



# Strategic Financial Cooperation Protocol

Party A: Pacific Hydro Chile SA.

Party B: China Construction Bank Corporation

Party C: State Power Investment Corporation

November 22, 2016

## Preface

Pacific Hydro Chile S.A. (hereinafter 'Party A') is a wholly owned subsidiary of Pacific Hydro Pty Ltd ("PHPL") a company domiciled in Australia. On January 28<sup>th</sup> 2016, State Power Investment Corporation acquired PHPL. Currently, PHPL has a significant asset base in Australia and Chile and plans to substantially grow their installed capacity over next five years.

China Construction Bank (hereinafter 'Party B') is a leading commercial bank in China providing a comprehensive range of commercial banking products and services. China Construction Bank has an extensive customer base. China Construction Bank, Agencia en Chile is a first-tier branch of China Construction Bank Corporation. It is the only full-licensed Chinese bank in Chile, and the only RMB Clearing Bank in Latin American region authorized by People' Bank of China (Central Bank of China).

State Power Investment Corporation (hereinafter 'Party C') was established through the merger of China Power Investment Corporation and State Nuclear Power Technology Corporation. It is the only integrated energy group in China that holds assets of hydropower, thermal power, nuclear power and new energy with a total installed

capacity of 107.4GW. SPIC is ranked 342 in The Fortune Global 500 of 2016, up 61 positions compared to 2015.

## **Cooperation Objectives**

To create a good cooperative relationship, and to foster the mutual development and long term cooperation of all parties, Party A, Party B, and Party C (collectively, Parties), on the basis of adhering to the principle of equality, mutual commercial benefit, honesty and mutual support, after full consultations and discussions, have decided to enter into the "Strategic Financial Cooperation Protocol" (hereinafter "this Protocol"). All parties committed to the terms of this Protocol to support the financing of Pacific Hydro's projects on mutually acceptable and commercially arm's length basis.

### **I. Roles and Responsibilities of each Party**

#### **1. Party A will endeavour to:**

- 1) Establish a close and stable business cooperation relationship with Party B and follow the principle of equality, mutual commercial benefit, long-term cooperation and common development.
- 2) Acknowledge Party B as an important partner. Strengthen communication and expand cooperation by making full use of competitive advantages that Party B may offer taking into consideration its clients, capital, network and business. Cooperation areas potentially include corporate finance, project finance,

debt capital markets, financial advisory, account settlement, cash management and other activities which are mutually acceptable to both parties.

- 3) In good faith and subject to mutually acceptable commercial terms consider proposals from Party B to perform roles as one of the major Cooperative Banks for refinancing projects and future financing opportunities on a case by case basis as requested by Party A.
- 4) Provide Party B with all due diligence documents required for internal credit approval.
- 5) Fully cooperate with Party B to facilitate their review of financing transactions.

**2. Party B endeavours to:**

- 1) Establish close and stable business cooperation relationship with Party A and follow the principle of equality, mutual commercial benefit, long-term cooperation and common development.
- 2) Acknowledge Party A as an important partner. Strengthen communication and expand cooperation by making full use of the advantages in its clients, capital, network and business. Party B is willing to provide Party A with high quality and efficient financial services in a competitive manner and create good

financial environment for the development of Party A. Cooperation areas potentially include corporate finance, project finance, debt capital markets, financial advisory, account settlement, cash management and other activities which are mutually acceptable to both parties.

- 3) Grant an uncommitted credit line on a competitive manner not exceeding USD 1.5 billion to support Refinancing Project and future financing opportunities as requested by Party A. The uncommitted credit line will be added to SPIC's global credit line granted by China Construction Bank. This credit line will be drawn upon Party B's approval based on the progress of specific project development and fulfillment of Party B's internal credit requirements, including due diligence and in terms mutually acceptable to both parties.
- 4) Fully support Party A's Refinancing Project and future financing opportunities as requested by Party A. Present the best financial services solutions possible for Party A's consideration and as requested by Party A.
- 5) Fully cooperate with Party A and Party C to efficiently facilitate the execution of this Protocol on a competitive basis and on mutually acceptable terms.

6) Complete due diligence and internal approval processes as quickly and efficiently as possible while meeting the applicable regulatory requirements.

3. Party C will endeavour to:

1) Support Party A and Party B to establish a close and stable business cooperation relationship.

2) Support Party A to consider Party B as one of the Major Cooperative Banks for refinancing projects and future financing opportunities as requested by Party A, on the premise of fair market conditions.

3) Provide Party B with all due diligence documents required for its internal credit approval.

## II. Confidentiality

During the term of this Protocol and after the termination of this Protocol, all Parties shall maintain the confidentiality of the contents of this Protocol and of any other information obtained under this Protocol and shall not disclose to any other party nor use it beyond the purpose of this Protocol without the prior written consents from other Parties unless required otherwise by laws, regulations, rules or any competent authority

## III. Modification and Legal Force

For issues not stipulated in this Protocol, the three Parties may choose to sign a Supplemental Protocol or Annex upon Protocol of all Parties. The Supplement Protocol and Annex shall have the same effect as this Protocol. This Protocol represents only a preliminary, non-binding intent, and is not intended to, create any legally binding obligation or commitment of any kind from either party.

#### IV. Execution

This Protocol shall become effective only when the legal representatives (responsible persons) of all Parties or their authorized persons sign on it. Any party may terminate this Protocol upon written notice sent thirty (30) days in advance to other Parties.

V. This Protocol is made in three copies, the three Parties each holds one copy. This Protocol is drafted in English and the Chinese version is for reference only, In case of any inconsistency, the English version shall prevail.

#### VI. Contact

Party A: Pacific Hydro Chile SA

Registered address: Isidora Goyenechea 3520 level  
9, Las Condes Santiago, Chile




Party B: China Construction Bank Corporation  
Registered address: No.25, Financial Street,  
Xicheng District, Beijing, China

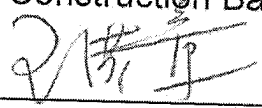
Party C: State Power Investment Corporation  
Registered address: Building 3, No.28, Financial  
Street, Xicheng District, Beijing, China

This Protocol will become effective since November 22,  
2016.


Pacific Hydro Chile S.A.

  
\_\_\_\_\_  
Mr. José Antonio Valdés / Executive Chairman Pacific  
Hydro Chile S.A.

China Construction Bank Corporation

  
\_\_\_\_\_  
Mr. Wang Hongzhang / Chairman of China Construction  
Bank Corporation

State Power Investment Corporation

  
\_\_\_\_\_  
Mr. Meng Zhenping / President of State Power Investment  
Corporation