

## THE AES CORPORATION

### Charitable Contributions and Political Donations Policy

#### I. Purpose

AES may choose to use funds or resources to enhance the social welfare and quality of life in the communities around the world where we work and do business. AES may also choose to use funds or resources to advance matters of public policy that are consistent with the sustainability of our business and the AES Values. The purpose of this Policy is to ensure that all charitable contributions and political donations made by AES or on behalf of AES are consistent with the AES Values, the AES Ethics and Compliance Program, and the laws and regulations that govern such practices in the United States and internationally. As described more fully below, this policy does not affect personal contributions or donations made by AES people in their individual capacity.

#### II. Application

This Policy applies to all AES people worldwide. In addition, temporary workers, contractors, consultants, agents, representatives and 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.

Some AES businesses have established guidelines which may also apply to the use of local AES funds or resources for charitable or political purposes. In addition to any applicable local guidelines, all charitable contributions or political donations must be reported and reviewed in accordance with this Policy.

#### III. What are charitable contributions and political donations?

Charitable contributions include anything of value provided to individuals or organizations that support charitable activities. All activities undertaken as part of AES social responsibility programs are considered charitable contributions.

Political donations include anything of value provided for the purpose of promoting, supporting, or influencing any political process, political organization, or election for public office at any level.

#### **IV. Important considerations**

Charitable contributions are not permitted in exchange for financial concessions, recommendations, favorable treatment, or other improper influence. Such contributions might violate United States laws, international treaties, or local laws, including anti-corruption laws.

Political donations are often subject to local and international laws and regulations. These laws may set strict limits on political donations and require specific reporting of such donations.

All charitable contributions and political donations must comply with local and international laws and regulations, including anti-corruption laws, and also must be consistent with the AES Ethics and Compliance Program.

#### **V. What should I do if my business wants to make a charitable contribution or political donation?**

All charitable contributions and political donations made by AES or on behalf of AES must be reported in advance to the Ethics and Compliance Department. Charitable contributions and political donations must not be made or promised until the Ethics and Compliance Department has provided confirmation to proceed.

Proposals for charitable contributions and political donations must be supported by documentation that provides sufficient details to allow for review, including answers to the following questions:

- Who solicited the contribution or donation?
- Who is the contribution or donation being provided to?
- What legal requirements govern the contribution or donation?
- Is this a one-time expenditure or part of a series of contributions or donations?
- Will AES make the contribution or donation in cash, by check, or “in kind”?
- Will AES receive anything in return for the contribution or donation (for example, tickets to an event or recognition as a corporate sponsor)?
- Does the organization receiving the contribution involve a government official or individuals with authority over pending AES business?

You can obtain specific instructions and documentation requirements from the Ethics and Compliance Department.

#### **VI. What are some examples of charitable contributions and political donations?**

Charitable contributions and political donations are most commonly monetary payments in the form of cash or checks. However, anything of value can qualify as a contribution or donation, including “in kind” contributions of goods or services. It is not possible to

list every example of items of value that would be considered contributions or donations under United States and international laws, but the following are common examples:

- Gifts
- Loans, advances, endorsements, and guarantees
- Sponsorships
- Discounts
- Travel expenses
- Donated items, including AES resources (e.g., computers, office space, office supplies, construction equipment, and scrap materials)
- Donated services, including personal services provided during AES work hours or compensated by AES
- Purchase of fundraising items or fundraising event tickets

**VII. Are there charitable contributions and political donations that do not require Ethics and Compliance Department review?**

There are a few common types of charitable contributions and political donations that do not require Ethics and Compliance Department review:

Personal contributions and donations

As described in *The AES Values: From Words to Action* (AES's Code of Conduct), AES people are encouraged to participate as individuals in charitable and political activities. Personal charitable contributions and political donations made by AES people in their individual capacities as private citizens, outside of AES work time, and consisting solely of personal resources do not require review by the Ethics and Compliance Department.

To make clear that such personal contributions and donations are not being made on behalf of AES, AES people may not use AES's name, funds, facilities, work time, or other resources to support such activities. AES people also may not use their position as an AES person to request or pressure others to make contributions or donations.

Gift matching

AES people may choose to submit personal charitable contributions for inclusion in an AES gift matching program. Such contributions will be evaluated in accordance with applicable gift matching procedures and are not required to be reported to or reviewed by the Ethics and Compliance Department.

Political Action Committees (PACs)

Contributions and donations made to and disbursed from AES political action committees (PACs) established by AES under United States law do not require review by the Ethics and Compliance Department.

\*Contributions by AES to outside PACs do require review.

## **VIII. Reporting**

Beginning with political donations made in 2010, AES will prepare an annual report disclosing the following monetary political donations, including dues or similar payments, in amounts greater than \$200:

- (a) political donations made by The AES Corporation that are not deductible under Section 162(e)(1)(B) of the Internal Revenue Code; and,
- (b) amounts contributed by organizations that are not deductible under Section 162(e)(1)(B) of the Internal Revenue Code, where The AES Corporation made contributions to such organizations and where such amounts would not be deductible under Section 162(e)(1)(B) of the Internal Revenue Code if made by The AES Corporation directly.

The annual report will provide an itemized accounting that includes the identity of the recipient, the amount paid to each recipient, and the business titles or responsible areas in The AES Corporation that participate in the decision to make the political donations. The annual report and this Policy will be posted on The AES Corporation public website ([www.aes.com](http://www.aes.com)).

## **IX. Where do I go for help or advice?**

If you have any questions about this Policy, please contact your manager, a member of the Ethics and Compliance Department, a member of the Legal Department, or the AES Helpline ([www.aeshelpline.com](http://www.aeshelpline.com)).