

**PREVENTION MODEL FOR BRIBERY, MONEY
LAUNDERING, TERRORISM FINANCING AND RECEPTION**

LAW 20.393



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I. Introduction

This model for preventing the crimes of bribery, money laundering, financing terrorism and money reception has been established under the provisions of Law 20.393, and seeks to implement a method of corporate structure that prevents the commission of these and other crimes by members of the company.

In the case of Inversiones Aguas Metropolitanas S.A., the model takes into consideration the organizational commitment to avoid committing crimes, regardless of whether they benefit the company, to ensure that in the event one or more employees commit some of these crimes, they do so not only in contradiction of the corporate culture but also in spite of efforts by the company to prevent it.

This crime prevention model describes the set of organizational, administrative and monitoring measures through which Inversiones Aguas Metropolitanas S.A. fulfills the duties of direction and supervision conducive to preventing the commission of crimes under Law No. 20.393. This model includes:

- a) The appointment of a person in charge of crime prevention, with the means and authorizations to carry out their duty;
- b) A crime prevention system in which the activities and business processes that generate or increase the risk of crimes are identified, along with protocols, rules and procedures that enable people involved in these activities to fulfill their duties in a manner that prevents the commission of crimes; and management and auditing procedures of the company's financial resources regarding the latter; and
- c) Elements of monitoring of the prevention system to ensure the model's effective implementation, as well as supervision to detect and correct its faults.

This document will refer to the company interchangeably as Inversiones Aguas Metropolitanas S.A. or simply "IAM."

II. Explanation of crimes covered by Law 20.393 establishing criminal liability for legal persons.....

A. Introduction

Law No. 20.393 has established a limited list of crimes that can generate corporate criminal liability. They are bribery, money laundering, financing terrorism and money reception. We will next allocate a section to explain the fundamental characteristics of these crimes, in order to guide the behavior of owners, controllers, managers, senior executives, representatives, those engaged in administration and supervision, and in general those who are under the direction or supervision of the aforementioned, in Inversiones Aguas Metropolitanas S.A. in this area, all of whom will be referred to in this section and elsewhere in the document as "employees."

B. Bribery

i. Bribery of national public officials

Article 250. He who offers or agrees to give a public employee an economic benefit, to their benefit or to a third party, to perform actions or incur omissions mentioned in Articles 248, 248(a) and 249, or for having already performed or incurred them, shall be liable for the same penalties of fines and disqualifications set forth in those provisions.

In the case of the benefit offered in connection with the acts or omissions of Article 248, the briber will be also punished with the penalty of minor imprisonment in its minimum degree.

In the case of benefits consented to or offered in connection with the acts or omissions referred to in Article 248(a), the briber will be further punished by minor imprisonment in the medium degree, in the case of benefit offered, or minor imprisonment in its minimum degree, in the case of consenting to the benefit.

In the case of benefits consented to or offered in connection with crimes or misdemeanors listed in Article 249, the briber will be further punished by minor imprisonment in the medium degree, in the case of benefit offered, or imprisonment in their minimal medium grade, in the case of benefit consented to. In these cases, if the briber could receive a penalty that is higher than the crime or misdemeanor in question, they will be charged with the latter.

Under the cited provision, for this crime to occur the involvement of a public official is required, either by requesting, receiving or agreeing to receive improper financial gain. Article 260 of the Criminal Code establishes who are considered public officials for this purpose:

Article 260. For the purposes of this Title and for paragraph IV of Title III, an employee is deemed to be all those who perform a public office or function, whether in the Central Administration or in semipublic institutions or companies, municipalities, autonomous agencies or organizations established by the State or dependent on it, whether or not they were appointed by the Head of the Republic or receive public salaries. This qualification is not altered if the position was gained through popular election

The scope of the definition of Article 260 is quite wide; as a result, care must be taken when analyzing risk areas concerning the crime of bribery. The centerpiece of the legal definition is the performance of a *public office or function*.

It has been understood as a first approximation that we are considering a person who holds a "public office" when they have been vested with an appointment or received remuneration provided by the state. Therefore, there are no major difficulties in identifying risk areas when there is a relationship with public officials who formally hold public office (ministers, parliamentarians, police officers, inspectors, judges, etc.), or in the case of laws that directly assign such a status, such as in Law N° 20.393 which states that individuals involved in certification activities fulfill a public function according to the terms of Article 260 of the Criminal Code. The same is not true for the term "public

function," which creates numerous problems, incorporating the concept of a public official into countless positions not covered by the strict regulation of the Administrative Code. For this reason, in case of doubt the criteria to be used is to presume a person is a public official and utilize the preventive measures contained in this model accordingly.

Concerning the aforementioned, the identification of risk areas for committing the crime of bribery cannot come from a superfluous analysis, since it is possible that an employee of the company is engaging with a public official without it being obvious, especially if one considers that the public official does not necessarily receive remuneration (they can play an honorary function) or may not belong to the central government (such as the Real Estate Registry, the Notaries, the company Correos de Chile, CODELCO and ENAP).

Furthermore, although the crime of bribery will result in sanctions against anyone who provides or agrees to provide a public official an economic benefit, it is not necessary that it benefit the public official himself, but could instead seek to benefit a third party. Additionally, just the mere offer counts, meaning it is not necessary that a benefit has been paid, nor even accepted or received (from the perspective that concerns us here, commission of the crime occurs merely by offering to give an economic benefit).

The economic benefit is offered, asked, or agreed to in exchange for the public official performing certain actions or incurring omissions, but it is possible to accept, ask or receive the benefit before or after performing such acts or omissions.

For the purposes of this crime, economic benefit is understood as any remuneration received by the public official that increases their equity or prevents its decline, be it in cash, assets, or any other item of monetary value (discounts, additional credit benefits, scholarships, etc.)

The acts and omissions expected of the official are set out in Articles 248, 248(a) and 249 of the Criminal Code, under which an offer or solicitation of an economic benefit can have any of the following goals:

1) To solicit or agree to receive, on the part of the official, or to offer or agree to deliver more than what they are allowed to receive by virtue of their office. This is the case of certain public officials who are authorized to charge certain pre-established sums of money for services provided to the public, but who cannot receive more than has been legally established. The crime of bribery occurs if the official directly asks for more than what is established (in which case the crime is committed by the official), or if someone offers it to them.

For example, for a failure to meet the obligation to issue financial statements to the Securities and Insurance Superintendency, the respective agency is authorized to pursue a fine or penalty proceedings. Therefore, if an amount is paid or offered that is more than what corresponds to remedy the omission, the crime of bribery has occurred.

2) To solicit or accept to receive, or offer or agree to deliver, an economic benefit to the official, for themselves or a third party, to carry out an act within the duties of the agency, but one that is not part of their own duties.

For example, if a payment is made to an official other than the one who is entitled to receive it in order to rush an application.

3) To solicit or accept to receive, or offer or agree to deliver, an economic benefit to the officer to avoid or to stop doing something that is required by virtue of their position or function.

For example, an official is offered an economic benefit to not engage in a determined inspection.

4) To solicit or accept to receive, or offer or agree to deliver, an economic benefit to the official for performing or having performed an act that violates or is contrary to the duties of their office. The violation may also consist of exerting influence over another public officer so that the latter performs an act benefitting a third party.

For example, an official of a municipality is offered an economic benefit to grant time off the process of rebating investments of Aguas Andinas and as a result pays a lower fee to the Treasury.

5) To solicit or accept to receive, or offer or agree to deliver, an economic benefit to the officer to commit crimes or misdemeanors of an official character in the performance of their duties, or crimes infringing a person's rights guaranteed by the Constitution. An example of the former is a payment to a judge to hand down a ruling that goes against the law in a criminal case. An example of the second type is giving an economic advantage to a public official to detain a person without legal grounds.

i. Bribery of foreign public officials

Article 251(a) - A person who offers, promotes or gives a foreign public official, a financial or other benefit, in their favor or of a third party, to perform an action or incur an omission with a view to obtaining or maintaining, for themselves or another, any illicit business or advantage in the scope of any international transactions, shall be punished with the penalty of minor imprisonment in its medium to maximum degree, plus with a fine and disqualification set forth in subsection Article 248(a). If the benefit is noneconomic, the fine shall be between one hundred to one thousand UTMs. The same sanctions will be applied to a person who offers, promotes or gives an allusion of benefit to a foreign public official for performing or having committed the referenced acts or omissions.

Whomsoever, in the same situations as those described in the preceding paragraph, consents to give the said benefit, shall be punished by minor imprisonment in its minimum to medium degree, in addition to the same fines and disqualification indicated.

These are broadly the same requirements previously discussed for bribery, except that in this case the public official must serve another country or an international organization and the promised profit can be of a noneconomic nature.

For example, the crime is committed if, under an international tender sponsored by a foreign government or an international organization, money is offered to an official or agency of that country in exchange for awarding the bid to one of the bidders.

The crime of bribery of foreign public officials is judged by the Chilean justice even when it is committed outside the country. This is provided for in Article 6 Nº2 of the Organic Code of Courts, provided the crime is committed by a Chilean or by a foreigner with regular residency in Chile. In both cases, criminal liability could be triggered for the legal entity for which the person works.

The same is not true if an individual commits the crime abroad and is not Chilean or a regular resident, in which case the crime must be brought before the foreign courts.

C. Money Laundering

Article 27 of Law N° 19,913: The punishment of maximum imprisonment in the minimum to medium degrees and a fine of between two hundred and one thousand UTM's shall be applied to the following:

a) To the person who in any way conceals or disguises the illicit origin of certain assets, knowing that they come directly or indirectly from the commission of acts constituting one of the crimes under Law N° 20,000, which punishes the smuggling of psychotropic and narcotic substances; under Law N° 18,314, which defines acts of terrorism and establishes penalties; in Article 10 of Law N° 17,798, on arms control; in Title XI of Law N° 18,045, on the stock market; on Title XVII of the decree with force of law N° 3 of the Ministry of Finance, 1997, under the General Banking Law; in Article 168 in conjunction with Article 178, N° 1, both from the decree with force of law N° 30 of the Ministry of Finance, 2005, approving the consolidated, coordinated and systematized text of the decree with force of Law N° 213 of the Ministry of Finance of 1953 on the Customs Ordinance; in the second paragraph of Article 81 of Law N° 17,336 on intellectual property; in Articles 59 and 64 of Law N° 18,840, from the Central Bank Act; in paragraph three of number 4º of Article 97 of the Tax Code; in paragraphs 4, 5, 6, 9 and 9(a) of Title V and paragraph 10 of Title VI, both from Book II of the Criminal Code: in Articles 141, 142, 366d, 367, 374(a), 411(a), 411(b), 411(c), 411(d), and Articles 468 and 470, N° 8, concerning

the final paragraph of Article 467 of the Criminal Code; or, knowing of the origin of the assets, conceals or disguises them.

b) To the person who acquires, possesses, keeps or uses such assets for profit, where they were aware of the illicit origin at the moment of receiving them.

The same penalty shall be applied to the conduct described in this article if the assets come from an act committed abroad which is punishable in the place it was committed and which in Chile constitutes one of the crimes listed in letter a) above.

For the purposes of this article, assets are understood to mean any class of objects with monetary value, body or incorporeal, movable or immovable, tangible or intangible, as well as legal documents or instruments evidencing ownership of the assets or other rights over them.

If the author of any of the acts described in letters a) or b) does not know the origin of the assets due to inexcusable negligence, the punishment of imprisonment corresponding to the first or last paragraph of this Article shall be reduced by two grades.

The fact that the origin of the aforementioned assets is a common and unlawful act mentioned in letter a) of the first paragraph shall not require a prior conviction, and can be proved following the same procedure used to prosecute the crimes under this article.

If the person participated as the author or accomplice of the act which provided such assets, they shall, in addition to the sanctions contemplated in this article, be punished additional for the originating actions.

In any case, the punishment of imprisonment applicable for cases of letters a) and b) shall not exceed the greater punishment which the law assigns to the author of the crime or misdemeanors through which the assets contemplated in this Article arose, without prejudice to the fines and additional penalties that may apply in accordance with the law.

The crime of money laundering is established in Article 27 of Law 19,913. To be established, it is required that the funds that are hidden, concealed or maintained come from certain illicit activities listed in the same Article, and that therefore are known as "underlying crimes." Thus, it can be said that money laundering involves concealing or disguising the illicit origin of the assets, for an offense to arise out of these underlying crimes, or keeping such illegal assets in control of the author.

In our legal system, the following are crimes that give rise to money laundering:

- i. Those established by Law N° 20,000, which sanctions the illicit trade of narcotics.
- ii. Those which constitute acts of terrorism, described in Law N° 18,314.
- iii. Parts of Law N° 17,798, concerning arms control:
 - a. Those who manufacture, arm, process, import, bringing into the country, export, domestically transport, store, distribute, or establish conventions without the authorization prescribed by the law on regulated firearms.
 - b. Those who build, use, package or own the facilities used in the construction, assembly, testing, storage or housing of firearms without the authorization required by law.
- iv. The crimes established in the General Banking Law, several of which apply only to banking and financial personnel, except for Article 160 which punishes those who obtain credits from credit institutions by providing or giving false or maliciously incomplete information about their identity, activities or financial or equity situation, causing damage to the institution.
- v. The crime of smuggling, of Article 168 in Conjunction with Article 178 N° 1, both of the Customs Ordinance, which covers those who introduce or remove from the national territory assets whose importation or exportation are prohibited, or who evades the corresponding taxes or does not pass the assets through Customs, or who brings foreign assets from a special tax regime into other areas with higher tax rates or to the rest of the country.
- vi. In the second paragraph of Article 81 of Law N° 17,336, on intellectual property, which punishes whoever seeks to profit by manufacturing, importing, bringing into the country, taking or acquiring for purposes of commercial distribution copies of works, whether performances or sound recordings, in whatever

medium, reproduced in violation of the provisions and rules on intellectual property.

- vii. Articles 59 and 64 of Law N° 18,840, of Chile's Central Banking Law, referring in general to the manufacture and circulation of false currency, and of false documents at the Central Bank.
- viii. The third paragraph of Number 4 of Article 97 of the Tax Code, concerning the malicious obtaining of tax refunds.
- ix. Crimes of corruption, embezzlement of public funds, fraud and extortion, bribery, kidnapping and abduction of minors, production and distribution of pornographic material using minors, migrant smuggling and trafficking, and fraud and subsidy scams, all set forth in the Criminal Code.
- x. The crimes of Law N° 18,045 on the Securities Market, which among other references includes the following:
 - a. The malicious delivery of false records to the Superintendency of Securities and Insurance, to a stock exchange, or to the general public;
 - b. The directors, administrators and managers of an issuer of publicly offered securities when they make maliciously false statements in the respective process of prospectus, issuance and dissemination;
 - c. Those who issue public offerings of securities without meeting the legal requirements for registration;
 - d. Those who deliberately use privileged insider information;
 - e. Those who take advantage of insider information to conduct an act with the purpose of obtaining a pecuniary benefit or avoiding a loss, whether for themselves or third parties;
 - f. Those who disclose privileged information, for the purpose of receiving a pecuniary benefit or avoiding a loss, whether for themselves or third parties;
 - g. Those who disseminate false or misleading information with the purpose of manipulating the market;
 - h. The trading of securities with the purpose of artificially stabilizing, fixing or causing prices to fluctuate; and
 - i. Make false contributions or transactions

To provide examples, the following situations constitute violations of the law on securities markets, which could eventually constitute the crime of money laundering:

- A publicly-held company signs a memorandum of agreement for the exclusive distribution of a new industrial input for a major industrial company, information that is disseminated through the press. However, when the memorandum is rescinded by unilateral decision by the prospective client, and before such information was disclosed to the market, the CEO and shareholder sold a major stake in the company, by which they avoided losses produced by a drastic drop in share value once the news became public.
- A few directors of a publicly-held company purchased shares in the companies that form it, based on knowledge of the financial status of those companies, where the information was not yet in the public domain.
- A major shareholder in a publicly-held company meets with some of the controlling members of a major Bank, to inform them they should leave their positions as borrowers at the Bank and seek to acquire an additional percentage of shares that would allow them to take control of the company. The members of the controlling group inform the rest of the group, one of whom decides to increase their stake in order to consolidate their control in the Bank, before the information is disclosed to the market.
- An employee of a printing company specializing in the financial sector, who was working in the preparation of brochures and other items related to public offerings of the acquisition of shares of certain publicly-held companies, succeeded in deciphering the codes used to keep the names of the companies involved secret, and later purchased shares in the companies before they launched the public offerings and before the announcement to the market.

Under Article 27 of Law N° 19,913, the crime of money laundering is committed under the following circumstances:

1) When in any fashion an entity hides or disguises the illicit or prohibited origin of certain assets. In such case, the knowledge that the assets in some manner come from the commission of a crime as established by law, is absolutely necessary.

For example, the sale of property to a trafficker in order to provide equity in which the illicit origin of certain assets can be concealed.

2) When an entity acquires, owns, has or uses assets of an illicit origin for profit, provided they knew of its illicit origins upon receipt. For example, an arms dealer invests in securities of a company to take advantage of the income resulting from their illegal activity.

3) When an entity acquires through any of the manners described above, even though the illicit origin of the assets are unknown, if the person should have known about the process and but for a lack of required care did not do so. This deals with a person who is reckless with regards to money laundering, under which not only is the person who directly intended to conceal the illicit origin of the assets punishable, but also the person who for lack of owed care "allowed" the unlawful conduct to take place.

D. Financing of Terrorism

Article 8 Law N° 18,314: Whoever by any means, directly or indirectly, solicits, collects or provides funds for the purpose of being used in the commission of any of the terrorist crimes listed in Article 2º, shall be punishable with minor imprisonment in its minimum to medium degree, unless when while providing the funds they assume responsibility for a particular crime, in which case they will be sanctioned by this last title, without prejudice to the provisions of Article 294(a) of the Criminal Code.

Under the International Convention for the Suppression of the Financing of Terrorism, the United Nations understands the commission of a crime as anyone who "by any means,, unlawfully and willfully, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used in order to carry out:
(a) An act which constitutes an offence within the scope of and as defined in existing

agreements; or (b) Any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act."

In our country the financing of terrorism is described and punished in Article 8° of Law 18,314, for those who in any form solicit, collect or provide funds with the purpose of them being used to commit terrorist crimes established under the law.

The following qualify as terrorist crimes when they are used to intimidate a population or achieve a decision by the government:

- i. Aggravated murder, mutilation, assault resulting in life-threatening or severely life-threatening injuries, kidnapping, child abduction, the sending of explosive letters or parcels, fires and other damage to property, crimes against public health and derailment.
- ii. To seize or attack a ship, aircraft, train, bus or other form of public transport in service, or the carrying out of acts which put in danger the lives, physical integrity or public health of passengers or crew.
- iii. To make an attempt against the life or physical integrity of a Head of State or other political, judicial, military, policy or religious authority, or of persons who are internationally protected by reason of their office.
- iv. To place, post, turn, throw, shoot or detonate bombs or explosives or incendiary devices of any kind, weapons of mass destruction, or weapons with toxic, corrosive or infectious effects.
- v. Additionally, conspiracy to commit one of the above-mentioned crimes.

The above are considered terrorism crimes if the act is committed with the aim of producing among the population, or in a portion of the population, a justified fear of becoming a victim of crimes of the same manner, whether shown by the nature and effects of the methods used, or by proof of following a premeditated plan to attack a

category or determined group of people, whether it is committed to start or inhibit government decisions or to impose official requirements.

The crimes could result for example through donations that are knowingly made to organizations or individuals who, although they appear to be for lawful purposes, actually perform or finance terrorist activities. .

E. Reception

“Article 456(a)- Those who, knowing the origin or could not at least have know it, hold in their possession, under any circumstances, stolen or robbed items or stolen livestock, whether received or misappropriated under article 470, number 1, transports, buys, sells, modifies or markets in any form, even if it has already disposed of them, will suffer the penalty of imprisonment in any of its degrees and a fine of between five and one hundred monthly tax units (UTMs).

In determining the applicable penalty, the court shall take into account, in particular, the value of the items and the seriousness of the crime through which they were obtained, if known by the perpetrator.

When the object being received is a motor vehicle or items that are part of public or household supply networks, such as electricity, gas, water, sewerage, rainwater collectors or telephone networks, the maximum grade of lesser imprisonment will be applied, and a fine of between five and twenty monthly tax units. The penal sentence for crimes of this subsection will include confiscation of the instruments, tools or means used to commit them or to modify or transport the removed items. Additionally, if such items are stored, hidden or modified in a commercial establishment and the owner or administrator has knowledge of it, the permanent closure of said establishment may be decreed, authorizing the competent authority.

The maximum degree of the penalty established in the first paragraph shall be imposed when the author has carried out the activities multiple

times or is a repeat offender of them. In cases of repetition or recidivism in the reception of objects indicated in the preceding paragraph, the prison sentence established therein shall be increased by one degree.

In the case of the crime of stealing livestock, the fine established in the first paragraph shall be between seventy-five and one hundred monthly tax units (UTMs) and the judge may order the final closure of the establishment.

If the value of that received exceeds four hundred monthly tax units (UTMs), the maximum degree of penalty will be imposed, or the maximum penalty corresponding to each case."

This crime contemplates various forms of commission: to have, to transport, to buy, to sell, to modify or to commercialize species coming from some crimes against the property. All these actions have in common the direct exploitation of the removed or appropriated items, and/or allowing or facilitating the author who carried out such crimes in taking advantage of what he obtained through his crime.

The items received are those coming from the following offenses against property:

- Theft: that which consists of appropriating, without the will of its owner and for profit, the personal property of others. Personal property is any item that can move or be transported from one place to another.
- Robbery: that which is also appropriating, without the will of the owner and for profit, of a movable personal property, but includes violence or intimidation of people or force with items.
- Theft of livestock: that which consists of theft of certain animals or parts of them.

- Misappropriation: that which consists of appropriation to the detriment of another of values that would have been received with an obligation to deliver them or to return them.

A person can only be punished for reception when he was aware that the item came from a crime. But since this can be difficult to prove, reception also occurs if a person should have known about the illicit origin of the good that he holds or acquires. This is, for example, the case for those who purchase items through informal trade that were robbed or stolen, or without a contract or tax document, or when the goods show external signals that allow suspicions about their illicit origin.

III. Risk management of Inversiones Aguas Metropolitanas S.A.

Risk management is at the heart of the crime prevention model and is the critical milestone for designing an effective compliance program. It consists of a serious diagnosis regarding the exposures of risk presented by IAM's organizational operations, according to the activity's own characteristics and the form of organization. This part of the prevention system is dedicated to identifying where the risks are located, both in the chain of operations and in the positions involved. This model has been designed from the inside out, that is to say, starting from the organization's own structure and the processes it carries out. For this reason, not only has the company's management been involved, but also in particular the personnel or operational units, since they are the ones who have made it possible to identify the risk nodes and thus have been of great help to the company in designing measures for detecting and controlling problems.

A. Risk assessment valuation definitions

The risk to which the company is exposed necessarily arises from the activities carried out by natural persons identified by the same law. In order to better determine the risks to which the company is exposed and in turn be able to grant the prevention officer a scale that allows them to rank risks when it comes to auditing application of the respective controls, it is necessary to distinguish two criteria. These are, on the one hand, the probability an event that could generate criminal responsibility for the company occurs, and the impact this would result.

I. Probability

Probability evaluates the degree to which occurrence of a particular event, in this case, the commission of a crime under Law No. 20.393 in the company's interest or profit, is rationally predictable based on certain parameters extracted from the experience.

This probability shall be measured according to the following parameters:

1. Frequency in carrying out the activity that generates the risk.

2. Availability of material resources to the exposed post: that is, what access and how much freedom to manage company resources does an collaborator exposed to risks have with which to commit crimes, and subjection to controls in the disposal of those resources.
3. Incentives to ensure conduct: refers to the existence of incentives for bonuses, commissions, promotions, recognitions, etc., for the exposed employee, to achieving results at the company, and how they could be linked to performance of the activity exposed to risk.
4. Autonomy of the exposed position: refers to the place within the company occupied by the exposed position, to the extent that it determines a greater or lesser degree of autonomy in performing their duties, either through authorizations, reviews, controls, etc.
5. The company's potential for possible wrongdoing: refers to benefits that commission of the crime could eventually mean for the company, so long as it can get its collaborators to engage in prohibited behaviors or leave them uncontrolled.
6. Exposure of the activity through which risk arises: certain activities, institutions and even people have histories more or less nourished to host crimes that could possibly result in successful criminal prosecution, so that interacting in these areas brings more exposure and therefore greater probability they might occur.

Quantifying the probability will be done according to the following scale, applied according to the preponderance in each case of the criteria just discussed:

- i. Remote: the commission of crimes could occur in a very exceptional way, due to unusual circumstances that are difficult to predict.
- ii. Unlikely: Event of committing the crime may occur at some point.
- iii. Possible: There is a moderate probability of committing the crime.
- iv. Probable: In many cases, the commission of crimes may occur.
- v. Almost certain: in most cases a crime could be committed.

II. Impact

Impact seeks to capture the intensity of the damage that a criminal cause for the crimes of Law No. 20.393 may mean for a company in case of a specific crime.

The impact of performing some of the behaviors prohibited by Law No. 20.393 is, in general, attribution of criminal responsibility for the legal person. Although this consequence in principle is unique - the decision deals with the company's culpability – it results in the application of a penalty, the final objective of the criminal process.

Law No. 20,293 provides for 4 types of main penalties in case of commission of crimes: dissolution of legal entity or cancellation of legal personhood; temporary or perpetual prohibition of agreements and contracts with State agencies; partial or total loss of tax benefits or absolute prohibition of receipt of the same for a certain period; and/or fines for tax benefits. Given their nature, these penalties do not all have the same impact on the company's operations, since they can range from payment of a fine, even in monthly installments and for different amounts, up to the complete dissolution of the legal entity.

Within the factors established in the law to determine what penalty will be applied in the specific case, several of them are not capable of being evaluated at the time of revealing the risks or managing them in the context of designing or updating the prevention model, either because they have to do with contingencies that will occur within the criminal process itself once the offense is committed (such as mitigating of criminal responsibility) or with the facts constituting the type of specific crime that was committed (such as the extent of the wrong caused).

However, some risks present certain characteristics that could eventually be incidental and predictable in advance in determining the penalty to be applied. Specifically, the factors that allow us to appreciate this impact are:

1.- The crime committed: insofar as article 15 of the law stipulates that in the case of bribery offenses for national and foreign public officials, and financing of terrorism, only penalties will be applied corresponding to simple crimes, that is:

- Temporary prohibition of signing agreements and contracts with State agencies in a minimum to medium degree, from 2 to 4 years;
- Loss of tax benefits at the minimum degree, of either half or absolute prohibition of receipt of the same, from two to three years;
- And/or fine of a minimum to medium degree (200 to 10,000 UTMs).

Meanwhile, for the crime of money laundering penalties corresponding to the crimes will be applied as follows:

- Dissolution of the legal entity or cancellation of legal personality (only in case of recidivism or repetition);
- Prohibition to sign agreements and contracts with State agencies at their maximum level in perpetuity, from 4 years and a day up to 5 years, up to a perpetual basis;
- Loss of tax benefits in their maximum degree or absolute prohibition of receipt of the same, ranging from 3 years and a day up to 5 years;
- And/or fine for fiscal benefit, in its maximum degree (10,001 up to 20,000 UTMs).

2.- The amount of money involved in the commission of the crime: this factor can be evaluated only on some occasions, since it ultimately depends on the specific crime that may occur (not known), although in general terms it is limited, due to the availability of resources involved in the activity exposed to risks.

3.- The size, nature and economic capacity of the company.

4.- The degree of subjection to and compliance with the legal and regulatory regulations and the technical rules of mandatory observance in carrying out its role or activities. In this way, risks present in the company's activities that are subject to public regulations or to special technical regulations have a greater impact than those associated with ordinary activities present in every company.

Applying these criteria according to their preponderance, risks can be quantified as follows:

- i. Insignificant: the crime can mean the lowest penalties: only fines, susceptible of being paid in segments, with appeals allowed even up to suspending the sentence.
- ii. Low: the crime can mean penalties for simple crimes in lesser degrees, that is: fines, susceptible of being paid in segments; and/or loss of tax benefits and prohibition of signing agreements and contracts with the State for up to 3 years, with appeals allowed even up to suspending the sentence.
- iii. Moderate: the crime can mean simple minimum penalties of a lesser degree, that is: fines and/or loss of tax benefits and prohibition of signing agreements and contracts with the State for up to 4 years.
- iv. High: the crime can mean penalties, that is: fines to a maximum extent, loss of tax benefits for up to 5 years and/or a ban on signing agreements and contracts with the State in perpetuity.
- v. Critical: the crime can mean the highest penalties, i.e. fines to a maximum extent, loss of tax benefits for up to 5 years, prohibition of signing agreements and contracts with the State for life, and/or dissolution of the entity in the case of repeated or repeated offenses.

B. Identifying organizational risks linked to the crime of bribery

In order for the crime of bribery to take place, it is necessary for a subject to actively offer a public official an economic benefit (active bribe) or for the subject to consent to an offer made by the public official to receive it (passive bribe).

Given the above and because the risk of bribery is presented in certain relations, the purpose of this section is to identify those direct contacts between employees of Inversiones Aguas Metropolitanas S.A. and public officials.

Risks associated with bribery, exposed charges, likelihood and impact assessment, and associated controls are included in Annex N° 1.

C. Identifying organizational risks linked to the crime of money laundering

In order to be in the presence of criminal conduct constituting money laundering, it is necessary for a subject to conceal or disguise, in any way, the illicit origin of certain assets provided the subject knows those assets come from the commission of certain basic crimes analyzed previously. However, even if the subject is not aware of the illicit origin of these assets, they may be liable for the crime of money laundering when they should have known about it and did not because of a lack of due diligence, that is, for lacking the required care.

Risks associated with money laundering, the exposed charges, the likelihood and impact assessment, and the associated controls are included in Annex N° 2.

D. Identifying organizational risks related to the financing of terrorism

The crime of financing terrorism occurs when a subject in any way solicits, collects, or provides funds for the purpose of committing certain terrorist offenses established by law.

In this sense, the risks of this crime are located in those processes where there is a more or less discretionary management of money, as well as corporate donations and sponsorships.

Risks associated with financing terrorism, the offenses, exposures, likelihood and impact assessment, and associated controls are included in Annex N° 3.

E. Identifying organizational risks related to the offense of reception

This crime is committed when an entity has, transports, buys, sells, modifies or commercializes items from certain crimes against property, knowing or should have knowing the origin of the items.

Risks associated with the offense of receiving, the charges exposed, the assessment of probability and impact, and associated controls are included in Annex N°4.

IV. Preventive measures for the crimes of bribery, money laundering, terrorist financing and reception for Inversiones Aguas Metropolitanas S.A.

A. Introduction

Having identified the operative areas of Inversiones Aguas Metropolitanas S.A., which are exposed to the risk of committing the crimes of bribery, money laundering, financing of terrorism and reception, it is necessary to establish the corresponding preventive methods.

This section on Inversiones Aguas Metropolitanas S.A.'s prevention model aims to set standards of conduct for preventing the commission of crimes covered by Law N° 20.393 on behalf of the positions exposed to the risk, which were previously identified during risk management.

B. Preventive measures for the crime of bribery

1. All email communications with public officials should be sent using the institutional email addresses of Inversiones Aguas Metropolitanas S.A. and the respective public institution. In the email it will also be necessary to copy the email address of the immediate superior of the IAM employee, who will participate in such communications.
2. Inversiones Aguas Metropolitanas S.A. should back-up in for a reasonable amount of time all emails sent to or received from the officials that occupy positions exposed to a risk of the crime of bribery.
3. In all emails between employees of IAM and public officials, the following phrase shall be added at the end: "For the application of the crime prevention model under Law N° 20.393 the employees of Inversiones Aguas Metropolitanas S.A. who interact with public officials via email shall only do so using the institutional email addresses of the company and of the institution, for which we ask that you inform of the latter." This shall be communicated to the employees of the company.
4. All in-person meetings that occur with a public official should be reported to the immediate superior of the employee of IAM who attends.

5. Unless impossible, for all meetings between an employee of IAM and any public official or officials, the employee should be accompanied by at least one other employee who works for the company. In the event they fail to do so, it shall be their obligation to inform the person in charge of the crime prevention system about the situation.
6. Whenever a public official meets at the offices or locations where IAM operates, and in order to permit oversight of compliance with any legal requirement, the employee of the company receiving them shall fill out the minutes created for the crime prevention officer, stating at a minimum: the date, public official, purpose of the visit, and employee who received them.
7. All in-person meetings of IAM employees held with public officials shall be recorded in minutes drafted by the employee and created by the crime prevention officer, stating at a minimum: the date, place, public official, other attendees, purpose of the meeting and the employee who received them.
8. Inversiones Aguas Metropolitanas S.A., should monthly check each and every one of the duties paid to public officials and the costs associated with them. This means that all those employees who must utilize procedures that involve making legal payments to public institutions shall separate out in particular those payments.
9. All officers at risk of this crime, as described in the previous chapter, must inform the crime prevention officer about the identity and position of public officials with whom they have family ties or close friendships, and to whom they could at some point be linked because of their work. The crime prevention officer shall in each case assess the feasibility of adopting methods to safeguard the company from future criminal responsibility, depending on the level of the employee's proximity and how critical the functions are that are performed by the employee of Inversiones Aguas Metropolitanas S.A. The updating of this information shall be required with a frequency determined by the crime prevention officer, without prejudice to the obligation of all employees of IAM to immediately report any event in which situations of family ties, close friendships and/or situations of a critical nature become apparent.

C. Preventive measures for the crime of money laundering

1. Compliance to an investment policy of the company's surplus cash is mandatory. The policy will make particular reference to the limitations that have been imposed on the institutions and instruments in which to invest.
2. Compliance should be made to the "Procedure for the selection and evaluation of, and feedback from, suppliers and subcontractors," in which context the selection of a supplier shall incorporate the verification of the supplier's personal or corporate background, including verification of their possible inclusion in international lists like OFAC. This verification shall be extended to the distributors of the company's products.
3. A clause shall be incorporated in contracts with suppliers, contractors and distributors that bill more than US\$10,000 monthly - and those whose business comprises the activities listed in Article 3° of Law N° 19,913¹, except in the case of adhesion contracts which are not modified by Inversiones Aguas Metropolitanas S.A., regarding Law 20.393, following the format of section IX. Regarding those suppliers with whom the company does not have contracts, this clause must be sent by mail along with a request to adhere to the clause.
4. Randomized checks shall be carried out to review the performance of suppliers and contractors on issues such as prices, terms, credit, etc. to detect unusual or suspicious situations that suggest carrying out further inquiry. This means, for

¹ Banks and financial institutions; factoring companies; financial leasing companies; securitization companies; general fund managers and companies that manage private equity funds; exchange houses and other entities that are authorized to receive foreign currency; credit card issuers and operators; transfer companies and companies which transport goods and money; stock and commodity exchanges, as well as any other exchange which in the future may be subject to the Superintendency of Securities and Insurance; stockbrokers; securities dealers; insurance companies; mutual fund managers; operators of futures and option markets; management companies and users of tax-free zones; casinos, game rooms and racetracks; the holders of permits to operate gambling stations in large merchant ships, with the ability to stay overnight, and which include among their functions the transport of passengers for tourism purposes; customs agents; auction houses; real estate brokers and companies engaged in real estate management; notaries; registries; pension fund managers; professional sports organizations governed by Law N° 20,019; savings and credit unions; representations of foreign banks and security deposit companies governed by Law N° 18,876.

example, that if a supplier begins to routinely sell at a price considerably lower in relation to the market, in exceptional conditions or with a credit offer that is out of the ordinary, Inversiones Aguas Metropolitanas S.A. will be obligated to review the relationship with the supplier and the plausibility of these conditions. If upon detecting the situation the company insists on maintaining a business relationship on the grounds that the reasons for operating in that manner are worthy of consideration and that therefore there is no risk of money laundering, the company shall make a record of this decision in a memo that the respective division will deliver to the crime prevention officer.

D. Preventive measures for the financing of terrorism

1. Compliance with the financial reporting process for petty cash expenses and funds to be settled is mandatory.
2. Compliance with the “IAM Payments Procedure” is mandatory for all disbursements and payments conducted within the company, particularly the background under which these should be issued and the managerial levels that should be involved to determine the amounts involved and the different payment methods through which they may occur.

E. Preventive measures for the offense of reception

1. Procedure for the purchase and payment of products and services

V. Procedures for administering and auditing the financial resources of Inversiones Aguas Metropolitanas S.A.

Independent of the specific measures proposed in this crime prevention model to avoid the commission of the crimes established in Law N° 20.393, Inversiones Aguas Metropolitanas S.A. must utilize management and auditing procedures to ensure optimal use and safeguarding of its financial resources.

The identification of such procedures, which is expressly required by Article 4(3)(c) of the Law, is thus complementary and consistent with the goal of preventing crimes, taking into account that, either as a direct material object or as a means for carrying them out, the company's financial resources play a central role in the active parts of the crimes of bribery, money laundering and financing of terrorism.

Inversiones Aguas Metropolitanas S.A. Is governed by the administrative procedures for financial resources as indicated below:

1. Payment procedure
2. Procedure for the purchase and payment of products and services

The company regularly audits its resources, using independent auditors that examine the accompanying consolidated financial statements of Inversiones Aguas Metropolitanas S.A., and the related consolidated statements of comprehensive earnings, changes in equity and cash flows for the year ending on the same date, as well as the corresponding notes to the consolidated financial statements.

The audit involves performing procedures to obtain auditing evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers the internal controls relevant to the preparation and fair presentation of the entity's consolidated financial statements, for the purpose of designing auditing procedures that are appropriate in some circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

VI. Employment contract clause

The employment contract for every employee of Inversiones Aguas Metropolitanas S.A., whether temporary or permanent, shall contain a clause concerning Law 20.393, which will have the tone of that written in Annex N° 5:

VII. Internal Regulations

The Internal Regulations of Hygiene, Order and Security that may be in effect for Inversiones Aguas Metropolitanas S.A. should include a clause entitled "Application of Law No. 20.393," which will have the tone of the text contained in Annex N° 6. This annex also contains other amendments that are included in the Internal Regulations.

VIII. Supplier Clause

The suppliers' clause must be signed by all those who provide services or provide goods to the company, except those who, subject to contractual relationship, are: under a contract of adhesion; contract for amounts less than US \$ 10,000.- monthly payments or contracts that in their totality do not reach that sum; or that carry out activities that are of ostensibly low exposure to the commission of crimes covered under Law 20.393, which must be authorized by the prevention officer. However, these suppliers will be obliged to sign this clause if their turn consists of activities that, due to their inherent risk, are those regulated by Law 19,913, which creates the Financial Analysis Unit. In the latter case, if any of these providers do not agree to such a subscription, this situation will be brought to the knowledge of the prevention officer, who will decide on the feasibility of continuing the relationship with the provider.

The supplier clause must at a minimum contain the following terms:

- a. Obligation to act according to law.
- b. Statement of knowledge that Inversiones Aguas Metropolitanas S.A. has a crime prevention model.
- c. Prohibition of committing the crimes under Law 20.393.
- d. Declaration of having a crime prevention model or at least having adopted measures to prevent crimes.
- e. Obligation not to compromise the company's criminal responsibility.
- f. Obligation to give notice of facts that could compromise the company's criminal responsibility.
- g. Obligation to provide information in the context of internal investigations followed under the model.
- h. Sanctions.

As an example, the clause may be of the type indicated in Annex N° 7.

IX. Communication methods of the crime prevention system

For the efficient operation of the crime prevention system, it is fundamental that all personnel understand the scope of Law 20.393 and know the contents and scope of the existing crime prevention system, its controls and procedures. Likewise, it is also essential that all employees commit their adherence to the crime prevention system.

In order to ensure that all employees of Inversiones Aguas Metropolitanas S.A. are duly informed about this, the following standards will be made available in addition to the provisions incorporated in their employment contracts and internal regulations:

1. Availability. Information related to the crime prevention system will be available to all personnel via general management.
2. Commitment. All staff shall sign the annex of internal rules with the relevant clauses referencing the crime prevention system.
3. Suppliers. The employees of Inversiones Aguas Metropolitanas S.A. should apply the principle of "knowing your suppliers and clients" and require their strict adherence to Inversiones Aguas Metropolitanas S.A.'s crime prevention system. In this respect, relations with suppliers and customers should be regulated by a contractual document that can be a contract of sales, of pledge, of services, a purchase order, a bid, or other document that proves the existence of a commercial relationship between Inversiones Aguas Metropolitanas S.A. and the supplier and customer.
4. Training. A training program will be provided concerning the law on criminal responsibility for legal persons and of the crime prevention system of Inversiones Aguas Metropolitanas S.A., to be conducted in the way deemed most expedient and accessible. This program will be required semiannually for all new employees that are integrated into IAM, and will take place at least every two years for all employees. A record of attendance and grading scheme will be developed.
5. Special induction. For all those positions identified in this prevention model as being potentially exposed to the commission of crimes subject to Law 20.393,

they must send an email or letter through which they must acknowledge receipt and which contains:

- a. Express definition and identification of the crime or crimes to which they are exposed through their employment.
- b. Enumeration and explanation of the preventive measures that they must meet in the performance of their duties, as provided in this prevention model.
- c. Obligation to report to the prevention officer if the functions of their office expand or suffer substantial changes.

X. Complaints procedure

This crime prevention model incorporates a complaint procedure that is based on three pillars: fluidity, confidentiality and efficiency. For Inversiones Aguas Metropolitanas S.A. it is essential to have a complaint mechanism which allows its

employees, partners and suppliers to fulfill their reporting obligations in the event they have news or suspicions of the commission of any illegal act, even those that are not included in the prevention model designed in accordance with Law 20.393.

The employees, partners and suppliers of IAM have an obligation to communicate any situation or suspicion of crimes being committed, according to the provisions of the current risk prevention model and in accordance with the provisions of their respective contracts and internal rules. Similarly, employees and partners should report any violation of the prevention model rules, so that Inversiones Aguas Metropolitanas S.A. can take the necessary measures to address such violations.

The reporting channel is anonymous, unless the employee, partner or supplier expressly states otherwise. In the latter case, Inversiones Aguas Metropolitanas S.A. commits to treat such identification with the utmost confidentiality, always protecting the reputation and safety of the person making the complaint. All complaints shall only be received by the prevention officer at IAM, in the form of a letter delivered to their offices located at Alonso de Córdova 3788, 3rd floor (Office 31-B), Vitacura, Santiago.

Employees, partners and suppliers commit to file their complaints in a responsible and well-founded manner, in order to comply with their obligations under this prevention model. The complainant, given the anonymity of their complaint, should include a detailed description of the underlying facts, in particular the date, time, place, and manner in which they received knowledge of such facts.

According to a form designed by the prevention officer, the complaint must to the maximum extent possible contain the following information:

- a. Place where the event occurred (on which project, office, address, etc.).
- b. Area of the company where the alleged facts occurred.
- c. Approximate date when the observed facts took place.
- d. Detailed description of the observed facts.
- e. Indicate the names and positions of the people involved in the alleged facts.
- f. Names and positions of possible witnesses to what occurred.
- g. Approximate amount related to what occurred (if possible).

- h. Accompany all supporting documentation available to the complainant and which permits clarification of the facts or facilitates the investigation.

The same reporting channel shall be used to inform Inversiones Aguas Metropolitanas S.A., of suspicions of any violation in connection with national legislation, or with the policies, rules and procedures of the company, but in particular, and without the following list being considered exhaustive, with the following:

- Any unlawful payment or payment above the legal amount that is made to a public official, Chilean or foreign, or any economic benefit in kind or of other assets that was made.
- Any suspicion that money, goods or other assets of Inversiones Aguas Metropolitanas S.A. could have been allocated to the financing of illegal activities, such as terrorism or other punishable activities, and any suspicion they may have concerning links to or the participation of employees, partners or suppliers of Inversiones Aguas Metropolitanas S.A. in such activities.
- Any suspicion of money, goods or other assets that Inversiones Aguas Metropolitanas S.A. receives in any capacity which could have come from illegal activities such as drug trafficking, arms dealing, kidnapping, robbery, theft, unauthorized appropriation or other crimes. Additionally, any suspicion of connections or participation in such activities by employees, partners or suppliers of Inversiones Aguas Metropolitanas S.A.

Any doubts about whether such behaviors fall within one of the situations described above, which the employee, partner or supplier of Inversiones Aguas Metropolitanas S.A. has learned about, shall be understood as sufficient motive to require them to file a complaint.

XI. Procedure for investigating complaints

The internal inquiry process is fundamental to the implementation of the prevention model. Therefore, a cooperation mechanism has been established with the authorities when there is an allegation or suspicion of the commission of a crime, regardless of whether it involves criminal responsibility of the company.

To fulfill this purpose, the results obtained by these investigations and their status will be reported regularly to company management. Additionally, the results of these investigations which create a suspicion of crimes being committed, regardless of whether they fall under Law 20.393, shall be made known to the Public Prosecutor to investigate any corresponding criminal responsibility.

The internal inquiries that arise out of the procedure contained herein aim, in addition to prevent crimes underway, to obtain necessary information for corporate use in preventing future similar behavior. Obviously not all conduct reported via internal mechanisms will be confirmed by an inquiry. Even when no complaint has been made, the investigators can automatically initiate an inquiry by the office of the prevention officer or at the approval of company management when they become aware of a situation that warrants it.

The inquiry procedure shall be governed by the following principles and rules:

1. Complaints submitted by employees, partners or suppliers of Inversiones Aguas Metropolitanas S.A. shall only be received by the prevention officer.
2. Upon receipt of the complaint, they shall analyze its content and merits of being investigated. An investigation must always take place for complaints or facts that may raise the prospects of a commission of bribery, money laundering, or financing of terrorism.
3. If a complaint is deemed to be plausible, whether due to its nature or because of the supporting background information provided, an inquiry shall be initiated, designating an internal auditor or other experienced officer, who shall hold the inquiry strictly confidential and do so under the supervision of the prevention officer.

An essential requirement of this designation is the impartiality of the investigation, for which an employee should be chosen whose responsibilities are not directly related with the procedures or charges subject to the inquiry.

4. The assigned internal auditor or official should formally agree to maintain strict confidentiality concerning all investigated matters and the people involved, taking extreme care to maintain a positive working environment.

5. The internal auditor or official responsible for the investigation may interview employees who, by virtue of their position and activities within the company, may be able to support the inquiry with relevant information. The purpose of the inquiry should be maintained in strict confidence.

6. The internal auditor or official should receive the powers necessary to gather such evidence recommended by the auditing methods and which permit them to carry out an adequate inquiry, including - but not limited to - interviewing employees, partners, suppliers etc.; reviewing, gathering and analyzing transactions; requesting expense or payment reports; examining existing documentation; consulting outside sources, etc.

7. Once the inquiry is concluded, a confidential report shall be issued with its findings, which shall only be accessible to senior members of management determined by the prevention officer.

8. If the inquiry concludes that criminal acts have been demonstrated or that there is a substantiated suspicion of a violation of Law or 20.393, the prevention officer must report the investigated acts to the relevant Prosecutor's Office.

XII. Sanctions

The present model contemplates sanctions that have been incorporated as motivational mechanisms for employees, collaborators or suppliers and that seek the effective fulfillment of the prevention model and the consolidation of a corporate culture that is far from the commission of crimes.

It is understood that there is a punishable offense for those cases in which the worker or collaborator has failed to comply with their obligations of monitoring, reporting, training or any other established in the prevention model. These sanctions are:

- a. Verbal warning
- b. Written warning
- c. Fine of up to 25% of the daily compensation of the worker
- d. Termination of employment contract

Regarding the suppliers, who have accepted these obligations in similar terms, the sanctions for non-compliance with their duties of supervision or denunciation or for lack of timely information to Inversiones Aguas Metropolitanas S.A. within the framework of internal investigations shall be:

- a. Censorship in writing communicated to the administration of the supplier.
- b. Termination of the contract with the supplier in case of serious or repeated faults.

Sanctions will be imposed by the management of Inversiones Aguas Metropolitanas S.A. at the request of the person in charge of prevention, and always after the end of an investigation during which it is estimated that the employee, collaborator or supplier has at a minimum acted negligently in the performance of their duties.

These sanctions are without prejudice to the civil and criminal actions that the company could bring against such employees, collaborators or suppliers, as the case may be.

XIII. Training

This prevention model envisions a training system for employees and partners of Inversiones Aguas Metropolitanas S.A. which shall be implemented by the prevention officer. The training system shall be made available in the most accessible way possible, and should take place and be evaluated at least once every two years. Additionally, it must take place every six months for those new employees who join Inversiones Aguas Metropolitanas S.A.

The purpose of this training system is to train employees and partners of Inversiones Aguas Metropolitanas S.A. on corporate values and in particular provide access to the knowledge they need to understand the risks of committing the crimes of bribery, money laundering, financing of terrorism and reception. For these reasons, the training system shall be framed in accessible language and contain all the examples necessary to illustrate the system to employees.

Along the same lines, the training is aimed at practical knowledge (how to act in a given situation) and not theoretical, for which it will avoid trying to communicate an exhaustive understanding of concepts in order to orient itself towards correct practices in making decisions. For the same reason, the literal or textual versions of the crimes included in Law 20.393 shall be dispense to further educate their essential terms in the most educational and pedagogical way possible.

Such training shall in particular include sections on the sanctions that are envisaged for employees and workers for noncompliance with their duties of monitoring and reporting under this prevention model. Similarly, those same duties of monitoring and reporting shall constitute the main focus of the training.

The complaints system and basic features are also an essential part of the training program, placing emphasis on the reporting method both remotely and in-person, and emphatically stating the guarantee of anonymity or confidentiality depending on the case. Similarly, and in order to promote the use of the complaint channels and guarantee transparency during these procedures, the guarantees shall also

be stated during training on the mechanisms for handling complaints and carrying out internal inquiries.

All employees must, at least once every two years, participate in these training sessions and pass them satisfactorily. In addition, twice a year all new employees who begin at Inversiones Aguas Metropolitanas S.A. should undergo the training sessions. Evaluation shall be impartial and objective, and any employee who fails the evaluation shall repeat the training within three months of failure.

XIV. Auditing standards for company acquisitions, mergers or take-overs (*due diligence*)

By virtue of the transfer of the criminal liability from legal persons established in article 18 of Law 20.393 in the case of transformation, merger, absorption, division or dissolution by mutual agreement in the resulting legal persons, Inversiones Aguas Metropolitanas S.A. will apply an audit model that takes care of the liability risks that can be generated by its participation in those processes.

For such effects, the prevention officer shall certify if the information provided by the legal entity that is transformed, merged, absorbed, divided or dissolved complies with the prevention requirements established by Law 20.393, reflected in this prevention model. It will not be necessary for this legal person to have a prevention model, but will suffice if it has taken sufficient measures to prevent the commission of crimes of bribery, money laundering or financing of terrorism or can reasonably credit its processes do not include relevant risks of committing them.

In particular, the corporate risk management presented by the legal entity it shall be reviewed, as well as the neutralization measures that have been implemented. Likewise, it should aim to disseminate its prevention mechanisms, both through its employment contracts, internal regulations and the training that has been carried out.

If the legal entity that transforms, merges, absorbs, divides or dissolves does not have a prevention system, the person in charge of prevention must carry out the risk management and inform the administration of Inversiones Aguas Metropolitanas S.A. for it to approve the transformation, fusion, absorption, division or dissolution.

XV. On auditing of the prevention model

The present prevention model has been structured on the basis of a dynamic risk identification process. This requires that the effectiveness of its provisions and measures be systematically reviewed in order to establish a learning process that will allow it to be coupled with prevention needs.

For this reason an ongoing audit procedure is established for the model, which will be the responsibility of the prevention officer and will have two systems, a systematic or ongoing audit and a random or periodic audit. This will allow for detecting and correcting faults both in its design and in implementation, thus helping to update it according to possible changes of circumstances or the context of Inversiones Aguas Metropolitanas S.A.

In this way, the quality of the monitoring system is guaranteed through three factors: the frequency and scope of the audit, the adequacy of the mechanisms for the reporting of its results, and the procedures for monitoring adverse discoveries. Ongoing audits will generate regular reports of the relevant characteristics of compliance performance, while periodic ones involve the special study of some risks in certain transactions and, in particular, investigations for reported or detected infractions.

Ongoing audits of the model will be carried out during the first two years on a semi-annual basis, and will refer especially to the channel of complaints and the control mechanisms arranged in the model. From then on, and when there are no relevant changes in the company's structure, audits will be made annually. Thus, such audits should contain the effective review of the mechanisms implemented, and their way of operating and adapting to the needs for each of the corporate divisions. For these purposes, the prevention officer will determine the procedure to be performed in such audits.

Periodic audits shall refer in particular to the facts detected or reported and to the functioning of the control and oversight mechanisms that have been established regarding them. At least once a year, the prevention officer will carry out a random audit

to a specific risk area of those who have been identified in the risk management of this model and the control measures implemented. Such audits will be properly publicized so as to inform the entire organization of the possibility of being subject to them at any time.

The criteria for the development of the audit will be incremental. The prevention officer will select a particular scope of compliance (for example, bribery) and a particular corporate section (for example, cash transactions in a given division) and develop a set of audit criteria for that combination. Over the various audit cycles, these criteria will be improved and those that could be overlooked will be added, or those that produce few useful discoveries will be removed.

Both the general control mechanisms and the audits require updating in case the corporate conditions present at the time of their design change. The changes in conditions that generally force a revision of these mechanisms (although not necessarily their modification) are: the company's start into new operations that raise unanticipated legal problems, changes in corporate personnel in legally sensitive areas, alterations to incentive schemes or exposure to competitive pressures that may lead employee motivations to illegal acts, and changes in the applicable legal framework (such as incorporating new offenses into the catalog). Therefore, certain changes in circumstances require revising and updating of this model. Accordingly, the design and implementation of this model must be reviewed in the following circumstances:

- i. Any legal modification made to Law 20.393, especially the extension of the catalog of crimes likely to generate criminal liability for legal persons.
- ii. Any other modification or passage of laws concerning criminal liability for legal persons.
- iii. Any substantial modification to the corporate structure of Inversiones Aguas Metropolitanas SA, especially if this is due to a transformation, merger, absorption or division of the same or other legal entities.
- iv. Any substantial change in the scope of operations of Inversiones Aguas Metropolitanas S.A.

XVI. Recordkeeping Policy

All records of the design, implementation, review and audit of the prevention model will be kept by the prevention officer for the periods established in the company's policies and guidelines. This documentation of the analysis carried out at the time of constructing the model, implementing it, and constructing and operating its auditing models, all demonstrate the systematic and good faith effort of the company's prevention system and auditing.

If needs demand the destruction of part of this documentation, it must be carried out in a systematic way and with criteria previously defined by the prevention officer, approved by the administration. The disappearance or destruction of all or part of these registries outside of the pre-established criteria will be considered a serious breach of their duties.

This information will be available to the authorities of the Public Prosecutor when so required, and prevention officer will be the direct interlocutor and autonomous administrator of such information.

XVII. Prevention Officer Inversiones Aguas Metropolitanas S.A.

The prevention officer is a person especially designated by Inversiones Aguas Metropolitanas S.A. for the design, implementation and oversight of the crime prevention system, as provided by Law 20.393.

In turn, and since the risk identification that has been carried out is dynamic and therefore the measures that prevent the commission of crimes are as well, it will be the prevention officer's responsibility to periodically update the crime prevention model, both referring to the incorporation of new risks and/or the modification of those currently identified, as well as to measures for preventing them. The aforementioned ensures the adequate knowledge and compliance by the company's employees.

The duration of the prevention officer in charge shall be established by the Board of Directors. However, and in compliance with the law, they shall not serve more than three years in this role, renewable for equal periods.

The aforementioned prevention officer shall report directly to the CEO of the company and the Board of Directors and shall have a budget and autonomy from the management.

Therefore, and in order to ensure adequate autonomy:

1. The prevention officer shall be indemnified from any conflicts of interest that might affect their ability to comply with their responsibilities.
2. The prevention officer shall have direct access to the management of Inversiones Aguas Metropolitanas S.A. to promptly inform them by a suitable means of the measures and plans implemented.
3. The management of Inversiones Aguas Metropolitanas S.A. shall approve the budget presented by the prevention officer annually, which will allow the officer to obtain the necessary means to fulfill their functions.

The appointment of the prevention officer, as well as their duration and range of authority and the resources and budget available to them, will be expressly provided in a formal act of appointment by the company's Board of Directors.

The prevention officer shall keep a confidential registry, which shall contain the following:

- a. All complaints received, either by informal means or through the complaint process.
- b. All inquiries carried out with their respective background and conclusions.
- c. Control registry for exceptions and unusual transactions.
- d. Registration of information exchanges with the Public Prosecutor.

For the purposes of their report, the prevention officer should inform the management of Inversiones Aguas Metropolitanas S.A. on a semi-annual basis concerning the events that have occurred, complaints received, and ensuing inquiries, as well as preventive measures and plans implemented in fulfilling responsibilities.

The structure of the semi-annual report shall be as follows:

- a. A brief summary of all prevention measures undertaken as provided in the crime prevention model (controls implemented, rules or instructions issued, systemic or random alerts, control mechanisms implemented for exceptions, etc.).
- b. A report on the control mechanisms to detect exceptions and unusual transactions.
- c. Complaints received through both the complaint channels and informal means. Similarly, the relative number of each should be reported to review the effectiveness of the official reporting system.
- d. Inquiries conducted (number of inquiries conducted, their conclusions, and actions taken) and the percentage of complaints that result in an inquiry.

- e. Design and implementation of new prevention methods (new controls and procedures which have been implemented since the previous report).
- f. A summary of all capacity-building or other methods of training or evaluation of staff involved in the crime prevention model.
- g. Any change to current law that may affect or modify the prevention model implemented by the oversight authority.
- h. Other relevant facts (any other information that may be of interest to company management and serves to increase the effectiveness of the crime prevention model).

This report is understood to be strictly confidential and shall only be made aware to the management of the company.