

ANTECEDENTES JUNTA ORDINARIA DE ACCIONISTAS 2015

AGUAS ANDINAS S.A.

In accordance to the Board of Directors Meeting of March 25 2015 and according to what has been established by Articles 58 and 59 of Law N°18.046, the Company invites you to the Annual General Shareholders Meeting on April 29 2015 at 10:00 am at Avda. Presidente Balmaceda 1398, Tenth Floor, Santiago, for the purpose of communicating and approving the following matters:

1. Examine the External Auditors Report, approving the Annual Report and Financial Statements corresponding to the exercise from January 1 to December 31 2014.
2. Agree on the distribution of net income and the distribution of dividends corresponding to the exercise of the year 2014.
3. Exhibition on the Company's dividend policy.
4. Inform about Operations with related parties (Titles XVI Law 18.046), if these exist.
5. Designate the External Independent Auditors for the 2015 exercise.
6. Designate the Rating Agencies for the 2015 exercise.
7. Determine the remuneration of the Board of Directors for the 2015 exercise.
8. Give an account of the expenses of the Board of Directors during 2014.
9. Determine the remuneration and Budget for the Directors' Committee for the 2015 exercise.
10. Give an account of the activities and expenses of the Directors' Committee during 2014.
11. Determine the newspaper where the notices for shareholders meetings, dividend distribution, results, and other matters of interest for shareholders will be published.
12. Other matters of interest and competence of the board.

The Board of Directors will be presenting the following proposals in the Shareholders Meeting.

- Annual Report. The Board of Directors has approved the text of the annual report for 2014 (available on www.aguasandinasinversionistas.cl), in the same manner that the Directors Committee has approved the External Auditors Report, Balance Sheet, and Financial Statements.
- 2014 Earnings Distribution. It is proposed that 100% of net earnings obtained by the Company during the 2014 term, amount that totals \$119,422,473,587 pesos, is distributed. Keeping into consideration the interim dividend which was paid in January 2015, which amounted to \$38,855,428,766 pesos, the definitive dividend amounts to \$80,567,044,821 pesos, which enables a dividend payout of \$13.1667 pesos per share which will be payable on May 26 2015.

It is noted that the remaining \$466,249, corresponding to the difference in the dividend payout, will be charged to the accumulated earnings account.

- Dividend Policy. During the Shareholders Meeting, it is necessary to inform the Company's dividend policy, putting forth the Board of Directors' proposal to maintain the distribution of 100% of the distributable earnings of the term: 30% as a mandatory dividend and the remaining 70% as an additional dividend. The latter will be enforced as long as the current levels of capitalization and the policy set forth is compatible with the investment and financing policies which are determined during the term.

- Transactions of related parties. During the Shareholders Meeting, the operations, which were conducted in 2014 that fall under the XVI Title of Law N° 18.046, will be informed. All of these operations were approved unanimously by the members of the Board of Directors present and were favorably informed previously by the Directors Committee, as the Annual Report that was conducted by said Committee has pointed it out.
 - (i) In the Ordinary Session of the Board of Directors N° 430, on February 25 2014, the Company agreed to hire the Centro de Tecnológico del Agua (CETAQUA) consulting company, for the elaboration of a study regarding the impact that drought has in the consumption of water, for UF 738.
 - (ii) In the Ordinary Session of the Board of Directors N° 431, on March 26 2014, the Board approved the adjudication of the contract for the execution of the preliminary merger of Hidroyeso to Aqualogy Aqua Ambiente Servicios Integrales, S.A.U. and whose price was \$45,000,000.
 - (iii) In the Ordinary Session of the Board of Directors N° 432, celebrated on April 24 2014, Aguas Andinas approved that its subsidiary Aguas Manquehue, designated the execution of the supply works for the Chicureo-Chamisero system from Wells of Lo Pinto to Aqualogy Medioambiente Chile S.A. and Ecoriles S.A. The value of the contract is UF 187.253.
 - (iv) In the Ordinary Session of the Board of Directors N° 433, on May 27 2014, the Company agreed the adjudication of part of the meter supply contract for 2014 to Aqualogy Solutions Chile Limitada, for a value of \$1,277,975,459.
 - The modification in the service contract signed with Aqualogy Medioambiente Chile S.A. for the emptying, cleaning, and maintenance of Talagante's Sewage Treatment Plant's sewage anaerobic digester. An additional net sum of \$43.628.196 was paid due the additional costs that the company incurred executing the contract. This contract was approved by the Board of Directors in its Ordinary Session on February 26 2013.
 - (v) In the Ordinary Session of the Board of Directors N° 434, on June 26 2014, the adjudication of the elaboration of the Director Plan for Hydraulic Efficiency to Aqualogy Medioambiente Chile S.A. was approved, whose economic offer amounted to UF 149,920.
 - (vi) In the Ordinary Session of the Board of Directors N° 437, on September 24 2014, the adjudication of the tender for the adsorption medium of the Quilicura Arsenic Removal Plan to Aqualogy Medioambiente Chile S.A. was approved, and it amounts to the net sum of UF 7,281.
 - (vii) In the Ordinary Session of the Board of Directors N° 438, on October 29 2014, the Board of Directors agreed the approval of the following:
 - A research and technical service provision agreement with CETAQUA, in order include in this agreement the hiring of its consulting services for the elaboration of a study in order to investigate the impact that drought has on water consumption which had been agreed upon with the same company, and approved by the Board of Directors in February 2014.
 - A Partial Definitive Reception agreement for the works related to the construction contract for the Mapocho Sewage Treatment Plant with Empresa Depuradora de Aguas Servidas Mapocho Trebal Limitada.

- A compensation agreement with Eléctrica Puntilla S.A. for the damages it has incurred due to the decrease in the flow of water that goes into the Eyzaguirre hydroelectric plant due to the raw water purchasing contracts that the Company has had with the Asociación de Canales Unidos de Buin and Asociación Canal de Huidobro and also for the future damages that will be incurred due to the raw water purchasing contracts that the Company has with Sociedad Canal de Maipo.
- A raw water purchasing contract with Sociedad Canal de Maipo for a maximum flow of 2,5 m3/s which will be delivered in the San Carlos canal and whose price amounts to \$8/m3.
- The creation of the Corporación Chilena de Investigación del Agua (CETAQUA Chile) and the subscription of an agreement with the other members of the corporation in order to regulate the function of the administration, members' meetings, the advisory council, the honor tribunal, contributory regime, amongst others.

(viii) In the Ordinary Session of the Board of Directors N° 439, on November 28 2014, Aguas Andinas agreed on the adjudication part of the meter supply contract for 2015 to Aqualogy Solutions Chile Limitada, for \$1,660,862,000.

(ix) In the Ordinary Session of the Board of Directors N° 440, on December 17 2014, the following operations were approved:

- The adjudication of the international public tender for the supply of equipment, assembly, and startup of the second stage of the Mapocho Plant– 4th Module to Degremont S.A.S., for the net sum of UF 1,457,188.
- The hiring of EDAM Ltda. for its technical assistance services which are necessary for the complete integration of Module 4 of the Trebal-Mapocho plant for the net sum of UF 4,809.
- The transfer of a group of soundproof generators to its subsidiary Aguas Manquehue S.A., for the price of \$8,000,000.
- External Auditors: In accordance to what has been put forth in Circular N° 718 of the Superintendence of Securities and Insurance (SVS), quotes were requested to two of the main external auditing companies of the country, Ernst & Young and Deloitte. These companies were chosen as they have a recognized trajectory in the country, both are one of the most important in the market, and they have international support. These companies have audited or currently audit companies in the sanitation industry, they fulfill the independence, experience, and trajectory requirements that would enable to fulfill the role, and they are accredited by the SVS.

The differentiating factors in the proposals refer mainly to the hours allocated in each proposal and the proposed value of the required services, resulting in Ernst & Young's quote being lower than Deloitte's.

Ernst & Young is also the external auditor of the Company and its subsidiaries since 2011 and currently audits Sociedad General Aguas de Barcelona (Agbar S.A.) and Suez Environnement, parent companies of the Aguas Group, which reflects their experience in the sanitation industry. In addition to this, as it has been mentioned, the proposed fees, number of hours, available professionals, diversity of specialists, and the distribution of partner, seniors, and managers assigned to the task are in line with the auditing and internal control needs of the Company.

Due to this, during the Shareholders Meeting, the following companies, in order of priority, will be proposed as external auditors for the 2015 term, (1) Ernst & Young and (2) Deloitte. Through this, it is noted that this proposal is in accordance to the proposal agreed to by the Directors Committee.

- Credit Rating Agencies: During the Shareholders meeting, it will be proposed that the current credit-rating agencies, Fitch Chile and ICR, be maintained as the credit-rating agencies for the

Company's shares due to their trajectory, prestige in the industry, and performance in the role. The latter is in accordance to the proposal agreed to by the Directors Committee.

- Board of Directors Remuneration for the 2015 term: It will be proposed to maintain the remunerations which have been perceived since 2009, these are:
 - Fixed monthly remuneration: Monthly payment of 100 unidades de fomento (U.F.) for the President, Monthly payment of 75 unidades de fomento (U.F.) for the Vice-president, and Monthly payment of 70 unidades de fomento (U.F.) for titular and alternate directors;
 - Remuneration for session attendance: 80 unidades de fomento (U.F.) for the President; Presidente; 60 unidades de fomento (U.F.) for the Vice-President; 20 unidades de fomento (U.F.) for titular and alternate directors, only when they replace the titular directors.
- Expenses. It is noted that the Board of Directors did not have any expenses during the 2014 term and this will be notified at the Shareholders Meeting.
- Remuneration and expense budget for the Directors Committee for 2015: it will be proposed to maintain the current remunerations which have been maintained since 2001, this is:
 - Fixed monthly remuneration: 25 unidades de fomento (U.F.);
 - Remuneration for session attendance: 20 unidades de fomento (U.F.).

In regards to the expense budget for the functioning of the committee, it will be proposed to maintain the sum which was established in the Ordinary Shareholders Meeting of 2007, amounting to 3,000 unidades de foment (U.F.).

Regarding the expenses incurred by the Committee and its activities, matters that are informed in the Ordinary Shareholders meeting, the following are informed:

- The activities conducted during the term are those that are included in the Annual Report issued by the Directors Committee, which is part of the Company's Annual Report.
- The expenses incurred amount to \$42,733,143, for the Committee's Secretary Fees and the payment of consulting services paid during the period.
- Newspaper: During the Shareholders Meeting, it will be proposed that the El Mercurio newspaper be the newspaper in Santiago where the Shareholders Meeting notices and other matters of interest for shareholders will be published.