

ANTI-CORRUPTION POLICY

INVERSIONES AGUAS METROPOLITANAS S.A.

May 2016

SUMMARY

The Company's Code of Ethics recognizes integrity as one of the basic principles of our Corporate Cultural Ethic, disapproving corruption in all its forms. The company insists that fairness, integrity and impartiality must govern relations between employees, managers and representatives, as well as relations with entities that are directly or indirectly related to the Company, whether natural or physical persons, or come from the public or private sector.

This policy aims to establish these principles and provide behavioral guidance to the Company's staff, instructing them on what the company expects and demands of their behavior when dealing with public servants and in general with third parties, including suppliers and the company's own employees.

This anti-corruption policy complements the Code of Ethics, the company's other policies, and especially the IAM's Crime Prevention Model for Bribery, Money Laundering and Financing of Terrorism under Law No. 20,393.

Its design is based on the standards contained in the ethical structure of the Suez Group, as well as being in compliance with international corruption standards like the 1977 Foreign Corrupt Practices Act of the United States, and the 2010 Bribery Act, from the UK.

The Company prohibits corruption entirely in all its forms, whatever the time, place or circumstance.

Corruption constitutes an attack against the democratic principles to which the Company adheres, and attempts to undermine the dignity and integrity of those who suffer its consequences.

It is also an obstacle to the smooth running of the company due to the costs and risks involved (financial, criminal, commercial and reputational), as well as the assault on market regulations involved.

Generally speaking, we can distinguish between two types of corruption:

Active corruption, which is providing an advantage to someone to divert a decision making mechanism (approval, right, supply, market, contract, etc.).

Passive corruption, which is receiving an advantage in exchange for influence to divert a decision. It can occur without being actively requested.

Corruption occurs in different manners, such as gratification, embezzlement, improper payment for a public service, etc.

I. DEFINITIONS

"Corruption" is understood as the abuse that causes a person occupying a position within a public or private organization to obtain a benefit for himself or others, to which he has no right.

Corruption can take different forms. The best known are:

- **"Bribery,"** which means offering, giving or agreeing to give a public or private sector official a benefit they are not entitled to, by performing or having performed the activities of its position. It is also the conduct of the person who seeks, receives or agrees to receive a benefit under the conditions indicated.
- In our country, the bribery of public officials is called "bribery" and is a crime that can be punished with imprisonment. Bribery of private entities may constitute a criminal offense if it involves deception and injury to a person or company.
- **"Influence peddling,"** which means offering or giving to a public official an undue advantage in order to abuse his real or supposed influence to obtain a public institution with undue advantage, for the benefit of themselves or other people. In our country, influence peddling is a crime both for the official and the individual who instigates or otherwise participates in the behavior.
- **Influence peddling** also occurs when you promise, offer or grant benefits or advantages to directors, officers, employees or employees of other private companies in order to be favored in the processes of procurement or acquisition or sale of goods.
- **"Misappropriation"** and **"Fraud"** means the theft, diversion or misuse done by a public official of goods that are under their care or influence, for their own benefit or to benefit third parties. These conducts likewise constitute an offense for both public officials and private parties.
- **"Benefit"** refers to any object or provision of value used to win the voluntary bribing. Corruption is always followed by the seeking of an undue advantage, which in the case of bribery is known as the "bribe" or "gift." This benefit may consist of any object or provision of any value to the recipient, such as:
 - Cash (in any of its forms: checks, transfers, etc.)
 - Gifts
 - Invitations to entertainment activities
 - Food
 - Travel Financing
 - Participation in businesses, offering jobs, scholarships
 - Discounts on products, loans with advantageous terms, debt payment
 - Assistance or support of family members
 - Contributions to political parties or campaigns

- Advantages of a personal or sexual nature

"**Public official**" means any person holding public employment or who assumes a public function, regardless of the type of contractual relationship they have with the institution (appointment, pro bono services, contract work, elected office, civil service etc.). The corruption of foreign public officials may also occur and is prohibited.

II. AREA OF APPLICATION

This Policy applies to all employees, officers, representatives, service providers and other third parties acting on behalf of the Company that act in Chile or abroad.

III. ACTING PRINCIPLES

The Company shares the widespread notion that corruption is a serious obstacle to the development of modern societies; undermines the rule of law; and constitutes a threat to the proper functioning of the markets. But above all, corruption is illegal, exposing companies to serious legal consequences and compromising their reputation in society.

For this reason, at the Company all forms of corruption are strictly prohibited. Especially, and without the following list being exhaustive, it is forbidden to:

A. With regard to national or foreign public officials

- Offer, give or agree to give undue benefits of any kind:
 - o To officials for performing or having performed some action that relates to the company
 - o To influencing other public officials to make decisions that can benefit or compromise the company
- Exercise undue influence on a public official with whom there is a personal relationship (kinship, friendship, mutual business, etc.) in order to obtain a beneficial result in the interests of the Company.
- Soliciting or accepting a benefit of any kind in exchange for improperly influencing a public official.
- At any point deliver or offer gifts, favors or services which, in view of their economic value, uniqueness, exclusivity or any other aspect, go beyond being items of little value that are offered from time to time in typical, social and courtesy cases when carrying out the company's activities.
- Contribute to a public official removing or diverting funds it is responsible for managing.

B. With respect to persons who direct or perform functions in private companies:

- Solicit or accept gifts, benefits or favors for himself or for a third party, from customers or suppliers with whom the company does business.
- Offer, give or agree to give any undue benefits of any kind so that, lacking the inherent duty of their responsibilities, make or refrain from making a decision that will benefit the company or harm others.
- In any case accept, deliver or offer gifts, favors or services which, in view of their economic value, uniqueness, exclusivity or any other circumstance, go beyond being items of little value that are offered from time to time in typical, social and courtesy cases when carrying out the company's activities.

All behaviors listed are strictly prohibited and cannot be performed, even when:

- They may eventually benefit the company
- They may ensure the obtaining and retention of business
- They may achieve global or individual goals
- Facilitate or expedite the conduct of business, management or operations of any kind
- Improve the company's appearance before authorities or officials in general
- Intended to demonstrate gratitude
- May be ordered by a employee, manager or third party by any employee or officer of the company

That prescribed in points A and B above should be without prejudice to the regulations in Chapter IV "Gifts, Work Meals Work and Business Travel."

Generally speaking, we abide by and apply existing regulations on these matters in Chile, especially Law N° 20,393, on criminal liability of legal persons; and applicable regulations in other countries where it is appropriate for us to take action.

IV. GIFTS, WORK MEALS AND TRAVEL OF A BUSINESS NATURE

1.- Gifts

1.1. To third parties:

Up to 2 UF, with a report to the senior executive and the Crime Prevention Officer.

More than 2 UF and up to 5 UF, with approval of the CEO and a report to the Crime Prevention Officer.

More than 5 UF per person is prohibited.

1.2. From third parties:

Up to 2 UF, with a report to the senior executive and the Crime Prevention Officer.

More than 2 UF should be formally rejected invoking the Company's policy. In case of impossibility the gift shall be destined for a societal interest.

2. Work Meals, whether inviting or being invited

Up to 2 UF for persons for each meal.

More than 2 UF per person is prohibited.

3. Business trips; whether inviting or being invited.

With approval of the CEO and a report to the Crime Prevention Officer.

The limits that have been established in this policy are annual and apply to every person who receives the gift, attends or invites to a meal or travels or invites to travel.

The Company's General Management shall regulate the manner of delivery and receipt of gifts, meals or travel, as well as the registration form in order to identify the persons who have received or delivered them in the corresponding calendar year.

4. Procedure for exceptions.

An exception to the limits contained in paragraphs 1, 2 and 3 above can be requested, under the following terms:

The employee, executive or representative of the company applying for the exception must send a written request (via email) to the Prevention Officer designated in the IX.A) clause of this instrument.

The request must duly justify the need for such an exception in that case.

The Prevention Officer will review this request and submit it for approval for consideration by the CEO.

The Prevention Officer shall answer the person applying for the exception in writing (via email) communicating their refusal or acceptance.

In no case may the applicant proceed with the exception without first receiving written authorization from the Prevention Officer with the approval of the CEO.

V. DONATIONS

Donations, sponsorships, benefits and in general contributions for charitable works are necessary practices for the company and demonstrate a civic action, social responsibility, and strengthen the sustainable development of our business. However, they can constitute a way to cover up the payment of bribes, if within the beneficiaries of such donations are public officials, their families or institutions where such persons occupy executive roles by themselves or through third parties.

Therefore, for the destination where funds provided by the company will be given, the identity of the recipients should always be identified and be requires to adhere to the Code of Ethics and the Company's specific policy regarding it. At all times, the diversion of these funds for the benefit of public officials, funding parties or political campaigns should be avoided.

VI. CONTRACTING OF EMPLOYEES

In terms of employee recruitment, the company will ensure compliance with the highest ethical standards for all stakeholders, especially their commitment to the values that inform this policy.

To avoid potential conflicts of interest and influence peddling, no former officials shall be contracted to any title, receive services or maintain commercial ties, from public institutions with legislative powers and oversight, nor former ministers or undersecretaries who have completed related functions within the company's industry, for a period of one year from the termination of service.

VII. MERGERS, ACQUISITIONS AND ACTIONS MADE THROUGH THIRD PARTIES

The acquisition or merger processes of companies and actions made through third parties may impose liability of any kind for past commissions of unlawful conduct or the conduct of subsequent misconduct to the merger, acquisition or procurement, due to a weak corporate culture or operation within areas or sections particularly exposed to corruption.

Therefore, mergers, acquisitions or actions made through third parties may only be made after review processes (due diligence) that do not detect situations contrary to this policy, which must be made conditional success of the operation. Due diligence shall be made in accordance with the respective rules laid down in IAM's Crime Prevention Model for Bribery, Money Laundering and Financing of Terrorism under Law No. 20,393.

VIII. ACCOUNTING BOOKS AND RECORDS

Books, records and accounts of the company must give an accurate and faithful account, in reasonable detail, of the transactions and dispositions of the company's operations. The company must maintain a system of internal accounting controls sufficient to provide reasonable assurance that transactions are authorized, executed and properly registered.

IX. IMPLEMENTATION

This policy should be implemented in all areas of the Company. To this end, at a minimum the following initiatives shall be adopted:

A. PREVENTION OFFICER

The designated Crime Prevention Officer, according to the IAM's Crime Prevention Model for Bribery, Money Laundering and Financing of Terrorism under Law No. 20,393, shall ensure the validity and control of this policy, and shall have the following responsibilities:

- Ensure implementation and enforcement
- Keep the information properly updated
- Answer inquiries that its application may generate within the company
- Understand, direct the research, and propose penalties for non-compliance

B. RISK ASSESSMENT AND MANAGEMENT

The Company has developed processes for the detection and weighting of exposure to a risk of conduct arising which is prohibited by this policy. Having developed these processes, additional policies, controls and procedures to mitigate such exposure will be defined.

Both risk assessment and the measures and controls defined to manage risk must be regularly updated to reflect amendments made by the company when testing its operations and management, and the efficiency and effectiveness of these measures and controls must be periodically evaluated.

For these purposes, the IAM's Crime Prevention Model for Bribery, Money Laundering and Financing of Terrorism under Law No. 20,393 will apply.

C. AUDITING

Compliance with this policy will be regularly monitored and audited.

D. DISTRIBUTION AND TRAINING

This policy must be understood and result in the adhesion of the company's employees and managers, and all those related to the company, especially those who perform tasks that may represent the company or compromise its image.

For these purposes, this policy must be disseminated through institutional communication mechanisms, both internal and external.

In addition a training system should be considered which should be made available in the most accessible way possible, which will aim to train the Company's employees and all who are covered by this policy under Chapter II, regarding corporate values and, especially, make the necessary knowledge available to understand the risks of commission of conduct prohibited by this policy.

E. NONCOMPLIANCE REPORT

The company has a high interest in becoming aware of situations that involve breach of this policy by its employees or third parties that relate to it. It is essential for the company to have a reporting mechanism that allows its employees, partners and suppliers to fulfill their reporting obligations in case of news or suspicion of the commission of behaviors in violation of this policy.

The Company's employees, managers and suppliers are required to report any situation or suspected commission of violation of this policy.

Complaints of noncompliance with this policy should be channeled through the Officer in charge of this policy, for any of the following channels:

- Personally requesting an interview, or through an email
- Channeling concerns through the respective management
- Through the reporting channel found on the corporate website that any employee can access through use of the intranet. This reporting channel can be used anonymously, unless the person uses it expressly forbids anonymity.

In any case, the company is committed to handling complaints with the utmost confidentiality, always protecting the honor, credit or security of the person making the complaint, if known.

The use of these complaint channels in good faith will not exempt those who use any kind of retaliation, detriment in their employment or harassment situation.

F. PENALTIES

Failure to comply with this policy and, above all, the commission of any of the acts prohibited by this must lead to penalties provided in the employment contracts and the Company's internal regulations on order, hygiene and safety, which may result in the termination of the employment contract or those provided in the company bylaws in the case of another class of managers. In the case of suppliers and third parties, penalties of censorship will be applied in writing and communicated to the administration of the supplier or immediate termination of the contract with the supplier in case of violations of this policy or refusal to cooperate with investigations carried out with the aim of detecting any prohibited conduct.

This is without prejudice to labor, civil, administrative and/or criminal penalties proceedings that may affect the offender.

This anti-corruption policy was approved by the Board of Directors at its meeting N°5/2016 on May 25 2016.