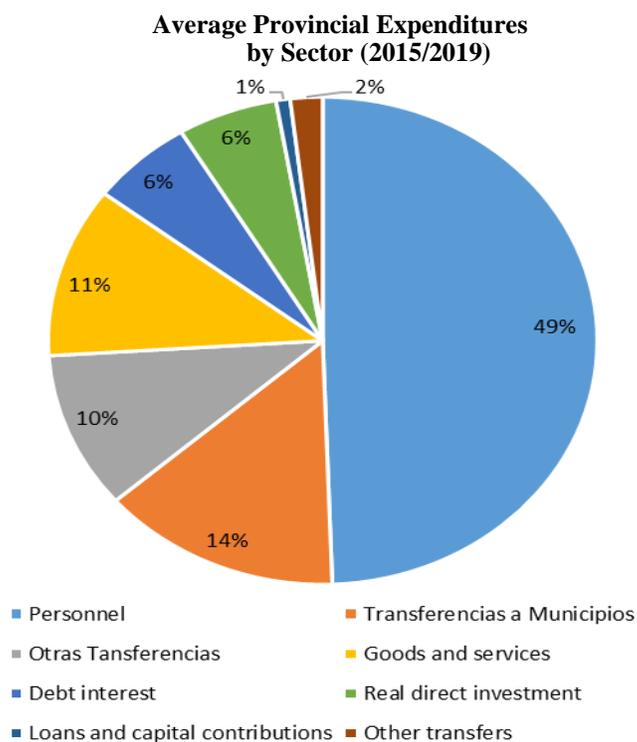
Note:

(1) Figures are preliminary estimates.

(2) Remittances to ATM and EMT are included as current expenditures.

Source: Department of Finance of the Province.

The following chart sets forth the Province's expenditures on average by category of current and capital expenditure for the years 2015 to 2019.



Current Expenditures

Personnel. Personnel expenditures, which consist mainly of wages and other benefits paid to employees of the public provincial administration, are the largest component of the Province's total expenditures, representing approximately 47% of total expenditures as of December 31, 2019.

Personnel expenditures include the Province's direct payroll expenses as well as contributions made by the Province to the pension fund and health care systems for its employees. Personnel expenditure is incurred by reference to the number of paid positions, as opposed to the number of employees. One employee, for example a teacher or doctor, may hold more than one position so long as his or her schedule does not overlap and, therefore, may receive more than one salary.

Administration employees include employees in the government, finance, economy, environment and public works ministries together with the governor's administrative and secretarial staff. "Other" includes employees in the public employees' healthcare provider, the EMIE, the pension system control unit, the Gaming Commission and the Housing Institute.

Personnel expenditures increased by 195%, from Ps. 23,195 million in 2015 to Ps. 68,495 million in 2019. This increase was primarily a result of salary increases as a consequence of negotiations with unions.

From 2015 through 2019, government payroll expenses increased by 32% on average per year, primarily due to salary increases, in a context of rising inflation. The current administration has taken significant steps to control public expenditures in several sectors, including civil servant wages by, for example, incorporating a payroll item since March 2016 in the amount of 10% of wages that is only payable to personnel of the *Dirección General de Escuelas* (National Directorate of Schools) who fully perform their assigned duties in each month.

The following table sets out information on public employees hired by the Province by sector from 2015 through 2019.

Provincial Personnel⁽¹⁾

	2015		2016		2017		2018		2019 ⁽¹⁾	
	Employment positions	Hours								
Education ⁽²⁾	29,253	424,408	29,010	415,716	29,672	428,898	28,783	420,061	28,777	418,050
Health and social aid	18,264	0	18,553	0	18,892	0	18,452	0	18,066	0
Security services	11,886	0	12,245	0	12,223	0	11,958	0	11,911	0
Administration	14,940	0	14,460	0	13,959	0	13,906	0	13,756	0
Legislative and judicial system	6,342	0	6,345	0	6,501	0	6,437	0	6,404	0
Other	3,016	0	2,826	0	2,301	0	2,029	0	1,980	0
Total	83,701	424,408	83,439	415,716	83,548	428,898	81,565	420,061	80,894	418,050

Notes:

(1) Figures reflect employees hired as of December 31 of each year, except for legislative and judicial system figures which reflect employees authorized to be hired in each fiscal year by the respective budget law, regardless of actual hiring.

(2) Teachers: one teaching position is equivalent to 18 hours of work per week.

Source: General Accounting Office and Ministry of Finance of the Province.

Historically, education has represented approximately 36% of total provincial employment positions and substantially all hours. In 2019, education and health and social aid accounted for 36% and 22%, respectively, of total provincial charges.

In 2016, provincial employment decreased by 0.3% in employment positions and by 2% in hours as compared to 2015, mainly due to the retirement program implemented by the Province (*Programa de Jubilaciones por Moratoria Previsional*). In 2017, provincial employment increased by 0.1% in positions and 3.2% in hours as compared to 2016, mainly as a result of an increase in personnel in the education and health, social assistance and other sectors that offset the drop in administration positions due to the retirement program and the voluntary retirement of 20 employees of EPTM in the context of its dissolution and liquidation. In 2018, provincial employment decreased by 2.4% in both positions and hours as compared to 2017, due to a decrease in personnel in all sectors. In 2019, provincial employment decreased by 0.8% in positions and 0.5% in hours as compared to 2018, due mainly to a decrease in personnel in the health and administration sectors.

The public sector employees of the Province are represented mainly by SUTE, *Asociación de Trabajadores del Estado* (“ATE”) and *Asociación Mendocina de Profesionales de la Salud* (“AMPROS”).

Transfers. Each fiscal year, the Province transfers a portion of its revenues to its municipalities, to private schools and to other entities. Transfers accounted for an estimated Ps. 36,998 million, or 28% of the Province’s total current expenditures in 2019, representing a 271% increase as compared to Ps. 9,985 million registered in 2015.

Provincial Law No. 6.396, issued on January 1, 2010, requires that 18.8% of the funds received by the Province under the Federal Tax Co-Participation Regime, 12.0% of the payments under royalties, 70.0% of the revenues derived from automobile taxes and 18.8% of the revenues received under each of the gross revenue, stamp and real estate taxes shall be transferred to the Province’s municipalities based on different criteria including their population, economic development level, number of cars registered and oil production. The Province also makes discretionary transfers to its municipalities to cover temporary financing needs or to fund certain social programs. Transfers to municipalities amounted to an estimated Ps. 19,651 million by the Province in 2019.

The balance of transfers accounted for an estimated Ps. 17,346 million in 2019 and mainly include subsidies to private schools, the public transportation system and general discretionary subsidies to several non-profit entities and individuals such as low-income retirees and persons with physical disabilities.

Goods and Services. The Province purchases a wide variety of goods from the private sector in connection with the provision of education, health, security and other public services, and the administration and general maintenance of the provincial government. Goods and services accounted for an estimated Ps. 16,138 million, or 12% of the Province’s total current expenditures in 2019, corresponding to a 230% increase as compared to expenditures of Ps. 4,895 million in 2015.

The provincial government’s expenditures on goods and services grew by 35% on average per year from 2015 to 2019. In 2016, the Province implemented an ex-ante strict control mechanism with respect to any goods acquired and services contracted by the provincial administration. This policy takes into consideration the quantity of goods, the necessity of the service to be contracted and price to be paid for those goods and services.

Debt Interest. This category includes interest for the Province’s commercial and financial indebtedness. Interest in 2019 accounted for an estimated Ps. 9,635 million or 7% of the Province’s total current expenditures that year.

Capital Expenditures

Real direct investment. Real direct investment expenditures accounted for an estimated Ps. 10,884 million, or 79% of the Province’s capital expenditures in 2019, representing a 487% increase compared to expenditures of Ps. 1,855 in 2015. The principal items in this category include public works, such as school and hospital construction and refurbishment, road works and infrastructure projects, among other investments. Other physical assets include the purchase of new capital goods such as hospital equipment, automobiles and computers.

Loans and capital contributions. This item comprises loans made by the Province to private and public sector entities, including municipalities, generally with funds received from the federal government or multilateral entities. This item accounted for an estimated Ps. 855 million, or 6% of the Province’s capital expenditures in 2019. This

capital expenditure item fluctuates in accordance with the economic conditions and budgetary constraints of the Province.

Other Transfers. Other transfers principally cover expenses related to certain capital acquisitions from public and private entities. These expenditures accounted for an estimated Ps. 2,106 million, or 15% of the Province's capital expenditures in 2019.

2020 BUDGET

Overview of the provincial budget process

The Province operates on a calendar year basis for its fiscal year. Under the Province's constitution, the provincial budget for a calendar year must be submitted by the executive branch to the Provincial Legislature by August 31 of the previous year, although in practice such submission is generally made in September of each year. If a fiscal year has begun without a budget having been approved, the Provincial Legislature must prepare a budget based on the budget of the previous year. In addition, the budget of the previous year governs the expenditures of the Province until a new budget is approved.

The annual budget represents an estimate of revenues expected by the Province; it also constitutes an authorization of, and a limit on, expenditure by the Province. Any increase in expenditure may only be authorized by the executive branch, provided there is a matching increase in revenues. In addition, the executive branch is entitled to reallocate the amounts between different expense items, provided that no increase in overall expenditures takes place and is required to allocate any excess of actual revenues over budgeted revenues to the creation of a budget stabilization fund, which would consist of liquid assets with an aggregate value not to exceed 2% of the Province's GDP and which would be used to compensate for temporary declines in revenues. Provincial revenues are generally estimated on the basis of internal projections generated by the Province, while estimates of federal revenue transfers are based on the minimum monthly payment guaranteed by the federal government and collection estimates prepared by the federal government.

The Financial Administration Act, enacted on May 8, 2014, introduced rules in connection with provincial revenues and expenditures, setting the budgetary rules for the state, similar to those established by for the federal government.

In developing its annual budget, the Department of Finance allocates available revenues among the various provincial ministries in accordance with budgeting priorities established by the governor. After these allocations are agreed upon by the governor and its ministries, the actual spending authorizations for each government sector are developed by the appropriate ministry, subject to overall spending limits established by the administration. A single budget which consolidates the spending authorization of each ministry is then presented to the Provincial Legislature for approval.

On August 4, 2004 the federal congress approved federal Law No. 25,917, (as amended and supplemented, the "**Federal Fiscal Responsibility Law**") which sets forth general rules of fiscal behavior and transparency for Argentina's federal, provincial and municipal sectors, and specifically requires, starting with the budget for the year ended December 31, 2005, each of the Argentine provinces and the City of Buenos Aires not to increase the amount of its total expenditures (excluding interest expense, expenditure items funded with financing from multilaterals and certain expenses in social infrastructure programs) by a percentage exceeding the projected percentage growth in Argentina's GDP as estimated by the federal government, to achieve balanced budgets and to ensure that its annual debt service does not exceed 15.0% of its current revenues (net of any transfers to municipalities). Failure to comply with the provisions of the Federal Fiscal Responsibility Law could result in the federal government denying authorization for the incurrence of debt by, or limiting the amount of discretionary transfers to, the breaching province. On December 29, 2010, the federal government issued Decree No. 2054/10, which extended the application of Law No. 26,530 (thereby suspending certain provisions of the Federal Fiscal Responsibility Law) through 2011. National budget laws for 2012, 2013, 2014, 2015 and 2016 extended this suspension to each of such years.

Additionally, the Federal Fiscal Responsibility Law created the *Consejo Federal de Responsabilidad Fiscal* (the "**Federal Council of Fiscal Responsibility**"), which is comprised of representatives from the federal and provincial governments and is responsible for controlling compliance by the provinces, the City of Buenos Aires and the Federal Government with the Federal Fiscal Responsibility Law. If the Federal Council of Fiscal Responsibility determines that the Province's budget does not comply with the currently applicable Sections of the Federal Fiscal Responsibility Law, the Province could be subject to the following sanctions: (i) disclosure of the situation in all websites of the provinces, of the City of Buenos Aires and the Federal Government, in a special section created for such occurrences; (ii) restriction of the right to vote in the Federal Council of Fiscal Responsibility; (iii) limitation on receiving guarantees from the Federal Government; and (iv) limitations on federal

transfers (other than federal tax transfers mandated by law, including the automatic co-participation sharing transfers). However, as of the date of this invitation memorandum, the Federal Council of Fiscal Responsibility has not imposed any sanction for failures to comply with the Federal Fiscal Responsibility Law.

In December 2017, the federal congress approved Law No. 27,428 which modified certain provisions of the Federal Fiscal Responsibility Law of 2004. The main changes were focused on tying the growth of expenses for each fiscal year to the fiscal result the prior year. Specifically, if the primary fiscal balance of any given year is negative, then, annual percentage growth of expenses (net of interest payments, public investment and transfers to municipalities) of the budget for the next year must not surpass the projected annual percentage growth of the Consumer Price Index (“CPI”), as published by the INDEC. In addition, the annual percentage change of public employees must not surpass the annual percentage growth of each province’s population as projected by INDEC. If the primary fiscal balance is positive in any given year, then the budget’s annual percentage growth of expenses must not surpass the greatest of (i) the projected annual percentage GDP growth and (ii) the projected CPI annual percentage growth, in each case, as published by INDEC. Most of the new restrictions were proposed by the Province during its term chairing the Federal Council of Fiscal Responsibility.

On December 22, 2004, the Provincial Legislature approved provincial Law No. 7,314 (“**Provincial Fiscal Responsibility Law**”) which ratifies and implements the provisions of the Federal Fiscal Responsibility Law and sets forth certain additional fiscal management requirements. Among other things, the Provincial Fiscal Responsibility Law requires the quarterly review of budgetary performance by the Province’s Audit Tribunal. It also requires the governor of the Province to allocate at least 50.0% of any excess of actual current revenues not specifically earmarked for a specific purpose over the budgeted amount of such revenues to the creation of a budget stabilization, or “countercyclical” fund. Such a fund must consist of liquid assets with an aggregate value not to exceed 2% of the Province’s GDP and must be used, after the creation of a provision in an amount equal to the monthly personnel expense of the Province, to repay the Province’s public debt or to compensate for temporary declines in revenues resulting from the Province experiencing recessionary macroeconomic conditions. The Provincial Fiscal Responsibility Law also establishes that any excess of the aggregate value of the assets of such countercyclical fund over an amount equal to 2% of the Province’s GDP must be used to repay the Province’s public debt and to fund public works. The Province believes it has substantially complied with the provisions of both the Federal Fiscal Responsibility Law and the Provincial Fiscal Responsibility Law in 2019. On June 12, 2018, the Provincial Legislature enacted Law No. 9,075, incorporating the amendments implemented by Law No. 27,428 to the Federal Fiscal Responsibility Law.

On December 21, 2005 the federal congress approved Law No. 26,075 (*Ley de Financiamiento Educativo* or “**Federal Education Financing Law**”) pursuant to which the federal government, all Argentine provinces and the City of Buenos Aires agreed to progressively increase the level of expenses in the education, science and technology sectors so that by 2010, the aggregate expenses per year in such sectors of the federal government, the provinces and the City of Buenos Aires would represent 6% of Argentina’s GDP. The Federal Education Financing Law provides that the federal government will be responsible for 40% of the additional expense required to meet such target while the provinces and the City of Buenos Aires will be responsible for the balance, and that the increase will be primarily used to increase the number and the salary level of teachers. In addition, the Federal Education Financing Law provides that 60% of any increase in the collection of taxes subject to co-participation arrangements by the federal government with respect to 2020 collections will be distributed among the provinces and the City of Buenos Aires pursuant to certain criteria (mainly number of registered students) to be used solely to fund the required increase in education expense. The federal government, through Law No 27,198, has extended the application of Article 7 of the Federal Education Financing Law. The Province believes the 2020 Budget is in substantial compliance with the provisions of the Federal Education Financing Law.

The Province’s Department of Finance prepares monthly and cumulative statements of actual revenues and expenditures based on information gathered by the Province’s general accounting office and information provided by the Province’s decentralized entities. Once the fiscal year has ended, the general accounting office and each of the decentralized entities prepare annual statements with the actual revenues and accrued expenditures for each budget item. These statements are required to be submitted by April 30 of the following year to the Province’s Auditing Tribunal for its approval. The Auditing Tribunal is composed of one lawyer and two accountants who are appointed by the governor with the Provincial Senate’s approval. Members of the Auditing Tribunal are appointed

for life-terms and may only be removed by impeachment proceedings. The Auditing Tribunal may comment on such reports within the following year.

In developing its annual budget, the Department of Finance allocates available revenues among the various provincial ministries in accordance with budgeting priorities established by the governor. After these allocations are agreed upon by the governor and his ministries, the actual spending authorizations for each government sector are developed by the appropriate ministry, subject to overall spending limits established by the administration. A single budget that consolidates the spending authorization of each ministry is then presented to the Provincial Legislature for approval.

2020 Budget Law

The 2020 budget bill was submitted to the Provincial Legislature in December 2019 and, in March 2020, the Provincial Legislature approved this budget pursuant to Law No. 9,219 (the “**2020 Budget Law**”).

The following table shows the 2020 budget, as compared to 2019 fiscal results.

2019 Fiscal Results vs. 2020 Budget

	<u>2019⁽¹⁾</u>	<u>2020⁽¹⁾</u>	<u>Variation</u>
	<i>(in millions of Ps.)</i>		
Current revenues			
Federal tax transfers	61,724	89,896	28,171
Co-participation payments	40,742	57,366	16,624
Other federal transfers	20,983	32,530	11,548
Federal non-tax revenues	2,188	1,275	(913)
Provincial tax revenues	39,181	57,052	17,871
Gross revenue tax	30,524	44,451	13,926
Stamp tax and court tax	3,895	5,651	1,756
Automobile tax	2,935	4,209	1,274
Real estate tax	1,658	2,432	774
Other provincial tax revenues	168	310	142
Provincial non-tax revenues	27,740	26,911	(828)
Royalties	7,939	10,375	2,437
Charges for services rendered	2,077	3,017	940
Transfers from Gaming Commission	261	400	139
Financial revenues	10,986	5,169	(6,926)
Other provincial non-tax revenues	6,477	7,950	2,581
Total current revenues	130,833	175,134	44,302
Current expenditures			
Personnel	68,495	92,131	23,636
Transfers to municipalities	19,651	28,386	8,735
Other transfers ⁽²⁾	17,346	19,669	2,323
Goods and services	16,138	22,240	6,103
Debt interest	9,635	8,164	(1,471)
Total current expenditures	131,265	170,591	39,325
Operating balance	(433)	4,544	4,976
Capital revenues			
Federal transfers for capital expenditures	892	5,300	4,408
Other capital revenues	665	1,055	390
Total capital revenues	1,558	6,355	4,798
Capital expenditures			
Real direct investment	10,884	6,903	(3,981)
Loans and capital contributions	855	5,596	4,741
Other transfers	2,106	1,838	(268)
Total capital expenditures	13,845	14,337	491
Total revenues	132,390	181,490	49,099
Total expenditures	145,111	184,927	39,816
Overall Balance	(12,720)	(3,438)	9,283

Note:

- (1) Figures are preliminary estimates.
- (2) Includes remittances to ATM and EMT.

Source: Department of Finance of the Province

Assumptions

The Province assumed a real decrease in the GDP of the Province of (1.7)% in 2020, driven primarily by a decrease in the national economy where commerce and industry would lead the downfall. The Province assumed

an increase in prices in 2020 of 34.2% (year-on-year), based on national budget projections and announcements by the president of the Central Bank. In respect of its oil royalty receipts, the Province assumed relatively constant production levels, an international oil price (WTI) 3.18% below the 2019 price according to the U.S Energy Information Administration (EIA) projection at the time and an exchange rate of U.S.\$1.00 to Ps. 67.11 for the calculation of its oil royalty receipts. The 2020 Budget includes the impact of a planned salary increase for all of the Province’s employees to come into effect in 2020, the cost of which increase has been estimated at Ps. 10.000 million, and the increase in the number of its employees resulting from the transfer of a large portion of its contracted personnel into permanent positions. However, most of these assumptions have become obsolete as a result of the outbreak of the COVID-19 pandemic.

The economic recession intensified since March 2020 due to the outbreak of COVID-19. Argentina and the Province have adopted several measures in response to the COVID-19 outbreak aimed at preventing mass contagion and overcrowding of Argentine health service facilities, as well as measures designated to limit the effects of the COVID-19 outbreak on the economy. See “The Provincial Economy—Measures Implemented by the federal government to Address the Outbreak of COVID-19” and “The Provincial Economy—Provincial Emergency Declaration.”

2020 compared to 2019

The following table shows the 2020 budget, as compared to 2019 fiscal results as a percentage of total revenues and expenditures.

2019 Fiscal Results vs. 2020 Budget (as a % of total revenues and expenditures)

	2019 ⁽¹⁾ Actual Full	2020 ⁽¹⁾ Budget	Variation ⁽²⁾
	(%)		
Current revenues			
Federal tax transfers	47%	50%	57%
Co-participation payments	31%	32%	34%
Other federal transfers.....	16%	18%	24%
Federal non-tax revenues	2%	1%	(2)%
Provincial tax revenues	30%	31%	36%
Gross revenues tax	23%	24%	28%
Stamp tax and court tax.....	3%	3%	4%
Automobile tax.....	2%	2%	3%
Real estate tax	1%	1%	2%
Other provincial tax revenues.....	0%	0%	0%
Provincial non-tax revenues	21%	15%	(2)%
Royalties	6%	6%	5%
Charges for services rendered	2%	2%	2%
Transfers from Gaming Commission	0%	0%	0%
Financial revenues.....	8%	3%	(12)%
Other non-tax revenues	5%	4%	3%
Total current revenues	99%	96%	90%
Current expenditures			
Personnel	47%	50%	59%
Transfers to municipalities.....	14%	15%	22%
Other transfers ⁽³⁾	12%	11%	6%
Goods and services	11%	12%	15%
Debt interest.....	7%	4%	(4)%
Total current expenditures	90%	92%	99%
Operating balance			
Capital revenues			
Federal transfers (Fondo Soja).....	—	—	—
Federal Transfers for capital expenditures	1%	3%	9%
Other capital revenues	1%	1%	1%
Total capital revenues	1%	4%	10%
Capital expenditures			
Real direct investment	8%	4%	(10)%
Loans and capital contributions	1%	3%	12%
Other transfers	1%	1%	(1)%
Total capital expenditures	10%	8%	1%
Total revenues	100%	100%	100%
Total expenditures	100%	100%	100%
Overall Balance⁽⁴⁾	(10)%	(2)%	19%

Notes:

- (1) Revenues and Overall Balance as a percentage of total revenues. Expenditures as a percentage of total expenditures.
- (2) 2019 actual full year minus 2020 budget, each as a % of total revenues and expenditures.
- (3) Includes remittances to ATM and EMT.

(4) Overall Balance as percentage of total revenues.

Source: Department of Finance of the Province

Current revenues

For 2020, the Province has budgeted Federal Co-Participation Regime payments, based on estimates of federal tax collections prepared by the federal government of Ps. 89,896 million, which represents a 46% increase compared to Ps. 61,724 million in 2019. Other federal transfers are budgeted to decrease by 42%, from Ps. 2,188 million in 2019 to Ps. 1,275 million in 2020 as a result of lower anticipated GDP growth.

Revenue from gross revenue tax in 2020 is budgeted to increase to Ps. 44,451 million, an increase of 46% compared to receipts of Ps. 30,524 million in 2019, mainly as a result of inflation adjustments and anticipated GDP growth.

Stamp tax collections are budgeted to increase to Ps. 5,651 million in 2020, an increase of 45% from 2019 tax collections of Ps. 3,895 million, mainly as a result of the projected increase in the amount of contracts subject to this tax, in line with the projected levels of economic activity and inflation.

Automobile tax collections are budgeted to increase to Ps. 4,209 million in 2020, an increase of 43% from 2019 collections of Ps. 2,935 million, in line with the projected growth in vehicle registrations in the Province and the price of vehicles.

The 2020 Budget estimates real estate tax collections of Ps. 2,432 million, a 47% increase from 2019 collections of Ps. 1,658 million, mainly as a result of adjustments to property valuations.

Other provincial tax revenues are budgeted to increase by 85% to Ps. 310 million in 2020 from Ps. 168 million in 2019, mainly as a result of inflation adjustments and anticipated GDP growth.

Income from royalties (mainly from oil concessionaires operating in the Province) is budgeted to increase to Ps. 10,375 million in 2020, a 31% increase from 2019 receipts of Ps. 7,939 million. The 2020 Budget assumed relatively constant production levels, an international oil price (WTI) 3.18% below the 2019 price according to the U.S Energy Information Administration (EIA) projection at the time and an exchange rate of U.S.\$1.00 to Ps 67.11.

Charges that the Province collects in relation to a number of services it provides, such as special security services provided by the police force, health services in its hospitals and the issuance of birth and death certificates, identity cards and marriage licenses, are budgeted for Ps. 3,017 million during 2020, a 45% increase from 2019 collections of Ps. 2,077 million, principally as a result of a projected increase in the demand for public health services.

Transfers from the Province's Gaming Commission are budgeted to increase by 53%, to Ps. 400 million in 2020, compared to 2019 receipts of Ps. 261 million, mainly as a result of inflation adjustments.

Income from financial revenues are budgeted to decrease by 53%, to Ps. 5,169 million in 2020 from Ps. 10,986 million, mainly as a result of a reduction of dividends paid on shares held by the Province.

Other provincial non-tax revenues principally include other financial income received by the Province, payments made by holders of concessions granted by the Province for the use of the Province's property (such as hotels) and non-tax related fines. Other non-tax revenues are budgeted to increase by 23% to Ps. 7,950 million in 2020 from Ps. 6,477 million collected in 2019, mainly as a result of increased utilities costs, including electricity and gas rates, which are expected to result in increased income for the Province.

Current expenditures

Personnel expenditure is budgeted to increase by 35% to Ps. 92,131 million in 2020 from Ps. 68,495 million in 2019, which is mainly the result of the implementation of salary increases effected through a decree of the Provincial Governor or agreements with provincial employees' unions, including the adjustment of outstanding payments corresponding to previous years.

A 32% increase in the amount of transfers from Ps. 36,998 million in 2019 to Ps. 48,055 million is budgeted for 2020, mainly as a result of an estimated increase in the amount of transfers to the Province's municipalities in line with the projected increase in the Province's revenues which are shared with its municipalities.

Purchase of goods and services is budgeted to increase by 38% to Ps. 22,241 million in 2020 from Ps. 16,138 million of expenditures in 2019, mainly as a result of inflation.

Interest expense is budgeted to decrease by 15% to Ps. 8,164 million in 2020 from Ps. 9,635 million spent in 2019, mainly as a result of the decrease in the Peso interest rate as compared to 2019. See "Public Sector Debt—Banco Nación."

Operating balance

The 2020 Budget provides for an operating surplus of Ps. 4,544 million, compared to a Ps. 433 million operating deficit in 2019.

Capital revenues

The 2020 Budget provides for an increase of 308% in capital revenues as compared to 2019, from Ps. 1,558 million to Ps. 6,355 million. This increase mainly reflects budgeted increases in all items corresponding to capital revenues, including an estimated growth of 494% in federal transfers for capital expenditures, and an estimated increase of 59% in other transfers.

Capital expenditures

For 2020, capital expenditures have been budgeted with a 4% increase, for Ps. 14,337 million over 2019 expenditures of Ps. 13,845 million. This increase is mainly due to the combined result of a 37% decrease in real direct investment, a 554% increase in loans and capital contributions and a 13% decrease in capital transfers.

Overall balance

The overall balance deficit for 2020 is projected to decrease by 73% as compared to 2019. This reduction mainly reflects a 37% growth in total revenues, partially offset by a 27% increase in total expenditures.

PUBLIC SECTOR DEBT

General

The Province satisfies its financing needs from a variety of sources. The Province's total indebtedness amounted to Ps. 73,073.39 million (equivalent to U.S.\$1,220.02 million) as of December 31, 2019, representing 55.2% of the Province's estimated total revenues in 2019.

As of December 31, 2019, the federal government held 32.7% of the Province's total indebtedness, including 15.0% held by Banco Nación, while 50.6% was held by local and international bondholders, 16.5% was held by multilateral credit organizations and the remaining 0.2% was held by international and other national banks. As of December 31, 2019, 23.5% of the Province's total indebtedness was denominated in pesos, and 60.1%, 15.0% and 1.4% were denominated in U.S. dollars, *Unidades de Valor Adquisitivo* (UVAs) and in ICC-adjusted pesos, respectively.

Evolution of Debt

The Province may only incur indebtedness after being authorized by a special two-thirds majority of each of the Provincial Senate and House of Deputies. The Province's direct indebtedness is commonly secured by Federal tax transfers and, in some cases, by oil and gas royalties. Moreover, certain loans from multilateral banks are passed from the federal government to the Province and the federal government remains responsible for servicing those loans even in the event of a failure by the Province to service those loans.

Since 2010, the Province has financed its capital expenditures and debt service payments partially through the incurrence of indebtedness with the federal government (principally, through specific programs such as the Provincial Development Fiduciary Fund and the Federal Trust Fund for Regional Infrastructure) while current expenditures were financed by loans and the local issuance of notes (such as loans secured with hydrocarbon royalties and debt instruments issued by the federal government through the Provincial Development Fiduciary Fund).

After the 2001 national economic crisis and the currency devaluation thereafter, service payments for all U.S. dollar-denominated loans of the Province held by banks were mandatorily converted into pesos at differential exchange rates ("pesified") and responsibility for such payments was transferred to the federal government. In exchange, the federal government, through the Provincial Development Fiduciary Fund, entered into a credit facility in favor of the Province. In addition, as part of the financial assistance policies implemented by the federal government at the time, the Province received advanced Federal Co-Participation Regime payments.

On October 28, 2004, the Province undertook an exchange offer to exchange its 10% Bonds that were issued in September 1997 and due 2007 ("**2007 Bonds**") for new notes due 2018 ("**2018 Bonds**"). Of the original U.S.\$250.0 million principal amount of the 2007 Bonds, U.S.\$230.6 million of the 2007 Bonds were exchanged into an equivalent principal amount of 2018 Bonds and U.S.\$8.8 million worth of 2007 Bonds were received and cancelled by the Province from taxpayers in settlement of their tax obligations. The remaining holders (U.S.\$10.6 million) did not participate in the exchange offer. In September 2018, the 2018 Bonds were paid in full. However, one of the holders who did not participate in the 2004 exchange offer filed a lawsuit in early 2017 before a New York court for U.S.\$7 million plus accrued interest. In August 2017, a federal judge denied the complaint on the grounds that the statute of limitations had run in 2011, which decision was appealed to the Court of Appeals of the Second Circuit of New York. In May 2019, such court of appeals decided that after the running of the statute of limitations, there is no legal basis to claim interest.

In 2007, 2008 and 2009, the Province refinanced a portion of its debt service payments through the federal government PAF program and paid the remaining portion with provincial revenues. Furthermore, in 2009, the Province borrowed Ps. 144.0 million from the federal government for capital expenditures and Ps. 450.0 million from Banco Nación to finance the 2009 deficit, which was a consequence of the 2008 sub-prime mortgage crisis. Both loans were due and fully repaid in 2014.

In 2010, the Province refinanced its indebtedness related to the federal government PAF program and the Provincial Development Fiduciary Fund with a new loan in an aggregate principal amount of Ps. 2,882.6 million granted under the *Programa Federal de Desendeudamiento de las Provincias Argentinas* (the "**Federal Debt Reduction Program**"). This loan accrued interest at 6.0% per annum. In August 2018, the Province executed an agreement with the federal government to cancel reciprocal debts, including this loan.

In 2016, the Province created a Treasury Bills Program (*Programa de Emisión de Letras del Tesoro*) pursuant to Law No. 8,706, which allows the Province to issue treasury bills (*letras del tesoro*). On February 16, 2016, the Province issued the first series of treasury bills in three different tranches for an aggregate amount of Ps. 215.9 million. All of the treasury bills issued by the Province have been fully repaid.

As part of the Province’s effort to reduce the Province’s floating debt, on February 22, 2016 the Province issued a Ps. 1,000.0 million bond (“**Suppliers Bond**”) for the purpose of restructuring part of its floating debt with suppliers through the incurrence of consolidated debt. The Suppliers Bond was payable in installments due every six months, starting one year from its issuance date and matured in 30 months. The Suppliers Bond accrues interest at the average rate published by the Central Bank based on a survey of financial institutions in Argentina regarding the nominal annual interest rate in peso-denominated time deposits of more than Ps.1.0 million from 30 to 35 days (“**BADLAR**”). As of the date of this invitation memorandum, the Suppliers Bond has been fully repaid. See “—Description of Consolidated Indebtedness—Securities—Interest Bonds (PMG25)”.

Similarly, in May 2016 another bond for Ps. 998.98 million (“**Suppliers Bond II**”) was issued. The Suppliers Bond II was payable in installments due every six months, starting one year from its issuance date and matured in 30 months. As of the date of this invitation memorandum, the Suppliers Bond II has been fully repaid. See “—Description of Consolidated Indebtedness—Securities—Interest Bonds (PMG25)”.

On May 12, 2016, the Province issued its U.S.\$500 million 8.375% notes due 2024 in the international capital markets (the “**Notes due 2024**”) mainly to fund certain social, infrastructure and other public investment projects and to improve the debt maturity profile of the Province. An additional U.S.\$90 million of Notes due 2024 were issued by the Province on January 30, 2018. As of December 31, 2019, the principal amount outstanding under the Notes due 2024 was U.S.\$529.96 million and the balance was held by the Province. All outstanding Notes due 2024 are the subject of the transaction contemplated in this invitation memorandum.

On June 9, 2017, the Province issued its Ps. 5,218.75 million Local 2021 Notes to fund certain infrastructure projects and for debt service purposes. The principal on the Bonds due 2021 matures in a single payment on June 9, 2021 and accrues interest at the BADLAR rate plus an applicable margin of 437.5 bps. As of December 31, 2019, the principal amount outstanding under the Bonds due 2021 was Ps. 5,218.75 million (equivalent to U.S.\$87.13 million).

Description of Consolidated Indebtedness

The following table sets out the public consolidated debt position of the Province as of December 31 of each of the years indicated below in pesos and a convenience currency translation into U.S. dollars as of December 31, 2019.

	Consolidated Indebtedness ⁽¹⁾					Millions of U.S.\$ ⁽²⁾
	2015	2016	2017	2018	2019	
	<i>Millions of Ps.</i>					
Federal government						
Federal debt reduction program	2,352.16	2,524.18	2,687.19	-	-	-
Federal Trust Fund for Regional Infrastructure	502.83	595.81	591.20	803.93	994.79	16.61
Advance of co-participation ANSES	-	980.82	899.08	-	-	-
Provincial Development Trust Fund	-	-	-	4,000.00	6,769.86	113.03
Others	234.14	467.68	481.57	413.37	336.54	5.62
Subtotal	3,089.12	5,747.49	6,623.72	8,129.61	12,928.65	215.86
Banco Nación						
Direct credits	4,869.18	4,771.78	5,742.70	6,827.68	10,955.32	182.91

As only bondholder of Nacion Fideicomisos Trusts	300.00	200.00	-	-	-	-
Others						
Subtotal	5,169.18	4,971.78	5,742.70	6,827.68	10,955.32	182.91
Commercial banks and financial institutions						
Local banks	15.33	-	-	-	-	-
International banks	681.19	655.95	103.03	148.21	140.87	2.35
Subtotal	696.52	655.95	103.03	148.21	140.87	2.35
Multilaterals						
IADB	2,379.70	2,799.26	3,312.69	6,503.04	9,809.04	163.77
IBRD	618.28	711.43	823.09	1,505.89	2,236.53	37.34
Subtotal	2,997.98	3,510.69	4,135.78	8,008.93	12,045.57	201.11
Securities						
Bonds - Local	1,744.57	2,589.45	6,622.59	5,218.75	5,261.03	87.84
Bonds - International	892.65	8,668.02	9,839.11	19,728.48	31,741.95	529.96
Subtotal	2,637.22	11,257.46	16,461.69	24,947.24	37,002.98	617.80
Total	14,590.03	26,143.37	33,066.92	48,061.67	73,073.39	1,220.02

Notes:

(1) In addition to its consolidated indebtedness, the Province has non-consolidated liabilities mainly comprising its “floating debt.” This debt accounts for working capital and includes short-term liabilities incurred mostly with suppliers. As of December 31, 2019, the Province’s estimated “floating debt” amounted to Ps. 9,439.51 million. See “Public Debt—Description of Non-Consolidated Indebtedness.”

(2) Ps. 59.895 = U.S.\$1.00.

Source: Department of Finance of the Province

Federal government

2019 FFDP Refinancing

In October 2019, the federal government implemented, through the Trust Fund for Provincial Development (“**FFDP**”), the “Reprofiling of Provincial Debts” line to increase the availability of resources of the provinces and adapt the emerging services according to actual payment possibilities. The refinancing of the balance of debt was convenient from the point of view of public finances, generating financial relief as a result of the 18-month grace period set for the payment of interest and the 30-month grace period set for the payment of the principal. Ps. 6,500 million were refinanced including the balance as October 31, 2019 under the agreements executed in November 2017 (Ps. 2,500 million) and November 2018 (Ps. 4,000 million). A fixed rate of 25% nominal annual was agreed and the services are secured with resources from the Federal Tax Co-participation Regime. The principal amount outstanding under the FFDP was Ps. 6,769.86 million as of December 31, 2019.

ANSES (2016-2019)

These loans originate from the “Agreement between the Ministry of the Interior, Public Works and Housing and the province of Mendoza for the granting of the loan with resources from the sustainability guarantee fund of the Argentine integrated pension system (FGS)”. Such agreement began to be perfected on August 2, 2016, when the federal government and the Provinces finally agreed on the staggered return of the retention of the co-participation funds that the National Social Security Administration (ANSES) applied with respect to the provinces. The agreement established the gradual reduction in the ANSES withholding in a staggered manner beginning with 3% in 2016, 6% in 2017, 9% in 2018, 12% in 2019 and 15% in 2020. In addition, the agreement established the granting of four loans disbursed in 2016, 2017, 2018 and 2019.

The amount of the loans was directly related to the amount of the withholding elimination. For 2016, the amount lent was Ps. 1,179 million corresponding to 6% of the volume of co-participation funds that correspond to the Province. In 2017, the amount lent was Ps. 785 million corresponding to 3% of the volume of co-participation funds that correspond to the Province. In 2018, the amount lent was Ps. 947 million corresponding to 3% of the volume of co-participation funds that correspond to the Province. Finally, in 2019 the amount lent was Ps. 1,915 million, corresponding to 3% of the volume of co-participation funds that correspond to the Province. The loans have a term of four years, are fully amortized at maturity (bullet) and accrue interest at BADLAR with an annual cap of 15% until 2017 and 12% for 2018 and 2019. The principal amount outstanding under these loans amounted to Ps. 4,827.45 million as of December 31, 2019.

ANSES Régimen Policial

In August 2016, the Province agreed with the federal government to extend with effect as from January 1, 2016 and through December 31, 2016, the effectiveness of the financing of the monthly, personal and complementary allowance created by the Province in October 2007 for provincial retirees and pensioners who were transferred from the Social Security System of the Province of Mendoza to the federal government in early 1996.

In October 2007, the Province established a monthly, personal and complementary allowance for the provincial retirees and pensioners who were transferred from the Social Security System of the Province of Mendoza to the federal government in early 1996. This allocation was calculated by the Province taking into account the difference between the amounts of the social security benefits due by ANSES and the calculation of the same according to the regulations in force at the time the benefits were granted. For this purpose, the Province created a solidarity fund, with charges to the provincial budget, to pay for expenses deriving from the agreement with the ANSES. This agreement was extended successively until December 2013. In addition, given its support nature, ANSES extended such payments during 2014. In August 2016, the Province agreed with the federal government to extend with effect as from January 1, 2016 through December 31, 2016, the financing of the monthly, personal and complementary allowance and it was agreed to reconcile the debt caused by the failure to integrate the solidarity fund and higher costs of around Ps. 289.27 million. A repayment term of 6 years with a 1-year grace period was established, with increasing amortization installments and an annual interest rate of 11.41%. The outstanding principal amount under this financing was Ps. 195.74 million as of December 31, 2019.

Federal Trust Fund for Regional Infrastructure

In 1997, the federal government created the Federal Trust Fund for Regional Infrastructure (*Fondo Fiduciario Federal de Infraestructura Regional*) to finance provincial infrastructure projects and other public

works to promote regional economic development and increase national economic productivity. The outstanding principal under this program was Ps. 994.79 million (equivalent to U.S.\$16.61 million) as of December 31, 2019.

The Province entered into the following loan facilities with the Federal Trust Fund for Regional Infrastructure, all of which are secured by the Province's right to receive Federal Co-Participation Regime transfers from the federal government:

- Strategic Plan for Public Road Construction (*Plan Estratégico de Obras Públicas Viales*- FFFIR Ley 8066). This facility was entered into in October 2009 for an aggregate principal amount of Ps. 80.0 million. Under the terms of the facility agreement, principal is adjusted by the construction cost index published by INDEC, its repayment is due in 120 monthly installments, including a 12-month grace period and it accrues interest at a rate equal to the greater of the interest rate on ten-year U.S. treasury bonds plus 370 basis points or LIBOR plus 370 basis points. The outstanding principal of the loan was Ps. 42.78 million as of December 31, 2019.
- School Buildings' Restoration, Expansion and Construction Plan (*Plan de Recuperación, Ampliación y Construcción de Edificios Escolares*- FFFIR Ley 8067). This facility was entered into in November 2009 for an aggregate principal amount of Ps. 27.5 million. Under the terms of the facility agreement, principal is adjusted by the construction cost index published by INDEC, its repayment is due in 120 monthly installments, including a 12-month grace period, and it accrues interest at a rate equal to the greater of the interest rate on ten-year U.S. treasury bonds plus 370 basis points or LIBOR plus 370 basis points. The outstanding principal of the loan was Ps. 28.98 million as of December 31, 2019.
- National Highway No. 40 Luján - Tunuyán (*Construcción Doble Vía Ruta Nacional No. 40 – Luján-Tunuyán*). This facility was entered into in two stages, in January 2010 (FFFIR Ley 7884) and in March 2014 (FFFIR Ley 8530), for an aggregate principal amount of Ps. 278.8 million. Under the terms of the agreement, principal is adjusted by the construction cost index published by INDEC, its repayment (for each stage) is due in 120 monthly installments, including a 24-month grace period, and accrues interest at a rate equal to the greater of the interest rate on ten-year U.S. treasury bonds plus 370 basis points or LIBOR plus 370 basis points. The outstanding principal of the loan was Ps. 500.74 million as of December 31, 2019.
- *Repavement of Av. Boulogne Sur Mer and Pedro Molina in the City of Mendoza and Av. Perón in Godoy Cruz*. Two credit extensions were negotiated under the Strategic Plan for Public Road Construction. Disbursements were made partially and according to a maximum monthly amount, in accordance with the provisions of the investment and works plan of each project and based on certificates of work. The first increase amounted to Ps. 40 million (FFFIR Ley 8066 Ampliación) ("**Tranche 1**"), while the second amounted to Ps. 416.17 million (FFFIR Ley 8930) ("**Tranche 2**"). There are no pending disbursements. Under the terms of the agreement, the principal is adjusted according to the construction cost index published by INDEC and accrues interest at a rate equal to the higher of the interest rate of ten-year US Treasury bonds plus a 370 basis points margin and 12-month LIBOR plus a 370 basis points margin. The repayment of Tranche 1 is due in 96 monthly installments, including a 9-month grace period. The principal outstanding of Tranche as of December 31, 2019, was Ps. 376.83 million. The repayment of Tranche 2 is due in 96 monthly installments, including a 12-month grace period. The principal outstanding of Tranche 2 was Ps. 45.46 million as of December 31, 2019.

Banco Nación

November 2018

In October 2018, Banco Nación granted the Province a loan for a principal amount of Ps. 1,200 million, which were agreed to be disbursed in two tranches up to the amount of Ps. 600 million each. The first loan from Banco Nación was received in November 2018 and the second one in March 2019, intended for the execution of the public works plan, acquisition of equipment or other capital goods. The loans were agreed in UVAs, as a result of which the Ps. 6,899,436 million translated into UVA 237.24 million. A 60-month term was established, including a 12-month grace period for amortization, expired in November 2019, where the amount of each installment will be the Peso-equivalent of the amount of UVA owed at the time of each of the maturities, calculated at the UVA rate applicable on the date on which the payment is made, published by the Central Bank.

The loans accrue interest monthly at an annual rate of 5% and are secured with resources from the Federal Tax Co-participation Regime. The consolidated principal amount outstanding of these loans was UVA 232.3 million, or Ps. 10,955.32 million, as of December 31, 2019. The Province engaged in negotiations with Banco Nación to refinance these loans and in May 2020, Banco Nación announced that it would be willing to refinance the outstanding debt of the Province.

International and Other National Banks

BICE Purchase of Helicopters

In 2014, the Province called for bids for the financing of the acquisition of a bi-motor helicopter, to be used by the Province's police force, which was awarded in December of 2014. Throughout 2015, the Province unsuccessfully attempted to seek financing to pay for the helicopter. On June 15, 2016, Banco BICE, a development bank wholly-owned by the federal government, granted the Province a loan of U.S.\$7.84 million (80% of total purchase price), with a term of five years and a rate of interest of six month-LIBOR plus a 350 basis points margin. The Province secured its obligations with transfers to which it is entitled in accordance with the Federal Co-Participation Regime. The outstanding principal of this loan was U.S.\$2.35 million as of December 31, 2019.

Multilaterals

International Bank for Reconstruction and Development and Inter-American Development Bank

The Province has received four indirect loans from the International Bank for Reconstruction and Development (“**IBRD**”) and eight indirect loans from the Inter-American Development Bank (“**IDB**”). These loans are made to the federal government, which has in turn allocated a portion of them to the Province on identical financial terms. The federal government guarantees the payment of principal and interest on these loans and, if payment is made under its guarantee, it has the right to withhold from the Federal Co-Participation Regime payments made to the Province in an amount sufficient to reimburse the federal government for its guarantee payment. Rates of interest on these loans are three month-LIBOR plus a margin established by the IDB. Interest rates on these loans range from 2.7% to 5.3% per annum.

The amount of loans with the IBRD as of December 31, 2019 totaled U.S.\$37.34 million, with the 7597 PROSAP loan, maturing in September 2038, being the largest at U.S.\$33.98 million. The loans 7352 PDP III and 7385 Municipalities mature at the end of 2020 for a total amount of U.S.\$2.28 million. Their proceeds have allowed the Province to finance several infrastructure projects, mainly for water treatment and management and, agricultural development projects, among others.

The funds obtained from the IDB have been used by the Province to finance rural infrastructure, agricultural development projects and water management projects. The principal outstanding amount was U.S.\$163.77 million as of December 31, 2019, and U.S.\$8.08 million were pending disbursement under the 3806 PROSAP loan. The largest loans, representing in the aggregate 53.4% of the total IDB loan, are the 2573 PROSAP and the 1956 PROSAP accounting for U.S.\$48.48 million and U.S.\$39.04 million, respectively. The maturity profile of the IDB loans runs from 2022 to 2042.

In addition, on August 24, 2005, the Province entered into a direct credit facility with the IDB for U.S.\$70 million (*1640 Programa Mendoza Productiva*), maturing in August 2025 and accruing interest at three-month LIBOR plus a margin established by the IDB, reflecting IDB's estimated cost of raising U.S. dollar funds (the current margin has remained stable since 2018 at 0.8%). In accordance with its terms, the loan was granted directly to the Province. In addition, the obligations of the Province are fully guaranteed by the federal government. The loan was requested to finance several programs focused on the productive development and competitiveness of various clusters in the Province, mainly in the tourism and agricultural sectors. The main financed project was the construction of a new road around the lake formed by the Potrerillos dam and the integration of a tourist circuit around it. As of December 31, 2019, the outstanding principal amount under this loan was U.S.\$29.22 million.

In February 2015, the Province entered into a second direct credit facility with the IDB for U.S.\$50 million (*3169 Programa Mendoza Tecnológica*), maturing in February 2040, with a five and a half year grace period and accruing interest at three month LIBOR plus a margin established by the IDB, reflecting IDB's estimated cost of raising U.S. dollar funds (the current margin has remained stable since 2018 at 0.8%). The funds

received were used to finance the construction of a tunnel on Route 82, connecting Cacheuta and Potrerillos, and for other infrastructure projects, including the construction of a biotechnology and renewable energy park on a four-hectare property owned by the University of Cuyo. As of December 31, 2019, the outstanding principal amount under this loan was U.S.\$31.65 million, and U.S.\$18.35 million were pending disbursement.

All the repayments of the aforementioned loans are secured with the funds derived from the Federal Co-participation Regime.

Securities

Reopening of Notes due 2024 (Prison Bond)

In January 2018, additional Notes due 2024 were issued for U.S.\$90 million to cover the costs incurred in the construction of the provincial prison complex “Almafuerte II”. U.S.\$29.96 million have been delivered directly to the builder as payment for the ongoing construction. The balance is held by the Province. All outstanding Notes due 2024 are the subject of the transaction contemplated in this invitation memorandum.

Interest Bonds (PMG25)

The Interest Bonds were issued to cancel the floating debt existing at the end of 2015. Its origin dates back to the issuance in February and May 2016 of the Suppliers Bonds and the Suppliers Bonds II, which were used for repayment of principal of the floating debt. For suppliers to receive the Interest Bonds, they had to comply with a procedure to verify their credits originated in obligations of cause or title prior to December 31, 2015. In model agreements for the cancellation of obligations I and II, the supplier waived any interest that could apply over the amount due for late payment; only in model agreement III, the suppliers who signed it were recognized the interest accrued on the amounts owed between the due date and February 22, 2016. As of February 23, 2016, the amount resulting from the calculation above bore interest at the same rate as that under the debt cancellation bonds issued on February 22, 2016. The determined amount would be cancelled through the delivery of bonds.

The Interest Bonds were issued on January 22, 2019 for Ps. 400 million, maturing in August 2025, with a 1-year grace period for amortization of principal. The interest rate is derived from the BADLAR rate. As of December 31, 2019, Ps. 42.27 million have been delivered, with the difference remaining in the Province's portfolio.

Debt service

The Fiscal Responsibility Law establishes that no more than 15% per year of the current income net of the municipal co-participation can be applied to the payment of debt service (principal and interest), an indicator that constitutes a good measure of the repayment capacity of the Province. This ratio has remained relatively stable, from 13.0% in 2016 to 13.35% in 2018, and falling to 9.8% in 2019, as a result of the refinancing of loans with the FFDP.

According to a preliminary estimate of nominal *Producto Bruto Geográfico* (GDP) the debt/GDP ratio for the Province was approximately 12.11% in 2019. This ratio has remained relatively constant over the past four years, with an increase of 2.97 percentage points over 2015, as a result of the process of regularization and consolidation of unpaid commitments carried over as from December 10, 2015. The Province's revenues are mostly denominated in pesos, except for oil royalties which are denominated in US dollars and are set by reference to international oil prices (in 2019, they represented 6% of total revenues). For this reason, the Province is exposed to the risk of a further devaluation of the peso, as well as an acceleration of inflation, since 16.4% of the debt stock of the Province at the end of 2019 was adjusted according to the evolution of price indexes (CPI and CCI) and, indirectly, through the effect of inflation on the BADLAR rate. The Province's revenues do not correlate perfectly with inflation, except for revenues from the gross income tax and transfers from the Federal Co-participation Regime, which tend to increase in line with increases in general price levels.

The following table sets forth the amortization schedule for principal payments on the Province's public sector debt outstanding as of December 31, 2019.

Debt Amortization Schedule ⁽¹⁾

	Consolidated Indebtedness by type of currency			Debt outstanding as of December 31																	
	2019			2020			2021			2022			2023			2024			After (2025-2042)		
	<i>(in millions)</i>																				
	Ps	U.S.\$	UVA	Ps	U.S.\$	UVA	Ps	U.S.\$	UVA	Ps	U.S.\$	UVA	Ps	U.S.\$	UVA	Ps	U.S.\$	UVA	Ps	U.S.\$	UVA
Federal government	12.928,65			1.544,80			1.044,77			4.190,29			5.857,73			168,01			123,06		
Banco Nación ⁽²⁾			232,30			59,31			59,31			59,31			54,37			0,00			0,00
Commercial banks and financial institutions		2,35			1,57			0,78			0,00			0,00			0,00			0,00	
Multilaterals		201,14			16,88			15,39			15,28			15,14			15,08			123,36	
Bondholders	5.261,03	529,96		7,04	0,00		5.225,80	0,00		7,04	176,64		7,04	176,64		7,04	176,69		7,06	0,00	
Total	18.189,68	733,45	232,30	1.551,84	18,45	59,31	6.270,57	16,18	59,31	4.197,33	191,92	59,31	5.864,77	191,78	54,37	175,05	191,76	0,00	130,12	123,36	0,00

Notes:

(1) Debt with original maturity of more than one year. Includes scheduled payments on pending debt.

Source: Public Debt Monitoring Unit of the Province

Pledge of Federal Tax Transfers

The Province has pledged part of its Federal Co-Participation Regime transfers to secure its obligations under certain of its outstanding indebtedness. Pursuant to these security arrangements, the federal government, acting through Banco Nación, is entitled to withhold a portion of the Province's Federal Co-Participation Regime transfers to cover principal and interest payments on the secured debt.

The following table sets forth the amount of Federal Co-Participation Regime transfers withheld to cover provincial debt service payments for the years 2016 to 2019.

	Federal Co-Participation Regime			
	2016	2017	2018	2019
	<i>(Millions of Ps.)</i>			
Federal Co-Participation Regime	17,990.05	24,465.39	33,641.52	49,889.39
Withholdings				
Federal Government	485.00	735.80	1,711.56	3,730.48
Banco Nación	1,746.03	1,980.88	1,656.26	670.56
Other Banks	14.72	30.94	52.31	86.42
Multilaterals	366.42	421.45	763.28	1,115.67
Bondholders	1,159.53	1,186.27	2,774.69	2,848.42
Total	3,771.70	4,355.34	6,958.10	8,451.55
Percentage Withheld	21.0%	17.8%	20.7%	16.9%

Source: Department of Finance of the Province.

Description of Non-Consolidated Indebtedness

In addition to its consolidated indebtedness, the Province also has certain non-consolidated liabilities.

The main item of non-consolidated liabilities is comprised by the “floating debt” of the Province, which accounts for working capital and includes short-term liabilities incurred with suppliers, employees, the federal government’s pension funds administrator and municipalities. The Province calculates its floating debt as the difference between the aggregate amount of payment orders issued by the Province and the amount of those orders that have been paid at a certain point in time, such that it includes amounts corresponding to orders that would be paid during the ordinary payment period (30 days from receipt of an invoice meeting all legal requirements).

As of December 31, 2015, the Province’s floating debt was Ps. 4,751 million. In 2016, floating debt, totaled Ps. 2,713 million, principally due to the re-establishment of the payment chain. In 2017, lower provincial income resulted in a relatively small increase in provincial floating debt, which totaled Ps. 3,051.19 million as of December 31, 2017, representing an increase of 12.5% when compared to December 31, 2016, a year-on-year increase lower than the inflation rate for 2017. Floating debt as of December 31, 2018 was Ps. 5,907.52 million, reflecting again an increase of provincial floating debt at a rate higher than inflation for the same period. As of December 31, 2019, the Province’s estimated floating debt was Ps. 9,439.51million, which represents an increase of 60% compared to 2018. This increase is the result of lower provincial income when compared to the inflation rate for 2019.

Contingencies

Although the liability of the Province for the indebtedness of its municipalities has not been explicitly defined under the laws of Argentina or the Province, a ruling by the Province’s supreme court has stated that the

Province's municipalities are "*entidades autárquicas*," which is generally understood to mean that the Province has an indirect and subsidiary liability for the municipalities' debt, although the Province has never been required to pay a debt of a municipality. Furthermore, the Province has allowed certain of its municipalities to grant a percentage of the Federal Co-Participation Regime payments to which each such municipality is entitled, pursuant to the provincial participation law as collateral for the obligations of each such municipality with commercial banks. The Province estimates the principal amount of indebtedness of municipalities secured by such a pledge was approximately Ps. 1,593.49 million as of December 31, 2019 mainly from IADB. The federal government has also included the debt of Argentine municipalities with commercial banks in the renegotiation process handled by the Provincial Development Fiduciary Fund, and as a result, the terms of the debts of the Province's municipalities have been renegotiated on substantially the same terms as the Province's own debt with commercial banks.

The Province has also assumed the liabilities of its municipalities and autonomous entities in relation to pension contributions for their employees. The Province has authorized the federal government to withhold from the Federal Co-Participation Regime payments to the Province all amounts required to be paid under any of the commitments mentioned in this paragraph, as well as in relation to its own obligations in connection with pension contributions for the Province's employees.

In addition, the Province can be held liable for the obligations of certain other autonomous entities. This liability, however, is an indirect and subsidiary obligation of the Province that would require a party to exhaust all legal remedies against the relevant entity before requesting payment from the Province. See "Provincial Entities."

Litigation

The Province is involved in several proceedings arising in the ordinary course of its activities, including litigation with employees relating to labor claims. The aggregate amount claimed by plaintiffs in the three largest of such proceedings is approximately Ps. 85 million (equivalent to U.S.\$1.4 million as of December 31, 2019). The Province believes that none of any such proceedings are material.

In addition, in at least two International Centre for Settlement of Investment Disputes ("**ICSID**") arbitration proceedings, the Republic of Argentina has been found liable for damages in final non-appealable awards. The Province may be asked by the federal government to reimburse amounts paid by it with respect to any of these awards or the settlement thereof, on terms to be mutually agreed to by the Province and the federal government. As of the date of this invitation memorandum, the federal government has not requested the reimbursement of any such awards. On February 6, 2016, an ICSID ad-hoc committee decided against the annulment petition presented by the federal government in respect of the original award by the ICSID arbitration panel against Argentina in this proceeding. The award granted claimants U.S.\$136.1 million with interest compounded annually at the rate for 10-year U.S. Treasury Bonds from December 31, 2001, until full payment of the award is satisfied. The Province may be asked by the federal government to reimburse amounts paid by it in respect of this award or the settlement thereof, on terms to be mutually agreed to by the Province and the federal government.

Cash Management

Banco Nación is the Province's financial agent, responsible for the payment of salaries and the collection of taxes (on a non-exclusive basis). The Province and its autonomous entities (including, for these purposes, virtually every school and hospital) have approximately 1,800 bank accounts, all of them with Banco Nación. Banco Nación does not provide any overdraft facility to the Province, although it does allow for certain bank accounts that are managed by the Province's treasurer to hold negative balances as long as the overall balance of all of the Province's accounts is positive.

TERMS OF THE INVITATION

General

We hereby invite Eligible Holders to deliver Tender Orders to exchange their Existing Notes for New Notes on the terms and subject to the conditions described herein. Each Holder that submits (and does not revoke) Tender Orders thereby also consents to the actions as proposed in this Invitation, including to authorize and direct the Trustee to enter into the Supplemental Indenture in order to give effect to the Proposed Modifications and to modify or modify and exchange, as the case may be, any Existing Notes that remain outstanding after giving effect to the Exchange Offer.

The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction. Unless they are registered, the New Notes may be offered only in transactions that are exempt from registration under the Securities Act or the securities law of any other jurisdiction. Accordingly, the Invitation is being directed only to: (A) a “qualified institutional buyer” as defined in Rule 144A under the Securities Act or (B) (x) outside the United States in reliance on Regulation S under the Securities Act, (y) if located within a member state of the European Economic Area or in the United Kingdom, a “qualified investor” as defined in the Prospectus Regulation and (z) if outside the EEA or the UK, is eligible to receive this offer under the laws of its jurisdiction. For further details about eligible offerees and resale restrictions, see “Jurisdictional Restrictions” and “Transfer Restrictions.”

This invitation memorandum is being provided to Holders of the Existing Notes in connection with their consideration of the matters set forth herein. Each Holder delivering Tender Orders will represent and warrant that it (i) has full power and authority to deliver such Tender Order, (ii) has not relied on the Trustee, the Luxembourg Listing Agent, the Dealer Managers, the Information, Tabulation and Exchange Agent or any of their respective affiliates in connection with its investigation of the accuracy of the information contained in this invitation memorandum, (iii) is not a Holder whose written consents are required to be disregarded pursuant to the definition of Outstanding herein (iv) acknowledges that the information contained in this invitation memorandum has not been independently verified by the Trustee, the Luxembourg Listing Agent, the Dealer Managers or the Information, Tabulation and Exchange Agent and has been provided by us and other sources that we deem reliable, and (v) makes the representations and acknowledgements described under “Representations and Acknowledgements of the Holders of the Existing Notes” herein. Use of this invitation memorandum for any other purpose is not authorized.

This invitation memorandum describes the possible effects of and procedures for delivering and revoking Tender Orders. Please read it carefully. See “Tender Procedures” for information on the procedures.

Other than the Consent Payment, if applicable, holders who submit valid Tender Orders that are accepted pursuant to the Invitation or whose Existing Notes are amended and exchanged will not be entitled to receive any cash payment or additional consideration for any interest accrued and unpaid on any Existing Notes that are exchanged for New Notes or modified and exchanged for New Notes pursuant to the Invitation.

Purpose of the Invitation

The purpose of the Invitation is to achieve a sustainable debt profile for the Province.

Consideration to Be Received Pursuant to Tender Orders

As described in detail below, for accepted tenders of Existing Notes, you will receive on the Settlement Date: for each U.S.\$1,000 principal amount of the Existing Notes, (i) U.S.\$1,000 principal amount of New Notes.

In addition, we will pay the Consent Payment to holders who validly tender (and not validly revoke) their Existing Notes at any time prior to the Consent Payment Eligibility Deadline. See “Consent Payment”.

You will not receive payment of any accrued and unpaid interest on your tendered Existing Notes. We will settle Existing Notes accepted for exchange in the Exchange Offer for which the conditions to the Invitation, as applicable, have been satisfied or waived on the Settlement Date.

For the avoidance of doubt, if you deliver a Tender Order accepted for exchange in the Exchange Offer for which the conditions to the Invitation, as applicable, have been satisfied or waived on the Settlement Date, you will receive New Notes even if the Proposed Modifications are not successful.

Consent Payment

Holders whose Existing Notes are validly tendered at any time prior to the Consent Payment Eligibility Deadline, not validly revoked by the Revocation Deadline and accepted by us in the Exchange Offer, will be eligible to receive a Consent Payment in an amount equal to U.S.\$41.88 for each U.S.\$1,000 principal amount of Existing Notes. The Province reserves its right to further extend the Expiration without extending the Consent Payment Eligibility Deadline. Holders who have previously validly tendered (and do not revoke) their Existing Notes pursuant to the original Invitation will, and do not need to re-tender their Existing Notes to, be eligible to receive the Consent Payment.

For the avoidance of doubt, if you do not deliver a Tender Order at any time prior to the Consent Payment Eligibility Deadline accepted for exchange in the Exchange Offer for which the conditions to the Invitation, as applicable, have been satisfied or waived on the Settlement Date, you will not receive the Consent Payment, even if the Proposed Modifications are successful and your Existing Notes are modified or modified and exchanged for New Notes, as the case may be, pursuant to the Invitation. The Province reserves, in its sole discretion, the right to reject any and all Tender Orders (including accompanying consents).

We will pay any Consent Payment on the Settlement Date. The right to receive the Consent Payment is not transferable. By submitting its Tender Order, each holder appoints the Information and Tabulation Agent (with full knowledge that the Information and Tabulation Agent is acting as the Province's agent in connection with the Invitation), to receive or arrange the delivery of the Consent Payment on such holder's behalf with respect to the principal amount of Existing Notes owned by such holder.

Proposed Modifications

In connection with the Exchange Offer, we are soliciting written consents from Holders to the Proposed Modifications. If you deliver a Tender Order for Existing Notes, you are also giving us your written consent to the Proposed Modifications with respect to any Existing Notes that are not tendered for exchange in the Exchange Offer and authorizing and directing the Trustee, on behalf of all holders of Existing Notes:

- (i) if the Requisite 50% Consent is obtained, to modify the Existing Notes as follows (collectively, the "**Proposed 50% Modifications**"):
 - deleting Section 4 (Negative Pledge) of the Terms and Conditions of the Existing Notes (excluding the definitions of "Indebtedness" and "Provincial Agency" which shall be added to Section 6); and
 - deleting Section 5 (Interest Coverage) of the Terms and Conditions of the Existing Notes;
- (ii) if the Requisite 75% Consent is obtained, to modify and exchange all Existing Notes at the rate of U.S.\$1,000 principal amount of New Notes for each U.S.\$1,000 principal amount of Existing Notes (the "**Proposed 75% Modifications**").

The Proposed Modifications constitute a single proposal and if you deliver a Tender Order you are consenting to us and the Trustee giving effect to either the Proposed 75% Modifications or the Proposed 50% Modifications. If we obtain the Requisite 75% Consent and the other applicable conditions to the effectiveness of the Proposed Modifications are satisfied or waived, then the Proposed 75% Modifications will become effective. If we obtain the Requisite 50% Consent but not the Requisite 75% Consent, and the other applicable conditions to the effectiveness of the Proposed Modifications are satisfied or waived, then the Proposed 50% Modifications will become effective. If we do not obtain the Requisite 50% Consent, the Existing Notes will not be modified.

Even if the Proposed Modifications are not effected, any Existing Notes tendered pursuant to a Tender Order may nevertheless, in the sole discretion of the Province, be accepted for exchange in the Exchange Offer and exchanged for New Notes.

If (i) you do not tender your Existing Notes prior to the Expiration, if you revoke your Tender Order prior to the Revocation Deadline or if you are an Ineligible Holder, and (ii) the Proposed 75% Modifications are effected, you will receive on the Settlement Date for each U.S.\$1,000 principal amount of the Existing Notes, U.S.\$1,000 principal amount of the New Notes, but no Consent Payment.

If your Existing Notes are not tendered and accepted in the Exchange Offer and the Proposed Modifications are not effected, you will retain your Existing Notes.

Any New Notes will be issued under the Indenture. You will not be entitled to receive payment of any accrued and unpaid interest on your Existing Notes that are exchanged for New Notes.

The relevant Proposed Modifications will take effect for all Existing Notes only if the applicable Requisite Consents, as described under “—Requisite Consents”, are received and accepted.

A Supplemental Indenture will be entered into with respect to Existing Notes modified or modified and exchanged, as the case may be, in order to give effect to the Proposed Modifications.

Requisite Consents

If we receive the applicable Requisite Consents with respect to the relevant Proposed Modifications to the Existing Notes, the other conditions to the effectiveness of the Proposed Modifications are satisfied or waived and the relevant Proposed Modifications become effective, then those Proposed Modifications will be conclusive and binding on all Holders of the Existing Notes, whether or not they have consented to the Proposed Modifications, including Ineligible Holders of Existing Notes.

In that event, Holders that submitted a Tender Order will be entitled to receive the New Notes, and all Existing Notes held by non-consenting Holders, including Ineligible Holders will be modified or modified and exchanged for the relevant amounts of New Notes, as the case may be, in order to give effect to the Proposed Modifications. However, Holders who do not submit a Tender Order will not be entitled to receive the Consent Payment even if their Existing Notes are modified or modified and exchanged for New Notes, as the case may be, pursuant to the Invitation. If your Existing Notes are not tendered and accepted in the Exchange Offer and the Proposed Modifications are not effected, you will retain your Existing Notes.

Pursuant to Section 11.2 of the Indenture applicable to single series non-reserve matter modifications, it is a condition to the effectiveness of the Proposed 50% Modifications that we receive and accept valid written consents from Holders of more than 50% of the aggregate principal amount of the Existing Notes. Subject to the conditions to effectiveness indicated in this Invitation Memorandum, the Proposed Modifications will be conclusive and binding on all Holders of Existing Notes affected by the Proposed Modifications.

Pursuant to Section 11.4 of the Indenture applicable to single series reserve matter modifications, it is a condition to the effectiveness of the Proposed 75% Modifications that we receive and accept valid written consents from Holders of more than 75% of the aggregate principal amount of the Existing Notes. Subject to the conditions to effectiveness indicated in this Invitation Memorandum, the Proposed Modifications will be conclusive and binding on all Holders of Existing Notes affected by the Proposed Modifications.

As of the date of this invitation memorandum, U.S.\$529,960,000 in principal amount of Existing Notes was Outstanding. The term “Outstanding” has the meaning ascribed to it in the Indenture. The Province holds U.S.\$60,040,000 principal amount of Existing Notes that it has submitted for exchange in the Exchange Offer, which are not deemed to be Outstanding for purposes of consenting to the Proposed Modifications.

Acceptance of Tenders

We reserve the right not to accept Tender Orders of Existing Notes of any series in our sole discretion, if and to the extent permitted by applicable laws, rules and regulations in each jurisdiction where we are making the Invitation.

If we terminate the Invitation without accepting any Tender Orders, all “blocking” instructions will be automatically revoked, and if we do not accept your Tender Order, your “blocking” instructions will be automatically revoked, as provided below under “Tender Procedures.”

Conditions to the Invitation

The Invitation is conditional upon the satisfaction of the following conditions:

1. the absence of any law or regulation that would, and the absence of any injunction, action or other proceeding (whether pending or threatened) that could, make unlawful or invalid or enjoin the implementation of the Proposed Modifications or the Invitation or question the legality or validity thereof; and
2. there not having been any change or development that, in the Province’s sole discretion, materially reduces the anticipated benefits to the Province of the Invitation or that could be likely to prejudice materially the success of the Invitation or that has had, or could reasonably be expected to have, a material adverse effect on the Province or its economy;

and the effectiveness of the Proposed Modifications is conditional upon the satisfaction of the following conditions:

3. receipt of the applicable Requisite Consents for the relevant Proposed Modifications; and
4. the execution of the Supplemental Indenture.

We reserve the right to waive or further modify any term of, or terminate, the Invitation at any time and in our sole discretion; provided that we cannot modify or waive the conditions number 3 and 4 described above.

Minimum Denomination

Existing Notes may be tendered in minimum denominations of U.S.\$1,000 and integral multiples thereof. In order to be eligible to receive New Notes pursuant to the Exchange Offer, a Holder must submit a valid Tender Order for a principal amount of the Existing Notes that is at least equal to the minimum denomination of the New Notes.

Expiration; Extension; Termination; and Amendment

For the purposes of the Invitation, the term “Expiration” means 9:00 a.m. NYT, on July 27, 2020, subject to our right to further extend such date and time in our absolute discretion, in which case the Expiration means the latest date and time to which the Invitation is extended.

We reserve the right, subject to applicable law, to further extend the Expiration without extending the Revocation Deadline or the Consent Payment Eligibility Deadline. After the Revocation Deadline, you may no longer revoke Tender Orders and after the Expiration, you may no longer deliver Tender Orders.

We reserve the right for any reason, in our sole discretion, to: (i) extend the Expiration, (ii) terminate the Invitation or (iii) amend the Invitation at any time and from time to time by giving written notice thereof to the Information, Tabulation and Exchange Agent.

At any time before we announce the acceptance of any tenders on the Results Announcement Date (in the manner specified above under “—Acceptance of Tenders”), we may, in our sole discretion and to the extent permitted by the applicable laws, rules and regulations in each jurisdiction where we are making the Invitation:

- terminate the Invitation (including with respect to Tender Orders submitted prior to the time of the termination),
- extend the Invitation past the scheduled Expiration,
- withdraw the Invitation from any one or more jurisdictions, or
- amend the Invitation, including amendments applicable in any one or more jurisdictions, by giving written notice thereof to the Information, Tabulation and Exchange Agent.

Any extension, amendment or termination of the Invitation by us will be followed as promptly as practicable by press release or other public announcement of such extension, amendment or termination. Failure of any Holder or beneficial owner of the Existing Notes to be so notified will not affect the extension, termination or amendment of the Invitation, as applicable.

If we make a material change to the terms of, or waive a material condition of, this Invitation in a manner that is in either case adverse to the interests of the Holders, we will (i) notify the Information, Tabulation and Exchange Agent and the Trustee of that material change or waiver of a material condition and any related extension of the Expiration by written notice, (ii) make a public announcement thereof as described below, and (iii) extend the Expiration to the extent, if any, we deem appropriate in our sole discretion or otherwise to the extent required by applicable law. We may also further extend the Expiration if we deem it appropriate in our sole discretion. If we extend, terminate or amend this Invitation, we expect to announce publicly such extension, termination or amendment, including, if applicable the new Expiration and/or applicable revocation rights. We undertake no obligation to give any notice other than by press release. Failure of any Holder to be so notified will not affect the extension, termination or amendment of the Invitation.

If we elect to terminate the Invitation, any Tender Orders previously delivered will be of no further force or effect. Failure of any Holder or beneficial owner of the Existing Notes to be so notified will not affect the termination or amendment of the Invitation.

Results Announcement

On July 28, 2020, or as soon as practicable thereafter, we will publicly announce the results of the Invitation. If we receive and accept the Requisite Consents with respect to the Proposed Modifications at or prior to the Expiration, on the Execution Date, we and the Trustee will execute the Supplemental Indenture and exchange the Existing Notes for New Notes, as described under “—Proposed Modifications.” The Proposed Modifications will become effective upon execution of the Supplemental Indenture. Upon any Proposed Modifications becoming effective, (i) all Holders of the Existing Notes will be bound thereby, including any Holder that did not deliver (or that has revoked) its Tender Order, and (ii) such Holders that tendered their Existing Notes in the Exchange Offer will receive the applicable New Notes.

Settlement

The Settlement Date for the Exchange Offer will be July 31, 2020, unless the Invitation is further extended, in which case a new Settlement Date, if necessary, will be announced by press release.

Settlement will be made on the date when we notify the Information, Tabulation and Exchange Agent that all conditions to settlement have been satisfied or waived and that we are prepared to issue the New Notes. By tendering your Existing Notes, you acknowledge that all Existing Notes so delivered will be cancelled by the Trustee. If any court or arbitral order or administrative or legal proceeding prohibits or delays the delivery of the tendered or modified and exchanged Existing Notes, we will postpone the Settlement Date until such court or arbitral order or administrative or legal proceeding no longer prohibits the delivery of the Existing Notes. If in our judgment, delivery cannot be effected without unreasonable delay, we will cancel the Invitation.

If we accept your Tender Order, you will receive on the Settlement Date the New Notes by credit to the same account at a principal clearing system from which your Existing Notes were tendered.

If you deliver a Tender Order at any time prior to the Consent Payment Eligibility Deadline and your Existing Notes are accepted for exchange in the Exchange Offer for which the conditions to the Invitation, as applicable, have been satisfied or waived on the Settlement Date, you will also receive the Consent Payment, even if the Proposed Modifications are not successful.

If (i) you do not tender your Existing Notes prior to the Expiration, if you revoke your Tender Order by the Revocation Deadline, or if you are an Ineligible Holder, and (ii) the Proposed 75% Modifications are effected, then on the Settlement Date you will receive the corresponding New Notes by credit to the same account at the principal clearing system in which you hold your Existing Notes but no Consent Payment.

If your Existing Notes are not tendered and accepted in the Exchange Offer and the Proposed Modifications are not effected, you will retain your Existing Notes. For the avoidance of doubt, if you do not deliver a Tender Order at any time prior to the Consent Payment Eligibility Deadline accepted for exchange in the Exchange Offer for which the conditions to the Invitation, as applicable, have been satisfied or waived on the Settlement Date, you will not receive the Consent Payment, even if any Proposed Modifications are successful and your Existing Notes are modified or modified and exchanged for New Notes, as the case may be, pursuant to the Invitation.

No Recommendation

None of us, the Dealer Managers, the Trustee, the Luxembourg Listing Agent, the Information, Tabulation and Exchange Agent nor any of their respective directors, employees, affiliates, agents or representatives makes any recommendation as to whether Holders should deliver Tender Orders, and no one has been authorized by any of them to make such a recommendation. Each Holder must make its own decision as to whether to deliver a Tender Order.

Repurchases of Existing Notes That Remain Outstanding; Subsequent Exchange Offer

The Province reserves the right, in its absolute discretion, to purchase, amend, exchange, offer to purchase, amend or exchange, or enter into a settlement in respect of any Existing Notes that are not modified and exchanged or exchanged pursuant to the Invitation and, to the extent permitted by applicable law, purchase, amend or offer to purchase Existing Notes in the open market, in privately negotiated transactions or otherwise. Any such purchase, amendment, exchange, offer to purchase, amend or exchange or settlement will be made in accordance with applicable law. The terms of any such purchases, amendments, exchanges, offers or settlements could differ from the terms of the Invitation. See “Description of the New Notes—Rights upon Future Offers” for a description of certain rights of holders of the New Notes in connection with any voluntary offer to purchase or exchange or solicitation of consents to amend any Notes that are not exchanged or amended pursuant to the Invitation.

Market for the Existing Notes and New Notes

We will cancel all Existing Notes exchanged by us pursuant to the Invitation. Accordingly, the aggregate principal amount of Existing Notes will be reduced substantially if the Proposed Modifications and Exchange Offer are consummated. In addition, the Province may decide to delist the Existing Notes from the stock exchanges and markets on which they are currently listed or admitted to trading, and may cease to seek credit ratings for the Existing Notes. This is likely to affect adversely the liquidity and market value of any Existing Notes not modified and exchanged or exchanged pursuant to the Invitation. Existing Notes not exchanged pursuant to the Exchange Offer will remain outstanding.

The New Notes are a new issue of securities with no established trading market. We have been advised by the Dealer Managers that they may make a market in the New Notes but they are not obligated to do so and may discontinue market making at any time without notice. The Province expects to list the New Notes on the Luxembourg Stock Exchange and the ByMA and to have the New Notes admitted for trading on the Euro MTF Market and MAE. No assurance can be given as to the liquidity of the trading market for any series of the New Notes. The price at which the New Notes will trade in the secondary market is uncertain.

Information, Tabulation and Exchange Agent

D.F. King has been retained as Information, Tabulation and Exchange Agent in connection with this Invitation. In its capacity as Information, Tabulation and Exchange Agent, D.F. King will (i) distribute this invitation memorandum and assist with the delivery of Tender Orders, and (ii) be responsible for collecting Tender Orders and certifying to the Trustee the aggregate principal amount of the Existing Notes covered by consents received (and not revoked). The Information, Tabulation and Exchange Agent will receive customary fees for such services and reimbursement of its reasonable out-of-pocket expenses.

Any questions or requests for assistance concerning this Invitation should be directed to the Information, Tabulation and Exchange Agent and the Dealer Managers at their address and telephone number set forth on the back cover of this invitation memorandum. If you have any questions about how to deliver Tender Orders pursuant to this invitation memorandum, you should contact the Information, Tabulation and Exchange Agent. Requests for additional copies of this invitation memorandum or any other related documents may be directed to the Information, Tabulation and Exchange Agent. All documents relating to the offer, together with any updates, will be available via the Invitation Website: <https://sites.dfkingltd.com/mendoza>.

DESCRIPTION OF THE NEW NOTES

This section of this invitation memorandum is only a summary of the material provisions of the New Notes and the Indenture. The Province urges you to read the Indenture and the form of terms and conditions of the New Notes included as Annex A for a complete description of the Province's obligations and your rights as a holder of the New Notes. Copies of the Indenture are available free of charge at the offices of the Trustee and the Luxembourg listing agent.

The New Notes will be issued pursuant to the Indenture and, if applicable, the Supplemental Indenture. References to the Indenture will include references to the Supplemental Indenture, if applicable.

General Terms of the New Notes

Basic Terms

The New Notes will:

- be direct, general, unconditional and unsubordinated obligations of the Province;
- pay principal in 13 semi-annual installments on November 19, 2023, May 19, 2024, November 19, 2024, May 19, 2025, November 19, 2025, May 19, 2026, November 19, 2026, May 19, 2027, November 19, 2027, May 19, 2028, November 19, 2028, May 19, 2029 and November 19, 2029, to be calculated as follows: the aggregate amount of each principal payment on the New Notes shall equal the principal amount outstanding as of the close of business on the day before any principal payment date, divided by the number of remaining principal installments;
- pay principal to persons in whose names the New Notes are registered at the close of business on the calendar day preceding the corresponding payment date (whether or not a business day);
- mature on November 19, 2029;
- be totally or partially redeemable at par at our option at any time as described in “—Optional Redemption”, and the Province may at any time purchase New Notes and hold or resell them or surrender them to the trustee for cancellation;
- not be repayable at the option of the holder nor be entitled to the benefit of any sinking fund;
- be represented by Regulation S global securities (as defined below) and Restricted global securities (as defined below) (each sometimes referred to herein as a “global security,” and together referred to herein as the “global securities”) (see “—Registration and Book-Entry System”);
- be issued in denominations of U.S.\$1,000.00 and in integral multiples thereof; and
- represent a claim to the full principal due on each amortizing date (plus any accrued and unpaid interest due at such time) or upon earlier acceleration in accordance with their terms.

Interest on the New Notes will:

- accrue on any unpaid principal at the following annual rates:

<i>From and including</i>	<i>To but excluding</i>	<i>Rate</i>
May 19, 2020	November 19, 2021	2.75%
November 19, 2021	May 19, 2023	4.25%
May 19, 2023	November 19, 2029	5.75%

- accrue from May 19, 2020, or the most recent interest payment date;

- be payable semi-annually in arrears on May 19 and November 19 of each year, beginning on November 19, 2021, to persons in whose names the New Notes are registered at the close of business on the calendar day preceding the corresponding payment date (whether or not a business day); and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

Optional Redemption

The Province will have the right at its option, upon giving not less than 30 days' nor more than 60 days' notice, to redeem New Notes, in whole or in part, at any time or from time to time prior to their maturity, at a redemption price equal to the principal amount thereof, plus interest accrued but not paid on the principal amount of such New Notes to (but excluding) the date of redemption.

Status

The New Notes will be direct, general, unconditional and unsubordinated Public External Indebtedness of the Province. The New Notes rank and will rank without any preference among themselves and equally with all other unsubordinated Public External Indebtedness of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the New Notes ratably with payments being made under any other Public External Indebtedness of the Province.

For purposes of the preceding paragraph, (A) "Public External Indebtedness" means any External Indebtedness of, or guaranteed by, the Province which (i) is publicly offered or privately placed in securities markets, (ii) is in the form of, or represented by, bonds, notes or other securities or any guarantees thereof and (iii) is, or was intended at the time of issue to be, quoted, listed or traded on any stock exchange, automated trading system or over-the-counter securities market (including securities eligible for sale pursuant to Rule 144A under the Securities Act, as amended (or any successor law or regulation of similar effect)), and (B) "External Indebtedness" means obligations for borrowed money or evidenced by securities, debentures, notes or other similar instruments denominated and payable or which at the option of the holder thereof may be payable in a currency other than the lawful currency of Argentina, regardless of whether that obligation is incurred or entered into within or outside Argentina.

Payment of Principal and Interest

The trustee will make payments to the registered holders of the New Notes. Payments of the principal and interest and any Additional Amounts on individual New Notes represented by a global security registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of the global security representing such New Notes. None of the Province, the trustee, any paying agent, any registrar or any transfer agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global securities or for maintaining, supervising, or reviewing any records relating to such beneficial ownership interests. The Province expects that DTC or its nominee, upon receipt of any payment of principal, interest or Additional Amounts, if any, in respect of a global security representing any New Notes held by it or its nominee, will credit DTC Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global security as shown on the records of DTC or its nominee. The Province also expects that payments by DTC Participants to owners of beneficial interests in such global security held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC Participants.

If any date for payments of interest, principal or other amounts contemplated herein is not a business day, the Province will make the payment on the next succeeding business day. Such payments will be deemed to have been made on the due date, and no interest on the New Notes will accrue as a result of the delay in payment. As used herein, "business day" means any day that is not a Saturday or Sunday, and that is not a day on which banking or trust institutions are required or authorized by law, regulation or executive order to close in New York City or in the City of Buenos Aires (or in the city where the relevant paying or transfer agent is located).

If any money that the Province deposits with the trustee or any paying agent for the payment of the principal of, premium, if any, or interest (including Additional Amounts) on any New Notes is not claimed at the end of two years after the applicable payment was due and payable, then the money will be repaid to the Province on the Province's

written request. The Province will hold such unclaimed money in trust for the relevant holders of those New Notes. After any such repayment, neither the trustee nor any paying agent will be liable for the payment. However, the Province's obligations to make payments on the New Notes as they become due will not be affected until the expiration of the prescription period specified in the New Notes. To the extent permitted by law, claims against the Province for the payment of principal of premium, if any, or interest or other amounts due on the New Notes (including Additional Amounts) will become void unless made within four years of the date on which that payment first became due.

Registration and Book-Entry System

New Notes delivered outside the United States in reliance on Regulation S will be represented by one or more global securities in definitive, fully registered form without interest coupons (collectively, "Regulation S global securities") and will be deposited with the trustee, as custodian for The Depository Trust Company ("DTC"), and registered in the name of DTC or its nominee for the accounts of its direct and indirect participants (including Euroclear and Clearstream, Luxembourg).

New Notes delivered in reliance on Rule 144A under the Securities Act initially will be represented by one or more global securities in definitive, fully registered form without interest coupons (collectively, "Restricted global securities") and will be deposited with the trustee, as custodian for DTC and registered in the name of DTC or its nominee. Restricted global securities will be subject to certain restrictions on transfer and will bear a legend to that effect as described under "Notice to Investors."

Upon the issuance of Regulation S global securities and Restricted global securities, DTC or its custodian will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such global security to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the initial purchasers. Ownership of beneficial interests in a global security will be limited to persons who have accounts with DTC ("DTC Participants") or persons who hold interests through DTC Participants. Ownership of beneficial interests in the global securities will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of persons other than DTC Participants).

So long as DTC or its nominee is the registered owner or holder of a global security, DTC, or such nominee, as the case may be, will be considered the sole owner or holder of the New Notes represented by such global security for all purposes under the Indenture. No beneficial owner of an interest in a global security will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture.

Investors may hold their interests in Regulation S global securities directly through Euroclear or Clearstream, Luxembourg, if they are participants in such systems, or indirectly through organizations that are participants in such systems as indirect DTC Participants. Euroclear and Clearstream, Luxembourg will hold interests in the Regulation S global securities on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which in turn will hold such interests in Regulation S global securities in customers' securities accounts in the depositories' names on the books of DTC. Investors that are qualified institutional buyers may hold their interests in Restricted global securities directly through DTC if they are DTC Participants, or indirectly through organizations that are DTC Participants.

Transfers between DTC Participants will be effected in accordance with DTC rules and procedures and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in accordance with their respective rules and procedures. The laws of some states require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a global security to such persons may be limited because DTC can only act on behalf of DTC Participants, who in turn act on behalf of indirect participants and certain banks. Accordingly, the ability of a person having a beneficial interest in a global security to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of each interest, may be affected by the lack of a physical certificate for such interest.

Certificated Securities

The Province will issue certificated New Notes, which shall bear the legend referred to under "Notice to Investors," in exchange for the global securities if: (i) DTC notifies the Province (a copy of such notice to be provided to the trustee by the Province) that it is at any time unwilling or unable to continue as a depository for the global

securities or if at any time DTC ceases to be a “clearing agency” registered under the Exchange Act or if at any time DTC is no longer eligible to act as Depositary under the Indenture and, in each case, a successor depositary is not appointed by the Province within 90 days; (ii) the Province decides it no longer wishes to have all or part of the New Notes represented by global securities; or (iii) the trustee has instituted or been directed to institute any judicial proceeding to enforce the rights of the holder of a New Note and the trustee has been advised by its legal counsel that it should obtain possession of the New Notes for the proceeding. Holders of an interest in a global security may receive certificated New Notes, which may bear the legend referred to under “Notice to Investors,” in accordance with DTC’s rules and procedures in addition to those provided for under the Indenture.

The holder of a certificated New Note may transfer such New Note by surrendering it at the office or agency maintained by the Province for such purpose in the Borough of Manhattan, The City of New York, which initially will be the Corporate Trust Office of the trustee. Upon the transfer, exchange or replacement of certificated New Notes bearing a restrictive legend, or upon specific request for removal of the legend on a certificated New Note, the Province will deliver only certificated New Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Province and the trustee such evidence as shall be satisfactory to the Province, which may include an opinion of counsel, as may reasonably be required by the Province and the trustee, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

In connection with the exchange of interests in a global security for New Notes in certificated form under any of the conditions described above, such interest in a global security will be deemed to be surrendered to the trustee for cancellation, and the Province will execute, and will instruct the trustee to authenticate and deliver, to each beneficial owner identified by DTC, in exchange for its beneficial interest in such global security, an equal aggregate principal amount of certificated New Notes.

If the Province issues certificated New Notes, they will have the same terms and authorized denominations as the New Notes. You will receive payment of principal, interest and premiums, if any, in respect of certificated New Notes at the offices of the trustee in New York City and, if applicable, at the offices of any paying agent. You may present certificated New Notes for transfer or exchange according to the procedures in the Indenture at the corporate trust office of the trustee in New York City and, if applicable, at the offices of any other transfer agent appointed by the Province.

The Luxembourg Stock Exchange will be informed before the Province issues certificated New Notes in exchange for the global security held by the trustee as custodian for DTC. If the Province issues such certificated New Notes, it will publish notices in a newspaper with general circulation in Luxembourg (which the Province expects to be *Luxemburger Wort*), and on the website of the Luxembourg Stock Exchange at <http://www.bourse.lu>, announcing procedures for payments of principal, interest and premiums, if any, in respect of or transfer of certificated New Notes in Luxembourg. If publication in a leading newspaper in Luxembourg is not practicable, the Province will publish such notices in a leading English language daily newspaper with general circulation in Europe. The Province will consider any published notice to be given on the date of its first publication.

You may be charged for any stamp duty, tax or other governmental charge that must be paid in connection with the transfer, exchange or registration of transfer of New Notes and any other expenses (including the fees and expenses of the trustee) connected with the preparation and issuance of the substitute New Note. The Province, the trustee and any agent appointed by Province may treat the person in whose name any New Note is registered as the owner of such New Note for all purposes.

If any New Note becomes mutilated, destroyed, stolen or lost, you can replace it by delivering the New Note or evidence of its loss, theft or destruction to the trustee. The Province and the trustee may require you to provide an indemnity satisfactory to the Province and the trustee under which you agree to pay the Province, the trustee or any agent appointed by the Province for any losses they may suffer relating to the New Note that was mutilated, destroyed, stolen or lost. The Province and the trustee may also require you to present other documents or proof. After you deliver these documents, if neither the Province nor the trustee has notice that a protected purchaser has acquired the New Note that you are exchanging, the Province will execute, and the trustee will authenticate and deliver to you, a substitute note with the same terms as the New Note you are exchanging. You will be required to pay all expenses and reasonable charges associated with the replacement of this certificated New Note.

Further Issuances

Under the terms of the Indenture, the Province may from time to time, without the consent of the holders of the New Notes, create and issue additional notes of the same series having terms and conditions which are the same as those of the New Notes in all respects, except for the issue date, issue price and first payment date of interest on the New Notes; provided, however, that any additional New Notes subsequently issued that are not fungible with the previously outstanding New Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from the previously outstanding New Notes. Additional New Notes that are fungible with the previously outstanding New Notes for U.S. federal income tax purposes will be consolidated with, and will form a single series with the previously outstanding New Notes.

Additional Amounts

All payments by the Province in respect of the New Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Argentina or the Province or any political subdivision or taxing authority or agency therein or thereof having the power to tax (for purposes of this paragraph, a “Relevant Tax”), unless the withholding or deduction of such Relevant Tax is required by law. In that event, the Province will pay such additional amounts (“Additional Amounts”) as may be necessary to ensure that the amounts received by the holders after such withholding or deduction will equal the respective amounts of principal and interest that would have been receivable in respect of the New Notes in the absence of such withholding or deduction; except that no such Additional Amounts will be payable with respect to any New Note:

- (1) to a holder (or to a third party on behalf of a holder) where such holder is liable for such Relevant Taxes in respect of a New Note by reason of his having some connection with the Province or Argentina other than the mere holding of such New Note, the receipt of principal, premium or interest in respect thereof, or the enforcement of rights thereunder; or
- (2) presented for payment by or on behalf of a holder who would have been able to avoid the withholding or deduction by presenting the relevant New Note to another paying agent in a member state of the European Union; or
- (3) presented for payment more than 30 days after the Relevant Date, as defined herein, except to the extent that the holder thereof would have been entitled to Additional Amounts on presenting the same for payment on the last day of such period of 30 days; or
- (4) to a holder of the New Note (or a third party on behalf of a holder) where such holder of the New Note would not be liable for or subject to such deduction or withholding by making a declaration of non-residence or other claim for exemption or reduction to the relevant tax authorities if such holder of the New Note is eligible to make such declaration or other claim and, after having been requested to make such a declaration or claim, such holder of the New Note fails to timely do so, provided that (x) the Province has provided the holder with at least 60 days’ prior written notice (in accordance with the terms of the New Notes) of an opportunity to satisfy such a requirement or make such a declaration or claim, and (y) in no event shall such holder’s obligation to satisfy such a requirement or to make such a declaration or claim require such holder to provide any materially more onerous information, documents or other evidence than would be required to be provided had such holder been required to file IRS Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP and/or W-8IMY.

As used in the preceding paragraph, “Relevant Date” in respect of a New Note means the date on which payment in respect thereof becomes due or (if the full amount of the money payable on such date has not been received by the trustee on or prior to such due date) the date on which notice is duly given to the holders that such moneys have been so received and are available for payment.

All references in this offering memorandum to principal of or interest on the New Notes will include any Additional Amounts payable by the Province in respect of such principal or interest.

Negative Pledge Covenant

The Province has agreed that it will not and it will not permit any of the Provincial Agencies to, for so long as any New Note remains outstanding, create or permit to subsist any Lien, other than a Permitted Lien, upon the whole or any part of its or any of the Provincial Agencies' property or assets to secure any Indebtedness of the Province or any of the Provincial Agencies unless the New Notes are secured equally and ratably with such Indebtedness.

As used herein, the term "Indebtedness" means, with respect to any person, whether outstanding on the original issuance date of a series of debt securities or at any time thereafter: (i) all indebtedness of such person for borrowed money; (ii) all reimbursement obligations of such person (to the extent no longer contingent) under or in respect of letters of credit or bankers' acceptances; (iii) all obligations of such person to repay deposits with or advances to such person; (iv) all obligations of such person (other than those specified in clauses (i) and (ii) above) evidenced by securities, debentures, notes or similar instruments; and (v) to the extent fixed and liquidated and no longer contingent, all direct guarantees, endorsements, *avales* or similar obligations of such person in respect of, and all direct obligations of such person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of any other persons specified in clauses (i), (ii) (iii) or (iv) above, provided that indebtedness of the Province or a Provincial Agency shall not mean indebtedness relating to the provision of property or services to the Province or such Provincial Agency.

As used herein, the term "Lien" means any mortgage, pledge, security interest, hypothecation, condition sale or other title retention agreement or other similar encumbrance.

As used herein, the term "Permitted Lien" means:

- (k) any Lien in existence on the date of the Indenture, provided that the total amount of Indebtedness so secured does not exceed the amount so secured on such date;
- (l) any Lien upon any property to secure Indebtedness of the Province or any Provincial Agency incurred specifically for the purpose of financing the acquisition of the property subject to such Lien;
- (m) any Lien securing Indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project; provided that the property over which such Lien is granted consists solely of the assets and revenues of such project or the ownership interest therein;
- (n) any replacement, renewal or extension of any Lien permitted by clauses (a) through (c) above upon the same property theretofore subject to such Lien, including any replacement, renewal or extension of such Lien resulting from the refinancing of the Indebtedness secured by such Lien; *provided, however*, that the principal amount of any Indebtedness or refinanced Indebtedness, as the case may be, that is secured by such replaced, renewed or extended Lien may not be increased from its original principal amount in connection with such replacement renewal or extension;
- (o) any Lien securing Indebtedness of the Province encumbering the right of the Province to receive Co-Participation Payments; *provided* that the aggregate principal amount of such Indebtedness so secured and outstanding at any one time may not exceed an amount which would cause the Quarterly Co-Participation Secured Indebtedness Ratio to exceed 50%;
- (p) any Lien securing any Indebtedness of the Province with Banco de la Nación Argentina for as long as Banco de la Nación Argentina is the financial agent of the Province;
- (q) any Liens that arise by operation of law, including any Lien in the form of a tax or other statutory Lien; *provided* that any such Lien shall be discharged within thirty (30) days after the date it is created or arises (unless contested in good faith by the Province, in which case it shall be discharged within thirty (30) days after final adjudication); and
- (r) any Lien, other than Liens encumbering the Province's right to receive Co-Participation Payments, securing Indebtedness of the Province in an outstanding aggregate principal amount not to exceed at any time 10% of the Province's annual Revenues for the period that includes the most recent four consecutive fiscal quarters ending prior to the incurrence of such Lien.

As used herein, the term “Co-Participation Payments” means any transfers made by the federal government to the Province pursuant to the Federal Tax Co-Participation Law, as amended or replaced from time to time and any other law, decree or regulation governing the obligation of the federal government to distribute taxes collected by it to the Argentine provinces.

As used herein, the term “Provincial Agency” means each agency, department, authority, statutory corporation or other statutory body or judicial entity of the Province or any fiduciary, trust or other fund created by provincial law or regulation, the Indebtedness of which is generally guaranteed in full (as to payment) by the Province.

As used herein, the term “Quarterly Co-Participation Secured Indebtedness Ratio” is the percentage which, at any March 31, June 30, September 30 or December 31, is equal to the sum of (i) (A) the aggregate amount of payments of principal and interest that will become due in the twelve calendar months immediately following such March 31, June 30, September 30 or December 31, as the case may be, in respect of Indebtedness which is secured by a Lien on all of the Province’s right to receive Co-Participation Payments, divided by (B) the aggregate amount of Co-Participation Payments actually received by the Province in the three calendar months immediately preceding such March 31, June 30, September 30 or December 31, as the case may be, multiplied by 4, with the quotient of (A) and (B) further multiplied by (C) 100; and (ii) the percentage of Co-Participation Payments actually encumbered and securing any other Indebtedness at such March 31, June 30, September 30 or December 31, as the case may be.

As used herein, the term “Revenues” means the cash receipts by the Province and any of the Provincial Agencies from Co-Participation Payments, from taxes levied by the Province and from royalties, fees, charges, concessions, licenses and all other tax and non-tax sources of income.

Interest Coverage Covenant

The Province has agreed that it will not incur, assume or guarantee (“incur”) and will not permit any Provincial Agency to incur any Indebtedness unless, at the proposed date of incurrence, the amount of Interest Expense accrued during the preceding twelve months ending on March 31, June 30, September 30 or December 31, as the case may be, immediately preceding such proposed date of incurrence does not exceed 13% of Revenues collected during such twelve-month period, in each case determined on a pro forma basis giving effect to the incurrence of such Indebtedness and the use of proceeds therefrom and the incurrence, repayment or retirement of any other Indebtedness during such twelve-month period.

As used herein, the term “Interest Expense” means the aggregate of the interest expense, discount and commissions, fees and expenses incurred by the Province and the Provincial Agencies on their Indebtedness.

Events of Default and Acceleration of Maturity

Each of the following is an event of default with respect to the New Notes:

- (s) The Province fails to pay any principal due on the New Notes when due and payable for three (3) days after the applicable payment date; or
- (t) The Province fails to pay any interest or Additional Amounts due on the New Notes when due and payable for thirty (30) days after the applicable payment date; or
- (u) The Province fails to duly perform or observe any term or obligation contained in the New Notes, or the Indenture, which failure continues unremedied for sixty (60) days after written notice thereof has been given to the Province by the trustee; or
- (v) The Province or any Provincial Agency fails to make any payment when due, after any applicable grace periods, on any of its Indebtedness (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to U.S.\$15,000,000 (or its equivalent in other currencies); or
- (w) The Province fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any Indebtedness of the Province or any Provincial Agency (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to U.S.\$15,000,000 (or its equivalent in other currencies), and such failure continues after the applicable grace or notice period, if any, specified in the relevant document of the date of such failure if

the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness (other than Excluded Indebtedness) or beneficiary or beneficiaries of such Indebtedness (other than Excluded Indebtedness) (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause such Indebtedness (other than Excluded Indebtedness) to be declared to be due and payable prior to its stated maturity, or in the case of Indebtedness consisting of Contingent Obligations, to become due and payable; or

- (x) Any representation, warranty or certification made by the Province (or any of its duly authorized officers or officials) in any New Note, the Indenture or in any document, instrument or certificate delivered by the Province pursuant to any New Note or the Indenture shall prove to have been incorrect, incomplete or misleading in any material respect when made; *provided* that the same is reasonably likely to have a material adverse effect on the ability of the Province to perform its material obligations thereunder or the legality, validity or enforceability of any New Note, the Indenture or any such document or instrument; or
- (y) The validity or enforceability of any of the New Notes or the Indenture shall be contested by the Province, or any final decision by any court or agency from which no appeal may be or is taken shall purport to render any provision of the New Notes or any material provision of the Indenture invalid or unenforceable or purport to prevent or delay the performance or observance by the Province of any of its obligations under the New Notes or any of its material obligations under the Indenture; or
- (z) The Province shall fail generally to pay its Indebtedness (other than Excluded Indebtedness) as it becomes due, or a moratorium on the payment of the Province's Indebtedness (other than Excluded Indebtedness) shall be declared by Argentina or the Province (including, without limitation, any moratorium that is limited to the Province's obligations denominated in any particular currency or currencies or to foreign creditors of the Province), or Argentina or the Province shall declare a general suspension of payment or a moratorium on the payment of debt of the Province (which does not expressly exclude the New Notes); or
- (aa) There has been entered against the Province or a Provincial Agency a final judgment, decree or order by a court of competent jurisdiction from which no appeal may be or is taken for the payment of money in excess of U.S.\$15,000,000 (or the equivalent thereof in another currency or currencies) (other than a final judgment, decree or order in respect of any Excluded Indebtedness) and 60 days shall have passed since the entry of such final judgment, decree or order without it having been satisfied or stayed; or
- (bb) (A) Any constitutional provision, law, regulation, ordinance or decree necessary to enable the Province to perform its obligations under the New Notes or the Indenture, or for the validity or enforceability thereof, shall expire, is withheld, revoked or terminated or otherwise ceases to remain in full force and effect, or is modified in a manner which materially adversely affects, or may reasonably be expected to materially adversely affect, any rights or claims of any of the holders of the New Notes, or (B) any final decision by any court in Argentina having jurisdiction from which no appeal may be or is taken shall purport to render any material provision of the New Notes or any material provision of the Indenture invalid or unenforceable, or purport to prevent or delay the performance or observance by the Province of its obligations under the New Notes or under the Indenture, and, in each case, such expiration, withholding, revocation, termination, cessation, invalidity, unenforceability or delay shall continue in effect for a period of 60 days.

If any of the events of default described above occurs and is continuing (whatever the reason for such event of default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgement, decree or order of any court or any order, rule or regulation of any administrative or governmental body), holders of at least 25% of the aggregate principal amount of the New Notes then outstanding may declare the principal amount of all the New Notes then outstanding to be immediately due and payable by giving written notice to the Province, with a copy to the trustee, unless prior to such date all events of default in respect of the New Notes have been cured.

If, at any time after the New Notes shall have been declared due and payable, the Province shall pay or shall deposit (or cause to be paid or deposited) with the trustee a sum sufficient to pay all installments of interest and principal due upon all the New Notes (with interest on overdue amounts of interest, to the extent permitted by law, and on such principal of each New Note at the rate of interest specified in the New Note, to the date of such payment)

and such amount as shall be sufficient to cover the reasonable fees and expenses of the trustee, including, without limitation, the fees and expenses of its counsel, and if any and all events of default under the New Notes, other than the non-payment of principal on the New Notes which shall have become due solely by declaration of acceleration, shall have been cured, waived or otherwise remedied, then, and in every such case, the holders of more than 50% in aggregate principal amount of the New Notes then outstanding, by written notice to the Province and to the trustee, may, on behalf of the holders of all of the New Notes, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent on any subsequent default.

As used herein, “Excluded Indebtedness” means the Existing Notes and the Local 2021 Notes.

As used herein, “Contingent Obligations” means as to any person, any obligation of such person guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (a “primary obligation”) of any other person in any manner, whether directly or indirectly, including, without limitation, a vales and any obligation of such person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefore, (ii) to advance or supply funds (a) for the purchase or payment of any such primary obligation or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities and services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against laws in respect thereof. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is incurred or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the contingent obligor in good faith.

Suits for Enforcement and Limitations on Suits by Holders

If an event of default for the New Notes has occurred and is continuing, the trustee may, in its discretion, institute judicial action to enforce the rights of the holders. With the exception of a suit brought by a holder on or after the stated maturity date to enforce its absolute right to receive payment of the principal of and interest on the New Notes on the stated maturity date therefor (as that date may be amended or modified pursuant to the terms of the New Notes, but without giving effect to any acceleration), a holder has no right to bring a suit, action or proceeding with respect to the New Notes unless: (1) such holder has given written notice to the trustee that a default with respect to the New Notes has occurred and is continuing; (2) holders of at least 25% of the aggregate principal amount outstanding of the New Notes have instructed the trustee by specific written request to institute an action, suit or proceeding and provided an indemnity or other security as against the costs, expenses and liabilities to be incurred that is satisfactory to the trustee; and (3) 60 days have passed since the trustee received the instruction and the indemnity, the trustee has failed to institute an action, suit or proceeding as directed and no direction inconsistent with such written request shall have been given to the trustee by a majority of holders of the outstanding New Notes. Moreover, any such action commenced by a holder must be for the equal, ratable and common benefit of all holders of the New Notes.

Meetings, Amendments and Waivers – Collective Action

The Province, in its discretion, may call a meeting of the holders of debt securities (including the New Notes) at any time and from time to time regarding the debt securities or the Indenture. The Province will determine the time and place of the meeting and will notify the holders of the time, place and purpose of the meeting not fewer than 30 days and not more than 60 days prior to the date fixed for the meeting.

In addition, the Province or the trustee will call a meeting of the holders of a series of debt securities if the holders of not less than 10% of the aggregate principal amount of such series have delivered a written request to the Province or the trustee setting out the purpose of the meeting. The Province shall notify the trustee, and the trustee shall notify the holders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 30 and not more than 60 days after the date on which such notification is given.

Only holders of debt securities and their proxies are entitled to vote at a meeting of holders. The Province will set out the procedures governing the conduct of the meeting and if additional procedures are required, the Province will consult with the trustee to establish such procedures as are customary in the market.

Modifications may also be approved by holders of the New Notes pursuant to a written action consented to by holders of the requisite percentage of the New Notes. If a proposed modification is to be approved by a written action, the Province shall solicit the consent of the relevant holders of the New Notes to the proposed modification not less than 10, nor more than 30, days prior to the expiration date for the receipt of such consents specified by the Province.

The holders of the outstanding New Notes may generally approve any proposal by the Province to modify or take action with respect to the Indenture or the terms of the New Notes with the affirmative vote (if approved at a meeting of the holders) or consent (if approved by written action) of holders of more than 50% of the outstanding aggregate principal amount of the New Notes.

However, holders of any series of debt securities (including the New Notes) may approve, by vote or consent through one of three modification methods, any modification, amendment, supplement or waiver proposed by the Province that would do any of the following (such subjects referred to as “reserve matters”):

- change the date on which any amount is payable on the debt securities;
- reduce the principal amount of the debt securities (other than in accordance with the express terms of the debt securities and the Indenture);
- reduce the interest rate on the debt securities;
- change the method used to calculate any amount payable on the debt securities (other than in accordance with the express terms of the debt securities and the Indenture);
- change the currency of any amount payable on the debt securities;
- modify the Province’s obligation to make any payments on the debt securities (including any redemption price therefor);
- change the identity of the obligor under the New Notes;
- change the definition of “outstanding” debt securities or the percentage of affirmative votes or written consents, as the case may be, required to make a “reserve matter modification”;
- change the definition of “uniformly applicable” or “reserve matter modification”;
- authorize the trustee, on behalf of all holders of the debt securities, to exchange or substitute all the debt securities for, or convert all the debt securities into, other obligations or securities of the Province or any other person;
- change the legal ranking, governing law, submission to jurisdiction or waiver of immunities provisions of the terms of the debt securities; or
- change the place of payment to the bondholders.

A change to a reserve matter, including the payment terms of any series of debt securities (including the New Notes), can be made without your consent, as long as the change is approved, pursuant to one of the three following modification methods, by vote or consent by:

- the holders of more than 75% of the aggregate principal amount of the outstanding New Notes insofar as the change affects the New Notes (but does not modify the terms of any other debt securities issued under the Indenture);
- where such proposed modification would affect the outstanding New Notes and at least one other series of debt securities issued under the Indenture, the holders of more than 75% of the aggregate principal amount of the then outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, if certain “uniformly applicable” requirements are met (defined in the Indenture as “cross-series modification with single aggregated voting”); or
- where such proposed modification would affect the outstanding New Notes and at least one other series of debt securities issued under the Indenture, whether or not the “uniformly applicable” requirements are met, the holders of more than 66 ²/₃% of the aggregate principal amount of the then outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, and the holders of more

than 50% of the aggregate principal amount of the then outstanding debt securities of each series affected by the modification, taken individually.

“Uniformly applicable,” as used herein, means a modification by which holders of debt securities of all series affected by that modification are invited to exchange, convert or substitute their debt securities on the same terms for (x) the same new instruments or other consideration or (y) new instruments or other consideration from an identical menu of instruments or other consideration. It is understood that a modification will not be considered to be uniformly applicable if each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification (or, where a menu of instruments or other consideration is offered, each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification electing the same option under such menu of instruments).

Any modification consented to or approved by the holders of debt securities pursuant to the above provisions will be conclusive and binding on all holders of the relevant series of debt securities or all holders of all series of debt securities affected by a cross-series modification, as the case may be, whether or not they have given such consent, and on all future holders of those debt securities whether or not notation of such modification is made upon the debt securities. Any instrument given by or on behalf of any holder of a debt security in connection with any consent to or approval of any such modification will be conclusive and binding on all subsequent holders of that debt security.

The Province may select, in its discretion, any modification method for a reserve matter modification in accordance with the Indenture and to designate which series of debt securities will be included for approval in the aggregate of modifications affecting two or more series of debt securities. Any selection of a modification method or designation of series to be included will be final for the purpose of that vote or consent solicitation.

Before soliciting any consent or vote of any holder of the debt securities (including the New Notes) for any change to a reserve matter, the Province will provide the following information to the trustee for distribution to the holders of debt securities of any series that would be affected by the proposed modification:

- a description of the Province’s economic and financial circumstances that are, in the Province’s opinion, relevant to the request for the proposed modification, a description of the Province’s existing debts and description of its broad policy reform program and provisional macroeconomic outlook;
- if the Province shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, (x) a description of any such arrangement or agreement and (y) where permitted under the information disclosure policies of the multilateral or other creditors, as applicable, a copy of the arrangement or agreement;
- a description of the Province’s proposed treatment of external debt instruments that are not affected by the proposed modification and its intentions with respect to any other major creditor groups; and
- if the Province is then seeking any reserved matter modification affecting any other series of debt securities, a description of that proposed modification.

For purposes of determining whether the required percentage of holders of the New Notes or any series of debt securities has approved any amendment, modification or change to, or waiver of, the New Notes, such other series of debt securities or the Indenture, or whether the required percentage of holders has delivered a notice of acceleration of the debt securities of that series, debt securities will be disregarded and deemed not to be outstanding and may not be counted in a vote or consent solicitation for or against a proposed modification if on the record date for the proposed modification or other action or instruction hereunder, the debt security is held by the Province or by a public sector instrumentality, or by a corporation, trust or other legal entity that is controlled by the Province or a public sector instrumentality, except that (x) debt securities held by the Province or any public sector instrumentality of the Province

or by a corporation, trust or other legal entity that is controlled by the Province or a public sector instrumentality which have been pledged in good faith may be regarded as outstanding if the pledgee establishes, to the satisfaction of the trustee, the pledgee's right so to act with respect to such debt securities and that the pledgee is not the Province, or a public sector instrumentality, or a corporation, trust or other legal entity that is controlled by the Province or a public sector instrumentality, and in case of a dispute concerning such right, the advice of counsel shall be full protection in respect of any decision made by the trustee in accordance with such advice and any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters or information which is in the possession of the trustee, upon the certificate, statement or opinion of or representations by the trustee; and (y) in determining whether the trustee will be protected in relying upon any such action or instructions hereunder, or any notice from holders, only debt securities that a responsible officer of the trustee knows to be so owned or controlled will be so disregarded.

As used in the preceding paragraph, "public sector instrumentality" means any department, secretary, ministry or agency of the Province, and "control" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity.

Other Amendments

The Province and the trustee may, without the vote or consent of any holder of debt securities (including the New Notes) of a series, amend the Indenture or the debt securities of that series for the purpose of:

- adding to the Province's covenants for the benefit of the holders with respect to such series of debt securities;
- surrendering any of the Province's rights or powers with respect to the debt securities of that series;
- securing the debt securities of that series;
- curing any ambiguity or curing, correcting or supplementing any defective provision in the debt securities of that series or the Indenture;
- amending the debt securities of that series or the Indenture in any manner that the Province and the trustee may determine and that does not materially adversely affect the interests of any holders of the debt securities of that series; or
- correcting a manifest error of a formal, minor or technical nature.

Notices

The Province will mail notices to holders of certificated New Notes at their registered addresses as reflected in the register maintained by the registrar. The Province will consider any mailed notice to have been given five business days after it has been sent. The Province will give notices to the holders of a global security in accordance with the procedures and practices of the depository and such notices shall be deemed given upon actual receipt thereof by the depository.

The Province will also publish notices to the holders (a) in a leading newspaper having general circulation in Buenos Aires, New York City and London (which is expected to be *La Nación* or *Ambito Financiero*, *The Wall Street Journal* and the *Financial Times*, respectively) and (b) if and so long as the New Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the exchange so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) and on the website of the Luxembourg Stock Exchange at <http://www.bourse.lu>. If publication in a leading newspaper in Luxembourg is not practicable, the Province will publish such notices in a leading English language daily newspaper with general circulation in Europe. The Province will consider any published notice to be given on the date of its first publication.

Rights Upon Future Offers

Under the terms of the New Notes, if following the Expiration and prior to October 19, 2023, the Province voluntarily makes an offer to purchase or exchange or solicits consents to amend any Existing Notes, other than any such offer or solicitation that is made in satisfaction of a final, non-appealable court order or arbitral award (a

“Qualifying Offer”), the Province will take all steps necessary so that each Holder of New Notes will have the right, for a period of at least 30 calendar days following the commencement of such Qualifying Offer, to exchange any of such Holder’s New Notes for:

- the consideration in cash or in kind to be offered in connection with such Qualifying Offer, or
- securities having terms substantially the same as those that holders of Existing Notes would hold upon consummation of such Qualifying Offer,

in each case in accordance with the terms and conditions of such Qualifying Offer, as if such Holder held a principal amount of Existing Notes at least equal to (a) the principal amount of such Holder’s New Notes minus (b) an amount equal to the aggregate amount of interest, if any, previously paid on such New Notes.

Payment Procedure in the Event of Foreign Exchange Restrictions in Argentina

The Province has agreed that, if it is unable to obtain the full amount of the specified currency or to transfer such amounts outside of Argentina in order to make a scheduled payment of principal or interest on the New Notes due to a restriction or prohibition on access to the foreign exchange market in Argentina, to the extent permitted by such restriction or prohibition, the Province will pay all such amounts then due by means of (i) purchasing U.S. dollar-denominated Argentine government bonds traded outside of Argentina or any other securities or public or private bonds issued in Argentina, with Argentine Pesos, and transferring and selling such instruments outside Argentina for the specified currency, or (ii) any other legal mechanism for the acquisition of the specified currency in any foreign exchange market. All costs, including any taxes, relative to such operations to obtain the specified currency will be borne by the Province.

Governing Law

Subject to certain exceptions the Indenture is, and the New Notes will be, governed by and construed in accordance with the law of the State of New York.

Submission to Jurisdiction

Under U.S. law, the Province is a political subdivision of a sovereign state. Consequently, it may be difficult for holders of New Notes to obtain or realize judgments from courts in the United States or elsewhere against the Province. Attachment prior to judgment or attachment in aid of execution will not be ordered by courts of Argentina or the Province with respect to public property if such property is located in Argentina and is included within the provisions of Articles 234 and 235 of the Argentine Civil and Commercial Code, or directly provides an essential public service. Furthermore, it may be difficult for the trustee or holders to enforce, in the United States or elsewhere, the judgments of U.S. or foreign courts against the Province.

In connection with any legal action or proceeding arising out of or relating to the New Notes (subject to the exceptions described below), the Province has agreed:

- to submit to the jurisdiction of any New York state and/or U.S. federal court sitting in New York City in the Borough of Manhattan and any appellate court of either thereof;
- that all claims in respect of such legal action or proceeding may be heard and determined in such New York state or U.S. federal court and the Province will waive, to the fullest extent permitted by law, any objection to venue or the defense of an inconvenient forum to the maintenance of such action or proceeding; and
- to appoint Corporation Service Company as its authorized agent, which is presently located at 1180 Avenue of the Americas, Suite 210, New York, NY 10036-8401, United States of America.

The process agent will receive, on behalf of the Province and its property, service of any summons and complaint and any other process that may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City in the Borough of Manhattan. Service may be made by mailing or delivering a copy of such process to the Province in the care of the authorized agent at the address specified above for such authorized agent.

A final, non-appealable judgment in any of the above legal actions or proceedings will be conclusive and may be enforced by a suit upon such judgment in any other manner provided by applicable law.

In addition to the foregoing, the trustee and the holders of New Notes may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of the trustee or any holder to bring any action or proceeding against the Province or its property in other courts where jurisdiction is independently established.

To the extent that the Province has or hereafter may acquire any immunity (sovereign or otherwise) in respect of its obligations under the New Notes and/or the Indenture from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property (except for property considered of the public domain or dedicated to the purpose of an essential public service or otherwise exempt from attachment or seizure under applicable Argentine and provincial law), the Province will irrevocably waive such immunity in respect of its obligations under the Indenture or the New Notes, and, without limiting the generality of the foregoing, the Province agrees that the waivers set forth in the Indenture shall have the fullest scope permitted under the Foreign Sovereign Immunities Act of 1976 of the United States, as amended (the “Immunities Act”), and are intended to be irrevocable for purposes of such Act. Notwithstanding the foregoing, the Province reserves the right to plead sovereign immunity under the Immunities Act with respect to actions or proceedings brought against it under U.S. federal securities laws or any state securities laws, and the Province’s appointment of a process agent is not intended to extend to such actions or proceedings.

Holders may be required to post a bond or other security with the Argentine courts as a condition to the institution, prosecution or completion of any action or proceeding (including appeals) arising out of or relating to the New Notes filed in those courts.

A judgment obtained against the Province in a foreign court may be enforced in the Supreme Court of the Republic of Argentina. Based on current law, the Supreme Court of the Republic of Argentina will enforce such a judgment in accordance with the terms and conditions of the treaties entered into between Argentina and the country in which the judgment was issued. In the event there are no such treaties, the Supreme Court of the Republic of Argentina will enforce the judgment if it:

- complies with all formalities required for the enforceability thereof under the laws of the country in which it was issued;
- has been translated into Spanish, together with all related documents, and it satisfies the authentication requirements of the laws of Argentina;
- was issued by a competent court, according to Argentine principles of international law, as a consequence of a personal action (action *in personam*) or a real action (action *in rem*) over a movable property if it has been moved to Argentina during or after the time the trial was held before a foreign court;
- was issued after serving due notice and giving an opportunity to the defendant to present its case;
- is not subject to further appeal;
- is not against Argentine public policy; and
- is not incompatible with another judgment previously or simultaneously issued by an Argentine Court.

Currency Indemnity

The obligation of the Province to the trustee or any holder under the New Notes that has obtained a court judgment affecting the Indenture or those New Notes will be discharged only to the extent that the recipient may purchase U.S. dollars, referred to as the “agreement currency,” with any other currency paid to that recipient in accordance with the judgment currency. If the holder cannot purchase the agreement currency in the amount originally to be paid, the Province agrees to pay the difference. The recipient, however, agrees that, if the amount of the agreement currency purchased exceeds the amount originally to be paid to such recipient, the recipient will reimburse the excess to the Province. The recipient, however, will not be obligated to make this reimbursement if the Province is in default of its obligations under the Indenture or the New Notes.

Concerning the Trustee

The Indenture contains provisions relating to the obligations, rights, duties and protections of the trustee, to the indemnification of the trustee and the liability and responsibility, including limitations, for actions that the trustee takes. The trustee is entitled to enter into business transactions with the Province or any of its affiliates without accounting for any profit resulting from such transactions.

Paying Agents; Transfer Agents; Registrar

The Province will maintain a paying agent, a transfer agent and a registrar in New York City and a paying agent and a transfer agent in a member state of the European Union (which, so long as the New Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Exchange so require, will be in Luxembourg). The Province will give prompt notice to the trustee and all holders of New Notes of any future appointment or any resignation or removal of any paying agent, transfer agent or registrar or of any change by any paying agent, transfer agent or registrar in any of its specified offices.

TENDER PROCEDURES

General

The Invitation is being made to all Eligible Holders and Tender Orders may be delivered only by or on behalf of Eligible Holders.

By submitting a Tender Order and consenting to the Proposed Modifications, Holders are deemed to make certain acknowledgments, representations, warranties and undertakings to us, the Dealer Managers, the Trustee, the Luxembourg Listing Agent, and the Information, Tabulation and Exchange Agent as set forth under “Representations and Acknowledgements of the Beneficial Owners of the Existing Notes.”

The method of delivering Tender Orders, including delivery through DTC and any acceptance of an Agent’s Message transmitted through ATOP, is at the election and risk of the delivering Holder.

The Invitation will expire at 9:00 a.m. (NYT), July 27, 2020, unless we, in our sole discretion, extend or terminate it earlier, in accordance with the terms described in this invitation memorandum. We may terminate, withdraw or amend the Invitation at any time before we announce the acceptance of tenders on the Results Announcement Date as described in “Terms of the Invitation—Expiration; Extension; Termination; and Amendment.”

Tender of Existing Notes

In connection with the Exchange Offer, we are soliciting written consents from Eligible Holders to the Proposed Modifications. Eligible Holders may not deliver Tender Orders or tender their Existing Notes for exchange without delivering a written consent, and Eligible Holders may not consent to the Proposed Modifications without tendering their Existing Notes for exchange pursuant to the Exchange Offer. The delivery of a Tender Order by an Eligible Holder (and subsequent acceptance of such tender by us) pursuant to one of the procedures set forth below will constitute a binding agreement between such Eligible Holder and the Province in accordance with the terms and subject to the conditions set forth herein, which agreement will be governed by, and construed in accordance with, the laws of the State of New York.

Existing Notes may be tendered in minimum denominations of U.S.\$1,000 and integral multiples thereof.

The procedures by which Existing Notes may be tendered by beneficial owners who are not registered Holders will depend upon the manner in which Existing Notes are held.

A separate tender instruction must be submitted on behalf of each beneficial owner of the Existing Notes.

Existing Notes Held Through a Custodian

If you are a beneficial owner holding Existing Notes through a custodian, you may not deliver your Tender Order directly. You should contact their custodian to deliver a Tender Order on your behalf. In the event that your custodian is unable to deliver your Tender Order through the applicable clearing system, on your behalf, you should contact the Dealer Managers for assistance in delivering your Tender Orders. There can be no assurance that the Dealer Managers will be able to assist you in timely submitting its Tender Order.

Eligible Bonds Held Through DTC

The Invitation is being made to all Holders of Existing Notes and their duly appointed proxies. We will deem Tender Orders executed by DTC Participants or their duly appointed proxies with respect to those Existing Notes to be a consent to authorize and direct the Trustee to enter into the Supplemental Indenture and modify any Existing Notes that remain outstanding after giving effect to the Exchange Offer, in order to give effect to the Proposed Modifications.

If beneficial owners hold their Existing Notes through DTC, beneficial owners must arrange for a direct participant in DTC to deliver their Tender Order through ATOP and follow the procedure for book-entry transfer set

forth below, as applicable. DTC has confirmed that the Invitation is eligible for ATOP. Accordingly, a DTC participant must electronically transmit its submission of Tender Order, if applicable, in accordance with DTC's ATOP procedures for the Invitation. DTC will then send an Agent's Message to the Information, Tabulation and Exchange Agent.

The term "Agent's Message" means a message, transmitted by DTC, received by the Information, Tabulation and Exchange Agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the tendering participant, which acknowledgment states that such participant has received and agrees to be bound by the terms of the Invitation (as set forth in this invitation memorandum) including, for the avoidance of doubt, that by submitting Tender Orders to exchange for newly issued New Notes on the terms and subject to the conditions of the Exchange Offer set forth in this invitation memorandum, a Holder of Existing Notes also consents to the Proposed Modifications. Holders who intend to exchange their Existing Notes on the day the Invitation expires should allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such date.

A Holder's Tender Order must be submitted through DTC's ATOP system in accordance with the deadlines and procedures established by DTC, and an Agent's Message with respect to a Holder's Tender Order must be received by the Information, Tabulation and Exchange Agent at or prior to the Expiration.

Existing Notes Held Through Euroclear, Clearstream or Caja de Valores

If beneficial owners hold their Existing Notes through Euroclear, Clearstream or Caja de Valores, such beneficial owners must arrange for a Euroclear Participant, a Clearstream Participant or a Caja de Valores Participant, as the case may be, to deliver their Tender Orders, which includes "blocking" instructions (as defined herein), to Euroclear, Clearstream or Caja de Valores in accordance with the procedures and deadlines specified by Euroclear, Clearstream or Caja de Valores at or prior to the Expiration.

"Blocking" instructions means:

- instructions to block any attempt to transfer a Holder's Existing Notes on or prior to the Expiration;
- instructions to debit a Holder's account on the Settlement Date in respect of all of a Holder's Existing Notes, or in respect such lesser portion of a Holder's Existing Notes as are accepted for exchange by us, and
- an authorization to disclose, to the Information, Tabulation and Exchange Agent, the identity of the participant account Holder and account information;

Upon revoking a Tender Order, "blocking" instructions will be automatically revoked.

A Holder's Tender Order, which includes Holder's "blocking" instructions, or a revocation of a Tender Order must be delivered and received by Euroclear, Clearstream or Caja de Valores in accordance with the procedures established by them and on or prior to the deadlines established by each of those clearing systems. Holders are responsible for informing themselves of these deadlines and for arranging the due and timely delivery of "blocking" instructions to Euroclear, Clearstream or Caja de Valores.

Irregularities

All questions regarding the validity, form and eligibility, including time of receipt or revocation or revision, of any Tender Order will be determined by us in our sole discretion, which determination will be final and binding. We reserve the absolute right to reject (i) any and all Tender Orders that are not in proper form and (ii) any and all Tender Orders for which any corresponding agreement by us to exchange would, in the opinion of our counsel, be unlawful. We reserve the absolute right to waive any of the conditions of the Invitation or defects in Tender Orders. None of us, the Trustee, the Luxembourg Listing Agent, the Dealer Managers or the Information, Tabulation and Exchange Agent shall be under any duty to give notice to you, as the consenting or tendering Holder, of any

irregularities in submission of Tender Orders, nor shall any of them incur any liability for the failure to give such notice.

Revocation of Tender Orders

Following the Revocation Deadline, Tender Orders may no longer be validly revoked. Any Tender Order properly revoked prior to the Revocation Deadline will be deemed not validly delivered for purposes of the Invitation. Any permitted revocation of a Tender Order may not be rescinded; *provided, however*, that Holders of Existing Notes for which Tender Orders have been revoked may deliver a new Tender Order with respect to such Existing Notes by following one of the appropriate procedures described in this invitation memorandum at any time prior to the Expiration.

A revocation of a Tender Order must be delivered and received by Euroclear or Clearstream in accordance with the procedures established by them and on or prior to the deadlines established by each of those clearing systems. Holders are responsible for informing themselves of these deadlines and for arranging the due and timely delivery of “blocking” instructions to Euroclear or Clearstream.

A valid withdrawal of a Tender Order will also constitute the revocation of the related consent to the Proposed Modifications. Consents may only be revoked by validly withdrawing the corresponding Tender Order prior to the Expiration. Tender Orders (and the accompanying consent) cannot be withdrawn or revoked after the Revocation Deadline. In the event of a termination or withdrawal of the Invitation, Existing Notes tendered pursuant to the Tender Orders will be promptly unblocked in your relevant Clearing System account.

For Existing Notes held through a financial institution or other intermediary, a beneficial owner must contact that financial institution or intermediary and instruct it to submit Tender Orders or revocation instructions on behalf of the beneficial owner. The financial institution or intermediary may have earlier deadlines by which it must receive instructions in order to have adequate time to meet the deadlines of the Clearing System through which Tender Orders or revocation instructions in respect of the Existing Notes are submitted.

For a revocation of a Tender Order to be effective, a written or facsimile transmission notice of withdrawal of Existing Notes must be received by the relevant clearing system at or prior to the Expiration, by a properly transmitted “Request Message” through ATOP if Existing were tendered through ATOP. Any such notice of withdrawal must (a) specify the name of the person who delivered the Tender Order to be revoked, the name in which the Existing Notes are registered (or, if tendered by a book-entry transfer, the name of the participant in DTC whose name appears on the security position listing as the owner of such Existing Notes), if different from that of the person who deposited the Existing Notes, and (b) include the principal amount of Existing Notes to be revoked or with respect to which Tender Orders are being revoked.

If you hold Existing Notes through Euroclear, Clearstream or Caja de Valores, a revocation of a Tender Order must be delivered and received by Euroclear, Clearstream or Caja de Valores, as applicable, in accordance with the procedures established by them and on or prior to the deadlines established by each of those clearing systems. Holders are responsible for informing themselves of these deadlines and for arranging the due and timely delivery of “blocking” instructions to Euroclear, Clearstream or Caja de Valores.

Revocation of Tender Orders can only be accomplished in accordance with the foregoing procedures.

All questions as to the form and validity (including time of receipt) of any notice of revocation of a Tender Order will be determined by us, which determination shall be final and binding. None of us, the Trustee, the Luxembourg Listing Agent, the Dealer Managers, the Information, Tabulation and Exchange Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of revocation or incur any liability for failure to give any such notification.

In addition, if we terminate the Exchange Offer without accepting any tenders for exchange, all Tender Orders and “blocking” instructions shall automatically be deemed to be revoked.

Publication

Information about the Invitation will be displayed on the Invitation Website. These notices will, among other things, set forth the names of the Dealer Managers and the Information, Tabulation and Exchange Agent. All documentation relating to the offer, together with any updates, will be available via the Invitation Website: <https://sites.dfkingltd.com/mendoza>.

REPRESENTATIONS AND ACKNOWLEDGEMENT OF HOLDERS TENDERING EXISTING NOTES

By delivering your Tender Order, you are deemed to acknowledge, represent, warrant and undertake to us, the Dealer Managers, the Trustee, the Luxembourg Listing Agent, and the Information, Tabulation and Exchange Agent that you are a Holder and that as of the Expiration and on the Settlement Date:

- you have received and reviewed this invitation memorandum and understand and agree to all terms and conditions;
- you understand that the delivery of your Tender Order pursuant to the procedures set forth in this invitation memorandum will constitute your acceptance of the terms and conditions of the Invitation;
- in evaluating the Invitation and in making your decision whether to deliver your Tender Orders, you have made your own independent appraisal of the matters referred to herein and in any related communications and you are not relying on any statement, representation or warranty, express or implied, made to you by the Province, the Dealer Managers, the Information, Tabulation and Exchange Agent or any other person, other than those contained in this invitation memorandum (as supplemented prior to the Expiration);
- you have sought such accounting, legal and tax advice as you have considered necessary to make an informed investment decision with respect to delivering your Tender Order;
- you understand and acknowledge that (i) participating in the Invitation involves a high degree of risk, (ii) you will be required to bear the financial and any other risks of investing in the New Notes for an indefinite period of time and (iii) prior to delivering a Tender Order, you have concluded that you are able to bear those risks for an indefinite period;
- you may lawfully deliver the Tender Order and you are an Eligible Holder;
- you expressly release us, the Trustee, the Luxembourg Listing Agent, the Dealer Managers and the Information, Tabulation and Exchange Agent from any and all liabilities arising from the failure by us, the Trustee, the Dealer Managers or the Information, Tabulation and Exchange Agent to disclose any information concerning us, the Existing Notes, the Proposed Modifications the Exchange Offer to you, and you agree to make no claim against us, the Trustee, the Luxembourg Listing Agent, the Dealer Managers or the Information, Tabulation and Exchange Agent in respect thereof;
- you shall indemnify us, the Trustee, the Luxembourg Listing Agent, the Dealer Managers and the Information, Tabulation and Exchange Agent against all and any losses, costs claims, liabilities, expenses, charges, actions or demands that we or any of them may incur or which may be made against any of us or them as a result of your breach of any of the terms of, or any of the representations, warranties and/or undertakings given pursuant to, the Invitation;
- all authority conferred or agreed to be conferred pursuant to your representations, warranties and undertakings and all of your obligations shall be binding upon your successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives and shall not be affected by, and shall survive, your death or incapacity;
- you are solely liable for any taxes and similar or related payments imposed on you under the laws of any applicable jurisdiction as a result of your participation in the Invitations and agree that you will not and do not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Province, any Dealer Manager, the Information, Exchange and Tabulation

Agent, the Trustee, the Luxembourg Listing Agent or any other person in respect of such taxes and payments;

- upon the terms and subject to the conditions of the Invitation, you accept the Invitation in respect of the Existing Notes that you are tendering and, subject to and effective upon the exchange of the tendered Existing Notes on the Settlement Date, you will exchange, assign and transfer to, or to the order of, the Province all right, title and interest in and to all of the Existing Notes tendered by you and such exchange will be deemed to constitute full performance by the Province of all of its obligations under such Existing Notes, such that thereafter you shall have, now or in the future, no contractual or other rights or claims in law or in equity with respect to your tendered Existing Notes against the Province (or its affiliates), the Trustee or any of their agents, officials, officers, employees or advisors;
- you renounce all right, title and interest in and to all Existing Notes exchanged by or at the direction of the Province, and waive and release the Province and the Trustee from any and all claims you may have, now or in the future, arising out of or related to the Invitation and such Existing Notes, including, without limitation, any claims that you are entitled to receive additional principal or interest payments with respect to such Existing Notes (other than as otherwise expressly provided in this invitation memorandum);
- you have full power and authority to accept the Invitation and tender, exchange, assign and transfer the Existing Notes tendered, and that, if such Existing Notes are accepted for exchange then (i) on the Settlement Date, you will deliver good and marketable title thereto, free and clear of all liens, charges, claims, interests, rights of third parties, encumbrances and restrictions of any kind and such Existing Notes will not be subject to any adverse claim or right; and (ii) you will, upon request, execute and deliver additional documents and/or do such other things deemed by us, the Dealer Managers, the Trustee, the Luxembourg Listing Agent, or the Information, Tabulation and Exchange Agent to be necessary or desirable to complete the exchange, assignment and transfer of the Existing Notes tendered or to evidence such power and authority;
- you understand that the acceptance for exchange of Existing Notes pursuant to any of the procedures described in this invitation memorandum will constitute a binding agreement between you and us in accordance with the terms and subject to the conditions of the Invitation;
- you have (a) arranged for a direct participant in DTC, Euroclear, Clearstream or Caja de Valores, as appropriate, to deliver tender instructions with respect to the Existing Notes to DTC, Euroclear, Clearstream or Caja de Valores, as appropriate, in the manner specified in the Invitation prior to the Expiration, (b) authorized DTC, Euroclear, Clearstream or Caja de Valores, as appropriate, in accordance with their procedures and deadlines, to (i) block any attempt to transfer such Existing Notes prior to the Settlement Date, (ii) cancel such Existing Notes (or such lesser portion as shall be accepted for tender by us) on the Settlement Date and (iii) disclose the name of the beneficial owner and information about the foregoing instructions with respect to such Existing Notes, and (c) further authorized the Information, Tabulation and Exchange Agent to instruct DTC, Euroclear, Clearstream or Caja de Valores, as appropriate, as to the aggregate principal amount of such Existing Notes that shall have been accepted for tender by us;
- you waive Swiss bank customer secrecy and/or other confidentiality obligations to the extent necessary to execute the Tender Order;
- you have obtained any and all regulatory approvals required under the laws of any applicable jurisdiction, if any, for you to deliver the Tender Order and to acquire the New Notes pursuant to the Exchange Offer; and
- if you are located and/or resident in Japan, (a) you are a qualified institutional investor, as defined in Article 10 of the Ordinance of Cabinet Office Concerning Definitions Provided in Article 2 of

the Financial Instruments and Exchange Act of Japan (“QII”); and (b) you have been informed that (1) the New Notes have not been and will not be registered under Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “FIEA”) since the offering in Japan constitutes the private placement to QIIs under Article 2, Paragraph 3, Item 2-A of the FIEA; and (2) any transfer of the New Notes is prohibited except where it is transferred to QIIs.

TAXATION

The following discussion summarizes certain Argentine and U.S. federal income tax considerations that may be relevant to you if you invest in New Notes. This summary is based on laws and regulations in effect in the Republic of Argentina and laws, regulations, rulings and decisions now in effect in the United States and may change. Any change could apply retroactively and could affect the continued validity of this summary.

This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax adviser about the tax consequences of holding New Notes, including the relevance to your particular situation of the considerations discussed below, as well as of state, local or other tax laws.

Argentine Federal Taxation

The following discussion summarizes certain aspects of Argentine federal taxation that may be relevant to you if you are a holder of debt securities who is an individual that is a non-resident of Argentina or a legal entity that is neither organized in, nor maintains a permanent establishment in Argentina (a “Non-Resident Holder”). This summary may also be relevant to you if you are a Non-Resident Holder in connection with the holding and disposition of the debt securities. The summary is based on Argentine laws, rules and regulations now in effect, all of which may change.

This summary is not intended to constitute a complete analysis of the tax consequences under Argentine law of the receipt, ownership or disposition of the debt securities, in each case if you are a non-resident of Argentina, nor to describe any of the tax consequences that may be applicable to you if you are a resident of Argentina.

If you (i) receive debt securities pursuant to this offering, and (ii) are a Non-Resident Holder, the receipt of debt securities and the receipt of the Consent Payment (if applicable) will not result in any withholding or other Argentine taxes. Provided that all acts and contracts necessary for the purchase of the debt securities are executed outside Argentina by Non-Resident Holders, the acquisition of debt securities pursuant to this offering will not be subject to any stamp or other similar Argentine taxes.

Under Argentine law, as currently in effect, if you are a Non-Resident Holder, interest and principal payments on the debt securities (and payment of the Consent Payment, if applicable) will not be subject to Argentine income or withholding tax if you have your residence in a country considered as cooperative in terms of fiscal transparency and that the funds used to purchase the debt securities came from a country considered as cooperative in terms of fiscal transparency (note that a list of non-cooperative jurisdictions is provided under Argentine regulations). If you are a Non-Resident Holder and you obtain capital gains resulting from any trade or disposition of debt securities, you will not be subject to Argentine income or other taxes if you have no connection with the Republic other than as a holder of an interest in the debt securities provided that you have your residence in a country considered as cooperative in terms of fiscal transparency and the funds used to purchase the debt securities came from a country considered as cooperative in terms of fiscal transparency.

If you are a Non-Resident Holder, provided that no bank account opened in an Argentine banking institution is used to receive capital or interest from the debt securities or the price of the sale of the debt securities, no Argentine tax (such as tax on debits and credits) would apply on said movement of funds.

If you are an individual or company that is resident in Argentina for tax purposes, please note that the aforementioned tax consequences may differ. Please refer to your tax advisors for the specific tax treatment applicable to you.

U.S. Federal Income Tax Consequences

The following discussion summarizes certain material U.S. federal income tax consequences of the Invitation to you as a U.S. Holder and does not apply to holders that are not U.S. Holders except where specified. You are a “U.S. Holder” if you are a beneficial owner of Existing Notes that is, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a domestic corporation, (iii) an estate the income of which

is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes. This summary does not purport to be a comprehensive description of all of the tax consequences that may be relevant to your decision to participate in the Invitation, including tax consequences that arise from rules of general application to all taxpayers or to certain classes of taxpayers. This summary does not address the tax consequences to (i) persons that may be subject to special treatment under U.S. federal income tax law, such as banks, insurance companies, thrift institutions, regulated investment companies, real estate investment trusts, tax-exempt organizations, traders in securities that elect to mark-to-market and dealers in securities or currencies, persons that hold Existing Notes or will hold New Notes as part of a position in a “straddle” or as part of a “hedging,” “conversion” or other integrated investment transaction for U.S. federal income tax purposes, entities or arrangements taxed as partnerships or the partners therein, U.S. expatriates, nonresident alien individuals present in the United States for more than 182 days in a taxable year, investors that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement, or persons whose functional currency is not the U.S. dollar, (ii) persons that do not hold Existing Notes or will not hold New Notes as capital assets or (iii) persons that do not acquire New Notes pursuant to the Exchange Offer or the Proposed Modifications.

This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, as of the date hereof, all of which are subject to change, possibly on a retroactive basis.

This summary addresses only U.S. federal income tax consequences, and does not address consequences arising under state, local, or non-U.S. tax laws, the alternative minimum tax or the Medicare tax on net investment income. Investors should consult their own tax advisors in determining the tax consequences to them of the Invitation under such tax laws, as well as the application to their particular situation of the U.S. federal income tax considerations discussed below.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that acquires New Notes pursuant to the Exchange Offer or the Proposed Modifications will depend on the status of the partner and the activities of the partnership. Investors that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of acquiring New Notes pursuant to the Exchange Offer or the Proposed Modifications.

The Province has not sought any ruling from the U.S. Internal Revenue Service (the “IRS”) with respect to the statements made and the conclusions reached in this discussion, and there can be no assurance that the IRS will agree with all of such statements and conclusions.

Consequences of Receiving New Notes Pursuant to the Exchange Offer or the Proposed Modifications

In General

The receipt of New Notes pursuant to the Exchange Offer or the Proposed 75% Modifications will be a taxable event upon which gain or loss is realized for U.S. federal income tax purposes (a “realization event”). However, if the Proposed 50% Modifications are given effect but the Proposed 75% Modifications are not given effect with respect to the Existing Notes, see the discussion below under “—Consequences if the Proposed 50% Modifications Are Given Effect With Respect to Your Existing Notes, the Proposed 75% Modifications Are Not Given Effect With Respect to Your Existing Notes, and You Do Not Participate in the Exchange Offer”.

Under general principles of U.S. federal income tax law, a modification of the terms of a debt instrument (including an exchange of one debt instrument for another debt instrument having different terms) is a realization event only if the modification is “significant.” A modification of a debt instrument that is not a significant modification does not create a realization event. Under applicable regulations, the modification of a debt instrument is a “significant” modification if, based on all the facts and circumstances and taking into account all modifications, other than certain specified modifications, the legal rights or obligations that are altered and the degree to which they

are altered is “economically significant.” The applicable regulations also provide specific rules to determine whether certain modifications, such as a change in the timing of payments or a change in the yield of a debt instrument, are significant. The receipt of New Notes pursuant to the Exchange Offer or the Proposed Modifications will be considered a significant modification of the Existing Notes, because a number of material substantive terms of the Existing Notes (*e.g.*, change in timing of payments, interest rate, yield, payment schedules) will change in a significant manner as a result of the exchanges.

Taxable Exchange

Based on the foregoing, and subject to the discussion below of accrued but unpaid interest on the Existing Notes and the rules for the market discount, you generally will recognize capital gain or loss upon the receipt of New Notes pursuant to the Exchange Offer or the Proposed Modifications in an amount equal to the difference between your amount realized and your adjusted tax basis in the Existing Notes substituted or tendered at the time of the consummation of the Exchange Offer or the Proposed Modifications (as applicable). Your adjusted tax basis in the Existing Notes generally will equal the U.S. dollar value of the amount paid therefor, increased by the amount of any market discount previously taken into account and reduced by the amount of any amortizable bond premium previously amortized with respect to the Existing Notes and by any payments other than payments of qualified stated interest (defined as stated interest that is unconditionally payable in cash or property at least annually at a single fixed rate). Your amount realized will be equal to the issue price of the New Notes that you receive (determined for each New Note as described below under “—*Issue Price of New Notes*”) at the time of the consummation of the Exchange Offer or the Proposed Modifications (as applicable), plus, if the Consent Payment is treated as additional consideration for the Existing Notes, the amount of any Consent Payment that you receive. Any such capital gain or loss will be long-term capital gain or loss if your holding period for the Existing Notes at the time of the consummation of the Exchange Offer or the Proposed Modifications (as applicable) is more than one year.

If the Consent Payment is not treated as additional consideration for the Existing Notes but instead is considered to be a separate fee payable to consenting holders for their consenting to the Proposed Modifications, you would recognize ordinary income in respect of any Consent Payment that you receive (as described below under “—*The Consent Payment*”).

As noted above in “*Summary of the Invitation*”, you will not receive payment of any accrued and unpaid interest on substituted or tendered Existing Notes for the period since the last interest payment date under the Existing Notes. However, it is not entirely clear whether the receipt of New Notes pursuant to the Exchange Offer or the Proposed Modifications or the receipt of the Consent Payment would be treated under U.S. Treasury regulations as a payment of accrued but unpaid interest on the Existing Notes. Any portion of the New Notes or Consent Payment so treated would be taxable as ordinary interest income and would be excluded from the calculation of gain or loss upon the receipt of New Notes pursuant to the Exchange Offer or the Proposed Modifications. Although the remainder of this discussion assumes that no portion of the New Notes or Consent Payment will be treated as received in respect of accrued but unpaid interest on the Existing Notes, it is possible that the IRS could disagree with this position. You should consult your own tax advisors regarding the treatment of accrued but unpaid interest on your Existing Notes, including, in the case of a U.S. Holder that uses an accrual method of accounting for U.S. tax purposes, the treatment of any nonpayment of such previously accrued interest.

In general, if you acquired Existing Notes with market discount, any gain you recognize with respect to such Existing Notes upon receipt of New Notes will be treated as ordinary income to the extent of the portion of the market discount that has accrued while you held such Existing Notes, unless you have elected to include market discount in income currently as it accrues. You will have acquired Existing Notes with market discount for U.S. federal income tax purposes if you acquired it other than at its adjusted issue price with a tax basis that was lower than its “stated redemption price at maturity” (as defined below under “—*Original Issue Discount*”) at the time of acquisition, unless a statutorily defined *de minimis* exception applied.

Your initial tax basis in New Notes will be equal to its issue price (determined as described under “—*Issue Price*” below). Your holding period with respect to such New Notes will begin the day following the consummation of the Exchange Offer or the Proposed Modifications (as applicable).

Issue Price of New Notes

As discussed above under “—Consequences of Receiving New Notes Pursuant to the Exchange Offer or the Proposed Modifications— *Taxable Exchange*,” the amount you realize with respect to your substitution or tender of Existing Notes will be determined by reference to the issue price of the New Notes received therefor (plus, if the Consent Payment is treated as additional consideration for the Existing Notes, the amount of any Consent Payment that you receive). Your initial tax basis in the New Notes will also be determined by reference to their issue price.

The issue price of New Notes generally will be equal to the fair market value of the New Notes, determined as of the date of the consummation of the Exchange Offer or the effectiveness of the Proposed Modifications (as applicable), if a substantial amount of the New Notes is “traded on an established market” for U.S. federal income tax purposes. Debt instruments are considered to be traded on an established market if, at any time during the 31-day period ending 15 days after the date of the exchange there is a sales price for the debt or there are one or more firm or indicative quotes for the debt instrument. If no substantial amount of the New Notes is “traded on an established market,” but the Existing Notes substituted or tendered for the New Notes are so traded, the issue price of the New Notes will be the fair market value of such Existing Notes determined as of such date. The Province expects that, for U.S. federal income tax purposes, the New Notes will be traded on an established market. Therefore, the Province anticipates that the issue price of the New Notes will be determined by reference to their fair market values. The issue price for the New Notes will be available from the Province by submitting a written request for such information to the address indicated in the back cover of this invitation memorandum.

The Consent Payment

There is no authority directly on point concerning the United States federal income tax consequences of receipt of the Consent Payment. As discussed above, it is possible that the Consent Payment paid to a U.S. Holder may be treated as a payment in respect of the Existing Notes, as additional consideration received in exchange for the Existing Notes, or as a separate fee for its consenting to the Proposed Modifications (which fee would constitute ordinary income to the U.S. Holder). U.S. Holders are urged to consult their own tax advisors concerning the characterization of the Consent Payment.

Consequences if the Proposed 50% Modifications Are Given Effect With Respect to Your Existing Notes, the Proposed 75% Modifications Are Not Given Effect With Respect to Your Existing Notes, and You Do Not Participate in the Exchange Offer

The U.S. federal income tax consequences of the Proposed 50% Modifications to a U.S. Holder who does not participate in the Exchange Offer will depend on whether the adoption of the Proposed 50% Modifications results in a “significant” modification of the Existing Notes and hence a realization event (as described above under “—Consequences of Receiving New Notes Pursuant to the Exchange Offer or the Proposed Modifications—*In General*”). Although the matter is not entirely free from doubt, we believe that if the Proposed 50% Modifications are given effect with respect to your Existing Notes, the Proposed 75% Modifications are not given effect with respect to your Existing Notes, and you do not participate in the Exchange Offer, you should not be deemed to exchange your Existing Notes for notes modified pursuant to the Proposed 50% Modifications (“Modified Existing Notes”). There can be no assurance, however, that the IRS would not take a contrary position or that a court would not agree with such contrary position. If the Proposed 50% Modifications were treated as a significant modification and hence as resulting in a deemed exchange of Existing Notes for Modified Existing Notes, the U.S. federal income tax consequences of such a deemed exchange should generally be as described above under “—Consequences of Receiving New Notes Pursuant to the Exchange Offer or the Proposed Modifications” with the term “Modified Existing Notes” substituted for “New Notes” and the U.S. federal income tax consequences of holding Modified Existing Notes should generally be as described below under “—Consequences of Holding the New Notes” with the term “Modified Existing Notes” substituted for “New Notes” except that stated interest on the Modified Existing Notes would be qualified stated interest.

Consequences if Neither the Proposed 75% Modifications Nor the Proposed 50% Modifications Are Successful With Respect to Your Existing Notes and You Do Not Participate in the Exchange Offer

If neither the Proposed 75% Modifications nor the Proposed 50% Modifications are successful with respect to your Existing Notes, and you do not exchange your Existing Notes for New Notes in the Exchange Offer, the Invitation generally will not affect the U.S. federal income tax treatment of your Existing Notes.

Consequences of Holding the New Notes

New Notes

Original Issue Discount

The New Notes will be issued with a significant amount of original issue discount (“OID”) for U.S. federal income tax purposes. As discussed in more detail below, you will be required to include OID on the New Notes in your gross income in advance of the receipt of cash payments on such bonds.

In general, the amount of OID with respect to a debt instrument is equal to the excess of (i) the “stated redemption price at maturity” of the debt instrument (which will equal the sum of all payments due under the debt instrument other than “qualified stated interest” (of which New Notes will have none)), over (ii) the issue price of the debt instrument (which in the case of the New Notes, will be determined as discussed above under “—Consequences of Receiving New Notes Pursuant to an Exchange Offer or the Proposed Modifications—*Issue Price of New Notes*”). In general, qualified stated interest is stated interest that is unconditionally payable in cash or in property at least annually at a single fixed rate. As all of the New Notes will pay zero interest until 2021, the New Notes will not bear any qualified stated interest. Accordingly, all payments or accruals of stated interest on the New Notes will be included in the stated redemption price at maturity of the New Notes, thereby increasing the amount of OID on such bonds.

In general, if you hold New Notes, you will be required to include OID in gross income under a constant-yield method over the term of the New Notes in advance of cash payments attributable to such income, regardless of whether you are a cash or accrual method taxpayer, and without regard to the timing or amount of any actual payments. Under this treatment, you will include in ordinary gross income the sum of the “daily portions” of OID on the New Notes for all days during the taxable year that you own the New Notes. The daily portions of OID on New Notes are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. Accrual periods may be of any length and may vary in length over the term of the New Notes, provided that no accrual period is longer than one year and each scheduled payment of principal or interest occurs on either the final day or the first day of an accrual period. The amount of OID on New Notes allocable to each accrual period will be determined by multiplying the “adjusted issue price” (as defined below) of the New Notes at the beginning of the accrual period by the “yield to maturity” (as defined below) of such New Notes.

The “adjusted issue price” of New Notes at the beginning of any accrual period will generally be the sum of their issue price and the amount of OID allocable to all prior accrual periods, reduced by the amount of payments made on the New Notes. The “yield to maturity” of New Notes will be the discount rate (appropriately adjusted to reflect the length of accrual periods) that causes the present value of all payments on the New Notes, including any payments of principal payable at or prior to the maturity of the New Notes, to equal the issue price of such bond. All payments on New Notes, including payments of stated interest (none of which will be qualified stated interest, as discussed above), will generally be viewed first as payments of previously accrued OID to the extent thereof, with payments attributed first to the earliest-accrued OID, and then as payments of principal.

Sale, Exchange, Retirement or Other Taxable Disposition of New Notes

Your initial tax basis in New Notes, determined as described above under “—Consequences of Receiving New Notes Pursuant to the Exchange Offer or the Proposed Modifications—*Issue Price of New Notes*,” will be increased over time by the amount of OID included in your gross income and decreased by the amount of payments on the New Notes, including payments of stated interest and any amortization payments.

You generally will recognize gain or loss on the sale, exchange, retirement (including for purposes of this discussion, the receipt of any payment treated as principal as described above under “*Original Issue Discount*”) or other taxable disposition of New Notes in an amount equal to the difference between the amount you realize on such

disposition and your tax basis in the New Notes in each case as determined in U.S. dollars. The gain or loss that you recognize on the disposition generally will be capital gain or loss and will be long-term capital gain or loss if you have held the New Notes for more than one year on the date of disposition.

Foreign Financial Asset Reporting

Individual U.S. Holders that own “specified foreign financial assets” with an aggregate value in excess of \$50,000 on the last day of the taxable year or \$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. “Specified foreign financial assets” include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which may include Existing Notes and New Notes issued in certificated form) and any financial instrument or contract held for investment that has an issuer or counterparty which is other than a United States person that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisors concerning the application of these rules, including the application of the rules to their particular circumstances.

Backup Withholding and Information Reporting

Information returns generally will be filed with the IRS in connection with the receipt of the New Notes pursuant to the Exchange Offer or the Proposed Modifications, the accrual of OID, the payment of the Consent Payment, or interest on the New Notes by, and the proceeds of dispositions of New Notes effected by, certain U.S. taxpayers. In addition, certain U.S. taxpayers may be subject to backup withholding in respect of such amounts if they do not provide their taxpayer identification numbers to the person from whom they receive payments. Non-U.S. taxpayers may be required to comply with applicable certification procedures to establish that they are not U.S. taxpayers in order to avoid the application of such information reporting requirements and backup withholding. The amount of any backup withholding from a payment to a holder will be allowed as a credit against the holder or beneficial owner’s U.S. federal income tax liability and may entitle the holder or beneficial owner to a refund, provided that the required information is timely furnished to the IRS.

DEALER MANAGERS

We have entered into a dealer manager agreement (the “**Dealer Manager Agreement**”) with Credit Suisse Securities (USA) LLC and AdCap Securities Ltd., as the exclusive Dealer Managers for the Invitation (the “**Dealer Managers**”). Pursuant to the Dealer Manager Agreement, we have:

- retained the Dealer Managers to act, directly or through affiliates, on our behalf as the exclusive Dealer Managers in connection with the Invitation,
- agreed to pay a customary fee for soliciting acceptances of the Exchange Offer and consents to the Proposed Modifications,
- agreed to reimburse the Dealer Managers for certain expenses in connection with the Invitation, and
- agreed to indemnify the Dealer Managers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Dealer Managers may be required to make because of those liabilities.

The Dealer Manager Agreement contains various other representations, warranties, covenants and conditions customary for agreements of this sort. To the extent that solicitations are required to be made in any jurisdiction by persons licensed or registered in such jurisdictions, such solicitations may be effected by affiliates of the Dealer Managers that are registered or licensed in such jurisdictions.

The Dealer Managers are not obligated to make a market for the New Notes. The Dealer Managers may tender Existing Notes in the Invitation and may resell any New Notes from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices to be determined at the time of sale.

The Dealer Managers and their affiliates have provided, and expect to provide in the future, financial advisory, investment banking and general banking services to the Province and its governmental agencies and instrumentalities, for which they have received and expect to receive customary fees and commission. The Dealer Managers and their affiliates may, from time to time, engage in transactions with and perform services for the Province in the ordinary course of business.

At any given time, the Dealer Managers or their respective affiliates may trade the Existing Notes or other debt securities of the Province for their own accounts or for the accounts of customers and may accordingly hold a long or short position in the Existing Notes or other securities of the Province. In addition, in the ordinary course of their business activities, the Dealer Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Province or its affiliates. If any of the Dealer Managers or their respective affiliates has a lending relationship with the Province, certain of those Dealer Managers or their respective affiliates routinely hedge or may hedge, their credit exposure to the Province consistent with their customary risk management policies. Typically, such Dealer Managers and their respective affiliates would hedge such exposures by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Province’s securities. Any such credit default swaps or short positions could adversely affect future trading prices of the Province’s securities. The Dealer Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

TRANSFER RESTRICTIONS

None of the New Notes have been or will be registered under the Securities Act and they may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the New Notes are being offered and sold only (a) in the United States to holders of Existing Notes who are “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) (each a “**QIB**”), or (b) outside the United States to holders of Existing Notes. As used herein, the term “**United States**” has the meanings given to them in Regulation S.

The distribution of this invitation memorandum is restricted by law in certain jurisdictions. Persons into whose possession this invitation memorandum comes are required by the Province to inform themselves of and to observe any of these restrictions.

This invitation memorandum does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not authorized or in which the person making an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or solicitation. None of the Province, the Dealer Managers or the Information, Tabulation Agent accepts any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.

The New Notes will be subject to the following restrictions on transfer. Holders of New Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of their New Notes.

If a Tender Order is delivered in respect of any Existing Notes that you beneficially own, you will be deemed to have made the following acknowledgments, representations to and agreements with the Province:

1. You acknowledge that:
 - a. the New Notes have not been registered under the Securities Act or the securities laws of any other jurisdiction and are being offered for resale in transactions that do not require registration under the Securities Act or the securities laws of any other jurisdiction; and
 - b. unless so registered, the New Notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth below;
2. You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of the Province and you are not acting on behalf of the Province and that either:
 - a. you are a QIB and are acquiring the New Notes for your own account or for the account of another QIB; or
 - b. you are located outside of the United States in reliance on Regulation S under the Securities Act;
3. You represent that, if you are in any EEA Member State or in the UK, you are a “qualified investor” as defined in the Prospectus Regulation;
4. You represent that, if you are located in the UK, you are a relevant person (as this term is defined in “Notice to Prospective Investors in the United Kingdom”);
5. You agree on your own behalf and on behalf of any investor account for which you are delivering a Tender Order, and each subsequent holder of New Notes by its acceptance of the New Notes will agree, that the New Notes may be offered, sold or otherwise transferred only:

- a. to the Province;
- b. inside the United States to a QIB in compliance with Rule 144A under the Securities Act;
- c. outside the United States in compliance with Rule 903 or 904 under the Securities Act;
- d. pursuant to a registration statement that has been declared effective under the Securities Act;
- e. in any other jurisdiction in compliance with local securities laws;

6. You acknowledge that the Province and the Trustee reserve the right to require, in connection with any offer, sale or other transfer of New Notes, the delivery of written certifications and/or other information satisfactory to the Province as to compliance with the transfer restrictions referred to above;

7. You agree to deliver to each person to whom you transfer New Notes notice of any restrictions on transfer of such New Notes;

8. You acknowledge that, notwithstanding anything to the contrary in the Indenture, each New Note delivered to any QIB will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THIS SECURITY MAY NOT, PRIOR TO THE RESALE RESTRICTION TERMINATION DATE (AS DEFINED BELOW), BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) TO A PERSON WHO THE TRANSFEROR REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ACQUIRING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES PURSUANT TO THE TERMS AND CONDITIONS OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS.

THE "RESALE RESTRICTION TERMINATION DATE" MEANS THE DATE: (A) THAT IS AT LEAST ONE YEAR AFTER THE LATER OF THE ISSUE DATE OF THIS SECURITY AND THE DATE OF ISSUANCE OF ANY ADDITIONAL NOTES IN THIS SERIES PURSUANT TO THE INDENTURE OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THERETO; AND (B) ON WHICH THE PROVINCE HAS INSTRUCTED THE TRUSTEE THAT THIS LEGEND WILL NO LONGER APPLY IN ACCORDANCE WITH THE PROCEDURES DESCRIBED IN THE INDENTURE.

THIS SECURITY AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED BY THE ACCEPTANCE OF THIS SECURITY TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

THIS LEGEND CAN ONLY BE REMOVED AT THE OPTION AND DIRECTION OF THE PROVINCE.

9. You acknowledge that each New Note delivered under Regulation S will contain a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, PRIOR TO THE EXPIRATION OF 40 DAYS FROM THE LATER OF (1) THE DATE ON WHICH THIS NOTE WAS FIRST OFFERED AND (2) THE DATE OF ISSUANCE OF THIS NOTE, MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT (A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF ONE OR MORE OTHER QUALIFIED INSTITUTIONAL BUYERS IN ACCORDANCE WITH RULE 144A, OR (B) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR 904 OF REGULATION S. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

THIS NOTE AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE SHALL BE DEEMED BY THE ACCEPTANCE OF THIS NOTE TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

10. You acknowledge that the Province and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements. You agree that if any of the acknowledgments, representations or warranties deemed to have been made by the delivery of a Tender Order in respect of any Existing Notes beneficially owned by you is no longer accurate, you shall promptly notify the Province and the Information, Tabulation and Exchange Agent. If you are delivering a Tender Order as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the foregoing acknowledgments, representations, warranties and agreements on behalf of each account.

JURISDICTIONAL RESTRICTIONS

The distribution of this invitation memorandum and the transactions contemplated by it may be restricted by law in certain jurisdictions. Persons into whose possession such materials come are required to inform themselves of and to observe any of these restrictions.

This invitation memorandum does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not authorized or in which the person making an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or solicitation.

In any jurisdiction in which the Invitation is required to be made by a licensed broker or dealer and in which the Dealer Managers or any affiliate thereof is so licensed, it shall be deemed to be made by the that Dealer Managers or their respective affiliate on behalf of us.

If you are not a resident of one of the jurisdictions listed below, you should contact the Dealer Managers to request assistance.

United States

See transfer restrictions set forth under “Transfer Restrictions.”

European Economic Area and United Kingdom

This invitation memorandum has been prepared on the basis that any offer of New Notes in any Member State of the EEA or the UK will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of New Notes. Accordingly any person making or intending to make an offer in that Member State of New Notes which are the subject of the offering contemplated in this invitation memorandum may only do so to legal entities which are qualified investors as defined in the Prospectus Regulation, provided that no such offer of New Notes shall require the Issuer or any of the Dealer Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation in relation to such offer.

Neither the Issuer nor the Dealer Managers have authorized, nor do they authorize, the making of any offer of New Notes to any legal entity which is not a qualified investor as defined in the Prospectus Regulation. Neither the Province nor the Dealer Managers have authorized, nor do they authorize, the making of any offer of New Notes through any financial intermediary. The expression “Prospectus Regulation” means Regulation (EU) 2017/1129 (as amended or superseded) and, in relation to the UK, includes that Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

New Notes may not be offered, sold or otherwise made available to any retail investor in the EEA or the UK. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”);
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “IDD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II;
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) no key information document required by the PRIIPs Regulation for offering or selling the New Notes or otherwise making them available to retail investors in a Relevant State has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in a Relevant State may be unlawful under the PRIIPs Regulation. References to Regulations or Directives include, in relation to the UK,

those Regulations or Directives as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 or have been implemented in UK domestic law, as appropriate.

Each person in a Member State of the EEA or the UK who receives any communication in respect of, or who acquires any New Notes under, the offers to the public contemplated in this invitation memorandum, or to whom the New Notes are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with each Dealer Manager and the Issuer that it and any person on whose behalf it acquires New Notes is: (1) a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation; and (2) not a "retail investor" (as defined above).

United Kingdom

In connection with this Invitation, each Dealer Manager:

- a) has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial and Service and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of any New Notes in circumstances in which Section 21(1) of the FSMA does not apply to the issuer; and
- b) has complied and will comply with all applicable provisions of the FSMA and the Financial Services Act 2012 with respect to anything done by it in relation to the New Notes in, from or otherwise involving the United Kingdom.

Italy

None of the Invitation, the Exchange Offer, or any other document or materials relating to the Exchange Offer have been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian laws and regulations.

The Exchange Offer is being carried out in the Republic of Italy (“**Italy**”) as an exempted offer pursuant to article 101-*bis*, paragraph 3-*bis* of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and article 35-*bis*, paragraphs 3 and 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Accordingly, Holders of the Existing Notes that are located in Italy can submit Tender Orders pursuant to the Exchange Offer through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended from time to time) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB, Bank of Italy or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Existing Notes or the Exchange Offer.

Germany

See “Special Notice to Investors in the European Economic Area and the United Kingdom” on the cover page of this invitation memorandum, “Prohibition of Sales to EEA And UK Retail Investors” and “—European Economic Area and United Kingdom” above, for the applicable laws and regulations with respect to the Exchange Offer in Germany as a Relevant State.

Uruguay

The Invitation qualifies as a private placement pursuant to section 2 of Uruguayan law 18.627. The Province represents and agrees that it has not offered to purchase, and will not offer to purchase, any Existing Notes to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The Existing Notes and the New Notes are not and will not be registered with the Central Bank of Uruguay to be publicly offered in Uruguay.

Switzerland

The Invitation and the related offering of the New Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act (“**FinSA**”) because such Invitation and offering is made to professional clients within the meaning of the FinSA only and/or to less than 500 retail clients within the meaning of the FinSA and the New Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This invitation memorandum does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the Invitation or the offering of the New Notes.

Bahamas

This invitation memorandum in connection with the offer of New Notes by the Province has not been reviewed by the Securities Commission of The Bahamas because this offer of securities is being made pursuant to an approved foreign issuer exemption under the Securities Industry Act, 2011.

The New Notes may not be offered in or from within The Bahamas unless the offer is made by a person appropriately licensed or registered to conduct securities business in or from within The Bahamas. The New Notes may not be offered to persons or entities designated or deemed resident in The Bahamas pursuant to the Exchange Control Regulations, 1956 of The Bahamas unless the prior approval of the Central Bank of The Bahamas is obtained.

Canada

Canada—Eligibility. In order to participate in the Invitation, holders of Existing Notes located in Canada are required to complete, sign and submit to the Information, Tabulation and Exchange Agent a Canadian certification form.

Canada—Selling Restrictions. Existing Notes may be exchanged for New Notes pursuant to the Invitation only by holders purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the New Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Canada—Statutory Rights of Action for Rescission or Damages. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the invitation memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Canada—Taxation and Eligibility for Investment. Canadian investors who acquire New Notes pursuant to the Invitation should consult their own legal and tax advisers with respect to the tax consequences of an investment in such securities in their particular circumstances and with respect to the eligibility of the said securities for investment by the purchaser under relevant Canadian legislation.

Chile

PURSUANT TO THE SECURITIES MARKET LAW OF CHILE AND *NORMA DE CARÁCTER GENERAL* (RULE) NO. 336, DATED JUNE 27, 2012, ISSUED BY THE FINANCIAL MARKET COMMISSION OF CHILE (*COMISIÓN PARA EL MERCADO FINANCIERO* OR “**CMF**”) (“**RULE 336**”), THE NEW NOTES MAY BE PRIVATELY OFFERED TO CERTAIN QUALIFIED INVESTORS IDENTIFIED AS SUCH BY RULE 336 (WHICH IN TURN ARE FURTHER DESCRIBED IN RULE NO. 216, DATED JUNE 12, 2008, AND RULE 410 DATED JULY 27, 2016, BOTH OF THE CMF).

RULE 336 REQUIRES THE FOLLOWING INFORMATION TO BE MADE TO PROSPECTIVE INVESTORS IN CHILE:

1. DATE OF COMMENCEMENT OF THE OFFER: JUNE 5, 2020. THE OFFER OF THE NEW NOTES IS SUBJECT TO RULE 336

2. THE SUBJECT MATTER OF THIS OFFER ARE SECURITIES NOT REGISTERED IN THE SECURITIES REGISTRY (*REGISTRO DE VALORES*) OF THE CMF, NOR IN THE FOREIGN SECURITIES REGISTRY (*REGISTRO DE VALORES EXTRANJEROS*) OF THE CMF; HENCE, THE NEW NOTES ARE NOT SUBJECT TO THE OVERSIGHT OF THE CMF;

3. SINCE THE NEW NOTES ARE NOT REGISTERED IN CHILE THERE IS NO OBLIGATION BY THE ISSUER TO DELIVER PUBLIC INFORMATION ABOUT THE NEW NOTES IN CHILE; AND

4. THE NEW NOTES SHALL NOT BE SUBJECT TO PUBLIC OFFERING IN CHILE UNLESS REGISTERED IN THE RELEVANT NOTES REGISTRY OF THE CMF.

INFORMACIÓN A LOS INVERSIONISTAS CHILENOS

DE CONFORMIDAD CON LA LEY N° 18.045, DE MERCADO DE VALORES Y LA NORMA DE CARÁCTER GENERAL N° 336 (LA “**NCG 336**”), DE 27 DE JUNIO DE 2012, DE LA COMISIÓN PARA EL MERCADO FINANCIERO (“**CMF**”), LOS NUEVOS BONOS PUEDEN SER OFRECIDOS PRIVADAMENTE A CIERTOS “INVERSIONISTAS CALIFICADOS”, A LOS QUE SE REFIERE LA NCG 336 Y QUE SE DEFINEN COMO TALES EN LA NORMA DE CARÁCTER GENERAL N° 216, DE 12 DE JUNIO DE 2008 Y EN LA NORMA DE CARÁCTER GENERAL N° 410, DE 27 DE JULIO DE 2016, AMBAS DE LA CMF.

LA SIGUIENTE INFORMACIÓN SE PROPORCIONA A POTENCIALES INVERSIONISTAS DE CONFORMIDAD CON LA NCG 336:

1. LA OFERTA DE LOS NUEVOS BONOS COMIENZA EL 5 DE JUNIO DE 2020, Y SE ENCUENTRA ACOGIDA A LA NCG 336;

2. LA OFERTA VERSA SOBRE VALORES NO INSCRITOS EN EL REGISTRO DE VALORES O EN EL REGISTRO DE VALORES EXTRANJEROS QUE LLEVA LA CMF, POR LO QUE TALES VALORES NO ESTÁN SUJETOS A LA FISCALIZACIÓN DE LA CMF;

3. POR TRATARSE DE VALORES NO INSCRITOS EN CHILE NO EXISTE LA OBLIGACIÓN POR PARTE DEL EMISOR DE ENTREGAR EN CHILE INFORMACIÓN PÚBLICA SOBRE ESTOS VALORES; Y

4. LOS NUEVOS BONOS NO PODRÁN SER OBJETO DE OFERTA PÚBLICA EN CHILE MIENTRAS NO SEAN INSCRITOS EN EL REGISTRO DE VALORES CORRESPONDIENTE DE LA CMF.”

Japan

The New Notes have not been and will not be registered under Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the “**FIEA**”) since the offering in Japan constitutes the private placement to qualified institutional investors under Article 2, Paragraph 3, Item 2-A of the FIEA. Any transfer of the New Notes is prohibited except where it is transferred to qualified institutional investors, as defined in Article 10 of the Ordinance of Cabinet Office Concerning Definitions Provided in Article 2 of the Financial Instruments and Exchange Act of Japan.

Luxembourg

Neither this invitation memorandum nor any other documents or materials relating to the Invitation have been submitted to or will be submitted for approval or recognition to the *Commission de Surveillance du Secteur Financier*, and, accordingly, the Invitation and the related Exchange Offers may not be made in the Grand Duchy of Luxembourg in a way that would be characterized as or result in an offering to the public other than in compliance with, and in circumstances that do not require the publication of a prospectus pursuant to the Prospectus Regulation,

and the Luxembourg Law of 16 July 2019 on Prospectuses for Securities, in each case as amended or replaced from time to time.

Accordingly, the Invitation and the related Exchange Offers may not be advertised and neither this invitation memorandum nor any other documents or materials relating to the Invitation (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in the Grand Duchy of Luxembourg other than “qualified investors” in the sense of Article 2(e) of the Prospectus Regulation, acting on their own account. Insofar as the Grand Duchy of Luxembourg is concerned, this invitation memorandum has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Invitation. Accordingly, the information contained in this invitation memorandum may not be used for any other purpose or disclosed to any other person in the Grand Duchy of Luxembourg, except for the sole purpose of the admission of the New Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

Hong Kong

The Invitation is not being made, in Hong Kong, by means of this invitation memorandum or and any other documents or materials relating to the Invitation other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer or invitation to the public for the purposes of the Securities and Futures Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Province has not issued or had in its possession for the purposes of issue, or will issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the New Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

This invitation memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Province has represented, warranted and agreed that it has not circulated or distributed nor will it circulate or distribute this invitation memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any New Note nor has it offered or sold or caused such New Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such New Notes or cause such New Notes to be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor or other person specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the New Notes are subscribed under Section 275 by a relevant person which is: (i) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the New Notes under Section 275 of the SFA except: (a) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA; (b) where no consideration is given for the transfer; or (3) by operation of law.

VALIDITY OF THE NEW NOTES

The validity of the New Notes will be passed upon on behalf of the Province by *Asesor General del Gobierno de la Provincia de Mendoza* (General Legal Advisor to the Government of the Province of Mendoza) and DLA Piper (Argentina), as to all matters of Argentine law, and DLA Piper LLP (US), special New York counsel to the Province, as to all matters of U.S. law, and on behalf of the Dealer Managers by Salaverri, Burgio & Wetzler Malbrán, special Argentine counsel to the Dealer Managers, as to all matters of Argentine law, and by Linklaters LLP, New York counsel to the Dealer Managers, as to all matters of U.S. law.

As to all matters of Argentine law, DLA Piper LLP (US) may rely on the opinion of the *Asesor General del Gobierno de la Provincia de Mendoza* (General Legal Advisor to the Government of the Province of Mendoza) and DLA Piper (Argentina) and Linklaters LLP may rely upon the opinion of Salaverri, Burgio & Wetzler Malbrán. As to all matters of U.S. law, the *Asesor General del Gobierno de la Provincia de Mendoza* (General Legal Advisor to the Government of the Province of Mendoza) may rely on the opinion of DLA Piper LLP (US) and Salaverri, Burgio & Wetzler Malbrán may rely on the opinion of Linklaters LLP.

GENERAL INFORMATION

Due Authorization

We will authorize (a) the creation and issue of the New Notes and (b) the Invitation pursuant to Financial Administration Law, Law No. 9,219 and Decree No. 631/20, Resolution of the Provincial Ministry of Finance No. 70/20 and a Resolution of the Ministry of Finance to be issued on or before the issue date of the New Notes

Litigation

Neither the Province nor any provincial governmental agency is involved in any litigation or arbitration or administrative proceedings relating to claims or amounts that are material in the context of the Invitation or issue of the New Notes and that would materially and adversely affect the Province's ability to meet its obligations under the New Notes and the Indenture with respect to the New Notes. No such litigation or arbitration or administrative proceedings are pending or, so far as we are aware, threatened.

Documents Relating to the Debt Securities

Copies of the Indenture, this invitation memorandum and the forms of the New Notes may be inspected free of charge during normal business hours on any day, except Saturdays, Sundays and public holidays in Luxembourg, at the offices of the listing agent in Luxembourg, as long as the New Notes are listed on the Luxembourg Stock Exchange. Copies of this invitation memorandum may be obtained during normal business hours on any day except Saturdays, Sundays and public holidays, at the offices of the listing agent in Luxembourg, as long as the New Notes are listed on the Luxembourg Stock Exchange.

Clearing

Application will be made for the New Notes to clear through DTC's book-entry settlement system.

FORM OF TERMS AND CONDITIONS OF THE NEW NOTES

General. (a) This Note is one of a duly authorized Series of debt securities of the Province of Mendoza (the “Province”), designated as its [Amortizing Step-up Securities] (each Note of this Series a “Note,” and collectively, the “Notes”), and issued or to be issued in one or more Series pursuant to an Indenture dated as of May 19, 2016, between the Province and The Bank of New York Mellon, as trustee (the “Trustee”), as amended from time to time (the “Indenture”). The Holders of the Notes will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Indenture. A copy of the Indenture is on file and may be inspected at the Corporate Trust Office. All capitalized terms used in this Note but not defined herein shall have the meanings assigned to them in the Indenture. Insofar as the provisions of the Indenture may conflict with the provisions set forth in this Note, the latter shall control for purposes of this Note.

(b) The Notes constitute and will constitute direct, general, unconditional and unsubordinated Public External Indebtedness of the Province. The Notes rank and will rank without any preference among themselves and equally with all other unsubordinated Public External Indebtedness of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the Notes ratably with payments being made under any other Public External Indebtedness.

(c) The Notes are in fully registered form, without coupons in denominations of U.S.\$1,000 and integral multiples thereof. The Notes may be issued in certificated non-global form (the “Certificated Securities”), or may be represented by one or more registered global securities (each, a “Global Note”) held by or on behalf of the Depository. Notes issued in the form of Certificated Securities will be available only in the limited circumstances set forth in the Indenture. The Notes, and exchanges and transfers thereof, shall be registered as provided in Section 2.6 of the Indenture. Any person in whose name a Note shall be registered may (to the fullest extent permitted by applicable law) be treated at all times, by all persons and for all purposes as the absolute owner of such Note regardless of any notice of ownership, theft, loss or any writing thereon.

(d) For purposes of the foregoing and of these Terms:

“External Indebtedness” means obligations for borrowed money or evidenced by securities, debentures, notes or other similar instruments denominated and payable, or which at the option of the holder thereof may be payable, in a currency other than the lawful currency of Argentina, regardless of whether that obligation is incurred or entered into within or outside Argentina.

“Public External Indebtedness” means any External Indebtedness of, or guaranteed by, the Province which (i) is publicly offered or privately placed in securities markets, (ii) is in the form of, or represented by, bonds, notes or other securities or any guarantees thereof and (iii) is, or was intended at the time of issue to be, quoted, listed or traded on any stock exchange, automated trading system or over-the-counter securities market (including securities eligible for sale pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (the “Securities Act”) (or any successor law or regulation of similar effect)).

2. **Payments.** (a) The Province covenants and agrees that it will duly and punctually pay or cause to be paid the principal of, and premium, if any, and interest (including Additional Amounts) on, the Notes and any other payments to be made by the Province under the Notes and the Indenture, at the place or places, at the respective times and in the manner provided in the Notes and the Indenture. Principal of the Notes will be payable against surrender of such Notes at the Corporate Trust Office of the Trustee in New York City or, subject to applicable laws and regulations, at the office outside of the United States of a paying agent, by U.S. dollar check drawn on, or by transfer to a U.S. dollar account maintained by the Holder with, a bank located in New York City. Payment of interest (including Additional Amounts (as defined below)) on Notes will be made on each Interest Payment Date to the persons in whose name such Notes are registered at the close of business on the applicable Record Date, whether or not such day is a Business Day (as defined below), notwithstanding the cancellation of such Notes upon any transfer or exchange thereof subsequent to the Record Date and prior to such Interest Payment Date; *provided* that if and to the extent the Province shall default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the persons in whose names such Notes are registered as of a subsequent record date established by the Province by notice, as provided in Paragraph 13 of these Terms, by or on behalf of the Province to the Holders of the Notes not less than 15 days preceding such subsequent record date, such record date to be not less than 10 days preceding the date of payment of such defaulted interest. Notwithstanding

the immediately preceding sentence, in the case where such interest, principal or premium, if any, (including Additional Amounts as defined below) is not punctually paid or duly provided for, the Trustee shall have the right to fix such subsequent record date, and, if fixed by the Trustee, such subsequent record date shall supersede any such subsequent record date fixed by the Province. Payment of interest on Certificated Securities will be made (i) by a U.S. dollar check drawn on a bank in New York City mailed to the Holder at such Holder's registered address or (ii) upon application by the Holder of at least U.S.\$10,000 in principal amount of Certificated Securities to the Trustee not later than the relevant Record Date, by wire transfer in immediately available funds to a U.S. dollar account maintained by the Holder with a bank in New York City. Payment on a Global Note will be made to the Depository in accordance with its Applicable Procedures. "Business Day" shall mean any day except a Saturday, Sunday or any other day on which commercial banks in New York City or in the City of Buenos Aires (or in the city where the relevant paying or transfer agent is located) are required or authorized by law to close.

(b) In any case where the date of payment of the principal of, premium, if any, or interest (including Additional Amounts) on, the Notes shall not be a Business Day, then payment of principal, premium, if any, or interest (including Additional Amounts) will be made on the next succeeding Business Day at the relevant place of payment. Such payments will be deemed to have been made on the due date, and no interest on the Notes will accrue as a result of the delay in payment.

(c) Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

(d) Any monies deposited with or paid to the Trustee or to any paying agent for the payment of the principal of, premium, if any, or interest (including Additional Amounts) on any Note and not applied but remaining unclaimed for two years after the date upon which such principal, premium, if any, or interest shall have become due and payable shall be repaid to or for the account of the Province by the Trustee or such paying agent, upon the written request of the Province and, to the extent permitted by law, the Holder of such Note shall thereafter look only to the Province for any payment which such Holder may be entitled to collect, and all liability of the Trustee or such paying agent with respect to such monies shall thereupon cease. The Province shall cause all returned, unclaimed monies to be held in trust for the relevant Holder of the Note until such time as the claims against the Province for payment of such amounts shall have prescribed pursuant to Paragraph 15 of these Terms.

3. Additional Amounts. All payments by the Province in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Province or the Republic of Argentina ("Argentina"), or any political subdivision or taxing authority or agency therein or thereof having the power to tax (collectively, "Relevant Tax"), unless the withholding or deduction of such Relevant Tax is required by law. In that event, the Province shall pay such additional amounts ("Additional Amounts"), as may be necessary to ensure that the amounts received by the Holders after such withholding or deduction shall equal the respective amounts of principal and interest that would have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable with respect to any Note (i) to a Holder (or to a third party on behalf of a Holder) where such Holder is liable for such Relevant Taxes in respect of this Note by reason of his having some connection with the Province or Argentina other than the mere holding of such Note, the receipt of principal, premium or interest in respect thereof, or the enforcement of rights hereunder; (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive; (iii) presented for payment by or on behalf of a Holder who would have been able to avoid the withholding or deduction by presenting the relevant Note to another paying agent in a member state of the European Union; (iv) presented for payment more than 30 days after the Relevant Date, as defined herein, except to the extent that the Holder thereof would have been entitled to Additional Amounts on presenting the same for payment on the last day of such period of 30 days; or (v) to a Holder of this Note (or a third party on behalf of a Holder) where such Holder of this Note would not be liable for or subject to such deduction or withholding by making a declaration of non-residence or other claim for exemption or reduction to the relevant tax authorities if such Holder of this Note is eligible to make such declaration or other claim and, after having been requested to make such a declaration or claim, such Holder of this Note fails to timely do so, provided that (x) the Province has provided the Holder with at least 60 days' prior written notice (in accordance with Paragraph 13 of these Terms) of an opportunity to satisfy such a requirement or make such a declaration or claim, and (y) in no event, shall such Holder's obligation to satisfy

such a requirement or to make such a declaration or claim require such Holder to provide any materially more onerous information, documents or other evidence than would be required to be provided had such Holder been required to file IRS Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP and/or W-8IMY.

As used in this Paragraph 3, “Relevant Date” in respect of any Note means the date on which payment in respect thereof becomes due or (if the full amount of the money payable on such date has not been received by the Trustee on or prior to such due date) the date on which notice is duly given to the Holders that such moneys have been so received and are available for payment. Any reference herein to “principal” and/or “interest” shall be deemed to include any Additional Amounts which may be payable on this Note.

4. Negative Pledge Covenant of the Province. (a) So long as any Note remains Outstanding (as defined in the Indenture), the Province will not, and it will not permit any of the Provincial Agencies (as defined below) to, create or permit to subsist any Lien (as defined below), other than Permitted Liens (as defined below), upon the whole or any part of its or any of the Provincial Agencies’ property or assets to secure any Indebtedness of the Province or any of the Provincial Agencies unless at the same time or prior thereto, the Province’s obligations under the Notes are secured equally and ratably therewith.

(b) For purposes of the foregoing and of these Terms:

“Co-Participation Payments” means any transfers made by the federal government of Argentina to the Province pursuant to the Federal Tax Co-Participation Law, as amended or replaced from time to time, and any other law, decree or regulation governing the obligation of the federal government of Argentina to distribute taxes collected by it to the Argentine provinces.

“Indebtedness” means, with respect to any Person, whether outstanding on the original issuance date of a Series of Debt Securities or at any time thereafter: (i) all indebtedness of such Person for borrowed money; (ii) all reimbursement obligations of such Person (to the extent no longer contingent) under or in respect of letters of credit or bankers’ acceptances; (iii) all obligations of such Person to repay deposits with or advances to such Person; (iv) all obligations of such Person (other than those specified in clauses (i) and (ii) above) evidenced by securities, debentures, notes or similar instruments; and (v) to the extent fixed and liquidated and no longer contingent, all direct guarantees, endorsements, avales or similar obligations of such Person in respect of, and all direct obligations of such Person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of any other Persons specified in clause (i), (ii), (iii) or (iv) above, provided that indebtedness of the Province or a Provincial Agency shall not mean indebtedness relating to the provision of property or services to the Province or such Provincial Agency.

“Lien” means any mortgage, pledge, security interest, hypothecation, condition sale or other title retention agreement or other similar encumbrance.

“Permitted Lien” means:

(i) any Lien in existence on the date of the Indenture, provided that the total amount of Indebtedness so secured does not exceed the amount so secured on such date;

(ii) any Lien upon any property to secure Indebtedness of the Province or any Provincial Agency incurred specifically for the purpose of financing the acquisition of the property subject to such Lien;

(iii) any Lien securing Indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project; *provided* that the property over which such Lien is granted consists solely of the assets and revenues of such project or the ownership interest therein;

(iv) any replacement, renewal or extension of any Lien permitted by clauses (i) through (iii) above upon the same property theretofore subject to such Lien, including any replacement, renewal or extension of such Lien resulting from the refinancing of the Indebtedness secured by such Lien *provided, however*, that the principal amount of any Indebtedness or refinanced Indebtedness, as the case

may be, that is secured by such replaced, renewed or extended Lien may not be increased from its original principal amount in connection with such replacement renewal or extension;

(v) any Lien securing Indebtedness of the Province encumbering the right of the Province to receive Co-Participation Payments; *provided* that the aggregate principal amount of such Indebtedness so secured and outstanding at any one time may not exceed an amount which would cause the Quarterly Co-Participation Secured Indebtedness Ratio to exceed 50%;

(vi) any Lien securing any Indebtedness of the Province with Banco de la Nación Argentina for as long as Banco de la Nación Argentina is the financial agent of the Province;

(vii) any Liens that arise by operation of law, including any Lien in the form of a tax or other statutory Lien; *provided* that any such Lien shall be discharged within thirty (30) days after the date it is created or arises (unless contested in good faith by the Province, in which case it shall be discharged within thirty (30) days after final adjudication); and

(viii) any Lien, other than Liens encumbering the Province's right to receive Co-Participation Payments, securing Indebtedness of the Province in an outstanding aggregate principal amount not to exceed at any time 10% of the Province's annual Revenues for the period that includes the most recent four consecutive fiscal quarters ending prior to the incurrence of such Lien.

"Provincial Agency" means each agency, department, authority, statutory corporation or other statutory body or judicial entity of the Province or any fiduciary, trust or other fund created by provincial law or regulation, the Indebtedness of which is generally guaranteed in full (as to payment) by the Province.

"Quarterly Co-Participation Secured Indebtedness Ratio" means the percentage which, at any March 31, June 30, September 30 or December 31, is equal to the sum of (i) (A) the aggregate amount of payments of principal and interest that will become due in the 12 calendar months immediately following such March 31, June 30, September 30 or December 31, as the case may be, in respect of Indebtedness which is secured by a Lien on all of the Province's right to receive Co-Participation Payments, divided by (B) the aggregate amount of Co-Participation Payments actually received by the Province in the three calendar months immediately preceding such March 31, June 30, September 30 or December 31, as the case may be, multiplied by 4, with the quotient of (A) and (B) further multiplied by (C) 100; and (ii) the percentage of Co-Participation Payments actually encumbered and securing any other Indebtedness at such March 31, June 30, September 30 or December 31, as the case may be.

"Revenues" means the cash receipts by the Province and any of the Provincial Agencies from Co-Participation Payments, from taxes levied by the Province and from royalties, fees, charges, concessions, licenses and all other tax and non-tax sources of income.

5. Interest Coverage. The Province has agreed that it will not incur, assume or guarantee ("incur") and will not permit any Provincial Agency to incur any Indebtedness unless, at the proposed date of incurrence, the amount of Interest Expense accrued during the preceding 12 months ending on March 31, June 30, September 30 or December 31, as the case may be, immediately preceding such proposed date of incurrence does not exceed 13% of Revenues collected during such 12 month period, in each case determined on a pro forma basis giving effect to the incurrence of such Indebtedness and the use of proceeds therefrom and the incurrence, repayment or retirement of any other Indebtedness during such 12 month period.

"Interest Expense" means the aggregate of the interest expense, discount and commissions, fees and expenses incurred by the Province and the Provincial Agencies on their Indebtedness.

6. Events of Default; Acceleration. (a) If one or more of the following events ("Events of Default") shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) the Province fails to pay any principal due on any Notes when due and payable for 3 days after the applicable Payment Date; or

(ii) the Province fails to pay any interest or Additional Amounts due on any Notes when due and payable for 30 days after the applicable Payment Date; or

(iii) the Province fails to duly perform or observe any term or obligation contained in the Notes or in the Indenture, which failure continues unremedied for 60 days after written notice thereof has been given to the Province by the Trustee; or

(iv) the Province or any Provisional Agency fails to make any payment when due, after any applicable grace periods, on any of its Indebtedness (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to U.S.\$15,000,000 (or its equivalent in other currencies); or

(v) the Province fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any Indebtedness of the Province or any Provincial Agency (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to U.S.\$15,000,000 (or its equivalent in other currencies), and such failure continues after the applicable grace or notice period, if any, specified in the relevant document of the date of such failure if the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness (other than Excluded Indebtedness) or beneficiary or beneficiaries of such Indebtedness (other than Excluded Indebtedness) (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, such Indebtedness (other than Excluded Indebtedness) to be declared to be due and payable prior to its stated maturity, or in the case of Indebtedness consisting of Contingent Obligations, to become due and payable; or

(vi) any representation, warranty or certification made by the Province (or any of its duly authorized officers or officials) in any Note, the Indenture or in any document, instrument or certificate delivered by the Province pursuant to any Note, or the Indenture shall prove to have been incorrect, incomplete or misleading in any material respect when made; *provided* that the same is reasonably likely to have a material adverse effect on the ability of the Province to perform its material obligations thereunder or the legality, validity or enforceability of any Note, the Indenture or any such document or instrument; or

the validity or enforceability of any of the Notes or the Indenture shall be contested by the Province, or any final decision by any court or agency from which no appeal may be or is taken shall purport to render any provision of the Notes or any material provision of the Indenture invalid or unenforceable, or purport to prevent or delay the performance or observance by the Province of any of its obligations under the Notes or any of its material obligations under the Indenture; or

the Province shall fail generally to pay its Indebtedness (other than Excluded Indebtedness) as it becomes due, or a moratorium on the payment of the Province's Indebtedness (other than Excluded Indebtedness) shall be declared by Argentina or the Province (including, without limitation, any moratorium that is limited to the Province's obligations denominated in any particular currency or currencies or to foreign creditors of the Province), or Argentina or the Province shall declare a general suspension of payment or a moratorium on the payment of debt of the Province (which does not expressly exclude the Notes); or

(vii) there has been entered against the Province or a Provincial Agency a final judgment, decree or order by a court of competent jurisdiction from which no appeal may be or is taken for the payment of money in excess of U.S.\$15,000,000 (or the equivalent thereof in another currency or currencies) (other than a final judgment, decree or order in respect of any Excluded Indebtedness) and 60 days shall have passed since the entry of such final judgment, decree or order without it having been satisfied or stayed; or

(viii) (A) any constitutional provision, law, regulation, ordinance or decree necessary to enable the Province to perform its obligations under the Notes or the Indenture, or for the validity or enforceability thereof, shall expire, is withheld, revoked or terminated or otherwise ceases to remain in full force and effect, or is modified in a manner which materially adversely affects, or may reasonably be

expected to materially adversely affect, any rights or claims of any of the Holders of Notes, or (B) any final decision by any court in Argentina having jurisdiction from which no appeal may be or is taken shall purport to render any material provision of the Notes or any material provision of the Indenture invalid or unenforceable or purport to prevent or delay the performance or observance by the Province of its obligations under such Notes or the Indenture, and, in each case, such expiration, withholding, revocation, termination, cessation, invalidity, unenforceability or delay shall continue in effect for a period of 60 days;

then in each and every such case, upon notice in writing by the Holders (the “Demanding Holders”) (acting individually or together) of not less than 25% of the aggregate Outstanding principal amount of the Notes to the Province, with a copy to the Trustee, of any such Event of Default and its continuance, the Demanding Holders may declare the principal amount of all the Notes due and payable immediately, and the same shall become and shall be due and payable upon the date that such written notice is received by or on behalf of the Province, unless prior to such date all Events of Default in respect of all the Notes shall have been cured; *provided* that if, at any time after the principal of the Notes shall have been so declared due and payable, and before the sale of any property pursuant to any judgment or decree for the payment of monies due which shall have been obtained or entered in connection with the Notes, the Province shall pay or shall deposit (or cause to be paid or deposited) with the Trustee a sum sufficient to pay all matured installments of interest and principal upon all the Notes which shall have become due otherwise than solely by acceleration (with interest on overdue installments of interest, to the extent permitted by law, and on such principal of each Note at the rate of interest specified herein, to the date of such payment of interest or principal) and such amount as shall be sufficient to cover the reasonable fees and expenses of the Trustee, including, without limitation, the fees and expenses of its counsel, and if any and all Events of Default hereunder, other than the nonpayment of the principal of the Notes which shall have become due solely by acceleration, shall have been cured, waived or otherwise remedied as provided herein, then, and in every such case, the Holders of more than 50% in aggregate principal amount of the Notes then Outstanding, by written notice to the Province and to the Trustee, may, on behalf of all of the Holders, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon. Actions by Holders pursuant to this Paragraph 6 need not be taken at a meeting pursuant to Paragraph 8 hereof. Actions by the Trustee and the Holders pursuant to this Paragraph 6 are subject to Article Four of the Indenture.

In the event of a declaration of acceleration because of an Event of Default set forth in clause (iv) or (v) above, such declaration of acceleration shall be automatically rescinded and annulled if the event triggering such Event of Default pursuant to such clause (iv) or (v) above shall be remedied, cured or waived by the holders of the relevant indebtedness, within 60 days after such event.

(b) For purposes of the foregoing and of these Terms:

“Contingent Obligations” means as to any person, any obligation of such person guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (a “primary obligation”) of any other person in any manner, whether directly or indirectly, including, without limitation, a vales and any obligation of such person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefore, (ii) to advance or supply funds (a) for the purchase or payment of any such primary obligation or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities and services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against laws in respect thereof. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is incurred or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the contingent obligor in good faith.

“Excluded Indebtedness” means the Province’s 8.375% Notes due 2024 issued on May 19, 2016 and January 30, 2018, and Bono Mendoza 2021 issued on June 9, 2017.

7. Purchase of Notes by the Province. The Province may at any time purchase or acquire any of the Debt Securities in any manner and at any price in the open market, in privately negotiated transactions or

otherwise. Notes that are purchased or acquired by the Province may, at the Province's discretion, be held, resold or surrendered to the Trustee for cancellation, but any Note so purchased by the Province may not be re-issued or resold except in compliance with the Securities Act and other applicable law.

8. Holders' Meetings and Written Action. The Indenture sets forth the provisions for the convening of meetings of Holders of Notes and actions taken by written consent of the Holders of Notes.

9. Replacement, Exchange and Transfer of the Notes. (a) Upon the terms and subject to the conditions set forth in the Indenture, in case any Note shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Province in its discretion may execute, and upon the request of the Province, the Trustee shall authenticate and deliver, a new Note bearing a number not contemporaneously Outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and in substitution for the apparently destroyed, lost or stolen Note. In every case, the applicant for a substitute Note shall furnish to the Province and to the Trustee such security or indemnity as may be required by each of them to indemnify, defend and to save each of them and any agent of the Province or the Trustee harmless and, in every case of destruction, loss, theft or evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof. Upon the issuance of any substitute Note, the Holder of such Note, if so requested by the Province, shall pay a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected with the preparation and issuance of the substitute Note.

(b) Upon the terms and subject to the conditions set forth in the Indenture, and subject to Paragraph 9(e) hereof, a Certificated Security or Securities may be exchanged for an equal aggregate principal amount of Certificated Securities in different authorized denominations and a beneficial interest in the Global Note may be exchanged for an equal aggregate principal amount of Certificated Securities of such Series in authorized denominations or for an equal aggregate principal amount of beneficial interests in another Global Note by the Holder or Holders surrendering the Security or Securities for exchange at the Corporate Trust Office, together with a written request for the exchange. Certificated Securities will only be issued in exchange for interests in a Global Note pursuant to Section 2.5(e) or Section 2.5(f) of the Indenture. The exchange of the Notes will be made by the Trustee.

(c) Upon the terms and subject to the conditions set forth in the Indenture, and subject to Paragraph 9(e) hereof, a Certificated Security may be transferred in whole or in part (in an amount equal to the authorized denomination) by the Holder or Holders surrendering the Certificated Security for transfer at the Corporate Trust Office, at the office of any paying agent or at any other office acceptable to the Trustee, accompanied by an executed instrument of transfer substantially as set forth in Exhibit F to the Indenture. The registration of transfer of the Notes will be made by the Trustee.

(d) The costs and expenses of effecting any exchange, transfer or registration of transfer pursuant to this Paragraph 9 will be borne by the Province, except for the expenses of delivery (if any) not made by regular mail and the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge or insurance charge that may be imposed in relation thereto, which will be borne by the Holder of the Note. Registration of the transfer of a Note by the Trustee shall be deemed to be the acknowledgment of such transfer on behalf of the Province.

(e) The Trustee may decline to accept any request for an exchange or registration of transfer of any Note during the period of 15 days preceding the due date for any payment of principal of, or premium, if any, or interest on, the Notes.

10. Trustee. For a description of the duties and the indemnities, immunities and rights of the Trustee under the Indenture, reference is made to the Indenture, and the obligations of the Trustee to the Holder hereof are subject to such immunities and rights.

11. Paying Agents; Transfer Agents; Registrar. The Province has initially appointed the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York as its paying agent, transfer agent and registrar, and The Bank of New York Mellon SA/NV, Luxembourg Branch in Luxembourg as its paying agent and transfer agent in Luxembourg. The Province may at any time appoint additional or other paying agents, transfer agents and registrars and terminate the appointment of those or any paying agents, transfer agents

and registrar, *provided* that while the Notes are Outstanding the Province will maintain in The City of New York (i) a paying agent, (ii) an office or agency where the Notes may be presented for exchange, transfer and registration of transfer as provided in the Indenture and (iii) a registrar. The Province will maintain a paying agent in a Member State of the European Union (which, so long as the Notes are listed in the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Exchange so require, will be Luxembourg) that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such termination or appointment and of any change in the office through which any paying agent, transfer agent or registrar will act will be promptly given in the manner described in Paragraph 13 hereof.

12. Enforcement. Except as provided in Section 4.7 of the Indenture, no Holder of any Notes of any Series shall have any right by virtue of or by availing itself of any provision of the Indenture or of the Notes of such Series to institute any suit, action or proceeding in equity or at law upon or under or with respect to the Indenture or of the Notes, or for any other remedy hereunder or under the Notes, unless (a) such Holder previously shall have given to the Trustee written notice of default and of the continuance thereof with respect to such Series of Notes, (b) the Holders of not less than 25% in aggregate principal amount Outstanding of Notes of such Series shall have made specific written request to the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have provided to the Trustee such indemnity or other security as it may require against the costs, expenses and liabilities to be incurred therein or thereby and (c) the Trustee for 60 days after its receipt of such notice, request and provision of indemnity or other security, shall have failed to institute any such action, suit or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 4.9 of the Indenture, it being understood and intended, and being expressly covenanted by every Holder of Notes of a Series with every other Holder of Notes of such Series and the Trustee, that no one or more Holders shall have any right in any manner whatsoever by virtue or by availing itself of any provision of the Indenture or of the Notes to affect, disturb or prejudice the rights of any other Holder of Notes of such Series or to obtain priority over or preference to any other such Holder, or to enforce any right under the Indenture or under the Notes of such Series, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Notes of such Series. For the protection and enforcement of this Paragraph 12, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

13. Notices. The Province will mail any notices to the Holders of Certificated Securities at their registered addresses as reflected in the Register maintained by the registrar. The Province will consider any mailed notice to have been given five Business Days after it has been sent. The Province will give notices to the Holders of a Global Note in accordance with the procedures and practices of the Depositary and such notices shall be deemed given upon actual receipt thereof by the Depositary. The Province will also publish notices to the Holders (a) in a leading newspaper having general circulation in Buenos Aires, New York City and London (which is expected to be *La Nación* or *Ambito Financiero*, *The Wall Street Journal* and the *Financial Times*, respectively) and (b) if and so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the exchange so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) and on the website of the Luxembourg Stock Exchange at <http://www.bourse.lu>. If publication in a leading newspaper in Luxembourg is not practicable, the Province will publish such notices in a leading English language daily newspaper with general circulation in Europe. The Province will consider any published notice to be given on the date of its first publication.

14. Further Issues of Notes. The Province may from time to time, without the consent of Holders of the Notes, create and issue additional Notes having the same Terms as the Notes in all respects, except for the issue date, issue price and first payment of interest on the Notes; *provided, however*, that any additional Notes subsequently issued that are not fungible with the previously Outstanding Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from the previously Outstanding Notes. Additional Notes that are fungible with the previously outstanding Notes for U.S. federal income tax purposes will be consolidated with, and will form a single Series with the previously Outstanding Notes.

15. Prescription. To the extent permitted by law, claims against the Province for the payment of principal of premium, if any, or interest or other amounts due on, the Notes (including Additional Amounts) will become void unless made within four years of the date on which that payment first became due.

16. Authentication. This Note shall not become valid or obligatory until the certificate of authentication hereon shall have been manually signed by the Trustee or its agent.

17. Governing Law. (a) The Indenture will be governed by and construed in accordance with the laws of the State of New York; *provided, however*, that all matters governing the Province's authorization and execution of the Indenture and this Note shall in all cases be governed by and construed in accordance with the laws of Argentina. This Note will be governed by and construed in accordance with the laws of the State of New York.

(b) The Province irrevocably submits to the jurisdiction of any U.S. federal or New York state court sitting in the Borough of Manhattan, The City of New York, and any appellate court from any court thereof, in any suit, action or proceeding arising out of or relating to the Notes or the Indenture and irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in such U.S. federal or New York state court. The Province also irrevocably waives, to the fullest extent that it may effectively do so, any objection to venue or defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in such jurisdiction.

(c) The Province has appointed Corporation Service Company, with an office on the date hereof at 1180 Avenue of the Americas, Suite 210, New York, NY 10036-8401, United States of America, as its agent (the "Authorized Agent"), to receive on behalf of the Province and its property service of any summons and complaint and other process which may be served in any such suit, action or proceeding brought in such New York State or U.S. federal court sitting in New York City in the Borough of Manhattan. Such service may be made by delivering or mailing a copy of such process to the Province in care of the Authorized Agent at the above specified address and the Province authorizes and directs such Authorized Agent to accept such service on its behalf. In addition to the foregoing, the Trustee and the Holders may serve legal process in any other manner permitted by applicable law. A final judgment that is not appealable in any such suit, action or proceeding shall be conclusive and may be enforced to the extent permitted under applicable law in other jurisdictions by suit on the judgment or in any other manner provided by applicable law. The Province agrees that, if the Authorized Agent shall for any reason cease to act as such agent, it shall promptly appoint a substitute Authorized Agent in the Borough of Manhattan, The City of New York.

(d) To the extent that the Province has or hereafter may acquire any immunity (sovereign or otherwise) in respect of its obligations under the Debt Securities or the Indenture from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property (except for property considered of the public domain or dedicated to the purpose of an essential public service or otherwise exempt from attachment or seizure under applicable Argentine and Provincial law), the Province hereby irrevocably waives such immunity in respect of its obligations under the Indenture or the Debt Securities of any Series, and, without limiting the generality of the foregoing, the Province agrees that the waivers set forth in the Indenture shall have the fullest scope permitted under the United States Foreign Sovereign Immunities Act of 1976, as amended (the "Immunities Act"), and is intended to be irrevocable for purposes of such Act. Notwithstanding the foregoing, the Province reserves the right to plead sovereign immunity under the Immunities Act with respect to actions or proceedings brought against it under U.S. federal securities laws or any state securities laws, and the Province's appointment of an Authorized Agent is not intended to extend to such actions or proceedings.

(e) Holders may be required to post a bond or other security with the courts of the Republic of Argentina as a condition to the institution, prosecution or completion of any action or proceeding (including appeals) arising out of or relating to this Indenture or the Notes in those courts.

18. Indemnification for Foreign Exchange Fluctuations.

(a) In the event the Province is unable to obtain the full amount of the specified currency or to transfer such amounts outside of Argentina in order to make a scheduled payment of principal or interest on the Securities due to a restriction or prohibition on access to the foreign exchange market in Argentina, the Province shall, to the extent permitted by such restriction or prohibition, make such scheduled payment by means of (i) purchasing U.S. dollar-denominated Argentine government bonds traded outside of Argentina or any other securities or public or private bonds issued in Argentina, with Argentine Pesos, and transferring and selling such instruments outside Argentina for the specified currency, or (ii) any other legal mechanism for the acquisition of the specified

currency in any foreign exchange market. All costs, including any taxes, relative to such operations to obtain the specified currency will be borne by the Province.

(b) The obligation of the Province to any Holder under the Notes that has obtained a court judgment affecting the Notes shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the currency in which the Note is denominated (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by such Holder of any amount in the Judgment Currency, such Holder may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency (or, if it is not practicable to make that purchase on that day, on the first Business Day on which it is practicable to do so). If the amount of the Agreement Currency so purchased is less than the amount originally to be paid to such Holder in the Agreement Currency, the Province agrees, as a separate obligation and notwithstanding such judgment, to pay the difference, and if the amount of the Agreement Currency so purchased exceeds the amount originally to be paid to such Holder, such Holder agrees to pay to or for the account of the Province such excess, *provided* that such Holder shall not have any obligation to pay any such excess as long as a default by the Province in its obligations hereunder has occurred and is continuing, in which case such excess may be applied by such Holder to such obligations.

19. Warranty of the Province. Subject to Paragraph 16, Province hereby certifies and warrants that all acts, conditions and things required to be done and performed and to have happened precedent to the creation and issuance of this Note and to constitute the same legal, valid and binding obligations of Province enforceable in accordance with their terms, have been done and performed and have happened in due and strict compliance with all applicable laws.

20. Definitive Headings. The descriptive headings appearing in these Terms are for convenience of reference only and shall not alter, limit or define the provisions hereof.

21. Modifications. (a) Any Modification to the Notes or the Indenture insofar as it affects the Notes shall be made in accordance with Article Ten and Article Eleven of the Indenture.

(b) Any Modification pursuant to this Paragraph 21 will be conclusive and binding on all Holders of the Notes, and on all future Holders of the Notes whether or not notation of such Modification is made upon the Notes. Any instrument given by or on behalf of any Holder of a Note in connection with any consent to or approval of any such Modification will be conclusive and binding on all subsequent Holders of that Note.

ISSUER

Province of Mendoza

INFORMATION, TABULATION AND EXCHANGE AGENT

D.F. King & Co., Inc.
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Invitation Website: <https://sites.dfkingltd.com/mendoza>

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República Argentina

*To the Dealer Managers
as to U.S. law:*

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United States of America

*To the Dealer Managers
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Salaverri, Burgio & Wetzler Malbrán
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República Argentina



The Province of Mendoza

(a Province of the Republic of Argentina)

The Information, Tabulation and Exchange Agent for the Invitation is:

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The Dealer Managers for the Invitation are:

Credit Suisse Securities (USA) LLC

AdCap Securities Ltd

July 6, 2020

Annex B

Supplement No. 1 to the Amended and Restated Invitation Memorandum

IMPORTANT NOTICE

THE ATTACHED AMENDED AND RESTATED INVITATION MEMORANDUM (THE “INVITATION MEMORANDUM”) DOES NOT CONSTITUTE A PROSPECTUS WITHIN THE MEANING OF EU REGULATION 2017/1129, AS AMENDED (THE “PROSPECTUS REGULATION”), AND NO SUCH PROSPECTUS HAS BEEN OR WILL BE PREPARED IN CONNECTION WITH THE INVITATION. THE ATTACHED INVITATION MEMORANDUM HAS NOT BEEN REVIEWED OR APPROVED BY ANY COMPETENT AUTHORITY OF ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA.

THE DISTRIBUTION OF THE ATTACHED INVITATION MEMORANDUM IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. SEE THE ISSUE AND RESALE RESTRICTIONS. PERSONS INTO WHOSE POSSESSION THE ATTACHED INVITATION MEMORANDUM COMES ARE REQUIRED BY THE PROVINCE OF MENDOZA TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached invitation memorandum, and you are therefore required to read this disclaimer carefully before accessing, reading or making any other use of the attached invitation memorandum. By accessing the attached invitation memorandum, you shall be deemed to agree (in addition to giving the representations below) to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Province of Mendoza or D.F. King, as information, tabulation and exchange agent, as a result of such access. Terms used in this notice and defined in the attached invitation memorandum are used herein as so defined.

THIS ELECTRONIC TRANSMISSION DOES NOT CONTAIN OR CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO EXCHANGE, BUY OR SUBSCRIBE FOR SECURITIES TO OR FROM ANY PERSON IN ANY JURISDICTION TO WHOM OR IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. THE EXCHANGE OFFER DESCRIBED IN THE ATTACHED INVITATION MEMORANDUM IS DIRECTED TO, AND EXISTING NOTES MAY BE EXCHANGED FOR NEW SECURITIES AS DESCRIBED THEREIN ONLY BY, A HOLDER OF EXISTING NOTES (AS DEFINED BELOW) THAT IS: (A) A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OR (B) (X) OUTSIDE THE UNITED STATES AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT, (Y) IF LOCATED WITHIN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (THE “EEA”) OR IN THE UNITED KINGDOM (THE “UK”), A “QUALIFIED INVESTOR” AS DEFINED IN REGULATION (EU) 1129/2017 AND (Z) IF LOCATED OUTSIDE THE EEA OR THE UK, IS ELIGIBLE TO RECEIVE THIS OFFER UNDER THE LAWS OF ITS JURISDICTION (EACH AN “ELIGIBLE HOLDER”).

THIS INVITATION MEMORANDUM HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE NEW NOTES IN ANY EEA MEMBER STATE OR THE UK WILL BE MADE PURSUANT TO AN EXEMPTION UNDER THE PROSPECTUS REGULATION, FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE NEW NOTES. ACCORDINGLY ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER WITHIN THE EEA OR THE UK OF THE NEW NOTES WHICH ARE THE SUBJECT OF THE PLACEMENT CONTEMPLATED IN THIS INVITATION MEMORANDUM MAY ONLY DO SO WITH RESPECT TO QUALIFIED INVESTORS WITHIN THE MEANING OF THE PROSPECTUS REGULATION AND SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE PROVINCE OF MENDOZA OR ANY OF THE DEALER MANAGERS TO PRODUCE A PROSPECTUS FOR SUCH OFFER. NEITHER THE PROVINCE OF MENDOZA NOR THE DEALER MANAGERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF THE NEW NOTES THROUGH ANY FINANCIAL INTERMEDIARY OR IN CIRCUMSTANCES IN WHICH AN OBLIGATION ARISES FOR THE PROVINCE OF MENDOZA OR THE DEALER MANAGERS TO PUBLISH A PROSPECTUS FOR THE OFFER.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS —THE NEW NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UK. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED (“MIFID II”); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN PROSPECTUS REGULATION. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE “PRIIPS REGULATION”), FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA

OR IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UK MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THIS COMMUNICATION AND ANY OTHER DOCUMENT OR MATERIALS RELATING TO THE ISSUE OF THE NEW NOTES OFFERED HEREBY IS NOT BEING MADE, AND SUCH DOCUMENTS AND/OR MATERIALS HAVE NOT BEEN APPROVED, BY AN AUTHORIZED PERSON FOR THE PURPOSES OF SECTION 21 OF THE UK'S FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (THE "FSMA"). ACCORDINGLY, SUCH DOCUMENTS AND/OR MATERIALS ARE NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UK. THE COMMUNICATION OF SUCH DOCUMENTS AND/OR MATERIALS AS A FINANCIAL PROMOTION IS ONLY BEING MADE TO THOSE PERSONS IN THE UNITED KINGDOM WHO ARE "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS REGULATION) WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND WHO FALL WITHIN THE DEFINITION OF INVESTMENT PROFESSIONALS (AS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER")), OR (II) FALL WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, OR (III) WHO ARE ANY OTHER PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY BE MADE UNDER THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). IN THE UK, THE NEW NOTES OFFERED HEREBY ARE ONLY AVAILABLE TO, AND ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS INVITATION MEMORANDUM RELATES WILL BE ENGAGED IN ONLY WITH, RELEVANT PERSONS. ANY PERSON IN THE UK THAT IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS INVITATION MEMORANDUM OR ANY OF ITS CONTENTS.

THE RECIPIENT MAY NOT FORWARD OR DISTRIBUTE THE ATTACHED INVITATION MEMORANDUM IN WHOLE OR IN PART TO ANY OTHER PERSON OR REPRODUCE THE ATTACHED INVITATION MEMORANDUM IN ANY MANNER WHATSOEVER AND ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED INVITATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your representation: In order to be eligible to view the attached invitation memorandum or make an investment decision with respect to the invitation by the Province of Mendoza pursuant to the attached invitation memorandum, you must be an Eligible Holder and otherwise be able to participate lawfully in the Invitation (as defined in the invitation memorandum) on the terms and subject to the conditions set out in the attached invitation memorandum, including the jurisdictional restrictions beginning on page 134 (the "Jurisdictional Restrictions"). The attached invitation memorandum was provided to you at your request, and by accessing the attached invitation memorandum, you shall be deemed to have represented to the Province of Mendoza that:

- (i) you are a holder or a beneficial owner of Existing Notes;
- (ii) you are (A) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act or (B) (x) outside the United States in reliance on Regulation S under the Securities Act, (y) if located within a member state of the European Economic Area or in the United Kingdom, a "qualified investor" as defined in Regulation (EU) 1129/2017, and (z) if located outside the EEA or the UK, is eligible to receive this offer under the laws of its jurisdiction; and
- (iii) you consent to delivery of the attached invitation memorandum by electronic transmission.

The attached invitation memorandum has been provided to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently none of the Province of Mendoza, the sender of the invitation memorandum, nor any person who is an official or a director, officer, employee, agent or affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the actual invitation memorandum and the version you have.

You are also reminded that the attached invitation memorandum has been provided to you on the basis that you are a person into whose possession the attached invitation memorandum may be lawfully delivered in accordance with (i) the laws of the jurisdiction in which you are located or resident and (ii) the Jurisdictional Restrictions, and you may not, nor are you authorized to, deliver the attached invitation memorandum to any other person.

Any materials relating to the Invitation do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law.

The attached invitation memorandum contains important information which should be read carefully before any decision is made with respect to the Invitation. If any holder of Existing Notes is in any doubt as to the action it should take, such holder of Existing Notes should seek its own financial advice, including as to any tax consequences, from its stockbroker, bank manager, legal adviser, accountant or other independent financial adviser. Any investor whose Existing Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to participate in the Invitation with respect to its Existing Notes.

**SUPPLEMENT DATED SEPTEMBER 22, 2020
TO THE AMENDED AND RESTATED INVITATION MEMORANDUM DATED JULY 6, 2020**



Supplement No. 1 to the Amended and Restated Invitation Memorandum

THE PROVINCE OF MENDOZA
(A Province of the Republic of Argentina)

Invites Eligible Holders (as defined below) of its 8.375% Notes due 2024 (the “Existing Notes”) to exchange Existing Notes for new notes (the “New Notes”) to be issued under the Indenture on the terms and subject to the conditions described in the Amended and Restated Invitation Memorandum (as supplemented hereby, the “Invitation”)

Existing Notes	ISIN/CUSIP	Outstanding amount⁽¹⁾	Exchange Offer Consideration
8.375% Notes Due 2024	Reg S USP6480JAG24 / P6480J AG2 144 A US586805AH63 / 586805 AH6	U.S.\$590,000,000	For each U.S.\$1,000 outstanding principal amount of Existing Notes, U.S.\$1,000 principal amount of New Notes

(1) Includes a principal amount of U.S.\$60,040,000 held by the Province, which are not deemed to be Outstanding for purposes of consenting to the Proposed Modifications.

In addition, we are offering to pay holders who tender their Existing Notes by September 29, 2020 at 9:00 a.m. (New York Time (“NYT”)) (the “**Consent Payment Eligibility Deadline**”) a fee in an amount equal to U.S.\$41.88 for each U.S.\$1,000 principal amount of Existing Notes (as applicable, the “**Consent Payment**”). Holders whose Existing Notes are validly tendered at any time prior to the Consent Payment Eligibility Deadline, not validly revoked by the Revocation Deadline and accepted by us in the Exchange Offer pursuant to the Invitation, will be eligible to receive the Consent Payment. Holders who have previously validly tendered (and do not revoke) their Existing Notes pursuant to the original Invitation will, and do not need to re-tender their Existing Notes to, be eligible to receive the Consent Payment.

The Invitation will expire at 9:00 a.m. (NYT) on September 29, 2020. The Revocation Deadline has expired and, consequently, Tender Orders may no longer be revoked. Subject to the terms and conditions of the Amended and Restated Invitation Memorandum, on the Settlement Date, we expect to (i) issue the New Notes in exchange for all Existing Notes accepted by the Province, (ii) pay the Consent Payment, and (iii) if the applicable Requisite Consents have been obtained, modify or modify and exchange the Existing Notes, as the case may be, to give effect to the relevant Proposed Modifications.

This Supplement No. 1 to the Amended and Restated Invitation Memorandum is qualified in its entirety by reference to the Amended and Restated Invitation Memorandum. The information in this Supplement No. 1 supplements the Amended and Restated Invitation Memorandum and supersedes the information in the Amended and Restated Invitation Memorandum to the extent it is inconsistent with the information in the Amended and Restated Invitation Memorandum. This Supplement No. 1 is not a complete summary of, should be read in conjunction with and is qualified in its entirety by, the Amended and Restated Invitation Memorandum. Terms used in this Supplement No. 1 but not defined have the meanings given them in the Amended and Restated Invitation Memorandum.

THIS INVITATION IS ONLY BEING DIRECTED TO ELIGIBLE HOLDERS.

The New Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any other jurisdiction. Unless they are registered under the Securities Act, the New Notes may be offered only in transactions that are exempt from registration under the Securities Act. Accordingly, the Invitation is being directed only to holders of Existing Notes that are: (i) “qualified institutional buyers” as defined in Rule 144A under the Securities Act or (ii) (x) outside the United States as defined in Regulation S under the Securities Act, (y) if located within a member state of the European Economic Area (the “EEA”) or the United Kingdom (the “UK”), a “qualified investor” as defined in Regulation (EU) 1129/2017 (as amended, the “Prospectus Regulation”) and (z) if outside the EEA or the UK, is eligible to receive this offer under the laws of its jurisdiction (each, an “Eligible Holder”). Any Holder who does not certify its status as an Eligible Holder will not be entitled to submit Tender Orders. All holders other than Eligible Holders are referred to as “Ineligible Holders.” For further details about the resale restrictions for the New Notes, see “Jurisdictional Restrictions” and “Transfer Restrictions.”

Special Notice to Investors in the European Economic Area and the United Kingdom.

The Invitation is not being made to any retail investors in any Member State of the EEA or the UK (each, a “**Relevant State**”) and EEA and UK retail investors will not be given the opportunity to state their views on the Proposed Modifications. As a result, no “offer” of new securities is being made to retail investors in the EEA or the UK. Any holder who does not deliver a Tender Order is effectively not consenting to the Proposed Modifications. Therefore, it will be necessary for other (not such retail) investors representing a greater nominal principal amount Outstanding to consent to the Proposed Modifications for the Proposed Modifications to become effective. If the Proposed Modifications become effective with respect to the Existing Notes, then, in accordance with the terms of such Existing Notes, the Existing Notes will be exchanged for New Notes, and such exchange will affect all Holders, including Ineligible Holders of the Existing Notes, regardless of whether they consented or if they were entitled to participate in the Invitation.

This Invitation is only being made to beneficial owners of Existing Notes who are within a Relevant State if they are “qualified investors” as defined in Regulation (EU) 2017/1129 (as amended or superseded, the “**Prospectus Regulation**”). For the purposes of the Invitation, “**Eligible Holders**” do not include any beneficial owner located within a Relevant State who is not a “qualified investor” (as defined in the Prospectus Regulation) or any other beneficial owner located in a jurisdiction where the Invitation is not permitted by law. No offer of any kind is being made to Ineligible Holders. For further details about eligible offerees and resale restrictions, see “Jurisdictional Restrictions” and “Transfer Restrictions.”

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in a Relevant State. For these purposes, a “**retail investor**” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the New Notes or otherwise making them available to retail investors in a Relevant State has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in a Relevant State may be unlawful under the PRIPs Regulation. References to Regulations or Directives include, in relation to the UK, those Regulations or Directives as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 or have been implemented in UK domestic law, as appropriate.

This Invitation is being made on the terms and subject to the conditions set out in the Amended and Restated Invitation Memorandum (as supplemented on the date hereof).

The Dealer Managers for the Invitation are:

Credit Suisse

AdCap Securities

September 22, 2020

Amendments to the Invitation

- The tables included in the section entitled “Financial Terms of the New Notes” in the Amended and Restated Invitation Memorandum, shall be modified and restated in their entirety as follows:

Interest Rate		
<i>From and including</i>	<i>To but excluding</i>	<i>Rate</i>
May 19, 2020	September 19, 2021	2.75%
September 19, 2021	March 19, 2023	4.25%
March 19, 2023	March 19, 2029	5.75%

Interest Accrual and Payment Dates
Interest on the New Notes will: <ul style="list-style-type: none"> accrue on any unpaid principal from May 19, 2020, or the most recent interest payment date; be payable semi-annually in arrears on March 19 and September 19 of each year, beginning on September 19, 2021, to persons in whose names the New Notes are registered at the close of business on the calendar day preceding the corresponding payment date (whether or not a business day); and be computed on the basis of a 360-day year comprised of twelve 30-day months.

Maturity Date
March 19, 2029

Principal Repayment
13 semi-annual installments on March 19, 2023, September 19, 2023, March 19, 2024, September 19, 2024, March 19, 2025, September 19, 2025, March 19, 2026, September 19, 2026, March 19, 2027, September 19, 2027, March 19, 2028, September 19, 2028 and March 19, 2029, to be calculated as follows: the aggregate amount of each principal payment on the New Notes shall equal the principal amount outstanding as of the close of business on the day before any principal payment date, divided by the number of remaining principal installments.

- The information under the subheading “Basic Terms” included in the section entitled “Description of the New Notes” in the Amended and Restated Invitation Memorandum, shall be modified and restated as follows:

The New Notes will:

- be direct, general, unconditional and unsubordinated obligations of the Province;
- pay principal in 13 semi-annual installments on March 19, 2023, September 19, 2023, March 19, 2024, September 19, 2024, March 19, 2025, September 19, 2025, March 19, 2026, September 19, 2026, March 19, 2027, September 19, 2027, March 19, 2028, September 19, 2028 and March 19, 2029, to be calculated as follows: the aggregate amount of each principal payment on the New Notes shall equal the principal

amount outstanding as of the close of business on the day before any principal payment date, divided by the number of remaining principal installments;

- pay principal to persons in whose names the New Notes are registered at the close of business on the calendar day preceding the corresponding payment date (whether or not a business day);
- mature on March 19, 2029;
- be totally or partially redeemable at par at our option at any time as described in “—Optional Redemption”, and the Province may at any time purchase New Notes and hold or resell them or surrender them to the trustee for cancellation;
- not be repayable at the option of the holder nor be entitled to the benefit of any sinking fund;
- be represented by Regulation S global securities (as defined below) and Restricted global securities (as defined below) (each sometimes referred to herein as a “global security,” and together referred to herein as the “global securities”) (see “—Registration and Book-Entry System”);
- be issued in denominations of U.S.\$1,000.00 and in integral multiples thereof; and
- represent a claim to the full principal due on each amortizing date (plus any accrued and unpaid interest due at such time) or upon earlier acceleration in accordance with their terms.

Interest on the New Notes will:

- accrue on any unpaid principal at the following annual rates:

<i>From and including</i>	<i>To but excluding</i>	<i>Rate</i>
May 19, 2020	September 19, 2021	2.75%
September 19, 2021	March 19, 2023	4.25%
March 19, 2023	March 19, 2029	5.75%

- accrue from May 19, 2020, or the most recent interest payment date;
- be payable semi-annually in arrears on March 19 and September 19 of each year, beginning on September 19, 2021, to persons in whose names the New Notes are registered at the close of business on the calendar day preceding the corresponding payment date (whether or not a business day); and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

ISSUER

Province of Mendoza

INFORMATION, TABULATION AND EXCHANGE AGENT

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República Argentina



The Province of Mendoza

(a Province of the Republic of Argentina)

The Information, Tabulation and Exchange Agent for the Invitation is:

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The Dealer Managers for the Invitation are:

Credit Suisse Securities (USA) LLC

AdCap Securities Ltd

September 22, 2020

Annex C

Specimens of Notes

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AS DEFINED IN THE INDENTURE) TO THE PROVINCE OF MENDOZA (THE “PROVINCE”) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AND ANY PAYMENT IS MADE TO SUCH ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN THE DEPOSITARY OR A NOMINEE THEREOF IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF HAS AN INTEREST HEREIN.

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREINAFTER. THIS GLOBAL NOTE MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITARY OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN SECTION 2.5 OF THE INDENTURE, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 2.8 OF THE INDENTURE. BENEFICIAL INTERESTS IN THIS GLOBAL NOTE MAY NOT BE TRANSFERRED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THIS NOTE MAY NOT, PRIOR TO THE RESALE RESTRICTION TERMINATION DATE (AS DEFINED BELOW), BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) TO A PERSON WHO THE TRANSFEROR REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ACQUIRING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES PURSUANT TO THE TERMS AND CONDITIONS OF REGULATIONS UNDER THE SECURITIES ACT OR (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS.

THE “RESALE RESTRICTION TERMINATION DATE” MEANS THE DATE: (A) THAT IS AT LEAST ONE YEAR AFTER THE LATER OF THE ISSUE DATE OF THIS NOTE AND THE DATE OF ISSUANCE OF ANY ADDITIONAL NOTES IN THIS SERIES PURSUANT TO THE INDENTURE OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE

144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THERETO; AND (B) ON WHICH THE PROVINCE HAS INSTRUCTED THE TRUSTEE THAT THIS LEGEND WILL NO LONGER APPLY IN ACCORDANCE WITH THE PROCEDURES DESCRIBED IN THE INDENTURE.

THIS NOTE AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE SHALL BE DEEMED BY THE ACCEPTANCE OF THIS NOTE TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

THIS LEGEND CAN ONLY BE REMOVED AT THE OPTION AND DIRECTION OF THE PROVINCE.

THE PROVINCE OF MENDOZA

RULE 144A GLOBAL NOTE

representing

U.S.\$113,080,000 Amortizing Step-up Securities

No. R-1

CUSIP: 586805 AJ2

ISIN: US586805AJ20

Common Code: _____

The Province of Mendoza (the “Province”), for value received, hereby promises to pay to CEDE & CO., or registered assigns, upon surrender hereof of the principal sum of one hundred thirteen million eighty thousand UNITED STATES DOLLARS (U.S.\$113,080,000) or such amount as shall be the outstanding principal amount hereof on March 19, 2029, together with interest accrued from May 19, 2020 to, but excluding, the maturity date, or on such earlier date as the principal hereof may become due in accordance with the provisions hereof. The Province will pay the principal of this Global Note in 13 semi-annual installments on March 19, 2023, September 19, 2023, March 19, 2024, September 19, 2024, March 19, 2025, September 19, 2025, March 19, 2026, September 19, 2026, March 19, 2027, September 19, 2027, March 19, 2028, September 19, 2028 and March 19, 2029, to be calculated as follows: the aggregate amount of each principal payment on the Notes shall equal the principal amount outstanding as of the close of business on the day before any principal payment date, divided by the number of remaining principal installments. This Global Note will represent a claim to its full principal due on each amortization date (plus accrued and unpaid interest) or upon earlier acceleration in accordance with its terms. The Province further unconditionally promises to pay interest semi-annually in arrears on March 19 and September 19 (each an “Interest Payment Date”) of each year, commencing September 19, 2021, on any outstanding portion of the unpaid principal amount hereof at: (i) 2.750% per annum from and including May 19, 2020 to but excluding September 19, 2021, (ii) 4.250% per annum from and including September 19, 2021 to but excluding March 19, 2023 and (iii) 5.750% per annum from and including March 19, 2023 to but excluding March 19, 2029. Interest shall accrue from and including the most recent date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from May 19, 2020, until payment of said principal sum has been made or duly provided for, and shall be payable to Holders of record at the close of business on the calendar day preceding the corresponding payment date (whether or not a Business Day) (each a “Record Date”). This is a Global Note (as that term is defined in the Indenture referred to below) deposited with the Depositary, and registered in the name of the Depositary or its nominee or common custodian, and accordingly, the Depositary or its nominee or common custodian, as Holder of record of this Global Note, shall be entitled to receive payments of principal and interest, other than principal and interest due at the maturity date, by wire transfer of immediately available funds. Such payment shall be made exclusively in such coin or currency of the United States as at the time of payment shall be legal tender for payment of public and private debts. The Province, the Trustee, any registrar and any paying agent shall be entitled to treat the Depositary as the sole Holder of this Global Note.

The statements in the legend relating to the Depositary set forth above are an integral part of the terms of this Global Note and by acceptance hereof each Holder of this Global Note agrees to be subject to and bound by the terms and provisions set forth in such legend, if any.

This Global Note is issued in respect of an issue of U.S.\$590,000,000 principal amount of Amortizing Step-up Securities of the Province and is governed by (i) the Indenture dated as of May 19, 2016 (as amended, modified and/or supplemented from time to time, the “Indenture”) between the Province and The Bank of New York Mellon, as trustee (the “Trustee”), the terms of which Indenture are incorporated herein by reference, and (ii) by the terms and conditions of the Notes set forth on the reverse of this Global Note (the “Terms”), as supplemented or amended by the Authorization (as defined in the Indenture) of the Province for this Global Note, the terms of which are incorporated herein by reference. This Global Note shall in all respects be entitled to the same benefits as other Debt Securities (as defined in the Indenture) of the same Series issued under the Indenture and the Terms.

Upon any exchange of all or a portion of this Global Note for Certificated Securities in accordance with the Indenture, or any increase or decrease in the principal amount of this Global Note, such increase or decrease shall be endorsed on Schedule A to reflect the change of the principal amount evidenced hereby.

Unless the certificate of authentication hereon has been manually executed by the Trustee, this Global Note shall not be valid or obligatory for any purpose.

[Remainder of the page intentionally left in blank]

duly executed. IN WITNESS WHEREOF, the Province has caused this instrument to be

Dated:

THE PROVINCE OF MENDOZA

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION
This is one of the Debt Securities issued under the within-mentioned
Indenture.

Dated:

THE BANK OF NEW YORK MELLON, not in
its individual capacity but solely as Trustee

By: _____
Name:
Title:

Schedule A

Date of Increase or Decrease	Increase of Principal Amo this Global Note	Decrease of Principal Amo this Global Note	Remaining Principal Amo this Global Note	Notation Made By
October 5, 2020	5,405,000		118,485,000	

TERMS AND CONDITIONS OF THE NOTES

1. General. (a) This Note is one of a duly authorized Series of debt securities of the Province of Mendoza (the “Province”), designated as its Amortizing Step-up Securities (each Note of this Series a “Note,” and collectively, the “Notes”), and issued or to be issued in one or more Series pursuant to an Indenture dated as of May 19, 2016, between the Province and The Bank of New York Mellon, as trustee (the “Trustee”), as amended from time to time (the “Indenture”). The Holders of the Notes will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Indenture. A copy of the Indenture is on file and may be inspected at the Corporate Trust Office. All capitalized terms used in this Note but not defined herein shall have the meanings assigned to them in the Indenture. Insofar as the provisions of the Indenture may conflict with the provisions set forth in this Note, the latter shall control for purposes of this Note.

(b) The Notes constitute and will constitute direct, general, unconditional and unsubordinated Public External Indebtedness of the Province. The Notes rank and will rank without any preference among themselves and equally with all other unsubordinated Public External Indebtedness of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the Notes ratably with payments being made under any other Public External Indebtedness.

(c) The Notes are in fully registered form, without coupons in denominations of U.S.\$1,000 and integral multiples thereof. The Notes may be issued in certificated non-global form (the “Certificated Securities”), or may be represented by one or more registered global securities (each, a “Global Note”) held by or on behalf of the Depositary. Notes issued in the form of Certificated Securities will be available only in the limited circumstances set forth in the Indenture. The Notes, and exchanges and transfers thereof, shall be registered as provided in Section 2.6 of the Indenture. Any person in whose name a Note shall be registered may (to the fullest extent permitted by applicable law) be treated at all times, by all persons and for all purposes as the absolute owner of such Note regardless of any notice of ownership, theft, loss or any writing thereon.

(d) For purposes of the foregoing and of these Terms:

“External Indebtedness” means obligations for borrowed money or evidenced by securities, debentures, notes or other similar instruments denominated and payable, or which at the option of the holder thereof may be payable, in a currency other than the lawful currency of Argentina, regardless of whether that obligation is incurred or entered into within or outside Argentina.

“Public External Indebtedness” means any External Indebtedness of, or guaranteed by, the Province which (i) is publicly offered or privately placed in securities markets, (ii) is in the form of, or represented by, bonds, notes or other securities or any guarantees thereof and (iii) is, or was intended at the time of issue to be, quoted, listed or traded on any stock exchange, automated trading system or over-the-counter securities market (including securities eligible for sale pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (the “Securities Act”) (or any successor law or regulation of similar effect)).

2. Payments. (a) The Province covenants and agrees that it will duly and punctually pay or cause to be paid the principal of, and premium, if any, and interest (including Additional Amounts) on, the Notes and any other payments to be made by the Province under the Notes and the Indenture, at the place or places, at the respective times and in the manner provided in the Notes and the Indenture. Principal of the Notes will be payable against surrender of such Notes at the Corporate Trust Office of the Trustee in New York City or, subject to applicable laws and regulations, at the office outside of the United States of a paying agent, by U.S. dollar check drawn on, or by transfer to a U.S. dollar account maintained by the Holder with, a bank located in New York City. Payment of interest (including Additional Amounts (as defined below)) on Notes will be made on each Interest Payment Date to the persons in whose name such Notes are registered at the close of business on the applicable Record Date, whether or not such day is a Business Day (as defined below), notwithstanding the cancellation of such Notes upon any transfer or exchange thereof subsequent to the Record Date and prior to such Interest Payment Date; *provided* that if and to the extent the Province shall default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the persons in whose names such Notes are registered as of a subsequent record date established by the Province by notice, as provided in Paragraph 15 of these Terms, by or on behalf of the Province to the Holders of the Notes not less than 15 days preceding such subsequent record date, such record date to be not less than 10 days preceding the date of payment of such defaulted interest. Notwithstanding the immediately preceding sentence, in the case where such interest, principal or premium, if any, (including Additional Amounts as defined below) is not punctually paid or duly provided for, the Trustee shall have the right to fix such subsequent record date, and, if fixed by the Trustee, such subsequent record date shall supersede any such subsequent record date fixed by the Province. Payment of interest on Certificated Securities will be made (i) by a U.S. dollar check drawn on a bank in New York City mailed to the Holder at such Holder's registered address or (ii) upon application by the Holder of at least U.S.\$10,000 in principal amount of Certificated Securities to the Trustee not later than the relevant Record Date, by wire transfer in immediately available funds to a U.S. dollar account maintained by the Holder with a bank in New York City. Payment on an Global Note will be made to the Depositary in accordance with its Applicable Procedures. "Business Day" shall mean any day except a Saturday, Sunday or any other day on which commercial banks in New York City or in the City of Buenos Aires (or in the city where the relevant paying or transfer agent is located) are required or authorized by law to close.

(b) In any case where the date of payment of the principal of, premium, if any, or interest (including Additional Amounts) on, the Notes shall not be a Business Day, then payment of principal, premium, if any, or interest (including Additional Amounts) will be made on the next succeeding Business Day at the relevant place of payment. Such payments will be deemed to have been made on the due date, and no interest on the Notes will accrue as a result of the delay in payment.

(c) Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

(d) Any monies deposited with or paid to the Trustee or to any paying agent for the payment of the principal of, premium, if any, or interest (including Additional Amounts)

on any Note and not applied but remaining unclaimed for two years after the date upon which such principal, premium, if any, or interest shall have become due and payable shall be repaid to or for the account of the Province by the Trustee or such paying agent, upon the written request of the Province and, to the extent permitted by law, the Holder of such Note shall thereafter look only to the Province for any payment which such Holder may be entitled to collect, and all liability of the Trustee or such paying agent with respect to such monies shall thereupon cease. The Province shall cause all returned, unclaimed monies to be held in trust for the relevant Holder of the Note until such time as the claims against the Province for payment of such amounts shall have prescribed pursuant to Paragraph 17 of these Terms.

3. Additional Amounts. All payments by the Province in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Province or the Republic of Argentina (“Argentina”), or any political subdivision or taxing authority or agency therein or thereof having the power to tax (collectively, “Relevant Tax”), unless the withholding or deduction of such Relevant Tax is required by law. In that event, the Province shall pay such additional amounts (“Additional Amounts”), as may be necessary to ensure that the amounts received by the Holders after such withholding or deduction shall equal the respective amounts of principal and interest that would have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable with respect to any Note (i) to a Holder (or to a third party on behalf of a Holder) where such Holder is liable for such Relevant Taxes in respect of this Note by reason of his having some connection with the Province or Argentina other than the mere holding of such Note, the receipt of principal, premium or interest in respect thereof, or the enforcement of rights hereunder; (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive; (iii) presented for payment by or on behalf of a Holder who would have been able to avoid the withholding or deduction by presenting the relevant Note to another paying agent in a member state of the European Union; (iv) presented for payment more than 30 days after the Relevant Date, as defined herein, except to the extent that the Holder thereof would have been entitled to Additional Amounts on presenting the same for payment on the last day of such period of 30 days; or (v) to a Holder of this Note (or a third party on behalf of a Holder) where such Holder of this Note would not be liable for or subject to such deduction or withholding by making a declaration of non-residence or other claim for exemption or reduction to the relevant tax authorities if such Holder of this Note is eligible to make such declaration or other claim and, after having been requested to make such a declaration or claim, such Holder of this Note fails to timely do so, provided that (x) the Province has provided the Holder with at least 60 days’ prior written notice (in accordance with Paragraph 15 of these Terms) of an opportunity to satisfy such a requirement or make such a declaration or claim, and (y) in no event, shall such Holder’s obligation to satisfy such a requirement or to make such a declaration or claim require such Holder to provide any materially more onerous information, documents or other evidence than would be required to be provided had such Holder been required to file IRS Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP and/or W-8IMY.

As used in this Paragraph 3, “Relevant Date” in respect of any Note means the date on which payment in respect thereof becomes due or (if the full amount of the money payable on such date has not been received by the Trustee on or prior to such due date) the date on which notice is duly given to the Holders that such moneys have been so received and are available for payment. Any reference herein to “principal” and/or “interest” shall be deemed to include any Additional Amounts which may be payable on this Note.

4. Optional Redemption. (a) The Province will have the right at its option, upon giving not less than 30 days’ nor more than 60 days’ notice, to redeem the Notes, in whole or in part, at any time or from time to time prior to their maturity, at a redemption price equal to the principal amount thereof, plus interest accrued but not paid on the principal amount of such Notes to (but excluding) the date of redemption.

(b) All notices of redemption shall state:

- (i) the redemption date;
- (ii) the redemption price and the amount of any accrued interest payable;
- (iii) that on the redemption date the redemption price and any accrued interest payable to the redemption date shall become due and payable in respect of each Note and, unless the Province defaults in making the redemption payment, that interest on each Note shall cease to accrue on and after the redemption date;
- (iv) the place or places where a Holder must surrender the Holder’s Notes for payment of the redemption price; and
- (v) the CUSIP, ISIN or other identifying numbers, if any, listed in the notice or printed on the Notes, and that no representation is made as to the accuracy or correctness of such CUSIP, ISIN or other identifying numbers.

(c) Notes called for redemption shall become due on the redemption date. The Province shall pay the redemption price for any Note together with accrued and unpaid interest thereon to but excluding the redemption date. On and after the redemption date, interest shall cease to accrue on Notes called for redemption as long as the Province has deposited with the applicable Paying Agent immediately available funds in satisfaction of the applicable redemption price. Upon redemption of Notes by the Province, the redeemed Notes shall be cancelled.

(d) If less than all of the Notes are to be redeemed at any time, (i) Certificated Notes will be selected for redemption on a pro rata basis, by lot or by such other method as the Trustee shall deem fair and appropriate, and (ii) Global Notes will be selected for redemption in accordance with the Applicable Procedures of the relevant Depository.

5. Negative Pledge Covenant of the Province. (a) So long as any Note remains Outstanding (as defined in the Indenture), the Province will not, and it will not permit any of the Provincial Agencies (as defined below) to, create or permit to subsist any Lien (as defined below), other than Permitted Liens (as defined below), upon the whole or any part of its or any of the Provincial Agencies' property or assets to secure any Indebtedness of the Province or any of the Provincial Agencies unless at the same time or prior thereto, the Province's obligations under the Notes are secured equally and ratably therewith.

(b) For purposes of the foregoing and of these Terms:

"Co-Participation Payments" means any transfers made by the federal government of Argentina to the Province pursuant to the Federal Tax Co-Participation Law, as amended or replaced from time to time, and any other law, decree or regulation governing the obligation of the federal government of Argentina to distribute taxes collected by it to the Argentine provinces.

"Indebtedness" means, with respect to any Person, whether outstanding on the original issuance date of a Series of Debt Securities or at any time thereafter: (i) all indebtedness of such Person for borrowed money; (ii) all reimbursement obligations of such Person (to the extent no longer contingent) under or in respect of letters of credit or bankers' acceptances; (iii) all obligations of such Person to repay deposits with or advances to such Person; (iv) all obligations of such Person (other than those specified in clauses (i) and (ii) above) evidenced by securities, debentures, notes or similar instruments; and (v) to the extent fixed and liquidated and no longer contingent, all direct guarantees, endorsements, *avales* or similar obligations of such Person in respect of, and all direct obligations of such Person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of any other Persons specified in clause (i), (ii), (iii) or (iv) above, provided that indebtedness of the Province or a Provincial Agency shall not mean indebtedness relating to the provision of property or services to the Province or such Provincial Agency.

"Lien" means any mortgage, pledge, security interest, hypothecation, condition sale or other title retention agreement or other similar encumbrance.

"Permitted Lien" means:

(i) any Lien in existence on the date of the Indenture, provided that the total amount of Indebtedness so secured does not exceed the amount so secured on such date;

(ii) any Lien upon any property to secure Indebtedness of the Province or any Provincial Agency incurred specifically for the purpose of financing the acquisition of the property subject to such Lien;

(iii) any Lien securing Indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project; *provided* that the property over which such Lien is granted consists solely of the assets and revenues of such project or the ownership interest therein;

(iv) any replacement, renewal or extension of any Lien permitted by clauses (i) through (iii) above upon the same property theretofore subject to such Lien, including any replacement, renewal or extension of such Lien resulting from the refinancing of the Indebtedness secured by such Lien; *provided, however*, that the principal amount of any Indebtedness or refinanced Indebtedness, as the case may be, that is secured by such replaced, renewed or extended Lien may not be increased from its original principal amount in connection with such replacement renewal or extension;

(v) any Lien securing Indebtedness of the Province encumbering the right of the Province to receive Co-Participation Payments; *provided* that the aggregate principal amount of such Indebtedness so secured and outstanding at any one time may not exceed an amount which would cause the Quarterly Co-Participation Secured Indebtedness Ratio to exceed 50%;

(vi) any Lien securing any Indebtedness of the Province with Banco de la Nación Argentina for as long as Banco de la Nación Argentina is the financial agent of the Province;

(vii) any Liens that arise by operation of law, including any Lien in the form of a tax or other statutory Lien; provided that any such Lien shall be discharged within thirty (30) days after the date it is created or arises (unless contested in good faith by the Province, in which case it shall be discharged within thirty (30) days after final adjudication); and

(viii) any Lien, other than Liens encumbering the Province's right to receive Co-Participation Payments, securing Indebtedness of the Province in an outstanding aggregate principal amount not to exceed at any time 10% of the Province's annual Revenues for the period that includes the most recent four consecutive fiscal quarters ending prior to the incurrence of such Lien.

“Provincial Agency” means each agency, department, authority, statutory corporation or other statutory body or judicial entity of the Province or any fiduciary, trust or other fund created by provincial law or regulation, the Indebtedness of which is generally guaranteed in full (as to payment) by the Province.

“Quarterly Co-Participation Secured Indebtedness Ratio” means the percentage which, at any March 31, June 30, September 30 or December 31, is equal to the sum of (i) (A) the aggregate amount of payments of principal and interest that will become due in the 12 calendar months immediately following such March 31, June 30, September 30 or December 31, as the case may be, in respect of Indebtedness which is secured by a Lien on all of the Province's right to receive Co-Participation Payments, divided by (B) the aggregate amount of Co-Participation Payments actually received by the Province in the three calendar months immediately preceding such March 31, June 30, September 30 or December 31, as the case may be, multiplied by 4, with the quotient of (A) and (B) further multiplied by (C) 100; and (ii) the percentage of Co-Participation Payments actually encumbered and securing any other Indebtedness at such March 31, June 30, September 30 or December 31, as the case may be.

“Revenues” means the cash receipts by the Province and any of the Provincial Agencies from Co-Participation Payments, from taxes levied by the Province and from royalties, fees, charges, concessions, licenses and all other tax and non-tax sources of income.

6. Interest Coverage. The Province has agreed that it will not incur, assume or guarantee (“incur”) and will not permit any Provincial Agency to incur any Indebtedness unless, at the proposed date of incurrence, the amount of Interest Expense accrued during the preceding 12 months ending on March 31, June 30, September 30 or December 31, as the case may be, immediately preceding such proposed date of incurrence does not exceed 13% of Revenues collected during such 12 month period, in each case determined on a pro forma basis giving effect to the incurrence of such Indebtedness and the use of proceeds therefrom and the incurrence, repayment or retirement of any other Indebtedness during such 12 month period.

“Interest Expense” means the aggregate of the interest expense, discount and commissions, fees and expenses incurred by the Province and the Provincial Agencies on their Indebtedness.

7. Events of Default; Acceleration. (a) If one or more of the following events (“Events of Default”) shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (i) the Province fails to pay any principal due on any Notes when due and payable for 3 days after the applicable Payment Date; or
- (ii) the Province fails to pay any interest or Additional Amounts due on any Notes when due and payable for 30 days after the applicable Payment Date; or
- (iii) the Province fails to duly perform or observe any term or obligation contained in the Notes or in the Indenture, which failure continues unremedied for 60 days after written notice thereof has been given to the Province by the Trustee; or
- (iv) the Province or any Provisional Agency fails to make any payment when due, after any applicable grace periods, on any of its Indebtedness (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to U.S.\$15,000,000 (or its equivalent in other currencies); or
- (v) the Province fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any Indebtedness of the Province or any Provincial Agency (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to U.S.\$15,000,000 (or its equivalent in other currencies), and such failure continues after the applicable grace or notice period, if any, specified in the relevant document of the date of such failure if the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness (other than Excluded Indebtedness)

or beneficiary or beneficiaries of such Indebtedness (other than Excluded Indebtedness) (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause such Indebtedness (other than Excluded Indebtedness) to be declared to be due and payable prior to its stated maturity, or in the case of Indebtedness consisting of Contingent Obligations, to become due and payable; or

(vi) any representation, warranty or certification made by the Province (or any of its duly authorized officers or officials) in any Note, the Indenture or in any document, instrument or certificate delivered by the Province pursuant to any Note, or the Indenture shall prove to have been incorrect, incomplete or misleading in any material respect when made; *provided* that the same is reasonably likely to have a material adverse effect on the ability of the Province to perform its material obligations thereunder or the legality, validity or enforceability of any Note, the Indenture or any such document or instrument; or

(vii) the validity or enforceability of any of the Notes or the Indenture shall be contested by the Province, or any final decision by any court or agency from which no appeal may be or is taken shall purport to render any provision of the Notes or any material provision of the Indenture invalid or unenforceable, or purport to prevent or delay the performance or observance by the Province of any of its obligations under the Notes or any of its material obligations under the Indenture; or

(viii) the Province shall fail generally to pay its Indebtedness (other than Excluded Indebtedness) as it becomes due, or a moratorium on the payment of the Province's Indebtedness (other than Excluded Indebtedness) shall be declared by Argentina or the Province (including, without limitation, any moratorium that is limited to the Province's obligations denominated in any particular currency or currencies or to foreign creditors of the Province), or Argentina or the Province shall declare a general suspension of payment or a moratorium on the payment of debt of the Province (which does not expressly exclude the Notes); or

(ix) there has been entered against the Province or a Provincial Agency a final judgment, decree or order by a court of competent jurisdiction from which no appeal may be or is taken for the payment of money in excess of U.S.\$15,000,000 (or the equivalent thereof in another currency or currencies) (other than a final judgment, decree or order in respect of any Excluded Indebtedness) and 60 days shall have passed since the entry of such final judgment, decree or order without it having been satisfied or stayed; or

(x) (A) any constitutional provision, law, regulation, ordinance or decree necessary to enable the Province to perform its obligations under the Notes or the Indenture, or for the validity or enforceability thereof, shall expire, is withheld, revoked or terminated or otherwise ceases to remain in full force and effect, or is modified in a manner which materially adversely affects, or may reasonably be expected to materially adversely affect, any rights or claims of any of the Holders of Notes, or (B) any final decision by any court in Argentina having jurisdiction from which no appeal may be or is taken shall purport to render any material provision of the Notes or

any material provision of the Indenture invalid or unenforceable or purport to prevent or delay the performance or observance by the Province of its obligations under such Notes or the Indenture, and, in each case, such expiration, withholding, revocation, termination, cessation, invalidity, unenforceability or delay shall continue in effect for a period of 60 days;

then in each and every such case, upon notice in writing by the Holders (the “Demanding Holders”) (acting individually or together) of not less than 25% of the aggregate Outstanding principal amount of the Notes to the Province, with a copy to the Trustee, of any such Event of Default and its continuance, the Demanding Holders may declare the principal amount of all the Notes due and payable immediately, and the same shall become and shall be due and payable upon the date that such written notice is received by or on behalf of the Province, unless prior to such date all Events of Default in respect of all the Notes shall have been cured; *provided* that if, at any time after the principal of the Notes shall have been so declared due and payable, and before the sale of any property pursuant to any judgment or decree for the payment of monies due which shall have been obtained or entered in connection with the Notes, the Province shall pay or shall deposit (or cause to be paid or deposited) with the Trustee a sum sufficient to pay all matured installments of interest and principal upon all the Notes which shall have become due otherwise than solely by acceleration (with interest on overdue installments of interest, to the extent permitted by law, and on such principal of each Note at the rate of interest specified herein, to the date of such payment of interest or principal) and such amount as shall be sufficient to cover the reasonable fees and expenses of the Trustee, including, without limitation, the fees and expenses of its counsel, and if any and all Events of Default hereunder, other than the nonpayment of the principal of the Notes which shall have become due solely by acceleration, shall have been cured, waived or otherwise remedied as provided herein, then, and in every such case, the Holders of more than 50% in aggregate principal amount of the Notes then Outstanding, by written notice to the Province and to the Trustee, may, on behalf of all of the Holders, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon. Actions by Holders pursuant to this Paragraph 7 need not be taken at a meeting pursuant to Paragraph 10 hereof. Actions by the Trustee and the Holders pursuant to this Paragraph 7 are subject to Article Four of the Indenture.

In the event of a declaration of acceleration because of an Event of Default set forth in clause(iv) or (v) above, such declaration of acceleration shall be automatically rescinded and annulled if the event triggering such Event of Default pursuant to such clause (iv) or (v) above shall be remedied, cured or waived by the holders of the relevant indebtedness, within 60 days after such event.

(b) For purposes of the foregoing and of these Terms:

“Contingent Obligations” means as to any person, any obligation of such person guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (a “primary obligation”) of any other person in any manner, whether directly or indirectly, including, without limitation, avals and any obligation of such person, whether or

not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefore, (ii) to advance or supply funds (a) for the purchase or payment of any such primary obligation or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities and services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against laws in respect thereof. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is incurred or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the contingent obligor in good faith.

“Excluded Indebtedness” means the Province’s 8.375% Notes due 2024 issued on May 19, 2016 and January 30, 2018 (the “Notes due 2024”), and Bono Mendoza 2021 issued on June 9, 2017.

8. Purchase of Notes by the Province. The Province may at any time purchase or acquire any of the Debt Securities in any manner and at any price in the open market, in privately negotiated transactions or otherwise. Notes that are purchased or acquired by the Province may, at the Province’s discretion, be held, resold or surrendered to the Trustee for cancellation, but any Note so purchased by the Province may not be re-issued or resold except in compliance with the Securities Act and other applicable law.

9. Rights Upon Future Offers. If following July 27, 2020 and prior to October 19, 2023, the Province voluntarily makes an offer to purchase or exchange or solicits consents to amend any Notes due 2024, other than any such offer or solicitation that is made in satisfaction of a final, non-appealable court order or arbitral award (a “Qualifying Offer”), the Province will take all steps necessary so that each Holder of Notes will have the right, for a period of at least 30 calendar days following the commencement of such Qualifying Offer, to exchange any of such Holder’s Notes for:

- the consideration in cash or in kind to be offered in connection with such Qualifying Offer, or
- securities having terms substantially the same as those that holders of Notes due 2024 would hold upon consummation of such Qualifying Offer,

in each case in accordance with the terms and conditions of such Qualifying Offer, as if such Holder held a principal amount of Notes due 2024 at least equal to (a) the principal amount of such Holder’s Notes minus (b) an amount equal to the aggregate amount of interest, if any, previously paid on such Notes.

10. Holders’ Meetings and Written Action. The Indenture sets forth the provisions for the convening of meetings of Holders of Notes and actions taken by written consent of the Holders of Notes.

11. Replacement, Exchange and Transfer of the Notes. (a) Upon the terms and subject to the conditions set forth in the Indenture, in case any Note shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Province in its discretion may execute, and upon the request of the Province, the Trustee shall authenticate and deliver, a new Note bearing a number not contemporaneously Outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and in substitution for the apparently destroyed, lost or stolen Note. In every case, the applicant for a substitute Note shall furnish to the Province and to the Trustee such security or indemnity as may be required by each of them to indemnify, defend and to save each of them and any agent of the Province or the Trustee harmless and, in every case of destruction, loss, theft or evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof. Upon the issuance of any substitute Note, the Holder of such Note, if so requested by the Province, shall pay a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected with the preparation and issuance of the substitute Note.

(b) Upon the terms and subject to the conditions set forth in the Indenture, and subject to Paragraph 11(e) hereof, a Certificated Security or Securities may be exchanged for an equal aggregate principal amount of Certificated Securities in different authorized denominations and a beneficial interest in the Global Note may be exchanged for an equal aggregate principal amount of Certificated Securities of such Series in authorized denominations or for an equal aggregate principal amount of beneficial interests in another Global Note by the Holder or Holders surrendering the Security or Securities for exchange at the Corporate Trust Office, together with a written request for the exchange. Certificated Securities will only be issued in exchange for interests in a Global Note pursuant to Section 2.5 (e) or Section 2.5(f) of the Indenture. The exchange of the Notes will be made by the Trustee.

(c) Upon the terms and subject to the conditions set forth in the Indenture, and subject to Paragraph 11(e) hereof, a Certificated Security may be transferred in whole or in part (in an amount equal to the authorized denomination) by the Holder or Holders surrendering the Certificated Security for transfer at the Corporate Trust Office, at the office of any paying agent or at any other office acceptable to the Trustee, accompanied by an executed instrument of transfer substantially as set forth in Exhibit F to the Indenture. The registration of transfer of the Notes will be made by the Trustee.

(d) The costs and expenses of effecting any exchange, transfer or registration of transfer pursuant to this Paragraph 11 will be borne by the Province, except for the expenses of delivery (if any) not made by regular mail and the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge or insurance charge that may be imposed in relation thereto, which will be borne by the Holder of the Note. Registration of the transfer of a Note by the Trustee shall be deemed to be the acknowledgment of such transfer on behalf of the Province.

(e) The Trustee may decline to accept any request for an exchange or registration of transfer of any Note during the period of 15 days preceding the due date for any payment of principal of, or premium, if any, or interest on, the Notes.

12. Trustee. For a description of the duties and the indemnities, immunities and rights of the Trustee under the Indenture, reference is made to the Indenture, and the obligations of the Trustee to the Holder hereof are subject to such immunities and rights.

13. Paying Agents; Transfer Agents; Registrar. The Province has initially appointed the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York as its paying agent, transfer agent and registrar, and The Bank of New York Mellon SA/NV, Luxembourg Branch in Luxembourg as its paying agent and transfer agent in Luxembourg. The Province may at any time appoint additional or other paying agents, transfer agents and registrars and terminate the appointment of those or any paying agents, transfer agents and registrar, *provided* that while the Notes are Outstanding the Province will maintain in The City of New York (i) a paying agent, (ii) an office or agency where the Notes may be presented for exchange, transfer and registration of transfer as provided in the Indenture and (iii) a registrar. The Province will maintain a paying agent in a Member State of the European Union (which, so long as the Notes are listed in the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Exchange so require, will be Luxembourg) that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such termination or appointment and of any change in the office through which any paying agent, transfer agent or registrar will act will be promptly given in the manner described in Paragraph 15 hereof.

14. Enforcement. Except as provided in Section 4.7 of the Indenture, no Holder of any Notes of any Series shall have any right by virtue of or by availing itself of any provision of the Indenture or of the Notes of such Series to institute any suit, action or proceeding in equity or at law upon or under or with respect to the Indenture or of the Notes, or for any other remedy hereunder or under the Notes, unless (a) such Holder previously shall have given to the Trustee written notice of default and of the continuance thereof with respect to such Series of Notes, (b) the Holders of not less than 25% in aggregate principal amount Outstanding of Notes of such Series shall have made specific written request to the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have provided to the Trustee such indemnity or other security as it may require against the costs, expenses and liabilities to be incurred therein or thereby and (c) the Trustee for 60 days after its receipt of such notice, request and provision of indemnity or other security, shall have failed to institute any such action, suit or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 4.9 of the Indenture, it being understood and intended, and being expressly covenanted by every Holder of Notes of a Series with every other Holder of Notes of such Series and the Trustee, that no one or more Holders shall have any right in any manner whatsoever by virtue or by availing itself of any provision of the Indenture or of the Notes to affect, disturb or prejudice the rights of any other Holder of Notes of such Series or to obtain priority over or preference to any other such Holder, or to enforce any right under the Indenture or under the Notes of such Series, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Notes of such Series. For the protection and enforcement of this Paragraph 14, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

15. Notices. The Province will mail any notices to the Holders of Certificated Securities at their registered addresses as reflected in the Register maintained by the registrar. The Province will consider any mailed notice to have been given five Business Days after it has been sent. The Province will give notices to the Holders of an Global Note in accordance with the procedures and practices of the Depositary and such notices shall be deemed given upon actual receipt thereof by the Depositary. The Province will also publish notices to the Holders (a) in a leading newspaper having general circulation in Buenos Aires, New York City and London (which is expected to be La Nación or Ambito Financiero, The Wall Street Journal and the Financial Times, respectively) and (b) if and so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the exchange so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be Luxemburger Wort) and on the website of the Luxembourg Stock Exchange at <http://www.bourse.lu>. If publication in a leading newspaper in Luxembourg is not practicable, the Province will publish such notices in a leading English language daily newspaper with general circulation in Europe. The Province will consider any published notice to be given on the date of its first publication.

16. Further Issues of Notes. The Province may from time to time, without the consent of Holders of the Notes, create and issue additional Notes having the same Terms as the Notes in all respects, except for the issue date, issue price and first payment of interest on the Notes; *provided, however*, that any additional Notes subsequently issued that are not fungible with the previously Outstanding Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from the previously Outstanding Notes. Additional Notes that are fungible with the previously outstanding Notes for U.S. federal income tax purposes will be consolidated with, and will form a single Series with the previously Outstanding Notes.

17. Prescription. To the extent permitted by law, claims against the Province for the payment of principal, of premium, if any, or interest or other amounts due on, the Notes (including Additional Amounts) will become void unless made within four years, of the date on which that payment first became due.

18. Authentication. This Note shall not become valid or obligatory until the certificate of authentication hereon shall have been manually signed by the Trustee or its agent.

19. Governing Law. (a) The Indenture will be governed by and construed in accordance with the laws of the State of New York; *provided, however*, that all matters governing the Province's authorization and execution of the Indenture and this Note shall in all cases be governed by and construed in accordance with the laws of Argentina. This Note will be governed by and construed in accordance with the laws of the State of New York.

(b) The Province irrevocably submits to the jurisdiction of any U.S. federal or New York state court sitting in the Borough of Manhattan, The City of New York, and any appellate court from any court thereof, in any suit, action or proceeding arising out of or relating to the Notes or the Indenture and irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in such U.S. federal or New York state court. The Province also irrevocably waives, to the fullest extent that it may effectively do so, any

objection to venue or defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in such jurisdiction.

(c) The Province has appointed Corporation Service Company, with an office on the date hereof at 1180 Avenue of the Americas, Suite 210, New York, NY 10036-8401, United States of America, as its agent (the “Authorized Agent”), to receive on behalf of the Province and its property, service of any summons and complaint and other process which may be served in any such suit, action or proceeding brought in such New York State or U.S. federal court sitting in New York City in the Borough of Manhattan. Such service may be made by delivering or mailing a copy of such process to the Province in care of the Authorized Agent at the above specified address and the Province authorizes and directs such Authorized Agent to accept such service on its behalf. In addition to the foregoing, the Trustee and the Holders may serve legal process in any other manner permitted by applicable law. A final judgment that is not appealable in any such suit, action or proceeding shall be conclusive and may be enforced to the extent permitted under applicable law in other jurisdictions by suit on the judgment or in any other manner provided by applicable law. The Province agrees that, if the Authorized Agent shall for any reason cease to act as such agent, it shall promptly appoint a substitute Authorized Agent in the Borough of Manhattan, The City of New York.

(d) To the extent that the Province has or hereafter may acquire any immunity (sovereign or otherwise) in respect of its obligations under the Debt Securities or the Indenture from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property (except for property considered of the public domain or dedicated to the purpose of an essential public service or otherwise exempt from attachment or seizure under applicable Argentine and Provincial law), the Province hereby irrevocably waives such immunity in respect of its obligations under the Indenture or the Debt Securities of any Series, and, without limiting the generality of the foregoing, the Province agrees that the waivers set forth in the Indenture shall have the fullest scope permitted under the United States Foreign Sovereign Immunities Act of 1976, as amended (the “Immunities Act”), and is intended to be irrevocable for purposes of such Act. Notwithstanding the foregoing, the Province reserves the right to plead sovereign immunity under the Immunities Act with respect to actions or proceedings brought against it under U.S. federal securities laws or any state securities laws, and the Province’s appointment of an Authorized Agent is not intended to extend to such actions or proceedings.

(e) Holders may be required to post a bond or other security with the courts of the Republic of Argentina as a condition to the institution, prosecution or completion of any action or proceeding (including appeals) arising out of or relating to this Indenture or the Notes in those courts.

20. Indemnification for Foreign Exchange Fluctuations.

(a) In the event the Province is unable to obtain the full amount of the specified currency or to transfer such amounts outside of Argentina in order to make a scheduled payment of principal or interest on the Securities due to a restriction or prohibition on access to the foreign exchange market in Argentina, the Province shall, to the extent permitted by such

restriction or prohibition, make such scheduled payment by means of (i) purchasing U.S. dollar-denominated Argentine government bonds traded outside of Argentina or any other securities or public or private bonds issued in Argentina, with Argentine Pesos, and transferring and selling such instruments outside Argentina for the specified currency, or (ii) any other legal mechanism for the acquisition of the specified currency in any foreign exchange market. All costs, including any taxes, relative to such operations to obtain the specified currency will be borne by the Province.

(b) The obligation of the Province to any Holder under the Notes that has obtained a court judgment affecting the Notes shall, notwithstanding any judgment in a currency (the “Judgment Currency”) other than the currency in which the Note is denominated (the “Agreement Currency”), be discharged only to the extent that on the Business Day following receipt by such Holder of any amount in the Judgment Currency, such Holder may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency (or, if it is not practicable to make that purchase on that day, on the first Business Day on which it is practicable to do so). If the amount of the Agreement Currency so purchased is less than the amount originally to be paid to such Holder in the Agreement Currency, the Province agrees, as a separate obligation and notwithstanding such judgment, to pay the difference, and if the amount of the Agreement Currency so purchased exceeds the amount originally to be paid to such Holder, such Holder agrees to pay to or for the account of the Province such excess, *provided* that such Holder shall not have any obligation to pay any such excess as long as a default by the Province in its obligations hereunder has occurred and is continuing, in which case such excess may be applied by such Holder to such obligations.

21. Warranty of the Province. Subject to Paragraph 18, the Province hereby certifies and warrants that all acts, conditions and things required to be done and performed and to have happened precedent to the creation and issuance of this Note and to constitute the same legal, valid and binding obligations of Province enforceable in accordance with their terms, have been done and performed and have happened in due and strict compliance with all applicable laws.

22. Definitive Headings. The descriptive headings appearing in these Terms are for convenience of reference only and shall not alter, limit or define the provisions hereof.

23. Modifications. (a) Any Modification to the Notes or the Indenture insofar as it affects the Notes shall be made in accordance with Article Ten and Article Eleven of the Indenture.

(b) Any Modification pursuant to this Paragraph 23 will be conclusive and binding on all Holders of the Notes, and on all future Holders of the Notes whether or not notation of such Modification is made upon the Notes. Any instrument given by or on behalf of any Holder of a Note in connection with any consent to or approval of any such Modification will be conclusive and binding on all subsequent Holders of that Note.

FORM OF TRANSFER CERTIFICATE

FOR VALUE RECEIVED, the undersigned hereby transfers to

(PRINT NAME AND ADDRESS OF TRANSFEREE)

U.S.\$ _____ principal amount of this Debt Security, and all rights with respect thereto, and irrevocably constitutes and appoints _____ as attorney to transfer this Debt Security on the books kept for registration thereof, with full power of substitution.

Dated _____

Certifying Signature:

Signed _____

Note:

- (i) The signature on this transfer form must correspond to the name as it appears on the face of this Debt Security.
- (ii) A representative of the Holder should state the capacity in which he or she signs (e.g., executor).
- (iii) The signature of the person effecting the transfer shall conform to any list of duly authorized specimen signatures supplied by the registered Holder or shall be certified by a recognized bank, notary public or in such other manner as the Trustee or a paying agent may require.

RESTRICTED NOTES CERTIFICATE

(For transfers pursuant to Section 2.8(b)
of the Indenture)

To: The Bank of New York Mellon
240 Greenwich Street, Floor 7 East
New York, New York 10286
as Trustee

Re: Amortizing Step-up Securities
of the Province of Mendoza (the "Notes")

Reference is made to the Indenture, dated as of May 19, 2016 (as amended, modified and/or supplemented from time to time, the "Indenture"), between the Province of Mendoza (the "Province") and The Bank of New York Mellon, as Trustee. Terms used herein and defined in the Indenture or in Regulation S or Rule 144 under the U.S. Securities Act of 1933, as amended (the "Securities Act") are used herein as so defined.

This certificate relates to U.S.\$_____ principal amount of Notes, which are evidenced by the following certificate(s) (the "Specified Notes"):

CUSIP No(s). 586805 AJ2

ISIN No(s). US586805AJ20

CERTIFICATE No(s). _____

The person in whose name this certificate is executed below (the "undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Notes or (ii) it is acting on behalf of all the beneficial owners of the Specified Notes and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner." If the Specified Notes are represented by an Global Note, they are held through a Participant in the name of the undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Notes be transferred to a person (the "Transferee") who shall take delivery in the form of a Rule 144A Security (CUSIP: 586805 AJ2; ISIN: US586805AJ20) of the same series. In connection with such transfer, the Owner hereby certifies that, unless such transfer is being effected pursuant to an effective registration statement under the Securities Act, it is being effected in accordance with Rule 144A or Rule 144 under the Securities Act and with all applicable securities laws of the states of the United States and other jurisdictions. Accordingly, the Owner hereby further certifies as:

1. Rule 144A Transfers. If the transfer is being effected in accordance with Rule 144A:

(a) the Specified Notes are being transferred to a person that the Owner and any person acting on its behalf reasonably believe is a “qualified institutional buyer” within the meaning of Rule 144A, acquiring for its own account or for the account of a qualified institutional buyer; and

(b) the Owner and any person acting on its behalf have taken reasonable steps to ensure that the Transferee is aware that the Owner is relying on Rule 144A in connection with the transfer.

2. Rule 144 Transfers. If the transfer is being effected pursuant to Rule 144:

○ the transfer is occurring after [date one year after original issue date of relevant Series of Notes] and is being effected in accordance with the applicable amount, manner of sale and notice requirements of Rule 144; or

○ the transfer is occurring after [date two years after original issue date of relevant Series of Notes] and the Owner is not, and during the preceding three months has not been, an affiliate of the Province.

This certificate and the statements contained herein are made for your benefit and the benefit of the Province.

Dated:

(Print the name of the undersigned, as such term is defined in the second paragraph of this certificate)

By: _____

Name:

Title:

(If the undersigned is a corporation, partnership or fiduciary, the title of the person signing on behalf of the undersigned must be stated)

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AS DEFINED IN THE INDENTURE) TO THE PROVINCE OF MENDOZA (THE “PROVINCE”) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AND ANY PAYMENT IS MADE TO SUCH ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN THE DEPOSITARY OR A NOMINEE THEREOF IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF HAS AN INTEREST HEREIN.

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREINAFTER. THIS GLOBAL NOTE MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITARY OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN SECTION 2.5 OF THE INDENTURE, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 2.8 OF THE INDENTURE. BENEFICIAL INTERESTS IN THIS GLOBAL NOTE MAY NOT BE TRANSFERRED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, PRIOR TO THE EXPIRATION OF 40 DAYS FROM THE LATER OF (1) THE DATE ON WHICH THIS NOTE WAS FIRST OFFERED AND (2) THE DATE OF ISSUANCE OF THIS NOTE, MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT (A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF ONE OR MORE OTHER QUALIFIED INSTITUTIONAL BUYERS IN ACCORDANCE WITH RULE 144A, OR (B) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR 904 OF REGULATION S. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

THIS NOTE AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE SHALL BE DEEMED BY THE ACCEPTANCE OF THIS NOTE TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

THE PROVINCE OF MENDOZA

REGULATION S GLOBAL NOTE

representing

U.S.\$449,002,000 Amortizing Step-up Securities

No. S-1

CUSIP: P6480J AH0

ISIN: USP6480JAH07

Common Code: _____

The Province of Mendoza (the “Province”), for value received, hereby promises to pay to CEDE & CO., or registered assigns, upon surrender hereof of the principal sum of four hundred forty-nine million two thousand UNITED STATES DOLLARS (U.S.\$449,002,000) or such amount as shall be the outstanding principal amount hereof on March 19, 2029, together with interest accrued from May 19, 2020 to, but excluding, the maturity date, or on such earlier date as the principal hereof may become due in accordance with the provisions hereof. The Province will pay the principal of this Global Note in 13 semi-annual installments on March 19, 2023, September 19, 2023, March 19, 2024, September 19, 2024, March 19, 2025, September 19, 2025, March 19, 2026, September 19, 2026, March 19, 2027, September 19, 2027, March 19, 2028, September 19, 2028 and March 19, 2029, to be calculated as follows: the aggregate amount of each principal payment on the Notes shall equal the principal amount outstanding as of the close of business on the day before any principal payment date, divided by the number of remaining principal installments. This Global Note will represent a claim to its full principal due on each amortization date (plus accrued and unpaid interest) or upon earlier acceleration in accordance with its terms. The Province further unconditionally promises to pay interest semi-annually in arrears on March 19 and September 19 (each an “Interest Payment Date”) of each year, commencing September 19, 2021, on any outstanding portion of the unpaid principal amount hereof at: (i) 2.750% per annum from and including May 19, 2020 to but excluding September 19, 2021, (ii) 4.250% per annum from and including September 19, 2021 to but excluding March 19, 2023 and (iii) 5.750% per annum from and including March 19, 2023 to but excluding March 19, 2029. Interest shall accrue from and including the most recent date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from May 19, 2020, until payment of said principal sum has been made or duly provided for, and shall be payable to Holders of record at the close of business on the calendar day preceding the corresponding payment date (whether or not a Business Day) (each a “Record Date”). This is a Global Note (as that term is defined in the Indenture referred to below) deposited with the Depositary, and registered in the name of the Depositary or its nominee or common custodian, and accordingly, the Depositary or its nominee or common custodian, as Holder of record of this Global Note, shall be entitled to receive payments of principal and interest, other than principal and interest due at the maturity date, by wire transfer of immediately available funds. Such payment shall be made exclusively in such coin or currency of the United States as at the time of payment shall be legal tender for payment of public and private debts. The Province, the Trustee, any registrar and any paying agent shall be entitled to treat the Depositary as the sole Holder of this Global Note.

The statements in the legend relating to the Depositary set forth above are an integral part of the terms of this Global Note and by acceptance hereof each Holder of this Global Note agrees to be subject to and bound by the terms and provisions set forth in such legend, if any.

This Global Note is issued in respect of an issue of U.S.\$590,000,000 principal amount of Amortizing Step-up Securities of the Province and is governed by (i) the Indenture dated as of May 19, 2016 (as amended, modified and/or supplemented from time to time, the “Indenture”) between the Province and The Bank of New York Mellon, as trustee (the “Trustee”), the terms of which Indenture are incorporated herein by reference, and (ii) by the terms and conditions of the Notes set forth on the reverse of this Global Note (the “Terms”), as supplemented or amended by the Authorization (as defined in the Indenture) of the Province for this Global Note, the terms of which are incorporated herein by reference. This Global Note shall in all respects be entitled to the same benefits as other Debt Securities (as defined in the Indenture) of the same Series issued under the Indenture and the Terms.

Upon any exchange of all or a portion of this Global Note for Certificated Securities in accordance with the Indenture, or any increase or decrease in the principal amount of this Global Note, such increase or decrease shall be endorsed on Schedule A to reflect the change of the principal amount evidenced hereby.

Unless the certificate of authentication hereon has been manually executed by the Trustee, this Global Note shall not be valid or obligatory for any purpose.

[Remainder of the page intentionally left in blank]

duly executed. IN WITNESS WHEREOF, the Province has caused this instrument to be

Dated:

THE PROVINCE OF MENDOZA

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION
This is one of the Debt Securities issued under the within-mentioned
Indenture.

Dated:

THE BANK OF NEW YORK MELLON, not in
its individual capacity but solely as Trustee

By: _____
Name:
Title:

Schedule A

Date of Increase or Decrease	Increase of Principal Amo this Global Note	Decrease of Principal Amo this Global Note	Remaining Principal Amo this Global Note	Notation Made By
October 5, 2020	22,513,000		471,515,000	

TERMS AND CONDITIONS OF THE NOTES

1. General. (a) This Note is one of a duly authorized Series of debt securities of the Province of Mendoza (the “Province”), designated as its Amortizing Step-up Securities (each Note of this Series a “Note,” and collectively, the “Notes”), and issued or to be issued in one or more Series pursuant to an Indenture dated as of May 19, 2016, between the Province and The Bank of New York Mellon, as trustee (the “Trustee”), as amended from time to time (the “Indenture”). The Holders of the Notes will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Indenture. A copy of the Indenture is on file and may be inspected at the Corporate Trust Office. All capitalized terms used in this Note but not defined herein shall have the meanings assigned to them in the Indenture. Insofar as the provisions of the Indenture may conflict with the provisions set forth in this Note, the latter shall control for purposes of this Note.

(b) The Notes constitute and will constitute direct, general, unconditional and unsubordinated Public External Indebtedness of the Province. The Notes rank and will rank without any preference among themselves and equally with all other unsubordinated Public External Indebtedness of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the Notes ratably with payments being made under any other Public External Indebtedness.

(c) The Notes are in fully registered form, without coupons in denominations of U.S.\$1,000 and integral multiples thereof. The Notes may be issued in certificated non-global form (the “Certificated Securities”), or may be represented by one or more registered global securities (each, a “Global Note”) held by or on behalf of the Depositary. Notes issued in the form of Certificated Securities will be available only in the limited circumstances set forth in the Indenture. The Notes, and exchanges and transfers thereof, shall be registered as provided in Section 2.6 of the Indenture. Any person in whose name a Note shall be registered may (to the fullest extent permitted by applicable law) be treated at all times, by all persons and for all purposes as the absolute owner of such Note regardless of any notice of ownership, theft, loss or any writing thereon.

(d) For purposes of the foregoing and of these Terms:

“External Indebtedness” means obligations for borrowed money or evidenced by securities, debentures, notes or other similar instruments denominated and payable, or which at the option of the holder thereof may be payable, in a currency other than the lawful currency of Argentina, regardless of whether that obligation is incurred or entered into within or outside Argentina.

“Public External Indebtedness” means any External Indebtedness of, or guaranteed by, the Province which (i) is publicly offered or privately placed in securities markets, (ii) is in the form of, or represented by, bonds, notes or other securities or any guarantees thereof and (iii) is, or was intended at the time of issue to be, quoted, listed or traded on any stock exchange, automated trading system or over-the-counter securities market (including securities eligible for sale pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (the “Securities Act”) (or any successor law or regulation of similar effect)).

2. Payments. (a) The Province covenants and agrees that it will duly and punctually pay or cause to be paid the principal of, and premium, if any, and interest (including Additional Amounts) on, the Notes and any other payments to be made by the Province under the Notes and the Indenture, at the place or places, at the respective times and in the manner provided in the Notes and the Indenture. Principal of the Notes will be payable against surrender of such Notes at the Corporate Trust Office of the Trustee in New York City or, subject to applicable laws and regulations, at the office outside of the United States of a paying agent, by U.S. dollar check drawn on, or by transfer to a U.S. dollar account maintained by the Holder with, a bank located in New York City. Payment of interest (including Additional Amounts (as defined below)) on Notes will be made on each Interest Payment Date to the persons in whose name such Notes are registered at the close of business on the applicable Record Date, whether or not such day is a Business Day (as defined below), notwithstanding the cancellation of such Notes upon any transfer or exchange thereof subsequent to the Record Date and prior to such Interest Payment Date; *provided* that if and to the extent the Province shall default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the persons in whose names such Notes are registered as of a subsequent record date established by the Province by notice, as provided in Paragraph 15 of these Terms, by or on behalf of the Province to the Holders of the Notes not less than 15 days preceding such subsequent record date, such record date to be not less than 10 days preceding the date of payment of such defaulted interest. Notwithstanding the immediately preceding sentence, in the case where such interest, principal or premium, if any, (including Additional Amounts as defined below) is not punctually paid or duly provided for, the Trustee shall have the right to fix such subsequent record date, and, if fixed by the Trustee, such subsequent record date shall supersede any such subsequent record date fixed by the Province. Payment of interest on Certificated Securities will be made (i) by a U.S. dollar check drawn on a bank in New York City mailed to the Holder at such Holder's registered address or (ii) upon application by the Holder of at least U.S.\$10,000 in principal amount of Certificated Securities to the Trustee not later than the relevant Record Date, by wire transfer in immediately available funds to a U.S. dollar account maintained by the Holder with a bank in New York City. Payment on a Global Note will be made to the Depositary in accordance with its Applicable Procedures. "Business Day" shall mean any day except a Saturday, Sunday or any other day on which commercial banks in New York City or in the City of Buenos Aires (or in the city where the relevant paying or transfer agent is located) are required or authorized by law to close.

(b) In any case where the date of payment of the principal of, premium, if any, or interest (including Additional Amounts) on, the Notes shall not be a Business Day, then payment of principal, premium, if any, or interest (including Additional Amounts) will be made on the next succeeding Business Day at the relevant place of payment. Such payments will be deemed to have been made on the due date, and no interest on the Notes will accrue as a result of the delay in payment.

(c) Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

(d) Any monies deposited with or paid to the Trustee or to any paying agent for the payment of the principal of, premium, if any, or interest (including Additional Amounts)

on any Note and not applied but remaining unclaimed for two years after the date upon which such principal, premium, if any, or interest shall have become due and payable shall be repaid to or for the account of the Province by the Trustee or such paying agent, upon the written request of the Province and, to the extent permitted by law, the Holder of such Note shall thereafter look only to the Province for any payment which such Holder may be entitled to collect, and all liability of the Trustee or such paying agent with respect to such monies shall thereupon cease. The Province shall cause all returned, unclaimed monies to be held in trust for the relevant Holder of the Note until such time as the claims against the Province for payment of such amounts shall have prescribed pursuant to Paragraph 17 of these Terms.

3. Additional Amounts. All payments by the Province in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Province or the Republic of Argentina (“Argentina”), or any political subdivision or taxing authority or agency therein or thereof having the power to tax (collectively, “Relevant Tax”), unless the withholding or deduction of such Relevant Tax is required by law. In that event, the Province shall pay such additional amounts (“Additional Amounts”), as may be necessary to ensure that the amounts received by the Holders after such withholding or deduction shall equal the respective amounts of principal and interest that would have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable with respect to any Note (i) to a Holder (or to a third party on behalf of a Holder) where such Holder is liable for such Relevant Taxes in respect of this Note by reason of his having some connection with the Province or Argentina other than the mere holding of such Note, the receipt of principal, premium or interest in respect thereof, or the enforcement of rights hereunder; (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive; (iii) presented for payment by or on behalf of a Holder who would have been able to avoid the withholding or deduction by presenting the relevant Note to another paying agent in a member state of the European Union; (iv) presented for payment more than 30 days after the Relevant Date, as defined herein, except to the extent that the Holder thereof would have been entitled to Additional Amounts on presenting the same for payment on the last day of such period of 30 days; or (v) to a Holder of this Note (or a third party on behalf of a Holder) where such Holder of this Note would not be liable for or subject to such deduction or withholding by making a declaration of non-residence or other claim for exemption or reduction to the relevant tax authorities if such Holder of this Note is eligible to make such declaration or other claim and, after having been requested to make such a declaration or claim, such Holder of this Note fails to timely do so, provided that (x) the Province has provided the Holder with at least 60 days’ prior written notice (in accordance with Paragraph 15 of these Terms) of an opportunity to satisfy such a requirement or make such a declaration or claim, and (y) in no event, shall such Holder’s obligation to satisfy such a requirement or to make such a declaration or claim require such Holder to provide any materially more onerous information, documents or other evidence than would be required to be provided had such Holder been required to file IRS Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP and/or W-8IMY.

As used in this Paragraph 3, “Relevant Date” in respect of any Note means the date on which payment in respect thereof becomes due or (if the full amount of the money payable on such date has not been received by the Trustee on or prior to such due date) the date on which notice is duly given to the Holders that such moneys have been so received and are available for payment. Any reference herein to “principal” and/or “interest” shall be deemed to include any Additional Amounts which may be payable on this Note.

4. Optional Redemption. (a) The Province will have the right at its option, upon giving not less than 30 days’ nor more than 60 days’ notice, to redeem the Notes, in whole or in part, at any time or from time to time prior to their maturity, at a redemption price equal to the principal amount thereof, plus interest accrued but not paid on the principal amount of such Notes to (but excluding) the date of redemption.

(b) All notices of redemption shall state:

- (i) the redemption date;
- (ii) the redemption price and the amount of any accrued interest payable;
- (iii) that on the redemption date the redemption price and any accrued interest payable to the redemption date shall become due and payable in respect of each Note and, unless the Province defaults in making the redemption payment, that interest on each Note shall cease to accrue on and after the redemption date;
- (iv) the place or places where a Holder must surrender the Holder’s Notes for payment of the redemption price; and
- (v) the CUSIP, ISIN or other identifying numbers, if any, listed in the notice or printed on the Notes, and that no representation is made as to the accuracy or correctness of such CUSIP, ISIN or other identifying numbers.

(c) Notes called for redemption shall become due on the redemption date. The Province shall pay the redemption price for any Note together with accrued and unpaid interest thereon to but excluding the redemption date. On and after the redemption date, interest shall cease to accrue on Notes called for redemption as long as the Province has deposited with the applicable Paying Agent immediately available funds in satisfaction of the applicable redemption price. Upon redemption of Notes by the Province, the redeemed Notes shall be cancelled.

(d) If less than all of the Notes are to be redeemed at any time, (i) Certificated Notes will be selected for redemption on a pro rata basis, by lot or by such other method as the Trustee shall deem fair and appropriate, and (ii) Global Notes will be selected for redemption in accordance with the Applicable Procedures of the relevant Depository.

5. Negative Pledge Covenant of the Province. (a) So long as any Note remains Outstanding (as defined in the Indenture), the Province will not, and it will not permit any of the Provincial Agencies (as defined below) to, create or permit to subsist any Lien (as defined below), other than Permitted Liens (as defined below), upon the whole or any part of its or any of the Provincial Agencies' property or assets to secure any Indebtedness of the Province or any of the Provincial Agencies unless at the same time or prior thereto, the Province's obligations under the Notes are secured equally and ratably therewith.

(b) For purposes of the foregoing and of these Terms:

"Co-Participation Payments" means any transfers made by the federal government of Argentina to the Province pursuant to the Federal Tax Co-Participation Law, as amended or replaced from time to time, and any other law, decree or regulation governing the obligation of the federal government of Argentina to distribute taxes collected by it to the Argentine provinces.

"Indebtedness" means, with respect to any Person, whether outstanding on the original issuance date of a Series of Debt Securities or at any time thereafter: (i) all indebtedness of such Person for borrowed money; (ii) all reimbursement obligations of such Person (to the extent no longer contingent) under or in respect of letters of credit or bankers' acceptances; (iii) all obligations of such Person to repay deposits with or advances to such Person; (iv) all obligations of such Person (other than those specified in clauses (i) and (ii) above) evidenced by securities, debentures, notes or similar instruments; and (v) to the extent fixed and liquidated and no longer contingent, all direct guarantees, endorsements, *avales* or similar obligations of such Person in respect of, and all direct obligations of such Person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of any other Persons specified in clause (i), (ii), (iii) or (iv) above, provided that indebtedness of the Province or a Provincial Agency shall not mean indebtedness relating to the provision of property or services to the Province or such Provincial Agency.

"Lien" means any mortgage, pledge, security interest, hypothecation, condition sale or other title retention agreement or other similar encumbrance.

"Permitted Lien" means:

(i) any Lien in existence on the date of the Indenture, provided that the total amount of Indebtedness so secured does not exceed the amount so secured on such date;

(ii) any Lien upon any property to secure Indebtedness of the Province or any Provincial Agency incurred specifically for the purpose of financing the acquisition of the property subject to such Lien;

(iii) any Lien securing Indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project; *provided* that the property over which such Lien is granted consists solely of the assets and revenues of such project or the ownership interest therein;

(iv) any replacement, renewal or extension of any Lien permitted by clauses (i) through (iii) above upon the same property theretofore subject to such Lien, including any replacement, renewal or extension of such Lien resulting from the refinancing of the Indebtedness secured by such Lien; *provided, however*, that the principal amount of any Indebtedness or refinanced Indebtedness, as the case may be, that is secured by such replaced, renewed or extended Lien may not be increased from its original principal amount in connection with such replacement renewal or extension;

(v) any Lien securing Indebtedness of the Province encumbering the right of the Province to receive Co-Participation Payments; *provided* that the aggregate principal amount of such Indebtedness so secured and outstanding at any one time may not exceed an amount which would cause the Quarterly Co-Participation Secured Indebtedness Ratio to exceed 50%;

(vi) any Lien securing any Indebtedness of the Province with Banco de la Nación Argentina for as long as Banco de la Nación Argentina is the financial agent of the Province;

(vii) any Liens that arise by operation of law, including any Lien in the form of a tax or other statutory Lien; provided that any such Lien shall be discharged within thirty (30) days after the date it is created or arises (unless contested in good faith by the Province, in which case it shall be discharged within thirty (30) days after final adjudication); and

(viii) any Lien, other than Liens encumbering the Province's right to receive Co-Participation Payments, securing Indebtedness of the Province in an outstanding aggregate principal amount not to exceed at any time 10% of the Province's annual Revenues for the period that includes the most recent four consecutive fiscal quarters ending prior to the incurrence of such Lien.

“Provincial Agency” means each agency, department, authority, statutory corporation or other statutory body or judicial entity of the Province or any fiduciary, trust or other fund created by provincial law or regulation, the Indebtedness of which is generally guaranteed in full (as to payment) by the Province.

“Quarterly Co-Participation Secured Indebtedness Ratio” means the percentage which, at any March 31, June 30, September 30 or December 31, is equal to the sum of (i) (A) the aggregate amount of payments of principal and interest that will become due in the 12 calendar months immediately following such March 31, June 30, September 30 or December 31, as the case may be, in respect of Indebtedness which is secured by a Lien on all of the Province's right to receive Co-Participation Payments, divided by (B) the aggregate amount of Co-Participation Payments actually received by the Province in the three calendar months immediately preceding such March 31, June 30, September 30 or December 31, as the case may be, multiplied by 4, with the quotient of (A) and (B) further multiplied by (C) 100; and (ii) the percentage of Co-Participation Payments actually encumbered and securing any other Indebtedness at such March 31, June 30, September 30 or December 31, as the case may be.

“Revenues” means the cash receipts by the Province and any of the Provincial Agencies from Co-Participation Payments, from taxes levied by the Province and from royalties, fees, charges, concessions, licenses and all other tax and non-tax sources of income.

6. Interest Coverage. The Province has agreed that it will not incur, assume or guarantee (“incur”) and will not permit any Provincial Agency to incur any Indebtedness unless, at the proposed date of incurrence, the amount of Interest Expense accrued during the preceding 12 months ending on March 31, June 30, September 30 or December 31, as the case may be, immediately preceding such proposed date of incurrence does not exceed 13% of Revenues collected during such 12 month period, in each case determined on a pro forma basis giving effect to the incurrence of such Indebtedness and the use of proceeds therefrom and the incurrence, repayment or retirement of any other Indebtedness during such 12 month period.

“Interest Expense” means the aggregate of the interest expense, discount and commissions, fees and expenses incurred by the Province and the Provincial Agencies on their Indebtedness.

7. Events of Default; Acceleration. (a) If one or more of the following events (“Events of Default”) shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (i) the Province fails to pay any principal due on any Notes when due and payable for 3 days after the applicable Payment Date; or
- (ii) the Province fails to pay any interest or Additional Amounts due on any Notes when due and payable for 30 days after the applicable Payment Date; or
- (iii) the Province fails to duly perform or observe any term or obligation contained in the Notes or in the Indenture, which failure continues unremedied for 60 days after written notice thereof has been given to the Province by the Trustee; or
- (iv) the Province or any Provisional Agency fails to make any payment when due, after any applicable grace periods, on any of its Indebtedness (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to U.S.\$15,000,000 (or its equivalent in other currencies); or
- (v) the Province fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any Indebtedness of the Province or any Provincial Agency (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to U.S.\$15,000,000 (or its equivalent in other currencies), and such failure continues after the applicable grace or notice period, if any, specified in the relevant document of the date of such failure if the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness (other than Excluded Indebtedness)

or beneficiary or beneficiaries of such Indebtedness (other than Excluded Indebtedness) (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause such Indebtedness (other than Excluded Indebtedness) to be declared to be due and payable prior to its stated maturity, or in the case of Indebtedness consisting of Contingent Obligations, to become due and payable; or

(vi) any representation, warranty or certification made by the Province (or any of its duly authorized officers or officials) in any Note, the Indenture or in any document, instrument or certificate delivered by the Province pursuant to any Note, or the Indenture shall prove to have been incorrect, incomplete or misleading in any material respect when made; *provided* that the same is reasonably likely to have a material adverse effect on the ability of the Province to perform its material obligations thereunder or the legality, validity or enforceability of any Note, the Indenture or any such document or instrument; or

(vii) the validity or enforceability of any of the Notes or the Indenture shall be contested by the Province, or any final decision by any court or agency from which no appeal may be or is taken shall purport to render any provision of the Notes or any material provision of the Indenture invalid or unenforceable, or purport to prevent or delay the performance or observance by the Province of any of its obligations under the Notes or any of its material obligations under the Indenture; or

(viii) the Province shall fail generally to pay its Indebtedness (other than Excluded Indebtedness) as it becomes due, or a moratorium on the payment of the Province's Indebtedness (other than Excluded Indebtedness) shall be declared by Argentina or the Province (including, without limitation, any moratorium that is limited to the Province's obligations denominated in any particular currency or currencies or to foreign creditors of the Province), or Argentina or the Province shall declare a general suspension of payment or a moratorium on the payment of debt of the Province (which does not expressly exclude the Notes); or

(ix) there has been entered against the Province or a Provincial Agency a final judgment, decree or order by a court of competent jurisdiction from which no appeal may be or is taken for the payment of money in excess of U.S.\$15,000,000 (or the equivalent thereof in another currency or currencies) (other than a final judgment, decree or order in respect of any Excluded Indebtedness) and 60 days shall have passed since the entry of such final judgment, decree or order without it having been satisfied or stayed; or

(x) (A) any constitutional provision, law, regulation, ordinance or decree necessary to enable the Province to perform its obligations under the Notes or the Indenture, or for the validity or enforceability thereof, shall expire, is withheld, revoked or terminated or otherwise ceases to remain in full force and effect, or is modified in a manner which materially adversely affects, or may reasonably be expected to materially adversely affect, any rights or claims of any of the Holders of Notes, or (B) any final decision by any court in Argentina having jurisdiction from which no appeal may be or is taken shall purport to render any material provision of the Notes or

any material provision of the Indenture invalid or unenforceable or purport to prevent or delay the performance or observance by the Province of its obligations under such Notes or the Indenture, and, in each case, such expiration, withholding, revocation, termination, cessation, invalidity, unenforceability or delay shall continue in effect for a period of 60 days;

then in each and every such case, upon notice in writing by the Holders (the “Demanding Holders”) (acting individually or together) of not less than 25% of the aggregate Outstanding principal amount of the Notes to the Province, with a copy to the Trustee, of any such Event of Default and its continuance, the Demanding Holders may declare the principal amount of all the Notes due and payable immediately, and the same shall become and shall be due and payable upon the date that such written notice is received by or on behalf of the Province, unless prior to such date all Events of Default in respect of all the Notes shall have been cured; *provided* that if, at any time after the principal of the Notes shall have been so declared due and payable, and before the sale of any property pursuant to any judgment or decree for the payment of monies due which shall have been obtained or entered in connection with the Notes, the Province shall pay or shall deposit (or cause to be paid or deposited) with the Trustee a sum sufficient to pay all matured installments of interest and principal upon all the Notes which shall have become due otherwise than solely by acceleration (with interest on overdue installments of interest, to the extent permitted by law, and on such principal of each Note at the rate of interest specified herein, to the date of such payment of interest or principal) and such amount as shall be sufficient to cover the reasonable fees and expenses of the Trustee, including, without limitation, the fees and expenses of its counsel, and if any and all Events of Default hereunder, other than the nonpayment of the principal of the Notes which shall have become due solely by acceleration, shall have been cured, waived or otherwise remedied as provided herein, then, and in every such case, the Holders of more than 50% in aggregate principal amount of the Notes then Outstanding, by written notice to the Province and to the Trustee, may, on behalf of all of the Holders, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon. Actions by Holders pursuant to this Paragraph 7 need not be taken at a meeting pursuant to Paragraph 10 hereof. Actions by the Trustee and the Holders pursuant to this Paragraph 7 are subject to Article Four of the Indenture.

In the event of a declaration of acceleration because of an Event of Default set forth in clause(iv) or (v) above, such declaration of acceleration shall be automatically rescinded and annulled if the event triggering such Event of Default pursuant to such clause (iv) or (v) above shall be remedied, cured or waived by the holders of the relevant indebtedness, within 60 days after such event.

(b) For purposes of the foregoing and of these Terms:

“Contingent Obligations” means as to any person, any obligation of such person guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (a “primary obligation”) of any other person in any manner, whether directly or indirectly, including, without limitation, avals and any obligation of such person, whether or

not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefore, (ii) to advance or supply funds (a) for the purchase or payment of any such primary obligation or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities and services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against laws in respect thereof. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is incurred or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the contingent obligor in good faith.

“Excluded Indebtedness” means the Province’s 8.375% Notes due 2024 issued on May 19, 2016 and January 30, 2018 (the “Notes due 2024”), and Bono Mendoza 2021 issued on June 9, 2017.

8. Purchase of Notes by the Province. The Province may at any time purchase or acquire any of the Debt Securities in any manner and at any price in the open market, in privately negotiated transactions or otherwise. Notes that are purchased or acquired by the Province may, at the Province’s discretion, be held, resold or surrendered to the Trustee for cancellation, but any Note so purchased by the Province may not be re-issued or resold except in compliance with the Securities Act and other applicable law.

9. Rights Upon Future Offers. If following July 27, 2020 and prior to October 19, 2023, the Province voluntarily makes an offer to purchase or exchange or solicits consents to amend any Notes due 2024, other than any such offer or solicitation that is made in satisfaction of a final, non-appealable court order or arbitral award (a “Qualifying Offer”), the Province will take all steps necessary so that each Holder of Notes will have the right, for a period of at least 30 calendar days following the commencement of such Qualifying Offer, to exchange any of such Holder’s Notes for:

- the consideration in cash or in kind to be offered in connection with such Qualifying Offer, or
- securities having terms substantially the same as those that holders of Notes due 2024 would hold upon consummation of such Qualifying Offer,

in each case in accordance with the terms and conditions of such Qualifying Offer, as if such Holder held a principal amount of Notes due 2024 at least equal to (a) the principal amount of such Holder’s Notes minus (b) an amount equal to the aggregate amount of interest, if any, previously paid on such Notes.

10. Holders’ Meetings and Written Action. The Indenture sets forth the provisions for the convening of meetings of Holders of Notes and actions taken by written consent of the Holders of Notes.

11. Replacement, Exchange and Transfer of the Notes. (a) Upon the terms and subject to the conditions set forth in the Indenture, in case any Note shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Province in its discretion may execute, and upon the request of the Province, the Trustee shall authenticate and deliver, a new Note bearing a number not contemporaneously Outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and in substitution for the apparently destroyed, lost or stolen Note. In every case, the applicant for a substitute Note shall furnish to the Province and to the Trustee such security or indemnity as may be required by each of them to indemnify, defend and to save each of them and any agent of the Province or the Trustee harmless and, in every case of destruction, loss, theft or evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof. Upon the issuance of any substitute Note, the Holder of such Note, if so requested by the Province, shall pay a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected with the preparation and issuance of the substitute Note.

(b) Upon the terms and subject to the conditions set forth in the Indenture, and subject to Paragraph 11(e) hereof, a Certificated Security or Securities may be exchanged for an equal aggregate principal amount of Certificated Securities in different authorized denominations and a beneficial interest in the Global Note may be exchanged for an equal aggregate principal amount of Certificated Securities of such Series in authorized denominations or for an equal aggregate principal amount of beneficial interests in another Global Note by the Holder or Holders surrendering the Security or Securities for exchange at the Corporate Trust Office, together with a written request for the exchange. Certificated Securities will only be issued in exchange for interests in a Global Note pursuant to Section 2.5 (e) or Section 2.5(f) of the Indenture. The exchange of the Notes will be made by the Trustee.

(c) Upon the terms and subject to the conditions set forth in the Indenture, and subject to Paragraph 11(e) hereof, a Certificated Security may be transferred in whole or in part (in an amount equal to the authorized denomination) by the Holder or Holders surrendering the Certificated Security for transfer at the Corporate Trust Office, at the office of any paying agent or at any other office acceptable to the Trustee, accompanied by an executed instrument of transfer substantially as set forth in Exhibit F to the Indenture. The registration of transfer of the Notes will be made by the Trustee.

(d) The costs and expenses of effecting any exchange, transfer or registration of transfer pursuant to this Paragraph 11 will be borne by the Province, except for the expenses of delivery (if any) not made by regular mail and the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge or insurance charge that may be imposed in relation thereto, which will be borne by the Holder of the Note. Registration of the transfer of a Note by the Trustee shall be deemed to be the acknowledgment of such transfer on behalf of the Province.

(e) The Trustee may decline to accept any request for an exchange or registration of transfer of any Note during the period of 15 days preceding the due date for any payment of principal of, or premium, if any, or interest on, the Notes.

12. Trustee. For a description of the duties and the indemnities, immunities and rights of the Trustee under the Indenture, reference is made to the Indenture, and the obligations of the Trustee to the Holder hereof are subject to such immunities and rights.

13. Paying Agents; Transfer Agents; Registrar. The Province has initially appointed the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York as its paying agent, transfer agent and registrar, and The Bank of New York Mellon SA/NV, Luxembourg Branch in Luxembourg as its paying agent and transfer agent in Luxembourg. The Province may at any time appoint additional or other paying agents, transfer agents and registrars and terminate the appointment of those or any paying agents, transfer agents and registrar, *provided* that while the Notes are Outstanding the Province will maintain in The City of New York (i) a paying agent, (ii) an office or agency where the Notes may be presented for exchange, transfer and registration of transfer as provided in the Indenture and (iii) a registrar. The Province will maintain a paying agent in a Member State of the European Union (which, so long as the Notes are listed in the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Exchange so require, will be Luxembourg) that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such termination or appointment and of any change in the office through which any paying agent, transfer agent or registrar will act will be promptly given in the manner described in Paragraph 15 hereof.

14. Enforcement. Except as provided in Section 4.7 of the Indenture, no Holder of any Notes of any Series shall have any right by virtue of or by availing itself of any provision of the Indenture or of the Notes of such Series to institute any suit, action or proceeding in equity or at law upon or under or with respect to the Indenture or of the Notes, or for any other remedy hereunder or under the Notes, unless (a) such Holder previously shall have given to the Trustee written notice of default and of the continuance thereof with respect to such Series of Notes, (b) the Holders of not less than 25% in aggregate principal amount Outstanding of Notes of such Series shall have made specific written request to the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have provided to the Trustee such indemnity or other security as it may require against the costs, expenses and liabilities to be incurred therein or thereby and (c) the Trustee for 60 days after its receipt of such notice, request and provision of indemnity or other security, shall have failed to institute any such action, suit or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 4.9 of the Indenture, it being understood and intended, and being expressly covenanted by every Holder of Notes of a Series with every other Holder of Notes of such Series and the Trustee, that no one or more Holders shall have any right in any manner whatsoever by virtue or by availing itself of any provision of the Indenture or of the Notes to affect, disturb or prejudice the rights of any other Holder of Notes of such Series or to obtain priority over or preference to any other such Holder, or to enforce any right under the Indenture or under the Notes of such Series, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Notes of such Series. For the protection and enforcement of this Paragraph 14, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

15. Notices. The Province will mail any notices to the Holders of Certificated Securities at their registered addresses as reflected in the Register maintained by the registrar. The Province will consider any mailed notice to have been given five Business Days after it has been sent. The Province will give notices to the Holders of a Global Note in accordance with the procedures and practices of the Depositary and such notices shall be deemed given upon actual receipt thereof by the Depositary. The Province will also publish notices to the Holders (a) in a leading newspaper having general circulation in Buenos Aires, New York City and London (which is expected to be *La Nación* or *Ambito Financiero*, *The Wall Street Journal* and the *Financial Times*, respectively) and (b) if and so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the exchange so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) and on the website of the Luxembourg Stock Exchange at <http://www.bourse.lu>. If publication in a leading newspaper in Luxembourg is not practicable, the Province will publish such notices in a leading English language daily newspaper with general circulation in Europe. The Province will consider any published notice to be given on the date of its first publication.

16. Further Issues of Notes. The Province may from time to time, without the consent of Holders of the Notes, create and issue additional Notes having the same Terms as the Notes in all respects, except for the issue date, issue price and first payment of interest on the Notes; *provided, however*, that any additional Notes subsequently issued that are not fungible with the previously Outstanding Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from the previously Outstanding Notes. Additional Notes that are fungible with the previously outstanding Notes for U.S. federal income tax purposes will be consolidated with, and will form a single Series with the previously Outstanding Notes.

17. Prescription. To the extent permitted by law, claims against the Province for the payment of principal, of premium, if any, or interest or other amounts due on, the Notes (including Additional Amounts) will become void unless made within four years, of the date on which that payment first became due.

18. Authentication. This Note shall not become valid or obligatory until the certificate of authentication hereon shall have been manually signed by the Trustee or its agent.

19. Governing Law. (a) The Indenture will be governed by and construed in accordance with the laws of the State of New York; *provided, however*, that all matters governing the Province's authorization and execution of the Indenture and this Note shall in all cases be governed by and construed in accordance with the laws of Argentina. This Note will be governed by and construed in accordance with the laws of the State of New York.

(b) The Province irrevocably submits to the jurisdiction of any U.S. federal or New York state court sitting in the Borough of Manhattan, The City of New York, and any appellate court from any court thereof, in any suit, action or proceeding arising out of or relating to the Notes or the Indenture and irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in such U.S. federal or New York state court. The Province also irrevocably waives, to the fullest extent that it may effectively do so, any

objection to venue or defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in such jurisdiction.

(c) The Province has appointed Corporation Service Company, with an office on the date hereof at 1180 Avenue of the Americas, Suite 210, New York, NY 10036-8401, United States of America, as its agent (the “Authorized Agent”), to receive on behalf of the Province and its property, service of any summons and complaint and other process which may be served in any such suit, action or proceeding brought in such New York State or U.S. federal court sitting in New York City in the Borough of Manhattan. Such service may be made by delivering or mailing a copy of such process to the Province in care of the Authorized Agent at the above specified address and the Province authorizes and directs such Authorized Agent to accept such service on its behalf. In addition to the foregoing, the Trustee and the Holders may serve legal process in any other manner permitted by applicable law. A final judgment that is not appealable in any such suit, action or proceeding shall be conclusive and may be enforced to the extent permitted under applicable law in other jurisdictions by suit on the judgment or in any other manner provided by applicable law. The Province agrees that, if the Authorized Agent shall for any reason cease to act as such agent, it shall promptly appoint a substitute Authorized Agent in the Borough of Manhattan, The City of New York.

(d) To the extent that the Province has or hereafter may acquire any immunity (sovereign or otherwise) in respect of its obligations under the Debt Securities or the Indenture from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property (except for property considered of the public domain or dedicated to the purpose of an essential public service or otherwise exempt from attachment or seizure under applicable Argentine and Provincial law), the Province hereby irrevocably waives such immunity in respect of its obligations under the Indenture or the Debt Securities of any Series, and, without limiting the generality of the foregoing, the Province agrees that the waivers set forth in the Indenture shall have the fullest scope permitted under the United States Foreign Sovereign Immunities Act of 1976, as amended (the “Immunities Act”), and is intended to be irrevocable for purposes of such Act. Notwithstanding the foregoing, the Province reserves the right to plead sovereign immunity under the Immunities Act with respect to actions or proceedings brought against it under U.S. federal securities laws or any state securities laws, and the Province’s appointment of an Authorized Agent is not intended to extend to such actions or proceedings.

(e) Holders may be required to post a bond or other security with the courts of the Republic of Argentina as a condition to the institution, prosecution or completion of any action or proceeding (including appeals) arising out of or relating to this Indenture or the Notes in those courts.

20. Indemnification for Foreign Exchange Fluctuations.

(a) In the event the Province is unable to obtain the full amount of the specified currency or to transfer such amounts outside of Argentina in order to make a scheduled payment of principal or interest on the Securities due to a restriction or prohibition on access to the foreign exchange market in Argentina, the Province shall, to the extent permitted by such

restriction or prohibition, make such scheduled payment by means of (i) purchasing U.S. dollar-denominated Argentine government bonds traded outside of Argentina or any other securities or public or private bonds issued in Argentina, with Argentine Pesos, and transferring and selling such instruments outside Argentina for the specified currency, or (ii) any other legal mechanism for the acquisition of the specified currency in any foreign exchange market. All costs, including any taxes, relative to such operations to obtain the specified currency will be borne by the Province.

(b) The obligation of the Province to any Holder under the Notes that has obtained a court judgment affecting the Notes shall, notwithstanding any judgment in a currency (the “Judgment Currency”) other than the currency in which the Note is denominated (the “Agreement Currency”), be discharged only to the extent that on the Business Day following receipt by such Holder of any amount in the Judgment Currency, such Holder may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency (or, if it is not practicable to make that purchase on that day, on the first Business Day on which it is practicable to do so). If the amount of the Agreement Currency so purchased is less than the amount originally to be paid to such Holder in the Agreement Currency, the Province agrees, as a separate obligation and notwithstanding such judgment, to pay the difference, and if the amount of the Agreement Currency so purchased exceeds the amount originally to be paid to such Holder, such Holder agrees to pay to or for the account of the Province such excess, *provided* that such Holder shall not have any obligation to pay any such excess as long as a default by the Province in its obligations hereunder has occurred and is continuing, in which case such excess may be applied by such Holder to such obligations.

21. Warranty of the Province. Subject to Paragraph 18, the Province hereby certifies and warrants that all acts, conditions and things required to be done and performed and to have happened precedent to the creation and issuance of this Note and to constitute the same legal, valid and binding obligations of Province enforceable in accordance with their terms, have been done and performed and have happened in due and strict compliance with all applicable laws.

22. Definitive Headings. The descriptive headings appearing in these Terms are for convenience of reference only and shall not alter, limit or define the provisions hereof.

23. Modifications. (a) Any Modification to the Notes or the Indenture insofar as it affects the Notes shall be made in accordance with Article Ten and Article Eleven of the Indenture.

(b) Any Modification pursuant to this Paragraph 23 will be conclusive and binding on all Holders of the Notes, and on all future Holders of the Notes whether or not notation of such Modification is made upon the Notes. Any instrument given by or on behalf of any Holder of a Note in connection with any consent to or approval of any such Modification will be conclusive and binding on all subsequent Holders of that Note.

FORM OF TRANSFER CERTIFICATE

FOR VALUE RECEIVED, the undersigned hereby transfers to

(PRINT NAME AND ADDRESS OF TRANSFEREE)

U.S.\$ _____ principal amount of this Debt Security, and all rights with respect thereto, and irrevocably constitutes and appoints _____ as attorney to transfer this Debt Security on the books kept for registration thereof, with full power of substitution.

Dated _____

Certifying Signature:

Signed _____

Note:

- (i) The signature on this transfer form must correspond to the name as it appears on the face of this Debt Security.
- (ii) A representative of the Holder should state the capacity in which he or she signs (e.g., executor).
- (iii) The signature of the person effecting the transfer shall conform to any list of duly authorized specimen signatures supplied by the registered Holder or shall be certified by a recognized bank, notary public or in such other manner as the Trustee or a paying agent may require.

REGULATION S GLOBAL SECURITY CERTIFICATE

(For transfers pursuant to Section 2.8(a)
of the Indenture)

To: The Bank of New York Mellon
240 Greenwich Street, Floor 7 East
New York, New York 10286
as Trustee

Re: Amortizing Step-up Securities
of the Province of Mendoza (the "Notes")

Reference is made to the Indenture, dated as of May 19, 2016 (as amended, modified and/or supplemented from time to time, the "Indenture"), between the Province of Mendoza (the "Province") and The Bank of New York Mellon, as Trustee. Terms used herein and defined in the Indenture or in Regulation S or Rule 144 under the U.S. Securities Act of 1933, as amended (the "Securities Act") are used herein as so defined.

This certificate relates to U.S.\$_____ principal amount of Notes, which are evidenced by the following certificate(s) (the "Specified Notes"):

CUSIP No(s). P6480J AH0

ISIN No(s). USP6480JAH07

CERTIFICATE No(s). _____

The person in whose name this certificate is executed below (the "undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Notes or (ii) it is acting on behalf of all the beneficial owners of the Specified Notes and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner". If the Specified Notes are represented by a Global Note, they are held through a Participant in the name of the undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Notes be transferred to a person (the "Transferee") who shall take delivery in the form of a Regulation S Security (CUSIP: P6480J AH0; ISIN: USP6480JAH07) of the same Series. In connection with such transfer, the Owner hereby certifies that, unless such transfer is being effected pursuant to an effective registration statement under the Securities Act, it is being effected in accordance with Rule 903 or 904 or Rule 144 under the Securities Act and with all applicable securities laws of the states of the United States and other jurisdictions. Accordingly, the Owner hereby further certifies as follows:

1. Rule 903 or 904 Transfers. If the transfer is being effected in accordance with Rule 903 or 904:

(a) the Owner is not a distributor of the Notes, an affiliate of the Province or of any such distributor or a person acting on behalf of any of the foregoing;

(b) the offer of the Specified Notes was not made to a person in the United States;

(c) either:

(i) at the time the buy order was originated, the Transferee was outside the United States or the Owner and any person acting on its behalf reasonably believed that the Transferee was outside the United States, or

(ii) the transaction is being executed in, on or through the facilities of a designated offshore bonds market (as defined in Regulation S) and neither the Owner nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;

(d) no directed selling efforts have been made in the United States by or on behalf of the Owner or any affiliate thereof;

(e) if the Owner is a dealer in bonds or has received a selling concession, fee or other remuneration in respect of the Specified Notes, and the transfer is to occur during the Distribution Compliance Period, then the requirements of Rule 904(c)(1) have been satisfied; and

(f) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

2. Rule 144 Transfers. If the transfer is being effected pursuant to Rule 144:

(a) the transfer is occurring after [date one year after original issue date of relevant Series of Notes] and is being effected in accordance with the applicable amount, manner of sale and notice requirements of Rule 144; or

(b) the transfer is occurring after [date two years after original issue date of relevant Series of Notes] and the Owner is not, and during the preceding three months has not been, an affiliate of the Province.

This certificate and the statements contained herein are made for your benefit and the benefit of the Province.

Dated:

(Print the name of the undersigned, as such term is defined in the second paragraph of this certificate)

By: _____
Name:
Title:

(If the undersigned is a corporation, partnership or fiduciary, the title of the person signing on behalf of the undersigned must be stated)