



THE AES CORPORATION
Anti-Corruption Policy

Effective Date:
January 23, 2015

Issued By:
Ethics & Compliance

I. PURPOSE AND SCOPE

At AES, our five shared Values – Put Safety First, Act with Integrity, Honor Commitments, Strive for Excellence and Have Fun through Work – are more than just words on paper. They give meaning to who we are and how we work. As part of our commitment to uphold our Values and act with integrity, AES strictly prohibits corruption in any form, including giving or accepting bribes, even if this prohibition results in AES losing a business opportunity. Corruption is the abuse of a position of power for personal gain. Corruption in the public sector promotes poverty, hunger, disease and crime through the misuse and diversion of public resources. In the private sector, it lessens competition, hurts economic development, and diminishes free and fair trade.

AES is committed to complying with the anti-corruption laws of every country in which we operate. As a multi-national company, AES and its subsidiaries are subject to a number of anti-corruption laws and regulations. In particular, as a corporation based in the United States, AES is subject to the United States Foreign Corrupt Practices Act (FCPA). Many of these anti-corruption laws prohibit bribing of both government officials and private parties and provide stiff criminal and civil penalties for violations. As a company, AES can face significant fines and may be precluded from doing business with government entities. Individuals who violate these laws may be held criminally liable and sent to jail.

This Policy applies to all AES People worldwide. In addition, temporary workers, contractors, consultants, agents, representatives, and all others who perform AES work are required to ensure that their actions on behalf of AES meet the same high standards of integrity expected of AES People. Violation of this Policy or relevant anti-corruption laws will result in discipline by AES, up to and including termination of employment.

II. POLICY

GENERAL RULE

AES and its employees and agents are strictly prohibited from, either directly or indirectly, offering or giving anything of value to anyone – including government officials or private commercial parties – to improperly influence any governmental or business decision. AES People are also prohibited from requesting or accepting anything of value from current or prospective business partners in exchange for AES business or other favorable treatment.

III. TYPES OF PROHIBITED CORRUPTION

A. *Bribery of Government Officials*

AES strictly prohibits the Company, its officers, directors, employees and third party agents from giving, offering, promising, or authorizing the giving of anything of value to a government official with the intent to improperly influence any official act or decision in order to obtain or retain business or secure an unfair business advantage for AES.

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This prohibition should be interpreted broadly. The following concepts are essential to understand the scope of this prohibition.

Giving, offering, promising or authorizing: AES People are prohibited from giving, offering, promising or authorizing bribes both directly and indirectly by another person or company acting on behalf of AES. AES People may not authorize a third party (such as a contractor, consultant or supplier) to bribe a government official, make payments to a third party knowing that the third party will likely use those funds to bribe a government official, or otherwise permit a third party to bribe a government official on AES’ behalf. This means that you cannot ignore warnings signs of corrupt behavior. You must take action if you have knowledge or information indicating that there is a reasonable probability that an AES employee or third party acting on behalf of AES intends to bribe a government official. Such actions should include alerting your local Compliance Officer, another member of the AES Ethics and Compliance Department, or the AES Helpline.

It is a violation of this Policy to give, offer, promise or authorize a bribe, even if:

- The bribe is not actually provided.
- The government official rejects the bribe.
- The bribe fails to bring about the intended outcome.
- The identity of the recipient is unknown.

Anything of Value: Anything of value is broadly defined to include money, goods, services and intangible benefits, including but not limited to the following examples:

Monetary Benefits	<ul style="list-style-type: none"> ➤ Cash (including sham “consulting fees”, “commissions” or “per diems”) ➤ Cash equivalents such as gift certificates ➤ Payment of expenses or debts ➤ Loans or loan guarantees ➤ Political donations or charitable contributions
Goods and Services	<ul style="list-style-type: none"> ➤ Gifts (including gifts to family members) ➤ Entertainment and hospitality, including meals ➤ Travel and lodging ➤ Discounted or free services ➤ Home improvements ➤ Use of vehicles or vacation homes
Intangible Benefits	<ul style="list-style-type: none"> ➤ Employment opportunities for the official or his/her family members ➤ Opportunities to do business with AES ➤ Invitations to attend exclusive events

It may be permissible to incur certain expenses in connection with the legitimate promotion of the Company’s services. Such expenses are discussed more fully below in Section IV.A.

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Government Official: Government Official includes all officers and employees, regardless of seniority, of any:

- Government agency or department at any level, whether national, regional, or local.
- State-owned or controlled enterprises, even if they appear to be involved in a non-governmental commercial business function, such as a state-owned energy company.
- Public international organizations such as the United Nations or World Bank.
- Representatives of political parties, party officials, and candidates for public office.

Any person who is acting in an official capacity for any of these entities, such as a private consultant engaged by a government agency (e.g., a private consultant engaged by the Ministry of Land to conduct an environmental impact assessment) may also be considered a Government Official.

Improper Influence: Improper influence means an intent to induce a government official to misuse his or her official position; for example, to wrongly direct business to the bribe payer, to obtain a permit or license, to secure passage of preferential legislation or regulations, or to induce the government official to fail to perform an official function.

Obtain or Retain Business: Obtain or retain business includes both the award of new business, such as winning a government contract or concession, as well as the retention of existing business, such as renewal of a contract or avoiding contract termination. It also includes influencing the procurement process, gaining access to non-public information, and government action to prevent competitors from entering a market.

Unfair Business Advantage: An unfair advantage exists when a business favor or preferential treatment is exchanged for a bribe, such as favorable tax treatment, reduction or elimination of customs duties, circumvention of the rules for importation of products, exemptions from government laws or regulations, influencing the adjudication of lawsuits or enforcement actions, or prevention of some government action (such as a fine or penalty). An advantage may exist even if a bribe payer would have won government business even without payment of the bribe.

B. Commercial Bribery in the Private Sector

Corruption may occur when dealing with commercial partners as well as government officials. As a result, this Policy applies to the Company's dealings with counterparties in the private sector as well as the public sector.

AES prohibits the Company, its officers, directors, employees and third party agents from giving, offering, promising, or authorizing the giving of anything of value (including the items described above) to a commercial party or other private person with the intention of inducing that person to breach an expectation that the person will act in good faith, impartially, or in accordance with a position of trust (such as in awarding or retaining a contract, providing favorable terms in a transaction, disclosing confidential or proprietary information, or providing other business advantages) in any way connected with AES business.

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C. Kickbacks

AES officers, directors and employees are expected to act in the best interests of the Company at all times. AES People are prohibited from accepting or requesting anything of value (including the items described above) from a current or prospective business partner in a manner that compromises business judgment, such as in exchange for AES business or other favorable treatment. AES People may not accept anything of value offered by a third party during or after the course of a commercial selection, bidding process, negotiation, or any other business decision relating to the third party if acceptance would create an appearance of improper influence or could appear to affect the business decision.

IV. EXPENSES

A. Permissible Expenses

Subject to the foregoing limitations, it is permissible under this Policy to incur proper expenses that are directly related to the promotion, demonstration, or explanation of AES’ services, or are related to the execution or performance of a contract. As discussed more fully below, any such expenses must be reasonable, occasional, appropriate, permitted under local law, and properly documented in AES’ financial records (including reimbursement forms and payment requests forms). If you have any questions about whether an expense is permissible, ask your manager or an Ethics and Compliance Department representative for guidance.

1. Business Entertainment

All business entertainment expenses must comply with the AES Gift and Entertainment Policy and the AES Travel and Expense Policy. Reasonable meal and entertainment expenses made to establish and maintain appropriate business relationships are permitted so long as:

- The entertainment has a valid business purpose. For example, it should be directly connected to a related business meeting or should be used as an opportunity to promote or discuss AES business.
- The value of the entertainment is reasonable. The entertainment must not be excessive or lavish, so frequent as to allow the impression that the entertainment is intended to influence the recipient, or of a kind that might otherwise prove embarrassing to AES.
- The recipient is permitted to accept the entertainment under local law. In many countries, local law places limits or restrictions on what public officials may accept.
- All entertainment expenses are supported by receipts as required by the AES Travel and Expense Policy and promptly and accurately recorded in AES’ financial records.

2. Gifts

All gifts must comply with the AES Gift and Entertainment Policy. When dealing with government officials, business partners or prospective business partners, it is important to avoid *even the appearance* of seeking to improperly influence a recipient with a gift. Modest gifts may be given to celebrate a

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major holiday, as a token of regard, in recognition of services rendered properly, or to promote goodwill so long as:

- The gift is legal and customary in the jurisdiction in which it is given.
- The gift is not given in the form of cash or cash equivalents.
- The gift is modest and of nominal value.
- The gift is appropriate to the particular business occasion and the job function of the recipient.
- The gift is given openly.
- The gift is supported by a receipt and promptly and accurately recorded in AES' financial records.
- Gifts are not given frequently to the same recipient.

3. Travel and Lodging

From time to time, guests may be invited to visit AES' facilities or events sponsored by AES. AES permits the payment of certain travel and lodging expenses for business guests so long as:

- It is for a legitimate business purpose.
- The travel and lodging are reasonable in nature and amount and not lavish.
- All associated meals and entertainment are reasonable and proportional.
- Attendance at business activities is mandatory.
- No family members or friends of the invitee are traveling at AES' expense.
- No side-trips that are unrelated to the demonstration of the Company' services are planned.
- No per diems or other cash is provided.
- The travel and lodging are supported by receipts and promptly and accurately recorded in AES' financial records.

All proposed travel and lodging expenses for government officials must be approved by the AES Chief Ethics and Compliance Officer prior to being offered.

4. Charitable Contributions and Political Donations

All charitable contributions and political donations must comply with applicable local laws and the AES Charitable Contributions and Political Donations Policy, which requires that all charitable contributions and political donations made by AES or on behalf of AES to be submitted to and reviewed by the Ethics and Compliance Department in advance. Charitable contributions and political donations may not be made to improperly influence a government official or any other private person for the purpose of obtaining or retaining business or an unfair business advantage for the Company.

B. Threats to Health and Safety

We put safety first. If you or another person is physically threatened, this Policy recognizes a limited exception for payments made in response to extortionate demands under imminent threat of physical

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harm. If a payment is made to protect health and safety, it must be reported as soon as practicable to the Chief Ethics and Compliance Officer and be accurately recorded in the Company’s financial records to reflect the amount and purpose of the payment.

C. Facilitation Payments

Facilitation payments (sometimes referred to as “expediting” or “grease” payments) are small payments to low-level government officials intended to speed up or secure performance of a routine, non-discretionary government action, such as processing a visa, clearing customs, or issuing a license or permit. Facilitation payments are unlawful in most countries where AES does business. Facilitation payments are strictly prohibited under this Policy.

D. Financial Record Keeping

AES is required by law to maintain financial and accounting records that accurately and fairly reflect all transactions and assets in reasonable detail. This record keeping requirement applies to all transactions regardless of value, not just those that may be material to the Company’s financial statements or regulatory filings. The requirement includes proper maintenance of all forms required for processing payments (including reimbursement forms and payment requests forms), attachments and backup used to justify payment or reimbursement requests, and classifications of payments.

It is never appropriate to falsify or mischaracterize transactions in the Company’s financial records. No undisclosed or unrecorded fund or asset (also known as “slush funds”) may be established or maintained for any purpose.

V. THIRD PARTIES

AES People must take particular care when dealing with third parties—such as agents, consultants, representatives, and joint venture partners—who will interact with government officials or commercial parties on behalf of AES. AES could be held responsible for a bribe made by a third party working on behalf of AES.

The AES Contract Compliance Handbook establishes procedures for assessing potential third party business partners, including but not limited to consultants, agents, EPC contractors, customs brokers and freight forwarders, lobbyists, joint venture partners, and merger and acquisition targets.

AES employees responsible for managing third parties must be alert for signs—“red flags”—that the third party may be making improper payments to government officials or commercial parties. Whenever red flags appear, it is the responsibility of each AES Person either to make additional inquiries or to refer the matter to a supervisor or the Ethics and Compliance Department, as appropriate.

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Red flags that may appear during the course of a business relationship include, for example:

- *Ties to the government* – the business partner has close personal or family ties to a government official that the partner is seeking to influence to act in favor of AES.
- *Suspicious statements* – the business partner states that he can “get the business” or “make the necessary arrangement” but refuses to explain how he intends to do so.
- *Inadequate documentation* – the business partner refuses to provide adequate invoices or provides suspicious invoices.
- *Unusual requests* – the business partner makes requests for payments, compensation, or delivery that are inconsistent with the contract or are otherwise unusual.
- *Misrepresentation* – you learn that the business partner made misrepresentations during the contract formation period on any issue, such as identity, capabilities, etc.

Additional guidance may be found in the AES Contract Compliance Review Process Handbook.

VI. RELATED POLICIES

Additional guidance may be found in the following AES policies:

- Charitable Contributions and Political Donations Policy
- Conflicts of Interest Policy
- Contract Compliance Review Process Handbook
- Gift and Entertainment Policy
- Procure to Pay Policy
- Travel and Expense Policy

Individual AES businesses may adopt policies which provide additional guidance under applicable local law.

VII. REPORTING QUESTIONS OR CONCERNS

If you have questions about this Policy, including whether an expense is permitted, or would like to report a suspected violation, please contact the AES Chief Ethics and Compliance Officer, your local Compliance Officer, or any member of the AES Ethics and Compliance Department. You may also contact the AES Helpline online at www.aeshelpline.com or by calling the telephone number printed on the Helpline poster at your business. The AES Helpline is available worldwide 24 hours per day / 7 days per week. Reports to the AES Helpline may be made anonymously.