

"GENERAL POLICY OF HABITUALITY"
letter b) of the final paragraph of Article 147 of Law No. 18.046 (LPC)

1.- General Policy of Habituality Purpose and Scope.

The purpose of the following General Policy on Habituality is to determine the normal operations of the Company, which are normal in consideration of the business objectives of the Company, and may be made, implemented and/or held by related parties (The "Normal Operations"), without having to comply with the requirements, formalities, and procedures established on paragraphs 1 to 7 of Article 147 of the Law on Public Corporations (LPC), so far as these operations aim to contribute to the interest of the company and are adjusted in price, terms, and conditions to those prevailing in the market at the time of its conclusion.

The business objectives of Aguas Andinas involve all activities that relate directly or indirectly to the production and distribution of drinking water, recollection, treatment of wastewater evacuation and the performance of other services connected therewith.

2.- General Policy on Habituality.

The following are considered to be customary and regular activities:

- 1) Operations, acts and contracts with related parties that are conducive to the acquisition of goods or contracting of services, provided that the relevant transaction, act or contract has been subject to prior public tender in full compliance with the requirements of Article 67 of the General Law on Health Care contained in the DFL MOP N ° 382/88 and Regulation Article 67 DS MOP 214/2005.

The objectives of these acts and contracts must be to contribute to the interests of the company, to be conducive and/or be required to satisfy the business of the company, i.e. the production or distribution of drinking water, recollection, treatment or disposal of sewage and performance of other activities related to the success of the business, or derived from them.

Article 67 of the DFL MOP 382/88 and its Regulations aim to ensure that there is open, equal and competitive participation, with free access for all interested in a contract with Aguas Andinas SA, conditions of openness, competitiveness and equality for all interested parties, which must be permanent and carefully sought and respected in the sense of ensuring that no financial, economic, legal or contractual conditions are required that are more demanding or burdensome than necessary to the type of transaction in question, to be covered by these regularity policies. Consequently, they should constitute a mechanism to ensure that personal recruitment is adjusted to price, terms and

conditions to those prevailing in the market at the time of approval and to ensure participation in the most economic terms to potential partners.

Examples of the type of acts or contracts that can be held with related parties upon bidding according to law and regulations, and in part related to the winning result, after consideration and report by the Board of Directors and Board approval, are:

- i) The conclusion of supply contracts, purchase or exchange of products, materials and supplies necessary for the production or distribution of drinking water, recollection, treatment or disposal of sewage (any kind).
 - ii) The conclusion of contracts for the provision of engineering services, construction, operation or maintenance of health infrastructure, equipment and facilities of any kind and, in general, holding all kinds of service leases of requirement to the business, whether professional or technical.
 - iii) The conclusion of contracts for the purchase, sale, lease or loan of machinery, equipment and movable property, artifacts and tools in general, facilities and offices.
 - iv) Contracts for technical services, construction, maintenance and operation of health infrastructure, of meter reading services and distributions of ballots, commercial services, customer services, collection and sale; logistics contracts necessary and conducive to turning of the Company, and construction and maintenance of starts.
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- 2) The contracts described above but, for exceptional reasons duly justified and reported to the Superintendence of Sanitary Services shall not be celebrated following a public tender either for reasons of force majeure or inapplicability of Article 67 of DFL MOP N ° 382 / 88 to the case. As an example it relates to emergencies in recruitment, situations where not market is presented to purchase goods or services, where the service is intuition personae or highly personal, etc.
 - 3) The contracts of any kind to be concluded with a subsidiary of Aguas Andinas SA, which is a provider of health services, however the participation is less than 95%.
 - 4) Any modification of a contract that was concluded in consideration of the policies of regularity, provided that the legal requirements for approval founded with at least 2/3 of the directory are met, and reported timely to the Superintendence of Sanitary Services, under Article 67 of the Law on Health Care.

All operations, acts and contracts that are considered part of the General

Policy on Habituality defined by the Board, shall in all cases be previously reviewed by the Audit Committee and reported to the Board, applying the rules of No. 3 of Article 50 of Law 18.046. In this instance the Board of Directors will review the entire recruitment process and / or bidding from the bidding, bid qualification, contract terms, etc.

The Board of Directors may, with valid reason, identify any operation as related to company business, in accordance with Article 146 No. 4 of Law 18.046, and complete the process of approval of the transaction with related parties even if such a transaction falls within the exceptions provided for by law.

The Board agrees also to treat the previous agreement as an material fact and authorize the General Manager to communicate in that capacity to the Superintendence of Securities and Insurance and securities exchanges, as well as making it available to shareholders at corporate offices and in the Company website.

The specific acts or contracts approved under the General Policy on Habituality must be reported as material fact if they meet the conditions and requirements.

3.- Advertising.

For purposes of the provisions stated in letter b) of the second paragraph of Article 147 of the Companies Act, this General Policy on Habituality will be made available to shareholders at the corporate offices and will be duly posted on the website of the Company (HYPERLINK "<http://www.aguasandinas.cl>" www.aguasandinas.cl)

4. Validity

The General Policy on Habituality adopted by the Board of Aguas Andinas SA on Ordinary Session No. 387 held on July 27, 2010, will take effect from the same date and shall remain in force until the Board of Directors resolves to change it. In that case, appropriate modifications will be made available to the Superintendence of Securities and Insurance and any advertising requirements specified by the Companies Act will be met.

Santiago de Chile, July 27, 2010.