

**AGREEMENT
BETWEEN AGUAS ANDINAS S.A.
AND AES GENER S.A.**

IN SANTIAGO, on June 6, 2011:

AGUAS ANDINAS S.A., a corporation duly incorporated and existing under the laws of Chile, Tax ID No. 61.808.000-5 (“AGUAS ANDINAS” or “AA”), represented by Mr. Felipe Larraín Aspillaga, Chilean, married, National ID No. 6.922.002-9, both domiciled for these purposes at Avenida Presidente Balmaceda No. 1398, Santiago, Chile; and

AES GENER S.A., a corporation duly incorporated and existing under the laws of Chile, Tax ID No. 94.272.000-9 (“GENER”, and jointly with AA, the “Parties”), represented by Mr. Vicente Javier Giorgio, Argentine, married, Foreign ID No. 23.202.311-2, both domiciled for these purposes at Mariano Sánchez Fontecilla No. 310, Office 301, Las Condes, Chile;

hereby enter into this agreement (the “Agreement”), which is governed by the following clauses:

1. BACKGROUND – WATER USE RIGHTS

1.1 Alto Maipo Hydroelectric Project

GENER is the owner of the Alto Maipo Hydroelectric Project (“PHAM”), consisting of the construction, operation, and maintenance of two run-of-river power plants connected in hydraulic series, known as El Alfalfal II Plant and Las Lajas Plant, which together will generate a maximum capacity of 531 MW, to be supplied to the SIC.

1.2 Pipeline Project

AGUAS ANDINAS is the owner of the Pipeline Project, consisting of the construction, operation, and maintenance of an aqueduct designed to catch water flows from Embalse El Yeso and conduct them to the Laguna Negra aqueduct.

1.3 Water Use Rights of AGUAS ANDINAS

AGUAS ANDINAS owns, among others, the following water use rights within the Maipo River watershed (which includes its tributary, the Yeso River), located in the Municipal District of San José de Maipo, Cordillera Province, Metropolitan Region, which are used to supply drinking water to Santiago:

- (i) Surface-water use right, consumptive, permanent and continuous, for an average flow of up to nine (9) cubic meters per second, granted by DGA Resolution No. 168 dated April 18, 1979, recorded on page 148 No. 172 of the 1979 Water Property Registry of the Real Estate Registrar of Puente Alto.
- (ii) Consumptive surface-water use right, eventual and continuous, of 400,000,000 (four hundred million) cubic meters per year in the Yeso River, caught at the point with coordinates North 6,274.8 km and East 399.6 km, granted by DGA Resolution No. 339 dated August 31, 1988, recorded on page 593 verso No. 767 of the 1988 Water Property Registry of the Real Estate Registrar of Puente Alto.
- (iii) Consumptive surface and retained water right, permanent and continuous, for a flow of 3,170 (three thousand one hundred seventy) liters per second from Laguna Negra, whose waters are caught by gravity at Latitude 33° 39' 25" and Longitude 70° 07' 36", granted by judgment dated August 1, 1985 of the Second Civil Court of Puente Alto, recorded on page 286 No. 377 of the 1985 Water Property Registry of the Real Estate Registrar of Puente Alto; and
- (iv) Consumptive surface and retained water right, permanent and continuous, for a flow of 860 (eight hundred sixty) liters per second from Laguna Lo Encañado, whose waters are caught by gravity at Latitude 33° 40' 39" and Longitude 70° 07' 39", granted by judgment dated August 1, 1985 of the Second Civil Court of Puente Alto, recorded on page 286 No. 377 of the 1985 Water Property Registry of the Real Estate Registrar of Puente Alto.

At present, the waters associated with the rights established for both Laguna Negra and Laguna Lo Encañado flow through the Estero del Manzanito.

For the purposes of this Agreement, the rights listed in items (i) through (iv) above, inclusive, shall hereinafter be referred to collectively as the **"AA Water Rights"**.

1.4 Water Use Right of GENER.

GENER is the owner of the following water use right in the Yeso River, which shall be used for the generation of electric power under the PHAM (the “GENER Water Right” and, jointly with the AA Water Rights, the “Water Rights”): a non-consumptive surface-water right, permanent and continuous in nature, for a flow of fifteen (15) cubic meters per second, the waters of which shall be caught by gravity on the left bank of the Yeso River, downstream from the Embalse El Yeso dam, at an approximate elevation of 2,500 meters above sea level, in Cordillera Province, Metropolitan Region, and shall be returned at the restitution point located in the Maipo River, immediately upstream from the Sirena Canal intake, at coordinates UTM North 6,283,950 meters and East 366,850 meters, Datum 1956. This right was originally established with restitution in the same Yeso River by DGA Resolution No. 107 dated April 25, 1983, as amended by DGA RMS Resolutions No. 111 dated January 28, 2010, and No. 321 dated March 16, 2010. Its original registration is recorded on page 183, No. 218 of the Water Property Registry of the Real Estate Registrar of Puente Alto, corresponding to the year 1986, and in the relevant record of the Public Water Cadaster under No. 1689. The modification regarding restitution to the Maipo River is recorded on page 48, No. 15 of the Water Property Registry of the Real Estate Registrar of Puente Alto, corresponding to the year 2011.

2. RIGHTS AND OBLIGATIONS OF THE PARTIES.

2.1 Rights and Obligations of AGUAS ANDINAS.

- a) AA shall be entitled to construct, operate, and maintain, at its own cost, only one pipeline (hereinafter referred to as the “Pipeline”), designed to catch water flows from Embalse El Yeso and conduct such flows under the circumstances referred to in paragraph (e) below.

The Pipeline shall have a maximum capacity of 4 m³/s, and its alignment shall be developed in accordance with the plans attached as Annex E, which form an integral part of this Agreement. The Pipeline shall be built in compliance with the technical solutions agreed upon by the Parties under paragraph (b) below to address the interferences with the PHAM works, as defined in the plans submitted to the Dirección General de Aguas (“DGA”) in connection with the request for approval of the PHAM Hydraulic Works, dated 19 December 2008. It shall include instruments for status monitoring and flow metering at the inlet, the data from which shall be made available online to GENER.

The operation of the Pipeline and its valve shall be carried out exclusively by AA personnel; however, GENER shall have access to the instantaneous flow metering of the Pipeline and may, at any time, verify the information provided by AA either directly or through independent third parties mutually acceptable to both Parties.

b) AA has submitted the Pipeline Project to the DGA for approval. Only the following interferences with the PHAM works have been identified, which the Parties agree to resolve as follows:

b.1) Construction interference approximately within the section between km 0.340 and km 0.360, and the crossing at km 0.350 of the El Yeso adduction of the PHAM (Project Plan 610-CI-PLA-092).

If GENER commences construction of its project in that section before AA, GENER shall be obligated to construct, at AA's expense and in accordance with the plans provided by AA and agreed upon with GENER, the section of the Pipeline within the interference zone. For this purpose, AA shall deliver the detailed plans for the interference section required for its construction within sixty (60) days of the request, but not before 30 September 2011.

AA shall be entitled to appoint a technical inspector for the works corresponding to the Pipeline section built by or on behalf of GENER, to supervise on-site progress, ensure that the works comply with the agreed plans, and grant approval as a condition for the works to be deemed completed.

The costs under AA's responsibility shall be reimbursed by AA to GENER to the extent that they correspond to progress stages approved by AA's appointed inspector or, in case of disagreement between the Parties, by the Independent Engineer referred to in paragraph (b.4) of this Clause. Upon invoicing under these circumstances, AA shall proceed to payment within thirty (30) days of the billing date. Failure by AA to deliver the detailed plans in due time shall release GENER from this obligation.

Conversely, if AA starts construction of its project in that section before GENER, AA shall be obligated to construct, at GENER's expense and in accordance with the plans provided by GENER and agreed upon with AA, the section of the PHAM works within the interference zone. For this purpose, GENER shall deliver the detailed plans for the interference section required for its construction within sixty (60) days of the request, but not before 30 September 2011.

GENER shall be entitled to appoint a technical inspector for the PHAM works to be built by or on behalf of AA, to monitor the on-site progress, ensure compliance with the agreed plans, and grant approval as a condition for the works to be deemed completed.

The costs under GENER's responsibility shall be reimbursed by GENER to AA to the extent that they correspond to progress stages approved by GENER's appointed inspector or, in case of disagreement, by the Independent Engineer referred to in paragraph (b.4). Upon

invoicing under these circumstances, GENER shall proceed to payment within thirty (30) days of the billing date. Failure by GENER to deliver the detailed plans in due time shall release AA from this obligation.

b.2) Crossing of both projects located approximately at Km 1,100 of the El Yeso Siphon of the PHAM (Project Plan 610-CI-PLA-076).

The Parties shall jointly modify the depth of their respective conduits to eliminate the interference. The resulting costs shall be borne equally by AA and GENER.

If GENER starts construction of its project in that section before AA, GENER shall be obligated to construct, at AA's expense and in accordance with the plans provided by AA and agreed upon with GENER, the section of the Pipeline within the interference zone, over a length of ten (10) meters. For this purpose, AA shall deliver the detailed plans for the interference section required for its construction within sixty (60) days of the request, but not before 30 September 2011.

AA shall be entitled to appoint a technical inspector for the works corresponding to the Pipeline section built by or on behalf of GENER, to supervise on-site progress, ensure that the works comply with the agreed plans, and grant approval as a condition for the works to be deemed completed.

The costs under AA's responsibility shall be reimbursed by AA to GENER to the extent that they correspond to progress stages approved by AA's appointed inspector or, in case of disagreement between the Parties, by the Independent Engineer referred to in paragraph (b.4) of this Clause. Upon invoicing under these circumstances, AA shall proceed to payment within thirty (30) days of the billing date. Failure by AA to deliver the detailed plans in due time shall release GENER from this obligation.

Conversely, if AA commences construction of its project in that section before GENER, AA shall be obligated to construct, at GENER's expense and in accordance with the plans provided by GENER and agreed upon with AA, the section of the PHAM works within the interference zone, over a length of ten (10) meters. For this purpose, GENER shall deliver the detailed plans for the interference section required for its construction within sixty (60) days of the request, but not before 30 September 2011.

GENER shall be entitled to appoint a technical inspector for the PHAM works to be built by or on behalf of AA, to monitor on-site progress, ensure that the works comply with the agreed plans, and grant approval as a condition for the works to be deemed completed.

The costs under GENER's responsibility shall be reimbursed by GENER to AA to the extent that they correspond to progress stages approved by GENER's appointed inspector or, in the event of disagreement between the Parties, by the Independent Engineer referred to in paragraph (b.4). Upon invoicing under these circumstances, GENER shall proceed to payment within thirty (30) days from the billing date. Failure by GENER to deliver the detailed plans in due time shall release AA from this obligation.

b.3) Overlap of the "Pipeline" with the PHAM Bridge over the Yeso River (Project Plan 610-CI-PLA-111)

GENER shall include in the design of the bridge it plans to build over the Yeso River, the section of the Pipeline crossing the river and its connecting segments. For this purpose, AA shall provide the Pipeline specifications and the corresponding design calculations within sixty (60) days of the request, but not before 30 September 2011.

GENER shall design, approve, and construct the Bridge Works, including the installation of the Pipeline section, in accordance with the aforementioned specifications and design bases, which shall have been mutually agreed upon between AA and GENER. AA shall be entitled to appoint a technical inspector for the works corresponding to the Pipeline section built by or on behalf of GENER, to monitor on-site progress, ensure that the works comply with the agreed specifications and design bases, and grant approval as a condition for the works to be deemed completed. The costs under AA's responsibility shall be reimbursed by AA to GENER to the extent that they correspond to progress stages approved by AA's appointed inspector or, in case of disagreement, by the Independent Engineer referred to in paragraph (b.4). Upon invoicing under these circumstances, AA shall proceed to payment within thirty (30) days from the billing date. Failure by AA to provide the required information in due time shall release GENER from this obligation.

If, conversely, AA starts construction of its project in that section before GENER, AA shall be obligated to construct, at GENER's expense, the bridge over the Yeso River. To this end, GENER shall provide the bridge specifications and design calculations within sixty (60) days of the request, but not before 30 September 2011. AA shall design, approve, and construct the Bridge Works, including the installation of the Pipeline, in accordance with such specifications and design bases, which shall have been mutually agreed upon between AA and GENER. The costs under GENER's responsibility shall be reimbursed by GENER to AA to the extent that they correspond to progress stages approved by GENER's appointed inspector or, in case of disagreement, by the Independent Engineer referred to in paragraph (b.4). Upon invoicing under these circumstances, GENER shall proceed to payment within thirty (30) days from the billing date. Failure by GENER to provide the required information in due time shall release AA from this obligation.

b.4) Resolution of Other Interferences.

AA and GENER have exchanged background information on their respective projects, based on which they estimate that no further interferences should arise between them. Nevertheless, in order to prevent or resolve any new interferences that may occur in the future, the Parties agree as follows:

- (i) If either AA or GENER must modify the alignment or any other characteristic of its project to comply with environmental or regulatory requirements, address difficulties with owners, possessors, or holders of surface properties, or overcome construction impediments, it may modify its project even if such modification affects or interferes with the other Party's project. In such case, the modifying Party shall bear all costs that such project modification entails for both AA and GENER, without prejudice to the obligation of the affected Party to grant all reasonable cooperation within its control.
- (ii) If either AA or GENER wishes to alter its project without being under any of the circumstances referred to in item (i) above, it shall do so without affecting or interfering with the other Party's project, according to the state of progress existing at that time.

As a general rule to avoid difficulties arising from the interferences referred to in paragraphs (b.1), (b.2), and (b.3) above or any others that may arise, it is hereby agreed that if either AA or GENER must build under or over works constructed or planned by the other Party, or in a manner that may interfere with such works, it shall timely and in advance provide the other Party with the corresponding detailed engineering drawings for comments.

If no comments are received within thirty (30) days from the date of submission, it shall be understood that the other Party has no observations to such works, and that their execution may proceed in accordance with the submitted detailed engineering plans.

Otherwise, the Party that provided the drawings shall submit alternative solutions to the comments raised by the other Party, which shall be mutually agreed upon. If no such agreement is reached within fifteen (15) days from the presentation of such alternatives, the matter shall be resolved by an Independent Engineer agreed upon by the Parties. If no agreement on the appointment is reached within ten (10) days from the date on which one Party submits a candidate to the other, the appointment shall be made by the President of the Chilean Association of Engineers upon request of either GENER or AA, as applicable. The Independent Engineer shall issue a resolution within thirty (30) days from the date of acceptance of the appointment. The resolution of the Independent Engineer

shall be final and binding upon both AA and GENER, with no further recourse available.

The same procedure shall apply to determine the allocation of costs to be borne by AA and/or GENER in relation to the solutions set forth in paragraphs (b.1), (b.2), and (b.3) above, or concerning any other interferences that may arise with respect thereto, including those mentioned in paragraph (d) of Clause 2.2.

The Independent Engineer shall also decide, upon request of either AA or GENER, any discrepancies that may arise between them regarding:

- (1) The lack of agreement on the detailed plans delivered by AA or GENER pursuant to paragraphs (b.1) and (b.2) above.
- (2) The lack of agreement on the characteristics and design bases of works delivered by AA or GENER pursuant to paragraph (b.3) above.
- (3) The lack of agreement on the depth of the works indicated in paragraph (b.2) above.
- (4) Whether or not the works executed pursuant to paragraphs (b.1), (b.2), or (b.3) comply with the agreed drawings, characteristics, or design bases.
- (5) The appropriateness of payments to be made between AA and GENER according to the progress of works as established in paragraphs (b.1), (b.2), or (b.3) above.
- (6) Whether or not the works carried out by AA or GENER are completed in accordance with the provisions of paragraphs (b.1), (b.2), or (b.3) above.
- (7) The lack of agreement on the detailed drawings delivered by GENER pursuant to paragraph (d) of Clause 2.2.
- (8) The conformity or equivalence between the works of AA and GENER in those sections where they must be physically connected or joined.
- (9) The allocation of costs between AA and GENER in any of the cases indicated in items (1) through (8) above.

b.5) Obtaining of Permits

AGUAS ANDINAS, with respect to the Pipeline Project, and GENER, with respect to the PHAM, shall each be responsible for obtaining and maintaining all permits required for the construction of their respective project works in the sections affected by the interferences referred to in this paragraph (b), ensuring that such permits are obtained in a timely manner so as not to delay the construction of the other Party's works. However, if at the time one Party commences construction of its project works in a section affected by interference, the other Party has not yet obtained the necessary permits for the construction of its works, the first Party shall construct its project works in such a way that

the other Party, once it has obtained the required permits, may continue construction from the point reached by the first Party's works.

- c) Without prejudice to the provisions of paragraph (e) below and paragraph (a) of Clause 2.2, AA undertakes not to extract water from Embalse El Yeso except by discharging such water into the Yeso River, whether through its current discharge works or through such release. Notwithstanding the foregoing, AA may modify, expand, adapt, or carry out preventive or corrective maintenance of such discharge and release works.
- d) AA undertakes to discharge and conduct through the Estero del Manzanito—to then catch water again at the same stream and deliver it to GENER, or alternatively to deliver it to GENER at the reinstated section of the Laguna Negra Aqueduct where it passes through the Laguna Lo Encañado discharge wall—for non-consumptive use in power generation, a flow of 2.5 m³/s from the effluent waters of Laguna Negra and Laguna Lo Encañado identified in Clause 1.1, to the extent such flow exists. These waters shall be returned to AA in the Maipo River, upstream from the AA Independent Intake in said river or, alternatively, in the Colorado River at the El Alfalfal sector.

The construction, operation, and maintenance of the works that may be required for the catchment and delivery to GENER of the waters referred to in the preceding paragraph, in the Estero El Manzanito (which shall be compatible with the GENER project as agreed upon with AA), shall be under the responsibility and at the cost of AA. From the said delivery point onward, the construction, operation, and maintenance of the conduction works for the waters that, in accordance with this paragraph (d), AA must deliver for the benefit of GENER, shall be the responsibility and cost of GENER.

The construction, operation, and maintenance of the works that may be required for the catchment and delivery to GENER of waters from Lo Encañado, at the reinstated section of the Laguna Negra Aqueduct passing through the Laguna Lo Encañado discharge wall (which shall also be compatible with the GENER project as agreed upon with AA), shall be under the responsibility and at the cost of AA. From that delivery point onward, the construction and/or reinstatement, operation, and maintenance of the conduction works for the waters that, in accordance with this paragraph (d), AA must deliver for the benefit of GENER, shall likewise be the responsibility and cost of GENER.

In either of the two cases described in the preceding paragraphs, the metering shall be performed at the delivery point, for which AA shall install monitoring and flow-metering instruments at such point. AA shall provide GENER with online information on the status and flow metering, granting GENER access to the instantaneous flow readings. GENER may verify the information provided by AA either directly through its own personnel or indirectly through independent third parties, in which case AA shall grant GENER and/or such third parties unrestricted access to its facilities for such purposes.

AA shall obtain from the competent authority (Dirección General de Aguas) all necessary permits to conduct the waters from Laguna Negra and Laguna Lo Encañado referred to in this paragraph through the Maipo and Colorado Rivers up to the AA Independent Intake in the Maipo River. In the event that, as a result of or in connection with the permits granted by the DGA for the aforementioned purposes, the AA Water Rights are subject to a reduced recognition of water flows, the provisions of the final paragraph of Clause Three shall apply.

GENER shall be responsible for returning at the restitution point the same flow extracted at the intake point.

e) AA undertakes to divert and conduct water through the Pipeline only in the following cases:

e.1) In the event of “high turbidity” of the Maipo River waters. “High turbidity” shall be understood to exist when the Net Turbidity Units (“NTU”) of the waters of said river exceed 3,000 NTU, metered at the AA Independent Intake located in Las Vertientes.

Each time AA operates the Pipeline due to this “high turbidity” condition, AA shall provide GENER with online information on the turbidity level of the waters throughout the entire period of Pipeline operation, granting GENER access to the instantaneous turbidity metering.

Whenever such levels prevent instantaneous metering, AA shall retain the corresponding samples for at least thirty (30) days and deliver them to GENER, enabling GENER and independent third parties to verify the analyses performed by AA. GENER may verify the information provided by AA either directly through its own personnel or indirectly through independent third parties, and AA shall grant GENER and/or such third parties unrestricted access to its facilities for this purpose.

Violation by AA of its obligation to divert and conduct water through the Pipeline exclusively in the case of “high turbidity” in the Maipo River—or in the cases referred to in paragraphs (e.2) or (e.3) below—shall entitle GENER to collect from AA a penalty equal to and limited to the product of: (y) the amount of energy that the PHAM would have generated with the water diverted and conducted through the Pipeline in breach of this obligation, *multiplied* by (z) the price of such energy at the node recognized by the CDEC-SIC for transfers of PHAM injections, less: transmission losses between the injection points of the PHAM plants into GENER’s transmission system at the Alfalfa and Alto Maipo Substations and the node recognized by the CDEC-SIC for the PHAM injections, and the unit sub-transmission energy costs in effect at the time of the infringement, based on GENER’s actual sub-transmission toll payments attributable to the PHAM, including any subsequent adjustments.

No penalty shall apply if the infringement occurs during any period in which the PHAM plants are under maintenance, whether scheduled or unscheduled.

In the event that AA fails to pay the penalty within thirty (30) days following the date on which GENER sends the corresponding invoice to AA, GENER shall be entitled to charge interest at the maximum conventional interest rate applicable to non-indexed operations in Chilean currency, in effect as of the date of default or simple delay, and may do so only with respect to the amounts not disputed by AA, and to deduct such amounts from the payments it must make to AA as provided in paragraph (g) of Clause 2.2.

e.2) When the average daily effluent flow from Embalse El Yeso, available for capture at the PHAM intake, is equal to or greater than 15.82 m³/s, or equal to or greater than 14.37 m³/s in the month of June of each year, AA may conduct through the Pipeline the excess flow above 15.82 m³/s or 14.37 m³/s, as applicable.

e.3) In the event of “contamination” of the Maipo River waters. “Contamination” shall be understood to exist whenever AA, as a result of an accident or other event with environmental impact on the Maipo River channel or flow, not attributable to AA, is unable to treat the river’s water for the supply of drinking water to Santiago and is therefore forced to suspend water catchment at the AA Independent Intake located in Las Vertientes.

Each time AA operates the Pipeline due to this “contamination” condition, AGUAS ANDINAS shall provide GENER with online information on the degree of contamination of the waters throughout the entire period of Pipeline operation, granting GENER access to such data. Whenever such levels prevent instantaneous metering, AA shall retain the corresponding samples for at least thirty (30) days and deliver them to GENER, enabling GENER and independent third parties to verify the analyses performed by AA. GENER may verify the information provided by AA either directly through its own personnel or indirectly through independent third parties.

The use of the Pipeline by AA under this paragraph (e.3) shall not exceed two (2) days during the first calendar year of operation of the Pipeline and one (1) day during each subsequent calendar year, it being understood that if, during any calendar year, AA does not use the Pipeline under this paragraph (e.3), such unused day may be carried over to the following or subsequent year. However, in no event shall AA be entitled to use the Pipeline under this paragraph (e.3) for more than four (4) days during any calendar year.

f) Under this Agreement, AA undertakes to sell, assign, and transfer to GENER (or to any designee thereof in accordance with paragraph (b) (i) of Clause Four), which in turn

undertakes to purchase, accept, and acquire for itself, the mining rights known as “Ventisca”, as identified in Annex A attached hereto (the **“Mining Concessions”**).

The total price of the promised sale shall be one million pesos, which GENER shall pay to AA together with payment of the first invoice issued by AA in accordance with paragraph (g) of Clause 2.2. The promised sale contracts, which shall include a repurchase clause, shall be executed (in the form attached as Annex B) by public deed, to be signed by all required parties before the Notary Public of Santiago Mr. Iván Torrealba Acevedo, or whoever lawfully replaces or substitutes him, within a non-extinctive period of sixty (60) days from the date on which AA sends to GENER the registration of the corresponding final and binding constitutive judgment of the exploitation concession in the Mining Property Registry of the competent Mining Registrar, with respect to the mining concessions identified in Annex A (1/4).

AA shall not be required to sell, assign, or transfer those mining concessions listed in Annex A (1/4) that it cannot constitute as mining concessions by means of a final and binding judgment due to third-party oppositions asserting preferential rights. As of the date hereof, no third party has asserted such rights, except for Sociedad Legal Minera Los Piches.

The Parties agree that, in order to execute any of the sales referred to in the preceding paragraphs, GENER must first withdraw all mining claims or applications known as “Saya”, as identified in Annex A (2/4).

The respective sale deeds shall include a repurchase clause, under which AA reserves the right to recover the mining rights that do not overlap with the works constructed by GENER for the PHAM, nor with a strip of one hundred (100) meters on each side metered from the center line of each such work. In the event the repurchase clause is exercised, AA shall reimburse GENER the same price established in the sale deed for the respective concession being recovered.

The corresponding repurchase deeds shall be executed within sixty (60) days from the date of commencement of the commercial operation of the PHAM. Such date shall be deemed to occur upon GENER’s formal notification to the Economic Load Dispatch Center (CDEC-SIC) (Centro de Despacho Económico de Carga of the Sistema Interconectado Central), which notification shall also be sent by GENER to AA. If, within four (4) years from the date of this Agreement, the commercial operation of the PHAM has not commenced, the Parties shall execute such extensions of the repurchase deeds as may be necessary, provided that such extensions shall not exceed ten (10) years from the date of this Agreement.

- g) AA hereby authorizes CORFO to establish, in favor of GENER (or any designee thereof in accordance with paragraph (b)(i) of Clause Four), voluntary, perpetual, continuous, apparent and non-apparent easements of passage, aqueduct, and occupation, as required for the construction, operation, and maintenance of the water intake and conduction works of the PHAM, as described in Annex D of this Agreement, so that such easements may be exercised by GENER as specified in said Annex. Any additional costs incurred by AA as a result of the easements or authorizations granted to GENER under this paragraph (g) shall be borne by GENER.

- h) Likewise, AA undertakes to cooperate with GENER (or any designee thereof in accordance with paragraph (b)(i) of Clause Four) so as to facilitate access permits for its personnel, contractors, and subcontractors—in all cases under GENER’s responsibility—to the Laguna Lo Encañado area and adjacent zones, in order to carry out the necessary studies and works for the construction, operation, and maintenance of the PHAM, in accordance with the procedure and modalities set forth in the protocol contained in Annex F of this Agreement.

If the engineering design of the PHAM is modified, GENER shall promptly notify AA and provide a copy of the corresponding technical report, drawings, and technical specifications for such modifications, particularly those that may interfere with or affect the Drinking Water Reserve Area.

2.2 Rights and Obligations of GENER

- a) GENER acknowledges that AA shall continue to operate and manage the Embalse El Yeso, which it owns, in the same manner as it has historically done, in accordance with its own management mechanisms and policies for drinking-water supply, in line with the general plans established by AA, and ensuring the provision of public drinking-water production and distribution services and wastewater collection and disposal services that AA and its subsidiaries must provide under the public sanitation service concessions they hold in Santiago and the Metropolitan Region, as well as other services related to such activities. The operation of Embalse El Yeso, in accordance with the AA Water Rights, includes: (1) when the First Section of the Maipo River is not under a rotation or distribution regime for the satisfaction of permanent consumptive water use rights in that section, the right to store the totality of the waters flowing through the Yeso River; and (2) when the First Section of the Maipo River is under such a rotation or distribution regime, and only if authorized by the corresponding Water Users’ Association, the right to store all waters flowing through the Yeso River.

It is hereby expressly stated that the operation of Embalse El Yeso by AA includes any works that may need to be carried out in the future in connection therewith, whether for modification, adaptation, or preventive or corrective maintenance, in relation to its

current or future structures or facilities, provided that such works do not result in an increase in the total capacity of the Pipeline. For any works involving an increase in the capacity of the Pipeline, AA shall obtain GENER's consent, which shall not be unreasonably withheld. In any case, all such works shall remain subject to the provisions of this instrument regarding the operation of Embalse El Yeso by AA, including, without limitation, those set forth in paragraphs (a) and (b) of Clause 2.1 above and in this paragraph (a).

These acknowledgments and representations by GENER, together with those in paragraphs (b) and (e) below, as well as their ongoing observance and compliance throughout the term of this Agreement, constitute for AGUAS ANDINAS an essential condition within the meaning of Article 1444 of the Chilean Civil Code, which has been decisive for AA's consent to enter into this Agreement.

- b) GENER accepts to exercise the GENER Water Right in compliance with DGA Resolutions No. 107 of April 25, 1983; DGA No. 308/83; and DGA No. 111 of January 28, 2010. That is, it acknowledges that the exercise of the GENER Water Right "is subject to the flows that actually discharge from Embalse El Yeso as a result of the operation of this regulation work, for the purpose of adequately satisfying the exercise of existing consumptive water-use rights." In any case, the Parties record that this manner of exercising the GENER Water Right does not preclude AA, under this Agreement, from fulfilling its obligations to discharge and deliver waters as referred to in paragraphs (c) and (e) of Clause 2.1 above, in the form stipulated therein, which obligations are considered essential for GENER pursuant to Article 1444 of the Civil Code.
- c) GENER may construct, operate, and maintain, at its own cost, the water conduction and pumping works for the waters caught by AA in the Estero del Manzanito or delivered from the reinstated Laguna Negra Aqueduct, effluents from Laguna Negra and Laguna Lo Encañado, which AA shall deliver to GENER for the PHAM, with a maximum capacity of 2.5 m³/s, up to the PHAM tunnel system, in accordance with paragraph (d) of Clause 2.1.
- d) Within thirty (30) days after approval of the relevant detailed engineering, GENER shall provide AA with the detailed drawings, trial pits, soil-mechanics studies, and proposed solutions for the following PHAM works that could affect AA's facilities in the area adjacent to the Yeso River:
 - d.1) The conduction line crossing beneath the Laguna Negra Aqueduct at point "A", with approximate UTM coordinates N 6,272,793 and E 396,333 (± 250 m).
 - d.2) The access road from route G-455 to the portal of the Alfalfa II Tunnel, particularly the section where the road will cross the route of the Laguna Negra Aqueduct

and the Drenes Azulillos area, identified by polygon (B,C,D,E) located approximately at the following coordinates: "B": N 6,271,573 E 396,738; "C": N 6,271,455 E 396,847; "D": N 6,271,133 E 396,221; "E": N 6,271,037 E 396,317.

d.3) The power line crossing from the Yeso River to the portal of the Alfafal II Tunnel, particularly in the section where the line will cross the Laguna Negra Aqueduct route and the Drenes Azulillos area, corresponding to the polygon (B, C, D, E) referred to in paragraph (c.2) above.

d.4) Any other works that AA may duly demonstrate to GENER could physically interfere with AA's existing facilities as of the date of this Agreement, in the area adjacent to the Yeso River.

If AA does not provide comments within a maximum of thirty (30) calendar days from the date of delivery of such documentation, it shall be understood that AA has no observations regarding such works and that they may be executed in accordance with the detailed engineering drawings submitted.

Otherwise, GENER shall submit alternative solutions to AA's comments, which shall be mutually agreed upon. If no agreement is reached within fifteen (15) days from submission of such alternatives, the solution shall be defined by an Independent Engineer agreed upon by the Parties. If the Parties fail to reach agreement on the appointment within ten (10) days from the date one Party submits a candidate to the other, the President of the Chilean Association of Engineers shall appoint the Independent Engineer at the request of GENER or AA, as applicable.

The Independent Engineer shall issue its resolution within thirty (30) days from accepting the appointment. The Independent Engineer's resolution shall be final and binding upon AA and GENER, with no right of appeal.

e) During both the construction and operation periods of its works, GENER shall restrict the circulation of its personnel and its contractors' personnel within the areas owned by or under the administration of AA strictly to those directly related to the construction of PHAM works, in accordance with AA's safety standards and access protocols in force at that time, for which GENER shall install:

e.1) A gate located on AA's existing access road running from Route G-25 to the Lo Encañado and Laguna Negra sector, at approximate coordinates N 6,271,276 and E 396,445, situated immediately before the junction with the new road from Route G-455, which the PHAM plans to construct. This gate shall remain locked with keys held by AA.

e.2) A gate located on AA's current access road running from Route G-25 to the Lo Encañado and Laguna Negra sector, at approximate coordinates N 6,272,793 and E 396,333, situated immediately after the split with the new road that will continue toward the entrance of the Alfalfal II Tunnel, which the PHAM plans to construct. This gate shall remain locked, with keys held by AA.

e.3) An access gate to the bridge to be built by GENER over the Yeso River, with the keys to remain in the possession of both GENER and AA.

- f) GENER undertakes to conduct the waters caught from the Laguna Negra, Lo Encañado, and Embalse El Yeso watersheds through the tunnel system included in the PHAM and to return them, in the same flow rate, to the Maipo River in front of the Las Lajas Substation, upstream of AA's Independent Intake or, if applicable, to the Colorado River in the El Alfalfal sector. Except in cases of emergency, such restitution shall be made in a manner that maintains the natural regime of the Maipo River downstream from that point.

GENER shall install at its Yeso intake and its Maipo River restitution point status and flow-metering instruments. GENER shall provide AA with online information on the status and metering of the flows, granting AA access to the instantaneous flow metering. AGUAS ANDINAS may verify the information provided by GENER, either directly through its own personnel or indirectly through third parties independent from both Parties. To this end, GENER shall grant AA and/or the independent third parties free access to its facilities.

- g) As consideration for the obligations assumed by AA under this Agreement in relation to the AA Water Rights, GENER shall pay AGUAS ANDINAS on a monthly basis an amount equal to the sum of the following items (i), (ii), and (iii):

(i) Capacity Payment.

For the purposes of this clause, the term "Capacity" shall mean the "Firm Capacity," and the term "Base Capacity" shall refer to a value of 160 MW as long as Supreme Decree No. 62 of 2006 of the Ministry of Economy, Development and Reconstruction has not entered into force. Once such Decree comes into force, the term "Capacity" shall mean the "Adequacy Capacity" as defined therein (or any equivalent concept that may replace it in the future) and the term "Base Capacity" shall mean a value of 235 MW.

The capacity payment shall correspond to 50% of the difference between the Capacity recognized by the CDEC-SIC (or the competent entity that may replace it) to the PHAM and the Base Capacity, if such difference is positive, multiplied by the capacity node price recognized by the CDEC-SIC for the transfers of the PHAM injections, less the actual metered capacity transmission losses between the injection point of the PHAM power plants to GENER's transmission system at the Alfalfal and Alto Maipo Substations and the

node recognized by the CDEC-SIC for the transfers of the PHAM injections, and less the unit costs of capacity sub-transmission, the latter based on the effective payment of sub-transmission tolls borne by GENER and attributable to the PHAM, including any re-settlements, if applicable.

The payment under this item shall be made monthly according to the valuation recognized by the CDEC-SIC for the Capacity injections from the two generating plants comprising the PHAM, in accordance with the provisional Capacity balances approved by such entity. Thus, the monthly Capacity payment shall be a provisional amount determined based on the provisional values approved by the CDEC-SIC for these purposes.

Within ten (10) days following the definitive settlement of Capacity according to the procedures of the CDEC-SIC, the Parties shall reconcile the amount corresponding to this item (i) for the entire period covered by the definitive settlement and make between themselves any payments that may apply.

The payment obligations set forth in this item (i) shall begin to accrue as from the date on which the CDEC-SIC first recognizes Capacity injections from either of the two generating plants comprising the PHAM.

(ii) El Yeso Energy Payment.

This shall correspond to 50% of the net energy (“net” meaning net of self-consumption and actual transmission losses up to the injection point to the SIC, attributable proportionally to the energy supplied by AA through the flows recognized at El Yeso) sold by the PHAM during the immediately preceding calendar month using the flows supplied by El Yeso. The calculation procedure to determine the monthly payments under this item shall be as follows:

- During each twenty-four-hour period (day “i”), the actual average daily effluent flow rate at the reservoir outlet (through the bottom discharge, spillway, or seepage through the dam body) shall be metered. Such metering shall be taken at the gauging section located approximately 400 meters downstream from the crest axis of the dam. If AA discharges flows through the Pipeline without meeting any of the exception conditions set forth in Section 2.1 letter (e), then during such discharge and for as long as it continues, the discharged and properly metered flow shall be added to the previously defined actual average daily effluent flow. The sum of these values shall be limited to a maximum value of 15.0 m³/s for all months of the year, except for the month of June, for which the maximum value shall be 13.55 m³/s, and shall constitute the value Qe(i).

- Likewise, for the same daily period, the net average daily inflow $Qa(i)$ to the Embalse El Yeso, net of reservoir evaporation, shall be determined. This flow shall correspond to the sum of the actual average daily effluent flow at the reservoir outlet (through the bottom discharge, spillway, or seepage through the dam body), metered at the point indicated in the preceding paragraph, minus the flows equivalent to the decrease in reservoir volume corresponding to the difference in water level observed on day (i) (or plus the flows equivalent to the increase in volume), plus the flows caught by the Pipeline, if any. The determination of the daily variation in reservoir volume and, therefore, the estimation of the average daily inflow to Embalse El Yeso shall be carried out in accordance with the procedures described in Annex C hereto, which shall form an integral part hereof for all legal purposes.
- The difference between $Qe(i)$ and the inflow $Qa(i)$ plus a constant of $2.063 \text{ m}^3/\text{s}$ shall be considered the average flow $Qey(i)$, positive or negative, supplied by El Yeso to the PHAM on day (i). Thus:

$$Qey(i) = Qe(i) - Qa(i) + 2.063 \text{ (m}^3/\text{s)}$$

- This average daily flow $Qey(i)$, multiplied by the factor that converts it into energy at the PHAM plants, multiplied by 0.5 and valued at the $CMg(i)$ defined below, shall constitute the economic value $Vey(i)$ recognized to AA for El Yeso on day (i). Thus:

$$Vey(i) = Qey(i) \times 0.5 \times CMg(i) \times FC$$

Where:

FC [$\text{MWh}/(\text{m}^3/\text{s})/\text{day}$] is the conversion factor from average daily flow [m^3/s] to daily generated energy [MWh] in the PHAM plants, which the Parties agree shall be a fixed and unchangeable value of 337.084 [$\text{MWh}/(\text{m}^3/\text{s})/\text{day}$]; and

$CMg(i)$ is the average marginal cost weighted by the hourly energy injected by the PHAM for day (i), at the node recognized by the CDEC-SIC for the transfers of the PHAM injections, less the actual metered transmission losses between the injection point of the PHAM plants to GENER's transmission system at the Alfalfal and Alto Maipo Substations, and less the unit costs of energy sub-transmission, the latter based on the effective payment of sub-transmission tolls borne by GENER and attributable to the PHAM, including any re-settlements, if applicable.

- To determine the monthly payment, the value $Vey(i)$ for all days of the month shall be accumulated, thus forming the value $Vey(m)$. If $Vey(m)$ is negative, it shall be carried forward to the following month and so on until the accumulated balance becomes positive. GENER shall pay AA the positive monthly balances so calculated. Under no circumstance shall AA be required to pay GENER for negative monthly balances; such balances shall only be carried forward until they become positive in a given month, at which time payment by GENER shall be due.
- $Vey(m)$ shall be paid regardless of whether the PHAM plants actually use the flow supplied by AA from El Yeso. From this perspective, $Qey(i)$ shall be a “take-or-pay” flow and shall only cease to have such character, in whole or in part, on occasions when one or more of the PHAM generating units are out of service for maintenance or failure, or are not dispatched, but only from the moment GENER notifies AA of such circumstances in writing. In such cases, the portion of the flow supplied by AA considered “take-or-pay” shall correspond to the capacity of the PHAM that is dispatched divided by the total installed capacity of the PHAM plants. During periods when the PHAM plants are out of service, AGUAS ANDINAS shall be released from the limitations on the use of the Pipeline set forth in paragraph (e) of Clause 2.2.

The payment obligations set forth in this item (ii) shall begin to accrue on the date of the first energy injection into the SIC from any of the PHAM generating plants, whether the generated energy is sold to free customers, regulated customers, or the spot market, and whether it is sold during the testing, commissioning, or commercial operation stages of the PHAM.

(iii) Laguna Negra and Lo Encañado Energy Payment

This shall correspond to 50% of the net energy (“net” meaning net of the energy used for pumping from the delivery point to GENER, and net of self-consumption and actual transmission losses up to the SIC injection point, attributable proportionally to the energy supplied by AA with the flows originating from Laguna Negra and Lo Encañado), injected by the PHAM during the immediately preceding calendar month with the flows originating from Laguna Negra and Lo Encañado, valued at $CMg(j)$, defined as the average marginal cost weighted by the hourly energy injected by the PHAM for day (j), at the node recognized by the CDEC-SIC for the transfers of the PHAM injections, less the actual metered transmission losses between the injection point of the PHAM power plants and GENER’s transmission system at the Alfalfal and Alto Maipo Substations, and less the unit energy sub-transmission costs, the latter based on the effective payment of sub-transmission tolls borne by GENER for the PHAM, including any re-settlements, if applicable.

The conversion factor from average daily flow [m^3/s] to gross daily energy generated [MWh/day] in the PHAM plants with waters originating from Laguna Negra and Lo Encañado shall be 337.084 [MWh/(m^3/s)/day]. The energy used for pumping from the delivery point to GENER shall be metered directly at such facilities and is estimated at approximately 5% of the energy produced with those waters when AA catches them at AA's Independent Intake.

The amounts indicated in this item (iii) shall be paid regardless of whether the PHAM plants actually use the flow originating from Laguna Negra and Lo Encañado. From this perspective, this shall be a "take-or-pay" flow and shall only cease to have such character, in whole or in part, when one or more of the PHAM generating units are out of service for maintenance or failure, or are not dispatched, but only from the moment GENER notifies AA of such circumstances in writing. In such cases, the portion of the flow delivered by AA considered "take-or-pay" shall correspond to the capacity of the PHAM that is dispatched divided by the total installed capacity of the PHAM plants.

The payment obligations set forth in this item (iii) shall begin to accrue on the date of the first injection into the SIC — or the spot market — of energy from any of the PHAM generating plants, whether the generated energy is sold to free customers, regulated customers, or on the spot market, and whether it is sold during the testing, commissioning, or commercial operation stages of the PHAM.

For the purposes of the calculations established in items (i), (ii) and (iii) above, the capacity-transmission losses shall correspond to the portion proportionally attributable to the capacity supplied by AA to the PHAM with respect to the total capacity recognized for the PHAM. Likewise, the energy-transmission losses shall correspond to the portion proportionally attributable to the energy supplied by AA to the PHAM with respect to the total energy injected by the PHAM. In turn, the unit sub-transmission costs for capacity or energy shall apply to the portion of capacity or energy, as applicable, proportionally attributable to the flows from El Yeso and Laguna Negra and Lo Encañado supplied by AA with respect to the total expected energy of the PHAM, considering the effective payments of sub-transmission tolls attributable to the PHAM, including their re-settlements.

GENER shall provide AA, within the first five (5) days of each month, the detailed calculation of the amounts indicated in items (i), (ii) and (iii) above for the immediately preceding month, together with the corresponding amounts. AA shall review the information provided by GENER and, if no discrepancies are found, shall issue the corresponding invoice within fifteen (15) days, which shall be paid by GENER within thirty (30) days from its submission. In the event of a discrepancy between the Parties, AA may issue an invoice for the undisputed amount while reserving its rights for the balance, and such invoice shall likewise be paid within thirty (30) days from its submission. If GENER fails to provide AA within the aforementioned period with the detailed calculation of the amounts indicated in items (i), (ii) and (iii) above and the corresponding final amounts, AA may issue the corresponding invoice calculating the value of

the amounts owed by GENER based on: a) the information available to AA, and b) with respect to variables for which it lacks information, the monthly average thereof for the previous twelve (12) months, without prejudice to the right to subsequently reconcile the definitive amount of such figures.

In the event of default or simple delay by GENER in the payment of the amounts indicated in this paragraph (g), such amounts shall accrue interest at the maximum conventional interest rate applicable to non-indexed operations in force as of the date of default or simple delay.

As from the date of the first energy injection from any of the PHAM generating plants into the SIC, or the first recognition of Capacity from such plants, whichever occurs first, GENER —or its assignee of rights and obligations as authorized under Clause Four— shall guarantee to AGUAS ANDINAS the obligations set forth in items (i), (ii), and (iii) of paragraph (g) of this Clause by means of the issuance of an unconditional and irrevocable bank guarantee, issued by a first-class Chilean bank, for the amount of USD 14,000,000 (fourteen million United States dollars), payable upon first demand, without cause and without judicial intervention, which shall be renewed successively at least thirty (30) days before each original expiration or renewal date throughout the term of the Agreement, or alternatively, through the granting of a real guarantee satisfactory to AA. The bank guarantee shall also secure its timely renewal. The granting of such guarantee shall not constitute a limitation of GENER's liability. At AA's request, the bank guarantee shall be divisible into up to ten (10) separate guarantees, each bearing the characteristics indicated above, for the amounts specified by AA, totaling the aforementioned USD 14,000,000.

- h) In the event of failures or accidents at the PHAM power plants resulting in their prolonged shutdown and causing GENER to receive a business-interruption indemnity from its insurers, GENER shall pay AA the proportional share of such indemnity corresponding to its contribution to PHAM's generation during the shutdown period, excluding any deductibles under the respective insurance policies. In any case, such payment shall not exceed the amount of AA's contribution. To determine such contribution, the formulas contained in paragraph (g) above shall apply, considering the actual inflows and outflows metered at Embalse El Yeso, as well as those from Laguna Negra and Lo Encañado delivered to GENER, and the average daily marginal costs during the entire shutdown period. Payment by GENER to AA for this concept shall be made within ten (10) days following receipt by GENER of the actual indemnity payment from its insurers. To be entitled to such payment, AA shall pay GENER its proportional share of the insurance premiums that GENER may contract from time to time to cover the business interruption risk, within thirty (30) days following the date on which GENER so requests in writing. The proportion of premiums corresponding to AA shall be determined as the ratio between the annual amount AA wishes to cover and the total amount of indemnity insured by GENER. Payment by AA to GENER shall correspond to the aforementioned proportion multiplied by the total cost of the insurance policy contracted by GENER.

- i) By this Agreement, GENER undertakes to sell, assign, and transfer to AA (or to any designee thereof), which in turn undertakes to purchase, accept, and acquire for itself, the mining rights known as Tomás, as identified in Annex A attached hereto (the "Mining Concessions"). Said Annex A contains: (1) in its section 3/4, the mining rights that GENER shall sell, assign, and transfer to AA within a non-extinctive period of sixty (60) days from the date of this Agreement; and (2) in its section 4/4, the mining rights of GENER that shall be sold, assigned, and transferred to AA within a non-extinctive period of sixty (60) days from the date of commencement of the commercial operation of the PHAM, as determined pursuant to Clause 2.1 (f). In the latter case, the mining rights that GENER shall sell, assign, and transfer to AA are those that do not overlap the works constructed by GENER for the PHAM nor a strip of one hundred (100) meters on each side metered from the axis or center of each such work.

The total price of the promised sales shall be three hundred thousand Chilean pesos. The promised sale contract shall be executed (in accordance with the model attached as Annex B) by public deed and signed by all parties required to appear before the Notary Public of Santiago, Iván Torrealba Acevedo, or whoever legally substitutes or replaces him in office.

3. STATEMENT. PERMITS AND AUTHORIZATIONS.

- (a) Statement. This Agreement was approved by the Board of Directors and the Extraordinary Shareholders' Meeting of AA, in accordance with Articles 5 and 32 of its Bylaws.
- (b) Permits and Authorizations. Each Party shall carry out all necessary actions and use its best efforts to obtain the permits and authorizations required to develop its project and to fulfill the obligations imposed on it by this Agreement, bearing the related costs. Accordingly:
 - (i) AGUAS ANDINAS shall:
 - 1) Diligently process the approval by the DGA to conduct, through the Maipo River and, as applicable, the Colorado River, up to AA's Independent Intake, the flows corresponding to its water-use rights from Laguna Negra and Laguna Lo Encañado;
 - 2) Diligently carry out the procedures for the DGA to approve the catchment works enabling AA to extract up to 2.5 m³/s from Laguna Negra and Lo Encañado; and
 - 3) Withdraw, no later than within thirty (30) days from the date of execution of this Agreement, the opposition filed against GENER's application for approval of the PHAM hydraulic works.

(ii) GENER shall:

- 1) Withdraw, no later than within thirty (30) days from the date of execution of this Agreement, the opposition filed against AA's application for approval of the Embalse El Yeso – Laguna Negra Aqueduct interconnection works; and
- 2) Diligently process the approval by the CONAMA of the Environmental Impact Study to be submitted for the utilization of the Laguna Negra and Lo Encañado flows in the PHAM.

Until the approvals referred to in items 1 and 2 of sub-paragraph (i) above and the approval referred to in item 2 of sub-paragraph (ii) above are obtained—or if such approvals are granted on terms whereby the AA Water Rights experience a reduced flow recognition by the DGA—the provisions of this Agreement relating to the obligations of AGUAS ANDINAS and GENER concerning the waters of Laguna Negra and Laguna Lo Encañado (that is, paragraph (d) of Clause 2.1; paragraphs (c), (e) and (f) of Clause 2.2 insofar as they refer to Laguna Negra and Laguna Lo Encañado; and item (iii) of paragraph (g) of Clause 2.2) shall be deemed suspended, and items (i) and (ii) of paragraph (g) of Clause 2.2 shall apply provisionally. If such approvals are not obtained within three (3) years from the date of execution of this Agreement—or are obtained on terms whereby the AA Water Rights experience a reduced flow recognition by the DGA—the Parties shall, in good faith, seek alternative technical solutions that allow the use of the waters of Laguna Negra and Laguna Lo Encañado in the PHAM, and shall make their best efforts to secure the necessary permits and approvals to implement the selected new technical alternative. The cost of such alternative technical solution shall be borne by GENER. If, however, the necessary approvals and permits for implementing the selected alternative technical solution are not obtained within four and a half (4½) years from the date of execution of this Agreement, and therefore the use of the waters from Laguna Negra and Laguna Lo Encañado is deemed discarded, the PHAM and the Parties shall have a period of ninety (90) days to agree upon any potential adjustments to the economic conditions governing this Agreement, arising from the situation described, and if after ninety (90) days no agreement has been reached between the Parties regarding such potential modifications to the economic conditions of the Agreement, either Party may terminate the Agreement as from that date by notifying the other Party by registered letter sent within five (5) business days following the expiry of the ninety-day period.

4. ASSIGNMENTS AND ENCUMBRANCES.

- a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of each of the Parties and their legal successors.

- b) GENER, without the need for consent or authorization from AA, may:
- (i) Fully assign its rights and obligations under this Agreement to a company that owns the PHAM (that is, which – jointly – is the holder of the corresponding project, the owner of the generating plants and other PHAM works, the owner, usufructuary, or holder of a publicly-deeded and recorded lease of the GENER Water Rights, the developer and operator of the said generating plants, and the holder of the respective electricity-supply contracts), and in which GENER holds at least 50% of the shares or ownership interests, provided that, by virtue of said assignment of rights and obligations, GENER transfers its contractual position to the assignee, and the latter accepts and assumes all representations, rights, and obligations made, acquired, and undertaken by GENER. In such case, the assignment may only take place once such company has entered into agreements with its shareholders or partners and/or with banking, financial, or other third-party institutions, that enable it to obtain the financing required to develop the PHAM. Once the assignment occurs, all references in this Agreement to GENER shall be deemed to refer to the assignee; and
 - (ii) Conditionally assign and/or pledge its rights and obligations under this Agreement and mortgage the GENER Water Rights in favor of the banking and/or financial institutions that provide financing or refinancing for the construction and operation of the PHAM (the “PHAM Financiers”), provided that, together with such conditional assignment or pledge of said rights and obligations, it also conditionally assigns or mortgages, as applicable, the GENER Water Rights in favor of the PHAM Financiers, who, upon fulfillment of the relevant condition, shall assume all representations, rights, and obligations made, acquired, and undertaken by GENER.
- c) AGUAS ANDINAS, without the need for consent or authorization from GENER, may fully assign its rights and obligations under this Agreement to (i) an entity controlled by AA that holds the AA Water Rights and operates the Conduction Pipeline and Embalse El Yeso, or (ii) an entity controlled by AA that holds the AA Water Rights but does not operate the Conduction Pipeline or Embalse El Yeso, provided that, notwithstanding such assignment, AA remains obliged to operate the Conduction Pipeline and Embalse El Yeso in accordance with the provisions of this Agreement; in any of the foregoing cases, by virtue of such assignment of rights and obligations, AA shall transfer its contractual position to the assignee, and the latter shall accept and assume all representations, rights, and obligations made, acquired, and undertaken by AA, without prejudice to the fact that, in case (ii), AA shall also remain obliged to operate the Conduction Pipeline and Embalse El Yeso in accordance with this Agreement. Once the assignment occurs, all references in this Agreement to AA shall be deemed to refer to the assignee. It is hereby stated that AA may assign the right of non-consumptive use of the AA Water Rights, provided that, together with such assignment, it also assigns its rights and obligations under this Agreement to any of the persons authorized under this paragraph (c) in the manner indicated above.

- d) Except as provided in paragraphs (b) and (c) of this Clause 4, neither Party may assign, transfer, encumber, or otherwise affect any of its rights or obligations under this Agreement without the prior written consent of the other Party, which prohibition includes, without limitation, the sale or encumbrance of the Water Rights.
- e) AA hereby acknowledges and accepts that GENER may finance all or part of the PHAM with third-party resources, under any modality customary for this type of project, including project-finance or asset-securitization structures. AA understands that such financing could not be obtained without its cooperation and therefore undertakes to cooperate with GENER's efforts to obtain and maintain said financing. Consequently, AA shall perform this Agreement considering GENER's need to obtain the aforementioned financing.

5. TERMINATION. COMPENSATION FOR DAMAGES.

5.1 Term of the Agreement

This Agreement shall terminate upon expiration of a forty-year (40) period counted from the date of its execution.

5.2 Early Termination of the Agreement at the Request of AGUAS ANDINAS

AGUAS ANDINAS may request the Arbitral Tribunal designated under this Agreement to decree the early termination thereof only upon the occurrence of any of the following events:

- a) If GENER has not commenced the construction of a substantial work of the PHAM by December 31, 2014.
- b) If the El Alfalfal II plant has not injected energy into the SIC by December 31, 2019.
- c) If the El Alfalfal II plant has not obtained, from the CDEC-SIC, the recognition of Capacity injections by April 30, 2020.
- d) If GENER is in default or simple delay in the payment of any of the obligations indicated in paragraph (g) of Clause 2.2 for a period exceeding one hundred twenty (120) days from the due date of the relevant obligation, provided that the total amount of unpaid obligations reaches at least USD 5,000,000 (five million United States dollars).
- e) If GENER, its controlling entities, subsidiaries controlled by GENER, or entities under the control of its controlling entities, file a claim, action, petition, or appeal of any kind – judicial, extrajudicial, administrative, or otherwise – (an "Action") that directly or indirectly challenges the existence, validity, or enforceability of the AA Water Rights or their exercise, or takes part in favor of such Action, and such Action is not effectively withdrawn or rendered void, releasing AA from any damage, within ninety (90) days of AA's demand.
- f) If GENER assigns or encumbers its rights or obligations under this Agreement, or sells or encumbers the GENER Water Rights, in violation of Clause 4.

- g) In the event (i) of disconnection of the SIC from the El Alfalfal II plant at GENER's request, (ii) of its total destruction, if reconstruction works are not commenced within three (3) years from such destruction, or (iii) of total shutdown of the El Alfalfal II plant if repair works are not commenced within one (1) year from such shutdown; or
- h) If GENER fails to grant or maintain the bank guarantee established in paragraph (g) of Clause 2.2.

The Parties record that, with respect to the time periods set forth in the termination events indicated above, GENER may:

- (1) On up to three (3) occasions, extend by one (1) year each the periods referred to in letters (b) and (c) of this Clause 5.1, by paying AA, on each occasion, the amount of ten million United States dollars (USD 10,000,000). Such extension shall be exercised by GENER through written notice addressed to AA at least ninety (90) days prior to the expiration of the period being extended, at which time GENER shall unconditionally express its intent to pay the aforementioned amount within ninety (90) days from the said notice; or
- (2) Extend by up to one (1) year the periods referred to in letters (a), (b) and (c) of this Clause 5.1, in the event that, due to orders issued by judicial or administrative authorities, or as a result of an earthquake or other similar unforeseeable natural catastrophe affecting works of this nature, GENER is unable—due to circumstances beyond its reasonable control and which it could not have overcome by exercising due diligence—to commence or continue with the execution of the PHAM works, provided it demonstrates its intention to resolve or remedy such situation in the most appropriate, expeditious, and diligent manner. Such extension shall be exercised by GENER through written notice addressed to AA at least ninety (90) days prior to the expiration of the period being extended.

The exercise of the extension right granted in numeral (1) above—whether once, twice, or three times—shall extinguish the right of GENER set forth in numeral (2) above.

The exercise of the extension right granted in numeral (2) above shall reduce from three (3) to two (2) the number of times GENER may exercise the extension right referred to in numeral (1) above.

5.3 Early Termination of the Agreement at the Request of GENER

GENER, in turn, may request the Arbitral Tribunal designated pursuant to this Agreement to decree the early termination of this Agreement only upon the occurrence of any of the following events:

- a) If GENER has not commenced the construction of a substantial work of the PHAM by December 31, 2014.
- b) If AA catches and conducts water through the Conduction Pipeline in breach of the provisions of sub-paragraph e.1) of Clause 2.1 for more than forty-five (45) days during the same calendar year.
- c) If AA catches and conducts water through the Conduction Pipeline in breach of the provisions of sub-paragraph e.3) of Clause 2.1 for more than twelve (12) days during the same calendar year.
- d) If AA fails to comply with the restriction to construct only one pipeline or the limitation on its capacity established in sub-paragraph a) of Clause 2.1.
- e) If AA or its controlling entities, subsidiaries controlled by AA, or entities under the control of its controlling entities file a claim, petition, or action (an “Action”) seeking, directly or indirectly, to challenge the existence, validity, or enforceability of the GENER Water Rights or their exercise, or take part in favor of such Action, and such Action is not effectively withdrawn or rendered void, releasing GENER from any damage, within ninety (90) days of GENER’s demand; or
- f) If AA assigns or encumbers its rights or obligations under this Agreement, or sells or encumbers the AA Water Rights, in violation of Clause 4.

5.4 Judicial Review of the Economic Performance

In the event that, due to any legal or regulatory amendment, the concept of “Capacity of Sufficiency” is replaced—expressly or implicitly—by a new concept, such new concept shall define the term “Capacity”, and accordingly the value of “Base Capacity” shall be redefined so that AA maintains the same levels of recognized contributed Capacity consistent with those prevailing during the period prior to such legal or regulatory amendment.

Without prejudice to the foregoing, the Parties may request the Arbitral Tribunal designated pursuant to this Agreement to review the economic performance stipulated in numeral (i) of sub-paragraph g) of Clause 2.2, when any change in law or regulation significantly alters the Capacity recognized by the CDEC-SIC (or its successor entity) to the PHAM and, consequently, the balance of the Parties’ obligations as originally agreed, so that such balance may be restored through a modification of the aforementioned numeral (i).

The arbitral decision shall have retroactive effect from the date on which the legal or regulatory change occurred.

5.5 Compensation for Damages

Without prejudice to the fines and interest set forth in sub-paragraph f.1) of Clause 2.1 and in sub-paragraph g) of Clause 2.2 of this Agreement, any breach by either Party of its obligations under this Agreement shall not give rise to any type of compensation other than that resulting from the application of the provision contained in Article 1558 of the Civil Code.

In any case, neither Party shall be liable to the other for any damages other than the direct damages (daño emergente) expressly provided for herein. Consequently, neither Party shall be liable to the other for moral damages, loss of profit, loss of earnings, consequential damages, or any other indirect damages.

In any case, both Parties shall have the right to invoke the exception of non-performance (excpetio non adimpleti contractus) pursuant to Article 1552 of the Civil Code.

6. REPRESENTATIONS AND GUARANTEES

6.1 AA represents and guarantees that:

- (i) It is a corporation (sociedad anónima) duly incorporated and validly existing under the laws of Chile.
- (ii) It has full corporate power and authority to enter into this Agreement and to perform its obligations hereunder, all of which shall constitute valid, binding, and enforceable obligations against it in accordance with their terms, without prejudice to the possibility that the competent authority may in the future adopt a different interpretation thereof; and
- (iii) The execution and performance of its obligations under this Agreement do not and will not violate any law to which it or its corporate constitutive documents are subject, nor any other agreement to which it is a party.

6.2 GENER represents and guarantees that:

- (i) It is a corporation (sociedad anónima) duly incorporated and validly existing under the laws of Chile.
- (ii) It has full corporate power and authority to enter into this Agreement and to perform its obligations hereunder, all of which constitute valid, binding, and enforceable obligations

against it in accordance with their terms.

- (iii) The execution and performance of its obligations under this Agreement do not and will not violate any law to which it or its corporate constitutive documents are subject, nor any other agreement to which it is a party; and
- (iv) It shall, in due course, have obtained all necessary governmental or other consents, approvals, and authorizations required to perform its obligations under this Agreement.

6.3 AA and GENER represent and guarantee that:

Each Party shall be responsible for the proper execution of its respective projects and shall release and hold the other harmless from any environmental or labor liability.

Both Parties undertake to act responsibly in following the guidelines relating to risk prevention and the protection of nature and the natural environment, in accordance with the legal and administrative regulations applicable to such matters and shall hold the other Party harmless from any liability thereunder.

Whenever it is necessary to prepare an Environmental Impact Study or Statement in accordance with the Environmental Framework Law or to obtain any authorization from the public agencies that regulate these matters, this shall be the exclusive responsibility of the Party developing the project, which shall comply with all corresponding sanitation and environmental requirements.

All labor liability (legal or contractual), social security, civil or criminal liability with respect to its own personnel, for any occupational accident whatsoever, shall be the exclusive responsibility, charge, and cost of the Party owning the project concerned, which shall hold the other Party harmless from any liability in this regard.

7. INFORMATION AND CONFIDENTIALITY

7.1 Any written, verbal, or electronic information that one Party has obtained from the other under this Agreement and wishes to disclose hereunder (collectively, the "Information") shall be treated as confidential for five (5) years after the termination of this Agreement. Except as expressly provided herein, no Party receiving Information under this Agreement (a "Receiving Party") may disclose such Information, in whole or in part, to any Person without the prior written consent of the Party providing it under the terms of this Agreement (the "Disclosing Party").

7.2 No Receiving Party shall be required to obtain the Disclosing Party's prior consent to disclose Information that:

- (i) At the time of its disclosure hereunder or thereafter, is publicly available for reasons other than a breach of this Agreement.
- (ii) Was already known by the Receiving Party at the time it was received or obtained from the Disclosing Party, or was later independently developed by the Receiving Party; or
- (iii) Was lawfully obtained by the Receiving Party thereafter from a Person not party to this Agreement and under no obligation of confidentiality.

7.3 No Receiving Party shall be required to obtain the Disclosing Party's prior consent to disclose Information:

- (i) To its directors, officers, and employees.
- (ii) To the PHAM Financiers.
- (iii) As required or requested to be disclosed in any legal, administrative, judicial, or other mandatory legal process for the Receiving Party; or
- (iv) As required to be disclosed under the applicable regulations of any stock exchange on which the Receiving Party's shares or those of its related entities are traded.

Provided that, where possible prior to such disclosure, the Receiving Party shall consult with the Disclosing Party and deliver to it a copy of the draft information to be disclosed and the reasons for its disclosure, and in the cases of items (i) and (ii) above, shall require such Persons to undertake in writing to maintain the confidentiality of such information, and shall further use reasonable efforts to guarantee compliance with such undertaking.

8. AMENDMENT AND WAIVER

This Agreement may only be amended by a written instrument expressly referring to this Agreement and executed by duly authorized representatives of both Parties. Minutes of meetings shall not constitute a written agreement for the purpose of amending this Agreement. A waiver by either Party of the exercise of any right it may have under this

Agreement, or of requiring the performance of any obligation hereunder, shall be valid and effective only if made in writing, refers specifically to or is expressly contemplated in this Agreement, and is signed by a duly authorized representative of the waiving Party. Such waiver shall not constitute a waiver of the exercise of such right or of requiring the performance of such obligation on any other occasion, unless expressly so stated.

9. SEVERABILITY

Should any provision of this Agreement —except those expressly declared essential by the Parties— be found illegal, unenforceable, or contrary to law or public policy, such circumstance shall not affect the validity of the remaining provisions hereof.

10. GOVERNING LAW AND COMPLIANCE WITH CERTAIN LAWS

This Agreement shall be governed by and construed exclusively in accordance with the laws of the Republic of Chile.

The Parties undertake to comply with all applicable laws in Chile relating to corruption, money laundering, and terrorism.

11. ARBITRATION

- a) Any controversy, claim, or dispute arising directly or indirectly out of or relating to this Agreement, including without limitation the interpretation of any provision hereof or any breach, termination, or invalidity thereof (a “Dispute”), that cannot be resolved by the Parties shall be exclusively and finally settled by arbitration in accordance with the Procedural Rules of Arbitration of the Arbitration and Mediation Center of the Santiago Chamber of Commerce A.G. (the “Arbitration Center”). It is understood and agreed that any Dispute may be submitted to arbitration regardless of its scope, the amount in dispute, or whether such Dispute might otherwise be subject to the jurisdiction of an ordinary court.
- b) The arbitration shall be conducted in Spanish.
- c) Subject to paragraph (i) below, if the matter submitted to arbitration is a claim for the payment of one or more liquid sums of money (excluding interest on the claimed principal amounts) that together do not exceed ten (10) million United States dollars or their equivalent in other currencies, the tribunal shall consist of a single arbitrator. The arbitrator shall be appointed by mutual agreement of the Parties. If no agreement is reached, the arbitrator shall be appointed upon written request by either Party by the Santiago Chamber of Commerce

A.G., to which the Parties hereby grant an irrevocable and special power for this purpose, from among the list of arbitrators of the Arbitration and Mediation Center.

d) If paragraph (c) above does not apply, the arbitral tribunal shall consist of three (3) arbitrators, each of whom must be a lawyer qualified to practice in Santiago de Chile and who is or has been a professor of civil or commercial law at the law school of either the Pontificia Universidad Católica de Chile or the Universidad de Chile. The arbitrators shall be appointed as follows:

d.1) Each Party to the arbitration shall appoint one arbitrator, who must be independent of the appointing Party. If a Party fails to appoint an arbitrator who accepts the appointment within forty-five (45) days after receiving written notice from the other Party requesting such appointment, the Arbitration Center shall make the appointment on behalf of the defaulting Party, to which the Parties hereby grant an irrevocable and special power for this purpose, from among the list of arbitrators of the Arbitration Center; and

d.2) The two (2) arbitrators so appointed shall appoint the third arbitrator, who shall be independent of both Parties and shall chair the arbitral tribunal. If the two (2) arbitrators appointed by the Parties fail to agree on the chair within thirty (30) days after the appointment of the second arbitrator, then the Arbitration Center, upon request by either Party, shall appoint the chair from among the names on the list of arbitrators of the Center, each Party being entitled to veto up to two (2) of the proposed nominees.

e) The arbitration shall take place in Santiago. The appointed arbitrators shall act as mixed arbitrators in accordance with the last paragraph of Article 223 of the Organic Code of Courts of Chile, and their decisions shall not be subject to appeal. The fact that either Party requests the Chamber to appoint an arbitrator shall constitute sufficient evidence of the Parties' failure to agree on such appointment.

f) The arbitral award may be enforced against the Parties to the arbitration or their assets wherever located, and the award may be enforced before any competent court. The Parties acknowledge that, prior to the constitution of the arbitral tribunal under this clause, the ordinary courts of justice in Chile shall have jurisdiction to grant prejudicial or precautionary measures requested by the Parties. The arbitral tribunal shall thereafter confirm such measure once the claim is filed, in accordance with Article 280 of the Code of Civil Procedure. After the constitution of the arbitral tribunal, any precautionary measure shall be requested exclusively before the tribunal.

g) At any oral hearing for the taking of evidence related to the arbitration, each Party or its legal counsel may examine its own witnesses and cross-examine the other Party's witnesses. No witness shall submit written evidence unless the opposing Party has the opportunity to cross-examine such witness, unless the Parties agree otherwise in writing or in extraordinary

circumstances where the arbitrators determine that the interests of justice require a different procedure.

- h) Either Party may request the arbitral tribunal to consolidate, and upon such request the arbitral tribunal shall consolidate, this arbitration with any other arbitration arising from or relating to this Agreement.
- i) Nothing in this Clause 11 shall prevent either Party from initiating proceedings before the ordinary courts of justice in Chile to claim the payment of a sum of money

12. NOTICES.

12.1 All notices under this Agreement shall be given in writing to the addresses and e-mail or fax numbers that the Parties may specify from time to time by notice. Unless the recipient provides a different address, notices shall be delivered to the following addresses:

AGUAS ANDINAS S.A.

Avenida Presidente Balmaceda No. 1398 - Santiago, Chile

Fax: (56 2) 569 2034

E-Mail: flarrain@aguasandinas.cl

Attention: General Manager

AES GENER S.A.

Mariano Sánchez Fontecilla No. 310, Oficina 301, Las Condes - Santiago, Chile

Teléfono-Fax: (56 2) 686 8900

E-Mail: felipe.ceron@aes.com

Attention: General Manager

12.2 It shall be deemed that a notice has been duly delivered and received as follows:

- (i) if delivered by hand or by registered delivery, at the time of delivery to the address indicated for notices; or
- (ii) if sent by fax, e-mail, or first-class mail, at the time of receipt.

12.3 Any notice delivered by e-mail or transmitted by fax (other than routine notices and communications), unless its receipt has already been acknowledged in writing, shall subsequently be confirmed by certified letter or by hand delivery, without prejudice to the validity of the original notice if it has been duly received.

13. ENTIRE AGREEMENT.

This Agreement, together with its Annexes, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior agreement, contract, representation, or understanding, whether oral or written, made prior to or at the time of the execution of this Agreement.

IN WITNESS WHEREOF, the Parties have caused their duly authorized officers to execute this Agreement on this 6th day of June, 2011, in two counterparts of equal tenor and date.

POWERS OF ATTORNEY.

The power of attorney of the representative of **AGUAS ANDINAS S.A.** is evidenced by public deeds dated May 31, 2011, both granted before the Notary Public of Santiago, Mr. Iván Torrealba Acevedo.

The power of attorney of the representative of **AES GENER S.A.** is evidenced by a public deed dated April 7, 2011, granted before the Notary Public of Santiago, Mr. Osvaldo Pereira González.

Vicente Javier Giorgio
AES Gener S.A.

Felipe Larraín Aspillaga
Aguas Andinas S.A.