

Company Number 5083946

**THE COMPANIES ACTS 2006**  
**PUBLIC LIMITED COMPANY**

TUESDAY



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26/06/2012  
COMPANIES HOUSE

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**RESOLUTIONS OF ANDES ENERGIA PLC ("Company")**

At the general meeting of the Company duly convened and held on 25 June 2012 at 11 00 a m at the offices of Nabarro LLP, Lacon House, Theobald's Road, London WC1X 8RW, the following resolutions were duly passed

**SPECIAL RESOLUTION**

1 THAT with effect from the Capital Reorganisation Record Time

(a) each existing ordinary shares of 10 pence each in the capital of the Company be consolidated into 0 674 new ordinary shares of 14 8367952522255 pence each (the "**New Consolidated Andes Shares**") provided that where such consolidation results in any entitlement to fractions of New Andes Shares, such fractions shall be dealt with by the Directors as they see fit pursuant to the powers under article 45 of the articles of association of the Company,

(b) all of the New Consolidated Andes Shares created by sub-paragraph (a) of this resolution be subdivided into one ordinary share of 10 pence each (the "**New Andes Share**") and one deferred share of 4 83679525222552 pence each (the "**A Deferred Share**"), such A Deferred Shares having the rights and being subject to the restrictions as set out below

- (i) the holders of A Deferred Shares shall have no right to receive any dividend or other distribution whether of capital or income,
- (ii) the holders of A Deferred Shares shall have no right to receive notice of or to attend or vote at any general meeting of the Company,
- (iii) the holders of A Deferred Shares shall on a return of capital in a liquidation, but not otherwise, be entitled to receive the nominal amount of each such share but only after the holder of each New Andes Share shall have received the amount paid up or credited as paid up on such a share and the sum of £10,000,000 in respect of each New Andes Share held by them respectively, and the holders of A Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company,
- (iv) a reduction by the Company of the capital paid up or credited as paid up on the A Deferred Shares and the cancellation of such shares will be treated as being in accordance with the rights attaching to the A Deferred Shares and will not involve a variation of such rights for any purpose. The Company will be authorised at any time without obtaining the consent of the holders of A Deferred Shares to reduce its capital (in accordance with the Act), and
- (v) the Company shall have irrevocable authority at any time after the creation or issue of the A Deferred Shares to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same without making any payment to the holders thereof to such person or persons as the Company may determine and, in accordance with the provisions of the Act, to purchase or cancel such shares without making any payment to or obtaining the sanction of the holders thereof and pending such a transfer and/or purchase and/or cancellation to retain the certificates, if any, in respect thereof, provided also that the Company may in accordance with the provisions of the Act purchase all but not some only of the A Deferred Shares then in issue at a price not exceeding one penny for all the A Deferred Shares, and

(c) the rights and restrictions attaching to the New Andes Shares resulting from the consolidation and sub-division pursuant to sub-paragraphs (a) and (b) of this resolution shall be the same in all

respects as those attached to the ordinary shares as set out in the articles of association of the Company existing as at the time of this resolution

#### ORDINARY RESOLUTION

2 THAT at the Capital Reorganisation Record Time

- (a) £33,097,778 of the amount standing to the credit of the merger reserve shall be capitalised and applied in paying up in full at par such number of new deferred shares as equals the number of New Andes Shares in existence on the date of issue of such deferred shares (the "B Deferred Shares") (of a nominal value equal to the sum that is obtained by dividing the number of B Deferred Shares to be issued as set out above into £33,097,778) as shall be required to effect such capitalisation,
- (b) the Directors be and they are hereby authorised for the purposes of section 551 of the Act to allot and issue all the B Deferred Shares thereby created to such members of the Company (including those Directors who are also members of the Company) as they shall in their absolute discretion determine upon terms that they are paid up in full by such capitalisation, and such authority shall for the purposes of section 551 of the Act expire on 25 June 2013,
- (c) the B Deferred Shares created and issued pursuant to sub-paragraphs (a) and (b) of this resolution shall have the following rights and restrictions
  - (i) the holders of B Deferred Shares shall have no right to receive any dividend or other distribution whether of capital or income,
  - (ii) the holders of B Deferred Shares shall have no right to receive notice of or to attend or vote at any general meeting of the Company,
  - (iii) the holders of B Deferred Shares shall on a return of capital in a liquidation, but not otherwise, be entitled to receive the nominal amount of each such share but only after the holder of each New Andes Share shall have received the amount paid up or credited as paid up on such a share and the sum of £10,000,000 in respect of each New Andes Share held by them respectively, and the holders of B Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company,
  - (iv) a reduction by the Company of the capital paid up or credited as paid up on the B Deferred Shares and the cancellation of such shares will be treated as being in accordance with the rights attaching to the B Deferred Shares and will not involve a variation of such rights for any purpose. The Company will be authorised at any time without obtaining the consent of the holders of B Deferred Shares to reduce its capital (in accordance with the Act), and
  - (v) the Company shall have irrevocable authority at any time after the creation or issue of the B Deferred Shares to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same without making any payment to the holders thereof to such person or persons as the Company may determine and, in accordance with the provisions of the Act, to purchase or cancel such shares without making any payment to or obtaining the sanction of the holders thereof and pending such a transfer and/or purchase and/or cancellation to retain the certificates, if any, in respect thereof, provided also that the Company may in accordance with the provisions of the Act purchase all but not some only of the B Deferred Shares then in issue at a price not exceeding one penny for all the B Deferred Shares

#### SPECIAL RESOLUTIONS

3 THAT the A Deferred Shares created and issued pursuant to resolution 1 above, the B Deferred Shares created and issued pursuant to resolution 2 above and £23,868,755 of the share premium account of the Company be cancelled and

- (a) part thereof be repaid, which repayment will be satisfied by the Company transferring, or procuring the transfer of, the Electricity Business to Andina in consideration for

- (i) the allotment and issue by Andina to the holders of the Issued New Andes Shares of one ordinary share of 10 pence in the capital of Andina ("Andina Shares") credited as fully paid for every 2 067484663 Issued New Andes Share held by them,
  - (ii) Andina assuming the obligations of the Company under the Tripartite Agreement,
  - (iii) Andina either (A) assuming the obligations of the Company under the SAED Loan Agreement pursuant to the Deed of Novation in the event that SAED consents to such assumption, or (B) entering into the Back-to-Back Loan Agreement in the event that SAED does not grant such consent, in each case before the Effective Date, and
  - (iv) Andina undertaking to issue such number of Andina Warrants to the Warrantholders as equals the Relevant Proportion on the same terms as the Andes Warrants as soon as reasonably practicable after the Effective Date, and
- (b) the balance (if any) thereof be retained by the Company and transferred to the reserves of the Company to be available for future distributions by the Company from time to time or applied by the Company from time to time toward any other purpose to which such reserves may be applied
- 4 THAT the Directors (or a duly authorised committee of the Directors) be authorised to carry the Demerger into effect and in connection therewith
- (a) the Transaction Agreements (copies of which have been produced to the meeting and, for the purposes of identification, initialled by the Chairman) be approved, and the Directors (or any duly authorised committee of the Directors) be authorised to carry the same into effect and to make such non-material amendments to the Transaction Agreements or any documents relating thereto as they shall deem necessary or appropriate, and
  - (b) the Directors (or any duly authorised committee of the Directors) be and are authorised to do or procure to be done all such acts and things on behalf of the Company and any of its subsidiaries as they may, in their absolute discretion, consider necessary or expedient for the purposes of giving effect to the Demerger

For the purposes of resolutions numbered 1 to 4 (inclusive) above

"A Deferred Share" has the meaning ascribed to it in resolution numbered 1 above,

"Act" means the Companies Act 2006,

"Adjustment Date" means the date on which the rights attaching to the Andes Warrants are adjusted following the Capital Reorganisation,

"Andes Warrants" the warrants to subscribe for Andes Shares at 54 pence per share, as constituted by the Warrant Instruments,

"Andina" means Andina plc (a company incorporated in England and Wales with registration number 8095058),

"Andina Shares" has the meaning ascribed to it in resolution 3 above,

"Andina Warrants" means the proposed warrants to subscribe for Andina Shares,

"B Deferred Shares" has the meaning ascribed to it in resolution 2 above,

"Back-to-Back Loan Agreement" means the back-to-back loan agreement to be entered into the Company and Andina in the event that SAED does not consent to the novation of the SAED Loan Agreement from the Company to Andina, as more particularly described in paragraph 3 1(c) of Part IV of the Circular,

"Capital Reorganisation" means the proposed consolidation and sub-division to create the New Andes Shares and A Deferred Shares, as set out in resolution 1 above,

"Capital Reorganisation Record Time" means 5 00 p m on 10 July 2012,

"Circular" means the circular issued by the Company to its shareholders on 9 June 2012,

**"Court Order"** means the order of the High Court of Justice in England and Wales confirming the cancellation of the share premium account of the Company and the B Deferred Shares,

**"Deed of Novation"** means the deed of novation to be entered into between the Company, SAED and Andina, as more particularly described in paragraph 3 1(e) of Part IV of the Circular

**"Demerger"** means the demerger of the Electricity Business from the Company to be implemented pursuant to a reduction of capital under section 641 of the Companies Act 2006,

**"Demerger Agreement"** means the demerger agreement between the Company and Andina dated 9 June 2012 as more particularly described in paragraph 3 1(a) of Part IV of the Circular,

**"Directors"** means the directors of the Company,

**"Effective Date"** means the date on which the cancellation of the share premium account of the Company and the Deferred Shares become effective by registration by the Registrar of Companies in England and Wales of the Court Order and the related statement of capital,

**"Electricity Business"** means the division of the Company comprising the companies owning the electricity business of the Group, being Andes Electricidad S A and its subsidiary undertakings,

**"Group"** means the Company and its subsidiary undertakings prior to the Demerger,

**"Issued New Andes Shares"** means New Andes Shares in issue as at 6 00 p m (London time) on 10 July 2012 if the Effective Date is on 12 July 2012 or, if the Effective Date is on a later date, as at 6 00 p m (London time) on the first Friday after the Effective Date,

**"New Consolidated Andes Shares"** has the meaning ascribed to it in resolution 1 above,

**"New Andes Share"** has the meaning ascribed to it in resolution 1 above,

**"Relevant Proportion"** the number of Andes Warrants held by the relevant Warrantholder immediately prior to Adjustment Date less the number of Andes Warrants held by the relevant Warrantholder immediately after the Adjustment Date,

**"SAED"** means South American Development LLC,

**"SAED Loan Agreement"** means the loan agreement between the Company and SAED dated 30 March 2009,

**"Transaction Agreements"** means the Demerger Agreement, the Transitional Services Agreement the Back-to-Back Loan Agreement, the Deed of Novation and the Tripartite Agreement,

**"Transitional Services Agreement"** means the transitional services agreement between the Company and Andina dated 9 June 2012, as more particularly described in paragraph 3 1(b) of Part IV of the Circular,

**"Tripartite Agreement"** means the deed of novation between the Company, Andes Electricidad S A and Andes Energia Argentina S A dated 9 June 2012, as more particularly described in paragraph 3 1(f) of Part IV of the Circular, and

**"Warrant Instruments"** the warrant instruments of the Company entered into on 9 July 2004 and 7 September 2007

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CHAIRMAN