

REGULATIONS OF THE GENERAL SHAREHOLDERS' MEETING OF SOCIEDAD GENERAL DE AGUAS DE BARCELONA, S.A.

FOREWORD

The present regulations are approved by the General Shareholders' Meeting of Sociedad General de Aguas de Barcelona, S.A. in compliance with the stipulations of Article 113 of Law 24/1988, dated 28 July of the Securities Market, introduced by Law 26/2003, dated 17 July, with a view to strengthening the transparency of listed public limited companies and to developing legal and statutory provisions referring to the proceedings of the General Shareholders' Meeting.

In accordance with the proposed objective, the intention is not to reproduce the legal and statutory provisions over the General Meeting, though any of them may be reiterated at any time, in the interests of achieving greater exponential clarity. Neither is there any intention to regulate basic shareholders' rights regarding matters fixed by the law and the statutes, and it would not be appropriate to attempt to regulate them by means of a regulation whose primary objective would be procedural.

I.- INTRODUCTION

Article 1: Aim

This regulation aims to develop the legal provisions applicable to the Company, in addition to the statutes referring to the General Shareholders' Meeting, fully respecting said statutes, which shall always prevail over those contained in this regulation, by covering procedural aspects inherent in the proceedings of a General Meeting.

Article 2: Effect and interpretation

This regulation shall be applied to the General Meetings convened after its approval.

Interpretational doubts arising from the application of this regulation shall be resolved by applying the interpretational criteria contained in the Civil Code, with special attention to the legal and statutory regulation of matters being developed.

II.- CLASSES AND CAPACITY OF GENERAL MEETINGS

Article 3: Classes of General Meetings

General Meetings shall be considered ordinary and extraordinary, in accordance with the provisions of the Company Law and in Article 11 of the Company's Articles of Association.

Article 4: Capacities of the General Meeting

The capacities of the General Meeting shall comply with those resulting from legislation applicable to the Company at all times.

III.- NOTICE OF THE GENERAL MEETING

Article 5: Notice

The General Shareholders' Meeting shall be convened in accordance with the stipulations of the Company Law and Article 12 of the Company's Articles of Association.

Article 6: Powers and obligations of convening the General Meeting.

The powers and obligations of convening the General Meeting shall be regulated by the provisions of the legislation applicable and by article 13 of the Company's Articles of Association.

Article 7: Right of Information

1. After convening the General Meeting for approval of the Annual Accounts, any shareholder may receive the individual and, where appropriate, consolidated Annual Accounts, Management Report and Auditors' Report from the Company, immediately and at no charge at their business address. This documentation shall be placed at the disposal of the shareholders on the Company's webpage from the date of publication of the notice for the meeting and at least until the day the meeting is held for its approval.
2. As from the date of publishing the notice for the Ordinary or Extraordinary General Shareholders' Meeting, shareholders may examine, at their business address, the proposals for agreements, reports and other documentation, in accordance with the Law and the Articles of Association. This documentation shall also be placed at the disposal of shareholders on the Company's webpage from the moment indicated, without affecting the shareholders' right to request the delivery or receipt of the full documentation free of charge.
3. Up until the seventh day prior to the Meeting, shareholders may request information or clarification from the directors, concerning issues included in the agenda, or they may present any queries deemed appropriate by them. Likewise, they may request information or clarification or present queries in writing about the information

accessible to the general public provided by the Company for the National Commission of the Securities Market, since the last General Meeting.

The directors shall provide such information up until the day of the General Meeting.

4. During the General Meeting, shareholders may verbally request any information or clarification about the matters included in the agenda and, in the event of not being able to concede the Shareholder's right at that time, the Directors shall provide the requested information in writing within seven days of the General Meeting.
5. The directors are obliged to provide the information requested under sections 2 and 4 above, and may do so through the Company's management personnel, except in cases where the Chairman considers that publishing such information would be detrimental to the Company's interests. Refusal to provide information shall not be accepted when the request is supported by shareholders representing at least a fourth of capital stock

IV.- The General Meeting

Article 8: Right of attendance

The following shareholders may attend the General Shareholders' Meeting, either individually or along with others: holders of a minimum of three hundred shares, which have been entered, at least five days before the General Shareholders' Meeting, in the corresponding account entry registers. Each shareholder who, according to the above, may attend the Meeting will receive a personal attendance card, containing the number of shares belonging to the said shareholder and the corresponding votes, at the rate of one vote per share. Personal attendance cards shall be issued by the Company, prior to justification by the shareholder, or by the Registration, Compensation and Securities Liquidation Management Company, or any substituting body, and of the bodies participating in these systems. Failure to show an attendance card may only be substituted by a corresponding certificate of legitimation accrediting compliance with attendance requirements.

Members of the Board of Directors must attend the General Meetings.

The Board of Directors, through the Chairman, may authorise the attendance of persons rendering their services in or for the Company, and give them the right to speak when appropriate for the good proceedings of the General Meeting. The Chairman may also authorise

the attendance of any other persons deemed appropriate, though the General Meeting may revoke this authorisation.

Article 9: Representation

Every shareholder with the right to attend may authorise a representative for the General Meeting, even though the appointed person is not a shareholder.

This representation must be conferred in writing or by means of distance communication that clearly guarantee the identity of the individual, and especially for the purposes of the General Meeting, without detriment to the provisions of Article 108 of the Company Law.

In any event, the representative must provide the attendance card issued in the name of the shareholder.

Representation is always revocable. Personal attendance at the General Meeting of the person represented shall result in such revocation.

In the event of a public request for representation, this will be undertaken in any case according to the stipulations of Article 107 of the rewritten text of the Company Law and in Article 114 of the Law of the Securities Market.

Article 10: Organisation of the General Meeting

1. The General Meeting shall be held at the place indicated in the notice within the borough of Barcelona. Should the notice fail to state the place, the meeting shall be understood to be held at the business address.
2. In order to guarantee the security of those attending and the correct proceedings of the General Meeting, the Board of Directors shall establish suitable means of surveillance and protection, including access control systems.
3. Likewise, simultaneous translation of the proceedings in hand may be provided, if for any reason it should be considered advisable.
4. The Chairman may authorise the media and financial analysts to access the General Meeting.
5. The Chairman may decide to provide for an audiovisual recording of the General Meeting.

6. The General Meeting may take place in several rooms when the presiding committee decides that there is justified cause for this. In this case, inter-communicative audiovisual means must be installed to ensure the simultaneous and unified nature of the proceedings.

Article 11: Constitution of the General Meeting

1. The Ordinary or Extraordinary General Shareholders' Meeting shall be legally constituted at first call, when the shareholders attending, whether in person or by representation, possess at least 25% of the capital subscribed with the right to vote. At second call, the Meeting shall be legally constituted whatever the capital participating.
2. Notwithstanding the provisions of the above section, for the Ordinary or Extraordinary General Meeting to legally agree the issue of debentures, an increase or reduction in capital, transformation, merger or break-up of the Company and, generally speaking, any modification of the Company's Articles of Association, the attendance of shareholders, in person or by representation, who possess at least 50% of the capital subscribed with the right to vote will be required at first call. At second call, the attendance of 25% of the said capital shall be sufficient, but when the shareholders attending represent only 50% of the aforementioned capital, the agreements mentioned in this section may only be legally adopted with the favourable vote of two thirds of the capital present or represented at the General Meeting.
3. Absences occurring once the Meeting has been constituted shall not affect the validity of the constitution.
4. Members of the Board of Directors are not required to attend in order for the constitution of the Meeting to be valid.
5. If, at second call, the constitutional quorums required by all the points on the agenda are insufficiently met, said agenda shall be reduced to the points for which there is sufficient quorum, and the Meeting shall be legally constituted to adopt the agreements for which there is sufficient quorum.

Article 12: Chairmanship, Secretary and Presiding Committee

1. The General Meeting shall be presided over by the Chairman of the Board of Directors, and in his/her absence, by the corresponding Vice-Chairman according to order of preference. In the absence of either of these, the oldest Board Member shall act as Chairman.

2. The acting Secretary shall be the Secretary of the Board of Directors, in whose absence, the position will be taken by the Vice-Secretary. In the event of this position not existing, the youngest Board Member amongst those present shall act as Secretary.
3. If for any reason the Chairman or Secretary should be forced to leave the General Meeting, the position will be substituted according to the stipulations of the previous sections.
4. The Chairman is charged with verifying the valid constitution of the General Meeting, handling the deliberations of the debate and submitting points to the vote when he/she deems them sufficiently debated, organising the voting, proclaiming the results, proceeding to closure and, generally speaking, all the powers, in particular those concerning order, required for appropriate proceedings of the Meeting.
5. The Presiding Committee of the General Meeting shall be constituted by the Board of Administration.

Article 13: List of attendees

1. Admission of attendance cards and delegations shall be opened at least an hour before the announced time of the start of the session, unless otherwise stated in the notice of the meeting, and shall be closed immediately before drawing up the list of attendees.

Registration of the shareholders present and by representation shall be undertaken by means of the most appropriate technical systems.

2. The list of attendees shall contain the name of the shareholders present and their representatives, as well as the number of own or other's shares with which they are attending.

At the end of the list, the number of shareholders present or represented will be given, in addition to the amount of capital stock that they represent, specifying the amount corresponding to the shareholders with the right to vote.

3. Questions arising from attendance, representation and drawing up of the lists of attendance shall be resolved by the Secretary.
4. The list of attendees may also be created by file, or included in a computer technology medium. In these cases, the method used shall be recorded in the minutes and a suitable acknowledgement of identification shall be displayed on the sealed cover of the file or medium and signed by the Secretary with the approval of the Chairman.

5. During the proceedings of the General Meeting, any shareholder with the right to attend may verify their inclusion in the list of attendees, without delaying or postponing proceedings, once the Chairman has declared the Meeting legally constituted. The Presiding Committee is not obliged to read the aforementioned list or to facilitate a copy of said list during proceedings.
6. Shareholders, or, where appropriate, their representatives, who arrive late at the General Meeting, once admission of attendance cards and delegations has been closed, may attend the meeting (in the same meeting hall or, if the Company deems it convenient in order to avoid confusion during the meeting, in a separate adjoining hall from where they may follow the meeting). However, neither the aforementioned shareholders and representatives (nor their principals) shall be included in the list of attendance.
7. The Chairman may decide to extend closure of the list of attendance for a few minutes in order to attend to agglomerations of last-minute shareholders. In this case, a provisional closure may be performed with the purpose of achieving sufficient quorum to legally constitute the meeting. In any case, the final closure of the list and the subsequent determination of the final quorum shall be undertaken before entering into debate of the points on the agenda.

V.- PROCEEDINGS OF THE GENERAL MEETING

Article 14: Constitution of the General Meeting and Opening of the Session

1. On opening the session, the Chairman, or by delegation the Secretary, shall refer to the notice of the General Meeting and shall read the details concerning the number of members with the right to vote in attendance (either directly, or by representation), indicating the number of shares corresponding to one and another, and their share of the capital. If this ensues, the Chairman shall declare the Meeting legitimately constituted, at first or second call, accordingly, and shall decide whether the said Meeting may deliberate and adopt agreements on the points included in the agenda, or to the contrary, whether any points must be restricted.

If the circumstance foreseen in section 7 of the previous article should arise, the aforementioned details referring to the provisional closure of the list may be initially read, and the Chairman may undertake to declare valid the constitution of the Meeting and to determine the points on the agenda that may be dealt with, according to the aforementioned details. Once the list of attendance has been finally

closed and before commencing the debate and voting on the points on the agenda, the final details resulting from the final list shall be read, and the Chairman shall ratify the valid constitution and determination of the points on the agenda that may be dealt with. To all intents and purposes the details to be considered shall be final.

2. Once the valid constitution of the General Meeting has been declared, the shareholders in attendance may express reservations or protests about the valid constitution.

Article 15: Participation

1. Once the valid constitution of the General Meeting has been declared, the Chairman and/or the Board Members and/or the persons designated to that end by the former, may address the attendees to present the reports corresponding to the points on the agenda.

Once the aforementioned reports have been presented, and before proceeding to vote on the points included in the agenda, the Chairman shall open the order of participation of the shareholders.

2. The Chairman may decide to allow participations to take place before voting, or according to each of the points on the agenda and according to voting on each of these points.
3. The Chairman shall give shareholders permission to speak by order of request and shall respond directly or through a person designated to that end, either after the participation of each shareholder or after all shareholders have finished, according to the most appropriate circumstance for deliberation proceedings.
4. The time initially assigned to shareholders shall be five minutes, with no detriment to extensions or limits of expression corresponding to the Chairman of the General Meeting, in accordance with the provisions in section 8 below.
5. During their participation, shareholders may request clarification or formulate proposals concerning any point on the agenda, in the event of there being only one order of intervention or if this order refers to the specific point on the agenda being debated at any given time.

Moreover, during their participation, they may propose the adoption of agreements on matters on which the Meeting may deliberate and decide, despite such matters not figuring on the agenda.

6. Shareholders must expressly request their desire for the content of their participation, the cast of their vote and, where appropriate, their

opposition to the agreement to be recorded in the minutes of the meeting. If shareholders wish for their participation to be literally recorded, before commencing, they are requested to submit to the Secretary, or Notary (if in attendance) a written text for comparison and subsequent inclusion in the minutes, if the said shareholder has not opted for a transcription and inclusion into the main body of the minutes.

7. Before commencing their participation, shareholders or representatives who have requested participation must identify themselves by giving their name and by stating whether they are acting on their own behalf or on behalf of a shareholder. In this case, they must provide identification, in addition to the number of their own or represented shares and the number or reference on the attendance card.
8. In the exercise of his/her functions of managing and organising the Meeting, the Chairman shall have the following powers:
 - a) To organise shareholders' participations in the terms laid down in the above sections.
 - b) Where appropriate, to agree to an extension of the time initially assigned to each shareholder for their participation.
 - c) To limit shareholders' participations when the Chairman considers that arguments and positions have been adequately expressed or that the matter has been sufficiently debated.
 - d) To chair shareholders' participations, asking for clarification if necessary, or requesting that shareholders follow the agenda and express themselves in a correct manner.
 - e) Call shareholders to order when their participation is clearly intended to obstruct or to upset the normal proceedings of the General Meeting.
 - f) Deny permission to speak when the time allotted for each participation has passed, or when, despite warnings being given as under sections d) and e), the shareholder persists in their conduct. In exercising this power, the Chairman may order a shareholder, who has repeatedly disregarded the Chairman's requests, to abandon the hall. Similarly, the Chairman may adopt the necessary measures to put this into effect, by ordering the intervention of the stewards.

- g) Request that participants clarify questions insufficiently explained during participation.
- h) Proclaim the results of the voting.
- i) Resolve any matters arising during proceedings concerning the rules laid down in the regulation.

Article 16: Information

1. During their participation, shareholders may request any information or clarification that they deem advisable for further knowledge and appraisal of the matters included in the agenda. This information must be provided during the General Meeting, unless unavailable at that time, in which case it shall be provided in writing within seven days after the General Meeting, or unless any of the circumstances stated in Article 7 of this regulation come together.
2. Information or clarification shall be provided by the Chairman, or where appropriate and when indicated by the former, by the Chairman of the Auditing Commission, by the Secretary, a board member, or where convenient, by an employee or expert in the matter.

Article 17: Extension and postponement of the General Meeting

1. The General Meeting may agree to its own extension for one or several days consecutively, at the proposal of the Board of Directors, or of a number of members who represent at least a fourth of the capital stock in attendance. Whatever the number of sessions, the Meeting shall be considered as one, and only one set of minutes shall be recorded for all the sessions. Therefore, it will not be necessary to repeat all the requirements stipulated in the Law or in the Company's Articles of Association at all the sessions in order to legitimately constitute the Meeting.

If any shareholder included in the list of attendees should not attend the following sessions, the majorities required for adopting agreements shall continue to be those decided at the sessions based on the details resulting from the aforementioned list.

2. In exceptional circumstances, and in the event of disturbances that considerably disrupt order at the Meeting or any other kind of unprecedented circumstance that temporarily prevents normal proceedings, the Chairman of the Meeting may agree to postpone the session for a suitable time, with a view to restoring order and the

conditions required to continue. In this case the Chairman may adopt any appropriate measures to guarantee the security of those present and to avoid repetition of circumstances that may alter the proceedings again.

VI.- ADOPTION, DOCUMENTATION AND PUBLISHING AGREEMENTS

Article 18: Voting of agreements

1. Once the shareholders' participations are over and responses, where appropriate, have been given, the Chairman shall submit the proposals of the agreements on matters on the agenda to the vote. In compliance with the provisions of section 5 of Article 15 above, these matters are those that have been legitimately proposed by shareholders during the meeting.

The process of adoption of agreements will follow the agenda anticipated in the notice of the meeting, beginning with the proposals presented by the Board of Directors. If proposals have been put forward on matters that the General Meeting may resolve without inclusion in the agenda, the Chairman shall decide the voting order.

2. Each of the points on the agenda will be submitted to voting individually.

Nevertheless, if circumstances dictate, the Chairman may decide on joint voting on proposals corresponding to several points on the agenda, in which case the result of the voting shall be understood to have taken place on an individual basis, if none of the attendees has expressed their desire to modify the cast of their vote in relation to any of these matters. To the contrary, the minutes will show modifications to votes expressed by each of the attendees and the voting results corresponding to each proposal as a result of such modifications.

The same rules stipulated in the above paragraph will be applicable to voting for the proposals put forward by shareholders which do not figure on the agenda. In any case, once an agreement proposal has been approved, all other proposals referring to the same matter and incompatible with it will be eliminated automatically, with no need to submit them to voting.

3. The Secretary is not required to give a prior reading of agreement proposals whose texts have been placed at the disposal of the shareholders before the session, unless any shareholder requests the full or part reading of all or some of the proposals, or the Chairman

considers it appropriate to do so. In any case, attendees will be informed of the point on the agenda to which the agreement proposal being submitted to voting refers.

4. As a general rule for ensuring good proceedings, any shareholder who leaves before voting takes place, without informing of their absence and of the point on the agenda when this absence occurs, shall be considered to have voted in favour of the proposals presented or assumed by the Board, regarding the points included in the agenda. Voting on these agreements shall be undertaken in the following manner:

a) When this concerns agreements on matters included in the agenda, votes for the proposal presented or assumed by the Board and submitted to voting will be considered favourable when they correspond to all the shares concurrent at the meeting, either present or by representation, according to the list of attendance, with deduction of: 1) votes corresponding to shares whose holders or representatives have previously notified the Secretary - or the person serving in this capacity - of their absence from the session before voting takes place; 2) votes against; 3) abstentions; 4) blank ballots in the event of existence.

For voting purposes, the Chairman shall ask for votes against, followed by abstentions, and therefore it will be unnecessary to show votes in favour.

Blank ballots shall only be taken into account when the shareholder expressly requests to vote in this way, and the Chairman must not question this decision.

b) When this concerns agreements on matters not included in the agenda or proposals not assumed by the Board, votes will be considered votes against when they correspond to all the shares concurrent at the meeting, either present or by representation, according to the list of attendance, with deduction of: 1) votes corresponding to shares whose holders or representatives have previously notified the Secretary - or the person serving in this capacity - of their absence from the session before voting takes place; 2) votes in favour; 3) abstentions; 4) blank ballots in the event of existence.

For voting purposes, the Chairman shall ask for votes in favour, followed by abstentions, and therefore it will be unnecessary to show votes against.

Blank ballots shall only be taken into account when the shareholder expressly requests to vote in this way, and the Chairman must not question this decision.

A shareholder must notify the Secretary – or person serving in this capacity – in writing of their intention to leave the session. This notification must be signed by the shareholder or representative, indicating the number of own shares and/or represented shares and the point on the agenda prior to voting when absence will take place. For the above purposes, use may be made of the card handed to the shareholder or representative on registering on the list of attendance, in anticipation of a written vote.

5. Notwithstanding the provisions of the previous section, the Chairman may choose to set up another voting system to facilitate recording the favourable votes needed for approval and to register voting results in the minutes. This could be in the form of written paper votes supplied at the General Meeting and for which purpose the tables and systems available for attendance registration can be used, or by technical means according to the state of technology available, whereby votes could be cast in the same way as at a General Meeting. In any case, whatever the voting system used, shareholders may request that their opposition to the agreement be recorded in the minutes, which in the absence of a verbal vote, must be expressly manifested to the Secretary or Notary, if the latter attends the General Meeting to take the minutes.
6. If the General Meeting has not previously designated two shareholders to act as scrutineers, the Chairman and Secretary shall be responsible for counting the votes.

Article 19: Need to attend the Meeting to exercise the right to vote.

With a view to preserving the deliberative nature of the General Meeting, in order to exercise the right to vote, the shareholder shall attend the General Meeting, either in person or by representation. In the event of the shareholder attending through a representative, the latter shall receive the appropriate instructions to vote.

Article 20: Adoption of agreements and conclusion of the General Meeting.

1. Agreements shall be adopted by simple majority of the capital with the right to vote, either present or by representation, at the General Meeting. One vote corresponds to each share, unless this should be undertaken by qualified majority, in accordance with the Law or to the Articles of Association.

In particular in the case envisaged in the second section of Article 103 of the Company Law, the agreements are adopted by favourable vote of two thirds of the capital present or by representation.

2. The Chairman shall declare the agreements approved when sufficient votes in favour for the majority needed in each case have been recorded, without affecting the statements made by attending shareholders, where appropriate, concerning the cast of their vote.
3. The Chairman will draw the session to a close, once the points on the agenda and those not included but legally raised have been dealt with.

Article 21: Minutes of the General Meeting

The agreements of the General Meeting shall be recorded in the minutes and transferred to the book of proceedings. The notarial minutes shall be considered as the minutes of the General Meeting, without requiring approval. When the minutes of the General Meeting are not notarial, these may be approved by the Meeting after being held, and failing that, within the space of 15 days, by the Chairman of the Meeting and two scrutineers, one representing the majority and the other the minority.

Article 22: Publication of agreements

1. Irrespective of the means of publication required legally or by regulation in each case, shareholders may know of the agreements adopted by the General Meeting through the Company's webpage.
2. Any shareholder and the persons who, where appropriate, attended the General Meeting on behalf of the shareholders, may obtain certification of the agreements adopted and the minutes of the General Meeting at any time.
3. Agreements that must be registered shall be presented at the Companies Registration Office.
4. The Company shall notify the National Commission of the Securities Market of the agreements adopted by the General Meeting, either literally or by means of an extract of the contents as soon as possible and, in any case, where it is established for that purpose.