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CRIME PREVENTION POLICY LAW N° 20,393
AGUAS GROUP

VALIDATION PATH		
FUNCTION	POSITION	ORGANIZATIONAL UNIT
ELABORATED BY:	Attorney	Aguas Group Compliance
CONSENTED:	Sub-Management of Transformation and Continuous Improvement	Sub-Management of Transformation and Continuous Improvement
REVISED BY:	Aguas Group Compliance Officer	Aguas Group Compliance
APPROVED BY:	Aguas Group Boards of Directors	Aguas Group Boards of Directors

Print Date:		Integrated Management System Aguas Group	
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1. OBJECTIVES

Integrity is one of the fundamental principles that guide the behavior of Aguas Group employees. This is established in the Code of Ethics, which disapproves of corruption in all its forms.

In this sense, and within the implementation of various policies and procedures that make up the Aguas Group Compliance Management System, it has been decided to update this Crime Prevention Model in accordance with the provisions of Law 20,393, which has implemented a form of corporate organization that seeks to avoid the commission of the crimes referred to in the law through the fulfillment of the management and supervision duties required by Law N° 20,393, and thus serve as a guide for the action of employees, orienting them as to what the company expects and demands of their behavior.

The present crime prevention model reflects our organizational commitment to avoid the commission of the crimes established in Law N° 20,393, whether or not they benefit the company. For the same reason, it aims to ensure that if any of our employees commit any of the crimes of bribery to a national or foreign public official, money laundering, terrorist financing and/or reception, they will be acting not only in contradiction to our culture of corporate integrity but also despite the efforts deployed by the company to prevent it.

In order to achieve these objectives and fulfill the duties of self-regulation, an organization and cataloguing of procedures has been arranged that neutralizes as far as possible the risk of commission of the crimes referred to in Law N° 20,393, contributing to their prevention and timely detection.

In this sense, the Crime Prevention Model not only seeks to dissuade the commission of crimes, but in particular comply with the duties of management and supervision imposed by Law N° 20,393. Thus, for the design, implementation and effective control of this model, we have identified, quantified and reviewed the risks inherent in our industry and method of operation. This model includes:

- The appointment of a person in charge of crime prevention, with the means and authorizations to carry out their duty;
- A crime prevention system, 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;
- The existence of internal administrative sanctions, as well as complaint and investigation procedures, for those who do not comply with the crime prevention system; and
- Monitoring elements to ensure the model's effective implementation.

2. SCOPE

The of Crime Prevention Model (CPM) applies to all the companies that make up the Aguas Group¹ (Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A., Gestión y Servicios S.A., Análisis Ambientales S.A., Ecoriles S.A. and Aguas del Maipo S.A.), and must be followed by all persons who are part of such companies at all levels, whether owners, controllers, managers, senior executives, representatives, those who perform management and supervisory

¹ With the exception of Empresa de Servicios Sanitarios de Los Lagos S.A. (ESSAL), which has its own Crime Prevention Model and Crime Prevention Officer.

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activities, and in general those who are under the direction or supervision of the aforementioned (hereinafter referred to as employees).

3. RELATED DOCUMENTS

The documents that complement the Compliance Management System and serve as a reference for the Crime Prevention Model include, among others:

- a) Code of Ethics
- b) Compliance Policy
- c) Anti-Corruption Policy
- d) Anti-Corruption Management System Manual
- e) Interactions with Public Officials and Lobbying Procedure
- f) Gifts, Invitations and Travel Procedure
- g) Conflict of Interest Management Procedure
- h) Anti-Corruption Management System Manual
- i) Complaints, Investigations and Sanctions Procedure
- j) Donations and Auspices Policy
- k) Donations Committee Procedure
- l) Order, Hygiene and Security Internal Regulation

4. EXPLANATION OF THE OFFENSES GOVERNED BY LAW 20,393

Law No. 20,393 has established a limited list of crimes that can generate corporate criminal liability. They are bribery of national or foreign officials, money laundering, financing terrorism and reception. We will next allocate a section to explain the fundamental characteristics of these crimes.

4.1 Bribery

4.1.1 Bribery of national public officials and employees

This crime is established in Article 250 of the Criminal Code.² It sanctions those who offer or consent to deliver to an employee an undue financial benefit for the latter to take or omit certain actions arising from their position, to exercise influence over another public employee in benefit of a third party, or to commit certain crimes.

² 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.

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Article 260 of the Criminal Code establishes who are considered public employees for this purpose. The scope of the definition is quite wide; as a result, care must be taken when analyzing risk areas concerning the crime of bribery. The central focus 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. 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 a presumption of public employee status 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 employee without it being obvious, especially if one considers that the public employee does not necessarily receive remuneration (they can play an honorary function) or may not belong to the central government (such as the Banco del Estado, 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 employee an economic benefit, it is not necessary that it benefit the public employee himself, but could instead seek to benefit a third party. Additionally, just the mere offer counts for commission of the crime, 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 employee 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 employee that increases their equity or prevents its decline, be it in cash, assets, or any other item with monetary value (discounts, additional credit benefits, scholarships, etc.)

The acts and omissions expected of the public employee are set out in Articles 248, 248(a) and 249 of the Criminal Code, under the following terms:

- 1) 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 employees 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 public employee directly asks for more than what is established (in which case the crime is committed by the public employee), or if someone offers it to them.
- 2) To offer or agree to deliver an economic benefit to a public employee, for themselves or a third party, to engage in an action arising out of their service, but one that is not part of their own duties.

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- 3) To offer or agree to deliver an economic benefit to a public employee to avoid or to stop doing something that is required by virtue of their position or function.
- 4) To offer or agree to deliver an economic benefit to the public employee 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 official so that the latter performs an act benefitting a third party.
- 5) To offer or agree to deliver an economic benefit to the public employee 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.

4.1.2 Bribery of foreign public officials

This crime is established under Article 251(a) of the Criminal Code.³ It requires, in broad terms, similar requirements to those previously analyzed for bribery, except that in this case the public official must serve another country or an international organization and the promised benefit can be of a noneconomic nature.

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 N°2 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.

4.2 Money Laundering

The crime of money laundering is established in Article 27 of Law 19,913⁴, which punishes:

³ 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.

⁴ 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 UTMs 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 4° 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

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- 1) Those who in any way conceal or disguise the illicit or prohibited origin of money or property knowing they come directly or indirectly from an illegal activity prohibited by law. In such a case, it is necessary to have knowledge that the property is in some way derived from the commission of any of the basic crimes established by law.
- 2) Those who acquire, possess, possess or use, for the sake of profit, goods of illicit origin, provided that their illicit origin is known upon acceptance.
- 3) Whoever engages in any of the above activities even though he did not know the illicit origin of the goods, if the subject should have known the origin and only did not know because of a lack of required care. This deals with a reckless form of money laundering, according to which not only is someone an offender if they have the direct intention of concealing the illicit origin of the goods, but also someone who for lack of required care "allowed" the unlawful conduct to be carried out.

For money laundering 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."

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

- 1) Those established by Law N° 20,000, which sanctions the illicit trade of narcotics.
- 2) Those which constitute acts of terrorism, described in Law N° 18,314.
- 3) 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.

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 degrees.

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.

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- 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.
- 4) The crimes of Law N° 18,045 on the Securities Market, which among other offenses 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. Making false contributions or transactions.
- 5) 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.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) The third paragraph of Number 4° of Article 97 of the Tax Code, concerning the malicious obtaining of tax refunds.

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- 10) 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.

4.3 Financing terrorism

In our country the financing of terrorism is described in Article 8° of Law N° 18,314⁵ and punishes those who in any form solicit, collect or provide funds with the purpose of using the funds 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:

- 1) 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.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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 uproot or inhibit government decisions or to impose official requirements.

4.4 Reception

This crime, established in article 456(a) of the Criminal Code⁶,, contemplates various forms of commission: to have, transport, buy, sell, transform or commercialize items deriving from certain

⁵ 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 2°, 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.

⁶ Article 456(a): Any person who, having knowledge of the origin or who could not but know it, has in their possession, under any title, property that is stolen, removed, lifted, received or misappropriated under Article 470 number 1, and who transports, buys, sells, transforms or markets the property in any form, even if it has already been disposed of, will suffer the penalty of minor imprisonment in any of its degrees and a fine of five to one hundred monthly tax units.

In determining the applicable penalty, the court shall take into account the value of the property, as well as the seriousness of the crime through which they were obtained, if known by the perpetrator.

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crimes against property. All these actions have in common the direct exploitation of the removed or appropriated goods, and/or allowing or facilitating the author of such crimes to exploit what he obtained through the crime.

The goods received are those coming from the following crimes against property:

- 1) Theft: appropriating, without the will of its owner and for profit, the movable property of others. Movable property is something that can move or be transported from one place to another.
- 2) Robbery: also appropriating, without the will of the owner and for profit, the movable property of others, but while exercising violence or intimidation of people or forcing the objects.
- 3) Farm rustling: the theft or robbery of certain animals or parts of them.
- 4) Undue appropriation: the appropriation to the detriment of another of items that would have been received with an obligation to deliver or return them.

A person can only be punished for reception when he has been made aware that the property comes from a crime. But since this can be difficult to prove, reception also occurs if a person could not but know the illicit origin of the good that he has or acquires.

5. RISK MANAGEMENT

The risk to which Aguas Group companies are exposed is necessarily born out of the activities carried out by the people identified in the law (owners, controllers, managers, chief executives, representatives, those who carry out administrative and supervisory activities and in general all those who are under the direction or supervision of the above).

The Aguas Group has procedures in place to detect and evaluate the risks of incurring noncompliance, as well as controls that mitigate such risks. All of this is embodied in a Compliance Risk Matrix, which must be reviewed and updated at least annually by the Compliance Officer (who is also the Crime Prevention Officer) in order to gather the changes experienced by the company and its environment, and to periodically evaluate the effectiveness and validity of controls.

When the object of reception is a motor vehicle or objects that are part of public or home service networks, such as electricity, gas, water, sewage, rainwater collectors or telephone cables, the maximum grade and fine of five to twenty monthly tax units shall be applied. The condemnatory sentence for crimes of this subsection will include confiscation of the instruments, tools or means used to commit them or to transform or transport the removed elements. If such items are stored, hidden or transformed in a commercial establishment with knowledge of the owner or administrator, it may be decreed, in addition, the final closure of said establishment, issued by the competent authority.

The maximum degree of the penalty established in the first paragraph shall be imposed when the person is a repeat offender or is recidivist given the facts. In cases of repetition or recidivism in the reception of property indicated in the preceding paragraph, the penalty of deprivation of liberty established therein shall be applied, increased by one degree.

In the case of the crime of farm rustling, the fine established in the first paragraph shall be seventy-five to one hundred monthly tax units and the judge may order the final closure of the establishment. If the value of the received property exceeds four hundred monthly tax units, the maximum degree of the penalty or the maximum of the corresponding penalty in each case will be imposed.

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Based on the risks identified, the Aguas Group uses the following strategies to incorporate preventive measures into its routine activities:

- 1) Establishment of specific protocols, rules and procedures that allow people involved in the activities or processes at risk of committing offenses under Law 20,393, to schedule and execute tasks or activities in a way that prevents commission of an offense.
- 2) Drafting, reviewing and continuous improvement of internal policies and internal procedures. These documents serve as a guide for employees when implementing the principles of conduct defined by the Aguas Group. By setting clear standards and rules, our policies help employees fulfill their work responsibilities in accordance with applicable domestic law and regulations, thereby preventing potential breaches and violations of the law.
- 3) Training and ongoing dissemination.
- 4) Establishment of procedures for administration and auditing of financial resources that allow the entity to prevent their use in the crimes already mentioned.
Periodic review of the matrix of risks, policies and procedures.

6. CRIME PREVENTION MEASURES

This section of the Aguas Group's crime prevention model seeks to establish rules of conduct to prevent the commission of offenses subject to Law N° 20,393 for the job positions exposed to those risks, as previously identified through risk management.

6.1 Preventive measures for the offense of bribery

- 1) Fulfill the obligations established in the Anti-Corruption Policy.
- 2) Fulfill the obligations established in the Relations with Public Officials and Lobbying Procedure.
- 3) Fulfill the obligations established in the Gifts, Invitations and Travel Procedure.
- 4) Comply with the Conflict of Interest Management Procedure.
- 5) Comply with the Purchasing Policy.
- 6) Comply with the Responsible Supplier Relationship Policy.
- 7) Fulfill the obligations established in the National Goods and Services Procurement Process.
- 8) Fulfill the obligations established in the International Goods and Services Procurement Process.
- 9) Fulfill the obligations established in the Bidding Procedure.
- 10) Incorporate a clause into contracts with suppliers and contractors, except in the case of adhesion contracts not modifiable by the Aguas Group, related to law 20,393. Regarding those suppliers with whom the company does not have contracts, it will be included in the purchase orders or sent by mail requesting their compliance.
- 11) Fulfill the obligations established in the Immediate Surrender of Funds Procedure.
- 12) Fulfill the obligations established in the Fixed Rotational Fund Procedure.

6.2 Preventive measures for the offense of money laundering

- 1) Fulfill the obligations established in the Anti-Corruption Policy.

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- 2) Fulfill the obligations established in the Relations with Public Officials and Lobbying Procedure.
- 3) Fulfill the obligations established in the Gifts, Invitations and Travel Procedure.
- 4) Comply with the Conflict of Interest Management Procedure.
- 5) Comply with the obligations established in the Investment Policy.
- 6) Comply with the obligations established in the Purchasing Procedure.
- 7) Comply with the obligations established in the Bidding Procedure.
- 8) Incorporate a clause into contracts with suppliers and contractors, except in the case of adhesion contracts not modifiable by the Aguas Group, related to law 20,393. Regarding those suppliers with whom the company does not have contracts, it will be included in the purchase orders or sent by mail requesting their compliance.
- 9) Fulfill the obligations established in the Gifts and Donations Policy and the Gifts and Donations Committee Procedures.
- 10) Comply with the Management Procedure for the Sale of Declared Available Property.
- 11) Fulfill the obligations established in the Contest Funds Policy.

6.3 Preventive measures for the offense of financing terrorism

- 1) Fulfill the obligations established in the Anti-Corruption Policy.
- 2) Fulfill the obligations established in the Relations with Public Officials and Lobbying Procedure.
- 3) Fulfill the obligations established in the Gifts, Invitations and Travel Procedure.
- 4) Comply with the Conflict of Interest Management Procedure.
- 5) Fulfill the obligations established in the Gifts and Donations Policy and the Gifts and Donations Committee Procedure.
- 6) Fulfill the obligations established in the Contest Funds Policy.
- 7) Fulfill the obligations established in the Immediate Surrender of Funds Procedure.
- 8) Fulfill the obligations established in the Fixed Rotational Fund Procedure.
- 9) Fulfill the obligations established in the Procedure of Release of Payments.
- 10) Comply with the obligations established in the Credit Policy and the customer service protocol.
- 11) Incorporate a clause into contracts with suppliers and contractors, except in the case of adhesion contracts not modifiable by the Aguas Group, related to law 20,393. Regarding those suppliers with whom the company does not have contracts, it will be included in the purchase orders or sent by mail requesting their compliance.
- 12) Comply with the Management Procedure for Sale of Declared Available Property.

6.4 Preventive measures for the offense of reception

- 1) Fulfill the obligations established in the Anti-Corruption Policy.
- 2) Fulfill the obligations established in the Relations with Public Officials and Lobbying Procedure.
- 3) Fulfill the obligations established in the Gifts, Invitations and Travel Procedure.
- 4) Comply with the Conflict of Interest Management Procedure.
- 5) Fulfill the obligations established in the Purchasing Policy.
- 6) Fulfill the obligations established in the National Goods and Services Procurement Process.

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- 7) Fulfill the obligations established in the International Goods and Services Procurement Process.
- 8) Fulfill the obligations established in the Bidding Procedure.
- 9) Fulfill the obligations established in the Responsible Relations Policy with Suppliers.
- 10) Fulfill the obligations established in the Immediate Surrender of Funds Procedure.
- 11) Fulfill the obligations established in the Fixed Rotational Fund Procedure.
- 12) Fulfill the obligations established in the Purchasing Release Strategy Procedures.
- 13) Evaluate critical services through the REPRO - Achilles system.
- 14) Incorporate a clause into contracts with suppliers and contractors, except in the case of adhesion contracts not modifiable by the Aguas Group, related to law 20,393. Regarding those suppliers with whom the company does not have contracts, it will be included in the purchase orders or sent by mail requesting their compliance.

7. OTHER ELEMENTS OF THE CRIME PREVENTION MODEL

7.1 Procedures for Administration and Audit of the Financial Resources of the Aguas Group.

Independent of the specific measures proposed in this crime prevention model to avoid the commission of crimes established in Law N° 20,393, the Aguas Group must have management and audit procedures that ensure the optimal use and safeguarding of its financial resources.

The identification of such procedures, expressly required by Article 4, paragraph 3, letter c, of Law N° 20,393, is thus complementary and consistent with the purpose of preventing crimes, taking into account that, either as a direct material object or as a means to facilitate its commission, the company's financial resources play a central role in the possible commission of the crimes of bribery, money laundering, financing of terrorism and reception.

The company has implemented various controls in the internal processes that manage and record the financial transactions that are carried out within the company.

Among other aspects, the Aguas Group utilizes the SAP system, in which all transactions are recorded. In addition, a separation of duties has been defined, in the sense that it is always required that the person making a request for purchase or payment and the person who approves it must be different and hold the authority required by the system according to the amounts involved. Any authorization requires the submission of sufficient evidence supporting the application. And periodically, both internal and external audits are performed to detect any anomalies.

These and other controls are described in the Policies and Procedures that regulate each process, such as the Investment Policy, Purchasing Policy, Bidding Procedure, Release Strategy Procedure, Receipt of Accounts Receivable Policy, the Rotating Fixed Fund Procedure, the Immediate Return and Reimbursement Funding Procedure, the Payment Order Procedure, among others.

The Aguas Group has two types of audits: an internal audit, carried out by a special unit of the company, in accordance with an annual plan that shall determine the areas and processes that will be reviewed, and an external one, defined by the Corporations Law and the regulations issued by the Superintendency of Securities and Insurance, which will be carried out by external auditors

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approved at the General Shareholders Meeting, which also approves the company's financial statements.

7.2 Employment contract clause.

The employment contract, whether temporary or indefinite, for any employee of Aguas Group shall contain a clause concerning Law 20,393.

7.3 Order, Hygiene and Safety Internal Regulation.

Each of the companies that make up the Aguas Group has its own Internal Regulation on Order, Hygiene and Safety, which has a clause called "Application of Law No. 20,393".

7.4 Supplier clause.

The supplier clause shall be signed by all those who render services or provide goods to the Aguas Group.

The supplier clause shall contain at least the following terms:

- 1) Obligation to act according to the law and code of ethics.
- 2) Statement of knowledge that the Aguas Group has a crime prevention model.
- 3) Prohibition of committing crimes under law 20,393.
- 4) Declaration of having a crime prevention model or, at least, of adopting measures to prevent crime.
- 5) Obligation not to compromise the company's criminal responsibility.
- 6) Obligation to give notice of events that could compromise the company's criminal responsibility.
- 7) Obligation to provide information in the context of internal investigations followed in the context of the model.
- 8) Sanctions.

7.5 Communication mechanisms for the crime prevention system..

For an effective implementation of the crime prevention model, it is fundamental that all employees are aware of the scope of Law N° 20,393 and know the content and scope of the existing prevention system, its controls and its procedures. It is also essential that all employees commit to adhering to this document.

In order to ensure that all Water Group employees are duly informed of this, in addition to the provisions incorporated in their employment contracts and Internal Regulations, the following provisions have been made:

- 1) Intranet. Information related to the crime prevention system will be available to all employees on the company's intranet.
- 2) Commitment. All personnel will sign they received the Internal Regulations and a clause or annex of their contract that refers to the crime prevention model.

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- 3) Training. For training purposes, a program will be made available on criminal liability law for legal entities and the Aguas Group's crime prevention system, which will be conducted in the most expeditious and accessible means.

7.6 Complaints procedure

The company has a Complaints, Investigations and Sanctions Procedure. It is based on four pillars or fundamental principles: expedition, confidentiality, responsibility and effectiveness. It is fundamental for the Aguas Group to have a complaint mechanism that allows its employees, suppliers and third parties to comply with their reporting obligations in case they have news or suspicions regarding any actions that constitute a crime, even if it is a crime not contained in the crime prevention model designed in accordance with Law 20,393.

The situations that shall be reported, the manner in which the complaints shall be made, as well as the procedure to follow when carrying out investigations that arise from these complaints, are regulated in the Complaints, Investigations and Sanctions Procedure of the Aguas Group.

7.7 Sanctions

The present crime prevention model contemplates sanctions for employees, seeking the effective fulfillment of the prevention model and reinforcement of a corporate culture far from the commission of crimes.

The present model contemplates sanctions that have been incorporated as motivational mechanisms for employees and suppliers and that seek to effectively fulfill the crime prevention model and consolidate a corporate culture far from the commission of crimes.

The sanctions established with respect to employees and suppliers have been established in the Internal Regulation on Order, Hygiene and Safety and have been accepted and recognized by them through the signing of the corresponding documents. It is understood that there is a punishable offense in those cases in which the employee or supplier has failed to comply with their obligations to be vigilant, report, undergo training, or any other action established in the crime prevention model. These sanctions may be as follows:

- 1) Verbal warning
- 2) Written warning
- 3) Termination of employment contract

With respect to suppliers who have accepted these obligations under similar terms, sanctions for failure to comply with this model or their duties of supervision or reporting, or for failure to provide timely information to the Aguas Group within the framework of the internal investigations, will be:

- 1) Censorship, in writing, communicated to the supplier's management
- 2) Termination of the contract with the supplier in case of serious or repeated faults
- 3) Other sanctions established in bidding guidelines and contracts

The penalties will be imposed by the Aguas Group's management upon recommendation by the crime prevention officer and always after the termination of an investigation through which it is determined that the employee has acted at least negligently in the fulfillment of their duties.

These sanctions are without prejudice to civil and criminal actions that may correspond.

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7.8 Training.

Initially, training will be carried out for personnel with greater exposure to crime risk, with the Compliance Officer maintaining records and supporting documentation for each training. Subsequently, training will be planned to provide sufficient knowledge to all Aguas Group employees concerning these matters.

In the same line, employees who join Aguas Group shall take part in an initial training process, which contains basic knowledge about the crime prevention system and other related matters.

The trainings can be done both in person and in through virtual means. The trainings that are carried out, whatever their format, will involve the taking of a knowledge test that must be approved. Each employee must carry out training or practice on these matters at least every two years, or whenever changes to the crime prevention system warrant it. To this end, the Compliance Officer, in conjunction with the Personnel and Work Environment Management, will prepare an annual Training and Communications Plan which will be updated at least annually.

7.9 Auditing for company acquisitions, mergers or takeovers

By virtue of the transfer of criminal liability of legal persons established in Article 18 of Law 20,393 in case of transformation, merger, acquisition, division or dissolution by mutual agreement to the resulting legal persons, the Aguas Group will apply an auditing model that takes care of the liability risks that can be generated by its participation in those processes.

For such purposes, the Compliance Officer must certify that the information provided by the legal entity that is transformed, merged, absorbed or divided complies with the prevention requirements established by Law 20,393, reflected in the present prevention model. It will not be necessary for this legal entity to have its own model of prevention, but will suffice that it has taken sufficient measures to prevent the commission of the crimes of bribery, money laundering, financing of terrorism and reception, or can reasonably demonstrate that their processes do not entail significant risks of committing such crimes.

In particular, they shall review the corporate risk management presented by the legal entity and the neutralization measures that have been implemented. Likewise, they shall verify the dissemination of the prevention mechanisms, both through employment contracts, internal regulations and the training that has been carried out.

7.10 On auditing the prevention model

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

Precisely for this, a permanent audit procedure is established for the model, which will be the responsibility of the Compliance Officer and will have two audits, a systematic or permanent audit and a random or periodic audit. This will allow for detecting and correcting faults both in its design and in its implementation, in this way helping to update the model based on eventual changes of circumstances or the context of the Aguas Group.

Audits should contain an effective review of the mechanisms implemented, their operation and adaptation to the needs of each of the corporate divisions. For these purposes, the Compliance Officer will determine the procedure with which these audits will be carried out.

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7.11 Recordkeeping Policy

All records of the design, implementation, review and audit of the prevention model shall be kept by the Compliance Officer for at least 10 years. This documentation of the work carried out at the time of constructing and implementing the model, as well as constructing and operating its auditing models, are a demonstration of the systematic and good faith effort of the group's prevention system and its audit.

If it is necessary to proceed with the destruction of part of this documentation, it must be carried out in a systematic way and using criteria previously defined by the Compliance Officer, approved by the board of directors. The disappearance or destruction of all or part of such records outside these pre-established criteria shall be considered a serious breach of their duties.

This information will be available to the authorities of the Public Prosecutor's Office when required. The Compliance Officer will be the direct contact and the autonomous administrator of such information.

7.12 Noncompliance Report

Any employee who witnesses a breach of the provisions of this Crime Prevention Model shall report it through the Aguas Group Complaints Channel available on Aquanet and on the company's website, or directly to the Compliance Officer.

8. AGUAS GROUP CRIME PREVENTION OFFICER.

The crime prevention officer is person especially appointed by the Boards of the Aguas Group for the design, implementation and oversight of the crime prevention system, as provided by Law 20,393. In the Aguas Group, this function is carried out by the Compliance Officer.

It shall be the responsibility of the Compliance Officer to periodically update the crime prevention model, both with regard to incorporating new risks and/or modifying the currently identified risks, as well as measures to prevent them. The above will ensure adequate knowledge and compliance on the part of the Aguas Group's employees.

The duration of the Compliance Officer position in charge of crime prevention shall be established by senior management. However, and in compliance with the law, an officer shall not serve more than three years in this role, renewable for equal periods.

For the purposes of the Crime Prevention Model, the Compliance Officer shall inform the company's Board of Directors and receive institutional autonomy and managerial budget. In this manner and to ensure adequate autonomy:

- 1) They shall be indemnified from any conflicts of interest that might affect their ability to comply with their responsibilities.
- 2) They shall have direct access to the Aguas Group's management to promptly inform them by a suitable means of the measures and plans implemented.
- 3) They shall receive the necessary budget and materials to adequately carry out their tasks, considering the company's economic size and capacity, which shall be detailed in an annual budget that allows them to fulfill their functions.

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Furthermore, as part of their responsibilities the Compliance Officer shall keep a confidential registry, which shall contain

- 1) All complaints received either by informal means or through complaint channels.
- 2) All inquiries carried out with their respective background and conclusions.
- 3) Registration of information exchanges with the Public Prosecutor.

In summary and according to what has been established throughout the crime prevention model, the obligations of the crime prevention officer consist of::

- 1) Communicating to Aguas Group employees that a crime prevention system has been implemented. In view of the foregoing, they shall enter information regarding the prevention system on the company's intranet, ensuring that all personnel sign a document confirming they received the Internal Regulations, and develop a training program on Law 20,393 and in general ensure the communication of the crime prevention system.
- 2) Receiving and proceeding to investigate complaints submitted by the Aguas Group's employees, suppliers and external third parties.
- 3) Even if a complaint is not filed, initiating on their own or by request of the Company's management any investigation when they become aware of a situation that warrants it, in accordance with the provisions of the Complaints, Investigations and Sanctions Procedure.
- 4) Reporting to the corresponding prosecutor's office and informing the Financial Analysis Unit, when applicable, of those facts that after being investigated have been determined to be criminal or warrant substantiated suspicion of violation of law 20,393.
- 5) Implementing the training system for employees and partners of the Aguas Group.
- 6) Maintaining records of the design, implementation, review and audit of the crime prevention model.
- 7) Establishing, in conjunction with the Administration of the Legal Entity, methods for the effective application of the crime prevention model and its supervision in order to detect and correct any faults.
- 8) Updating the crime prevention model according to the changing circumstances of the company.
- 9) Reporting and presenting to the board of directors and the Integrity and Compliance Committee, at least every six months, on the measures and plans implemented in fulfillment of their commitments.
- 10) Any other activity that is conducive to strict corporate compliance with the requirements of the crime prevention model.

9. MONITORING AND UPDATES

The Compliance Officer will be in charge of ensuring compliance with this Crime Prevention Model and will report at least every six months to the Board of Directors and to the Integrity and Compliance Committee regarding said compliance in its periodic report to senior management.

An internal communications channel has been set up on the intranet and via email (compliance@aguasandinas.cl) available to all employees to answer and resolve doubts about the application of this procedure.

10. TRACK CHANGES

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VERSION N°	DATE	OBSERVATIONS
00	August 2017	Update Aguas Group Crime Prevention Model