

CHARTER
NOMINATING, GOVERNANCE AND CORPORATE RESPONSIBILITY COMMITTEE
OF THE BOARD OF DIRECTORS OF
THE AES CORPORATION

October 2016

I. PURPOSE OF THE COMMITTEE

The purposes of the Nominating, Governance and Corporate Responsibility Committee (the “Committee”) of the Board of Directors (the “Board”) of The AES Corporation (the “Company”) shall be to identify and recommend to the Board individuals qualified to serve as directors of the Company and on committees of the Board; to advise the Board with respect to Board composition, procedures and committees; to recommend and advise the Board with respect to the corporate governance principles applicable to the Company; to oversee and implement the process for the evaluation of the Board; to review the performance evaluation process implemented by the Compensation Committee for the Company’s Chief Executive Officer and other senior management; to review periodically the Company’s commitment to, and implementation of, its principle to act in a socially responsible way; to monitor the environmental and safety compliance of the Company and its subsidiaries; and to review and approve the scope of the Company’s internal environmental and safety compliance audit programs.

II. COMPOSITION OF THE COMMITTEE

The Committee shall be comprised of three or more directors who qualify as independent directors (“Independent Directors”) under the listing standards of the New York Stock Exchange (the “NYSE”).

The members of the Committee shall be elected annually to one-year terms by majority vote of the Board at the first meeting of the Board following the annual meeting of shareholders. Vacancies on the Committee shall be filled by majority vote of the Board at the next meeting of the Board following the occurrence of the vacancy. No member of the Committee shall be removed except by majority vote of the Independent Directors then in office.

III. MEETINGS AND PROCEDURES OF THE COMMITTEE

The Committee shall fix its own rules of procedure, which shall be consistent with the Bylaws of the Company and this Charter. The Committee shall meet as provided by its rules, which shall be at least four times annually or more frequently as circumstances require. The Chairperson will chair all regular sessions of the Committee. The Chairperson of the Committee or a majority of the members of the Committee may also call a special meeting of the Committee. A majority of the members of the Committee present in person or by means of

a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees, other Board members, and/or officers such power and authority as the Committee deems appropriate; *provided, however*, that no subcommittee shall consist of fewer than two members; and *provided further* that the Committee shall not delegate to a subcommittee, other Board members, and/or officers any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests.

Following each of its meetings, the Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Committee at the meeting. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company.

IV. DUTIES OF THE COMMITTEE

A. Board Candidates and Nominees

The Committee shall have the following goals and responsibilities with respect to Board candidates and nominees:

(a) To identify individuals who the Committee believes are qualified to become Board members.

(b) To establish criteria for the selection of new directors to serve on the Board and to establish procedures for evaluating the suitability of potential director nominees proposed by management, other Board members or shareholders.

(c) To recommend to the Board the director nominees for election by the shareholders or appointment by the Board, as the case may be, pursuant to the Bylaws of the Company, which recommendations shall be consistent with the Board's criteria for selecting new directors. Such criteria include the possession of such knowledge, experience, skills, diversity, expertise, integrity, ability to make independent analytical inquiries, understanding of the Company's global business environment and willingness to devote adequate time and effort to Board responsibilities so as to enhance the Board's ability to oversee and direct the affairs and business of the Company, including, when applicable, to enhance the ability of committees of the Board to fulfill their duties and/or to satisfy any independence requirements imposed by law, regulation or NYSE listing requirements.

(d) To evaluate candidates for nomination to the Board, including those recommended by shareholders, adopt procedures for the submission of recommendations by

shareholders as it deems appropriate and conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates.

(e) To review the suitability for continued service as a director of each Board member when his or her term expires and when he or she has a significant change in status, including but not limited to an employment change, and to recommend whether or not the director should be re-nominated.

(f) To consider matters relating to the retirement of members of the Board, including term limits or age limits.

(g) To consider questions of independence and possible conflicts of interest of members of the Board and executive officers, and whether a candidate has special interests or a specific agenda that would impair his or her ability to effectively represent the interests of all shareholders.

B. Board Composition and Procedures

The Committee shall have the following goals and responsibilities with respect to the composition and procedures of the Board as a whole:

(a) To review annually with the Board the composition of the Board as a whole and to recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skills, expertise, diversity, integrity, ability to make independent analytical inquiries, understanding of the Company's global business environment and willingness to devote adequate time and effort to Board responsibilities required for the Board as a whole and contains at least the minimum number of Independent Directors required by the NYSE.

(b) To make recommendations concerning the designations of the Board's Chairman, Lead Independent Director, and Alternate Lead Independent Director.

(c) To review periodically the size of the Board and to recommend to the Board any appropriate changes.

(d) To make recommendations on the frequency and structure of Board meetings.

(e) To make recommendations concerning any other aspect of the procedures of the Board that the Committee considers warranted, including but not limited to procedures with respect to the waiver by the Board of any Company rule, guideline, procedure or corporate governance principle.

C. Board Committees

The following shall be the goals and responsibilities of the Committee with respect to the committee structure of the Board:

(a) To make recommendations to the Board regarding the size and composition of each standing committee of the Board, including the identification of individuals qualified to serve as members of a committee, including the Committee, the recommendation of members of the Board to serve as the Chair of a committee, recommendations regarding periodic rotation of directors among the committees and to recommend individual directors to fill any vacancy that might occur on a committee, including the Committee.

(b) To monitor the functioning of the committees of the Board and to make recommendations for any changes, including the creation and elimination of committees.

(c) To review annually committee assignments and the policy with respect to the rotation of committee memberships and/or chairpersonships, and to report any recommendations to the Board, after consultation with the Chairman of the Board and the Lead Independent Director (if any).

(d) To recommend that the Board establish such special committees as may be desirable or necessary from time to time in order to address ethical, legal or other matters that may arise. The Committee's power to make such a recommendation under this Charter shall be without prejudice to the right of any other committee of the Board, or any individual director, to make such a recommendation at any time.

D. Corporate Governance

The following shall be the goals and responsibilities of the Committee with respect to corporate governance:

(a) To recommend to the Board a set of corporate governance principles for the Company, which shall be consistent with any applicable laws, regulations and listing standards. At a minimum, the corporate governance principles recommended by the Committee shall address the following:

- (i) Director qualification standards. The qualification standards established by the Committee must include independence standards which reflect at a minimum the independence requirements of the NYSE. The Committee shall also review policies regarding director tenure, retirement, removal and succession, and shall consider whether it is in the best interests of the Company to limit the number of corporate boards on which a director may serve.
- (ii) Director responsibilities.
- (iii) Director access to management, employees and, as necessary and appropriate, independent advisors.
- (iv) Director compensation, including principles for determining the form and amount of director compensation, and for reviewing those principles, as appropriate.

- (v) Director orientation and continuing education.
- (vi) Ensure that a management succession plan is reviewed and implemented by the Compensation Committee of the Board, including policies and principles for the selection and performance review of the Chief Executive Officer, as well as policies regarding succession in the event of an emergency or the retirement of the Chief Executive Officer and/or other senior officers.
- (vii) Annual performance evaluation of the Board and its committees.

(b) To review periodically the level and form of compensation for directors of the Company and to propose, if appropriate, changes in director compensation to the full Board for consideration and approval.

(c) To review periodically, and at least annually, the corporate governance principles adopted by the Board to assure that they are appropriate for the Company, recommend any desirable changes to the Board and keep current with developments with regard to corporate governance to enable the Committee to make recommendations to the Board in light of such developments.

(d) To consider any other corporate governance issues that arise from time to time, and to review appropriate recommendations for the Board.

(e) To review and recommend to the Board any proposed change to the Company's Certificate of Incorporation, Bylaws, Code of Conduct and/or any other corporate governance policies.

(f) To review any shareholder proposals relating to corporate governance matters and recommend to the Board the Company's response to any such proposals.

(g) To consider and review the Company's shareholder engagement initiatives.

E. Evaluation of the Board and Management

The Committee shall be responsible for overseeing the evaluation of the Board as a whole and each of its committees (including the Committee). The Committee also shall review the procedures established and implemented by the Compensation Committee regarding the evaluation of senior management of the Company, including the Chief Executive Officer of the Company, and if it deems it necessary, the Committee shall provide proposed revisions to the Board of such evaluation procedures.

F. Social Responsibility

The Committee shall be responsible to review periodically the Company's commitment to, and implementation of, its principle to act in a socially responsible way.

G. Environmental, Safety and Cyber Security Compliance

The Committee shall be responsible for the periodic review of the Company's environmental, safety and cyber security programs and practices, including any internal reviews of these programs.

H. Reports to the Board

The Committee shall report regularly to the Board (orally or in writing): (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The Committee shall maintain minutes or other records of meetings and activities of the Committee.

V. EVALUATION OF THE COMMITTEE

The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

VI. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISORS

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other advisors as it deems necessary. The Committee shall have the sole authority to retain or terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms, with such fees to be borne by the Company.