

AES GENER CORPORATE GOVERNANCE GUIDELINES

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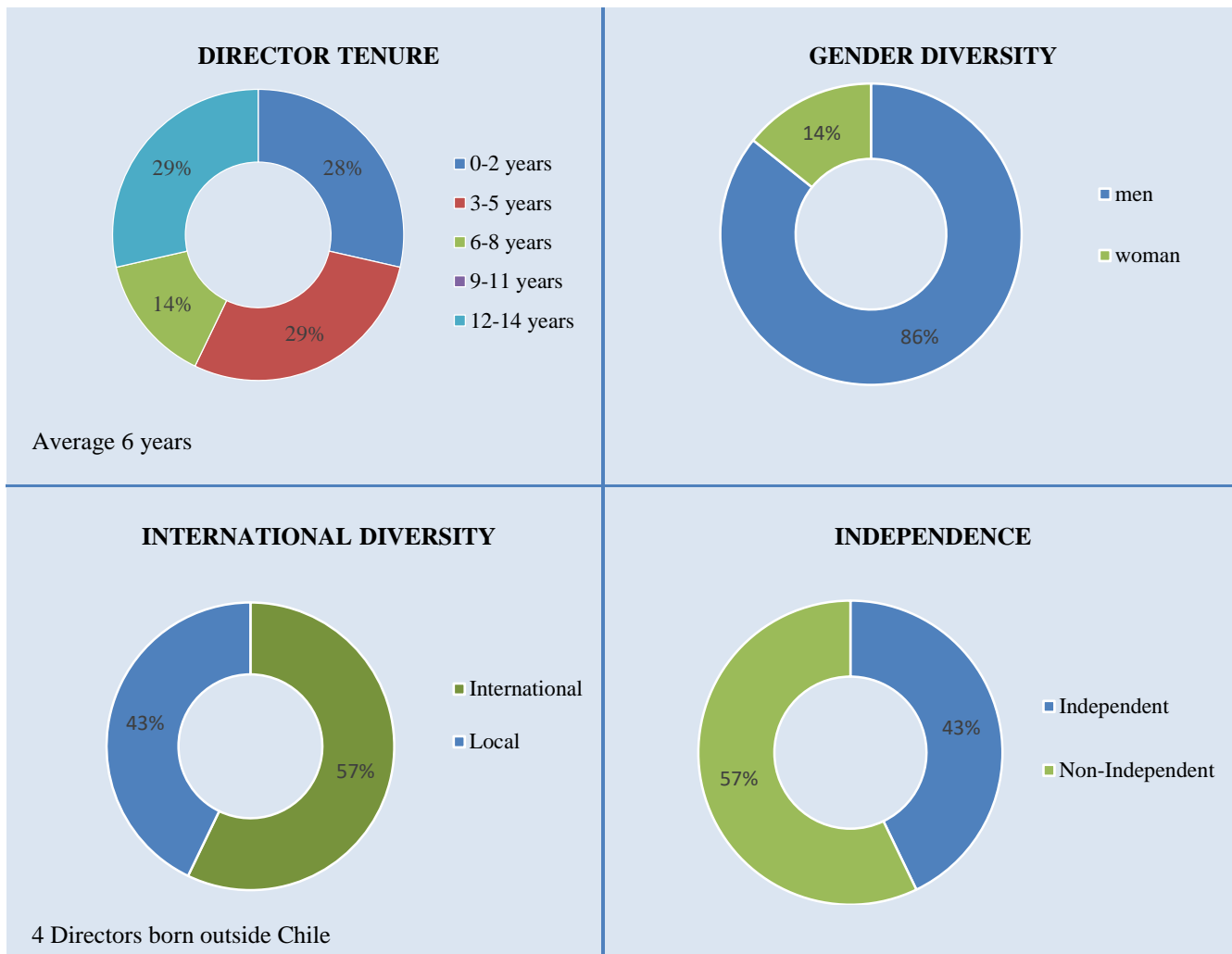
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CORPORATE GOVERNANCE

This document intends to summarize relevant corporate governance aspects for AES Gener S.A. (“AES Gener” or the “Company”) and provide to our stakeholders and public in general a useful tool to understand our overall practices in this regard. The following information refers to the year 2018.

Director Facts

The following charts details the qualifications of our Board of Directors members for 2018. Further discussion on the qualifications and experience of Directors is included in the “2018 Board composition” section.



ROLE OF BOARD OF DIRECTORS

AES Gener is managed by a Board of Directors which is the collegiate body to which, in accordance with the Chilean Corporate Law and our bylaws, is responsible for the administration of the Company. The Board of Directors manages and represents AES Gener in general, except with respect to those matters which pursuant to Chilean law or the Company's bylaws are to be resolved by a shareholders' meeting, either ordinary or extraordinary.

Board Election Process

The Board is composed of seven members. As per local regulations, public corporations shall have at least seven members if they have a market capitalization of UF1,500,000 (approximately equivalent to U.S.\$66,500,000) or more, and in which at least 12.5% of its shares are held by shareholders who individually control or own less than 10% of such shares.

The AES Gener Board of Directors is also comprised of seven alternate members that shall replace the regular Directors temporarily in the case of absence of the latter, or permanently in the case of vacancy.

As a public corporation under Chilean law, AES Gener must appoint at least one independent Director and establish a Board Committee whenever its traded shareholders' equity is equal or higher than UF1,500,000 (approximately equivalent to U.S.\$66,500,000) and at least 12.5% of its voting shares are held by shareholders who individually control or own less than 10% of such shares.

All Board members are elected at the Ordinary Shareholders' Meeting and, per Chilean law, Board members are elected individually. In the Ordinary Shareholders' Meeting, shareholders can accumulate their votes in favor of one single candidate or distribute them in the way they consider convenient. Those candidates which obtain the highest number of votes, until completing the number of positions to be filled, will be elected. Nonetheless, at least one independent Board member shall be elected, even if an independent candidate does not receive sufficient votes to be among the 7 voted majorities. According to AES Gener by-laws, one share is equivalent to one vote.

Board of Directors Tasks

The Board's task is to manage and direct the Company, approve strategic decisions and evaluate management results. The Board shall appoint a General Manager, who will act as the Chief Executive Officer (CEO) of the Company, and other officers as the Board considers appropriate.

As a practical matter, the Board and management of the Company will be better able to carry out their respective responsibilities for strategic development if there is an ongoing dialogue among the CEO, other members of top management and other Board members.

Board members shall have access to the Company's management and, as appropriate, to the Company's employees and outside advisors. Board members will use judgment to assure that this access does not negatively affect the business operations of the Company.

Board Meetings

The Board encourages the CEO to bring other members of management from time to time into Board meetings to (i) provide management insight into items being discussed by the Board which involve the manager; (ii) make presentations to the Board on matters which involve the manager; and (iii) bring managers with significant potential into contact with the Board.

Information and materials that are important to the Board's understanding of the agenda items, and other topics to be considered at a Board meeting are to be distributed sufficiently in advance of the meeting to permit prior review by the Directors. Board material is shared through an electronic platform that is available to all Board members and ensures confidentiality of the material. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting. Minutes of Board meetings are made available for review of all Board members and, upon signature of all voting attendees, they are also uploaded to the same electronic platform.

A Director is expected to spend the time and effort necessary to properly discharge its Director's responsibilities. Accordingly, a Director is expected to attend meetings of the Board and Committee (if applicable) on which such Director sits, with the understanding that on occasion a Director may be unable to attend a meeting. A Director who is unable to attend a meeting is expected to notify the Secretary of the Board in advance of such meeting. Directors also are expected to review Board materials provided prior to meetings and be prepared to participate and contribute in a productive manner at Board and Committee meetings (if applicable).

New Directors

The Company shall provide new Directors with an orientation program to familiarize such Directors with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, code of business conduct and ethics, corporate governance guidelines, internal auditors, and independent auditors. Each Director is encouraged to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a Director.

2018 Board composition

The Board of Directors is the collegiate body to which, in accordance with Chilean corporate law and our bylaws, corresponds the administration of the Company. It is composed of seven regular members, of which five are appointed by the majority shareholder and the remaining two are appointed by other shareholders. All are elected in the Ordinary Shareholders' Meeting. The members of the Board last three years in their positions and may be re-elected.

Current Directors encompasses a diverse range of skills and expertise including, but not limited to: leadership, finance, energy industry knowledge, global business, risk management, regulatory, corporate strategy, operations, human resources and compensation, governance, engineering and construction, technology, environmental & sustainability, cybersecurity and industry transformation

Andrés R. Gluski.

Mr. Gluski was born in 1957. He holds a graduate degree from Wake Forest University and a M.A. and a Ph.D. in Economics from the University of Virginia. He has more than 15 years of experience in the energy sector. In 2005, he was appointed as chairman of our Board of Directors until 2017. Mr. Gluski has been President and CEO of The AES Corporation since 2011. Prior to that, since 2007, Mr. Gluski was Executive Vice President and COO of The AES Corporation. Mr. Gluski has also served as Executive Vice President and CFO of EDC, Executive Vice President of Banco de Venezuela (Grupo Santander), Vice President for Santander Investment and Executive Vice President and CFO of CANTV (a subsidiary of GTE). Mr. Gluski has also worked with the International Monetary Fund in the Treasury and South American Departments and served as Director General of the Ministry of Finance of Venezuela. Mr. Gluski is also on the boards of Waste Management, EnerAB, Fluence, The Council of Americas and The Edison Electric Institute.

Bernerd Da Santos

Mr. Da Santos was born in 1963. He holds a B.A. in Economics and an M.B.A. from Universidad José María Vargas, Caracas, Venezuela. He has more than 30 years of experience in the energy sector. Since January 2015, Mr. Da Santos has been the Senior Vice President and Chief Operating Officer of The AES Corporation, responsible for AES' global operations including more than 30,000 MW and six utilities serving millions of people. He brings proven experience in international corporate finance and business transformation for generation, transmission and distribution companies in the United States, Latin America, Africa, Europe and Asia to his role as COO. Bernerd built his capabilities through positions of increasing responsibility prior to becoming COO. Most recently, he served as CFO for AES' Global Finance Operations. He was previously CFO for the Utilities group and for the Latin America and Africa group. Bernerd joined AES through its acquisition of La Electricidad de Caracas (EDC) where he held a number of leadership positions. Mr. Da Santos also serves on the board of AES Brasiliana, AES Tietê and Indianapolis Power and Light Company.

Leonardo Moreno

Mr. Moreno was born in 1979. He has a degree in Business from Universidade Federal de Minas Gerais, Brazil, and has completed executive business and leadership programs in the London Business School, and Georgetown University. He currently he is the head of Corporate Strategy and Chief Commercial Officer at AES Corporation, reporting to the Chief Executive Officer. He has more than 10 years of experience in the energy sector. Mr. Moreno has substantial international experience, he has led strategy, finance, commercial, risk, and M&A teams in the US, Latin America, Europe, Africa, the Middle East and Asia. Mr. Moreno previously served as AES' global Chief Risk Officer, and before that he was Chief Financial Officer for our Europe business unit, managing businesses in Europe, Central Asia and the Middle East. In his 14 years with AES, he has held leadership positions at the corporate and local levels, and has managed mergers, acquisitions, divestments, and restructurings throughout AES' global portfolio. In Brazil, he ran teams in charge of strategy, financial planning, and risk. Prior to AES Mr. Moreno worked for Ernst & Young.

Radovan Razmilic

Mr. Razmilic was born in 1952. He holds a B.S. in Civil Engineering from Universidad Politécnica Superior de Madrid Escuela de I.C.C. y P. He has more than 10 years of experience in the energy sector. In July 2011, he became a member of our Board of Directors. Currently, Mr. Razmilic is Chairman of the board of Inmobiliaria Yugoslava, a real estate company in Chile, and Molinera Azapa, a wheat flour processing company in Chile. He is also a member of the boards of various other Chilean companies, including Inmobiliaria SOFOFA, SOFOFA Servicios, Inmobiliaria Estadio Croata, Molinera del Sur, Molinera Coquimbo, Molinera del Norte and Molinera e Industrial de Azapa. Previously, Mr. Razmilic served as Chairman of the Director's Committee of Enap, and as director of Enap and B Bosch.

Manuel Pérez Dubuc

Mr. Pérez Dubuc, was born in 1963. He holds a bachelor's degree in Electrical Engineering from Universidad Simón Bolívar, a master's degree in Business Administration at IESA (Instituto de Estudios Superiores de Administración). He has more than 20 years of experience in the energy sector. In 2018, he was appointed as Senior Vice President of Global New Energy Solutions at The AES Corporation. Mr. Perez Dubuc has also held previous positions as the President of the Strategic Business Unit for South America, and as the President of the Strategic Business Unit for Mexico, Central America and the Caribbean. Prior to joining AES, Mr. Pérez Dubuc has also worked with the Venezuelan Ministry of Finance as the Advisor of the General Director of Public Finance; at CANTV (Verizon) as Advisor to the Executive Vice President of Finance; and at CITIBANK, N.A., Capital Markets as Stock Broker and Portfolio Manager; and between 1998-2003 at the Financing Division of La Electricidad de Caracas (EDC) as Treasurer and Chief Financial Officer. Mr. Pérez Dubuc serves on the board of Ron Santa Teresa SACA in Venezuela, EnerAB in Mexico and AES Tieté in Brazil, Fluence (an AES and Siemens Company) and sPower (an AES and AIMCo Company) and the advisory board of GFR Group in Puerto Rico.

Gonzalo Parot

Mr. Parot was born in 1952. He holds a B.A. in Engineering Sciences from the University of Chile, and a Master Degree in Industrial Engineering from the University of Chile and in Economics and a PhD in Business Economics from the University of Chicago. In 2016 and subsequently in 2017 and 2018, he was appointed as a member of the board of AES Gener as an independent Director. He is currently the President of our Director's Committee. Mr. Parot Palma has also served as CEO of COPESA, CMPC Tissue and Celulosa del Pacífico. Mr. Parot Palma is also a member of the board of Embotelladora Andina, and has previously been a member of the boards of several companies in different countries, like Inforsa, Celulosa del Pacífico and Papelera Concepción in Chile and Papelera del Plata in Argentina.

Claudia Bobadilla

Ms. Bobadilla was born in 1966. She holds a Law Degree from Universidad Diego Portales in Chile. In 2018, she was appointed as a member of AES Gener Board. Ms. Bobadilla has also served as a member of the board of Banco Santander Chile, executive director of País Digital Foundation, founder and president of Comunidad Mujer, director of legal affairs of Terra Networks Chile, executive secretary for the Chilean Japanese Committee and a lawyer at Fundación Chilena del Pacífico. Ms. Bobadilla Ferrer is also Executive President of the Industrial Telecommunication Association Acceso TV, a member of

the boards of CINTAC and CSIRO in Chile and a member of the board of trustees of Associated Universities Inc. in the United States.

	Gluski	Da Santos	Pérez Dubuc	Razmilic	Moreno	Parot	Bobadilla
Years of Service ¹	13	13	1	7	2	3	3
Age	61	62	56	66	40	67	53
Gender	M	M	M	M	M	M	F

¹ Years of Service is calculated from Ordinary Meeting to Ordinary Meeting

BOARD AND COMMITTEE GOVERNANCE

Director Independence

As per article 50 bis of Law 18.046, Directors who have been found at any time within the last eighteen months in any of the following circumstances, will not be considered independent:

- 1) Maintained any economic, professional, credit or commercial connection, interest or dependence, of a relevant nature and volume, with the Company, the other companies of the group of which its part, parent company, or with the principal executives of any of them, or past Directors, managers, administrators, chief executives or advisors of these.
- 2) Maintained a relationship of kinship up to the second degree of consanguinity or affinity, with the persons indicated in the previous number.
- 3) Were Directors, managers, administrators or main executives of non-profit organizations that have received contributions or relevant donations from the persons indicated in number 1).
- 4) Were shareholders or shareholders that have owned or controlled, directly or indirectly, 10% or more of the capital; Directors; managers; administrators or senior executives of entities that have provided legal or consulting services, for relevant amounts, or of external audit, to the persons indicated in number 1).
- 5) Were partners or shareholders that have owned or controlled, directly or indirectly, 10% or more of the capital; Directors; managers; administrators or senior executives of the main competitors, suppliers or customers of the Company.

Based on the foregoing, Mr. Parot and Ms. Bobadilla each qualify as independent Directors. In addition, according to the Security Exchange Commission definition ([link](#)), a Director qualifies as independent if: “has no material relationship with the listed company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company”; therefore, for internal governance matters, Mr. Radovan Razmilic, also qualifies as an independent director.

In order to be elected as independent directors, candidates must be proposed by shareholders representing 1% or more of the company's shares, with at least ten days prior to the date set for the shareholders' meeting called to carry out the choice of directors.

Board Leadership Structure

Our Corporate Governance Guidelines and applicable laws require the separation of the offices of the Chairman of the Board (“Chairman”) and CEO. Furthermore, as per internal policies, no officer of the Company can serve as a Director of AES Gener.

We believe the separation described above provides strong leadership for our Board, while positioning our CEO as the leader of the Company for our investors, counterparties, employees and other stakeholders and preventing potential conflicts of interest between the management and the Board. Our current structure, which includes independent Directors, helps ensure independent oversight over the Company. This structure also allows the CEO to focus his energies on management of the Company.

A number of our independent Board members are currently serving or have served as Directors or as members of senior management of other public companies.

Board Assessment

Board members respond to an annual self-assessment of the Board's performance. Results are discussed with the full Board. The assessment includes a review of areas in which the Board believes the Board can make a better contribution to the management of the Company including issues such as independence of the Board, communication between Directors and management, the relationship between the CEO and Chairman, and other matters that may be relevant to our Board Committee leadership structure.

In addition, per Chilean regulation, AES Gener respond to an [annual self-evaluation questionnaire](#) with relation to the implementation of a set of Corporate Governance practices. AES Gener responses are available [here](#).

Director Qualifications

Director candidates are selected on the basis of, among other things, experience, knowledge, skills, expertise, integrity, ability to make independent analytical inquiries, understanding 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.

Diversity

AES Gener has adopted a Diversity and Inclusion policy that includes the Board of Directors. The composition of the Board is reviewed to ensure it has the "appropriate balance" of attributes. Consistent with the Policy and to ensure appropriate balance Director nominees are considered on the basis of, among other things, experience, knowledge, skills, diversity (not only gender, but also other aspects such as race or country of origin), 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. As part of our annual Board self-evaluation process, the Board evaluates whether or not the Board as a whole has the skills and backgrounds for the current challenges facing the Company.

Director Attendance

Under our Corporate Governance Guidelines, Directors are expected to attend Board meetings and meetings of Committees on which they serve in person, by telephone or video conference, and Directors are encouraged to attend the Ordinary Shareholder's Meeting.

Meetings of the Board of Directors may be ordinary or extraordinary. According to Chilean law, the Board of Directors of a public corporation must hold ordinary meetings at least once a month. Directors may attend meetings by technological means that ensure that their participation in the proceedings of the meeting shall be simultaneous and permanent.

In 2018, our Board convened twelve times in ordinary meetings and eight times in extraordinary

meetings. No Director attended less than 80% of the aggregate of all ordinary meetings of the Board. The minimum required attendance for Ordinary meetings for our board members is 75%.

Board's Role in Risk Management

Management is responsible for the management and assessment of risk at the Company, including communication of the most material risks to the Board. The Board provides oversight over the risk management practices implemented by management. In addition, if a particular risk is material or where otherwise appropriate, the Board may assume oversight over a particular risk. The Board reviews occur primarily through the receipt of regular reports from management to the Board on these areas of risk, and discussions with management regarding risk assessment and risk management as follows:

The Board of Directors has entrusted the management of the Company with reviewing the operation of the risk management process. For these purposes, the Company has a Risk Committee and a Risk Manager. The Risk Committee meets monthly to analyze situations and operations detected that could constitute a risk for the Company, in order to pronounce and adopt resolutions regarding them. The powers of the Risk Committee are limited depending on the nature of the risks detected and the evaluation of the estimated amount of the same. The Board has the authority to meet with the Risk Committee when deemed appropriate.

Based on the information provided by the Risk Manager; the Risk Committee; the Internal Audit Department and the external auditors, the Board periodically evaluates the quality and sufficiency of the procedures and policies of management control.

BOARD COMMITTEE

Under Chilean law, AES Gener must establish a Board Committee given that its traded shareholders' equity is equal or higher than UF1,500,000 (approximately equivalent to U.S.\$66,500,000) and at least 12.5% of its voting shares are held by shareholders who individually.

AES Gener has one Board Committee comprised of three members of which two, according to article 50 bis of Law 18.046, qualify as independent Directors. We believe that the number of independent experienced Directors that make up our Board, benefits our Company and our Stockholders.

We place great value on stockholder outreach and engage regularly with our investors to gain insight into the governance issues about which they care most. We seek a collaborative and mutually beneficial approach to issues of importance to investors that affect our business and aim to ensure that our corporate governance practices are informed by, and generally are in line with, our stockholders' expectations.

During year 2018, the Committee met regularly and held 20 meetings, complying with its legal duties established in Article 50 Bis of the Chilean corporate law, informing the Board of Directors of its agreements and recommendations, regarding:

- (1) The Financial Statements, the reports of the external auditors and the balance sheet, and the pronouncement prior to their submission to the shareholders meeting;
- (2) The appointment of external auditors and private risk rating agencies;
- (3) Transactions between related parties pursuant to Title XVI of the Chilean corporate law;

- (4) The remuneration systems and compensation policy of the managers, senior executives and employees of the Company; and,
- (5) Other matters entrusted or presented to the Committee due to their relevance to the Company.

DIRECTOR COMPENSATION FOR 2018

As per AES Gener by-laws, Board members do not receive compensation for their services. During the year 2018, the Directors of the Company did not receive any kind of remuneration for other functions, nor expenses of representation, per diem, royalties, or any other stipend; the foregoing, with the exception of those directors who are members of the Directors Committee and whose compensation is detailed in the following paragraph.

At the Ordinary Shareholders' Meeting, held on April 26, 2018, it was agreed to set the amount of UF 260, equivalent approximately to USD\$10.000 (ten thousand dollars) monthly, as remuneration of the members of the Directors Committee.

Directors' Committee compensation is intended to meet the following goals:

- promote the engagement of talented and experienced Directors to the AES Gener Board;
- compensate outside Directors for the increased workload inherent in a public board Director position; and
- retain a strong financial incentive for Directors to maintain and promote the long-term health and viability of the Company.

Our 2018 Directors' Committee compensation structure remained consistent with past practice.

The following table contains information concerning the compensation of our Board Committee members during 2018.

Committee Member	Compensation
Gonzalo Parot <i>Chair— Committee</i>	US\$ 129,000
Claudia Bobadilla	US\$ 129,000
Radovan Razmilic	US\$ 129,000

EXECUTIVE COMPENSATION

AES Gener executive compensation philosophy emphasizes pay-for-performance. Our philosophy is to provide executive compensation opportunities that approximate the 50th percentile of survey data based on our revenue size and industry. Our incentive plans are designed to reward strong performance, with greater compensation paid when performance exceeds expectations and less compensation paid when performance falls below expectations.

Our executive compensation reflects best practices:

Target Total Compensation at 50 th Percentile	Executive Compensation Clawback Policy
Independent Consultant Retained by the Company for benchmark of compensation practices	Annual Review of Executive Compensation Programs
AES Gener Specific Performance Goals	Pay-for-Performance Alignment

Our Executive Compensation Philosophy

AES Gener executive compensation philosophy emphasizes pay-for-performance. Our philosophy is to provide executive compensation opportunities that approximate the 50th percentile of survey data based on our revenue size and industry. Our incentive plans are designed to reward strong performance, with greater compensation paid when performance exceeds expectations and less compensation paid when performance falls below expectations.

In applying this philosophy, survey data is used to assess the impact of any changes on the competitiveness of target total compensation opportunities relative to the 50th percentile. The Human Resources (HR) Compensation Team views the Willis Towers Watson, Mercer and Korn/Ferry Hay surveys data (according to executive level) as an appropriate benchmark of compensation practices and levels of similarly-sized companies, including companies with international operations against whom we compete for talent.

AES Gener HR Compensation Team has a practice of reviewing executive compensation program components, targets and payouts on an annual basis to ensure the strength of our pay-for-performance alignment.

The HR Compensation Team considers additional factors in making its decisions on executive's target total compensation opportunity. The specific factors include:

- Individual performance against pre-set goals and objectives for the year, and Company performance;
- An individual's experience and expertise;
- Position and scope of responsibilities;
- An individual's future prospects with the Company; and

The new total compensation that would result from any change and how the new total compensation compares to survey data.

Overview of AES Gener Total Compensation

Elements of Compensation

The following table presents each element of compensation and explains (i) the objective of each element, (ii) what the element is designed to reward, and (iii) why we choose to pay each element.

Objective	What It Rewards	Why We Pay
Base Salary		
Provide fixed cash compensation that reflects the individual’s experience, responsibility and expertise	Accomplishment of day-to-day job responsibilities, taking into account individual performance and retention considerations	Market competitiveness; attract and retain our people
Objective	What It Rewards	Why We Pay
Performance Incentive Plan (annual bonus incentive plan)		
Provide performance-based, short-term cash compensation relative to the achievement of pre-set individual and Company’s objectives.	Achievement of specific pre-set performance thresholds related to safety, financial, operational and strategic objectives	Direct incentive to achieve the Company's safety, financial, operational, growth and strategic objectives for the year
Long-Term Compensation (LTC) for high level executives		
Provide awards that align the interests of our executives with those of our Stockholders over the long term	Share price growth, dividend performance and attainment of long- term financial goals	Company’s long-term financial performance

2019 COMPENSATION GUIDELINES

Base Salary

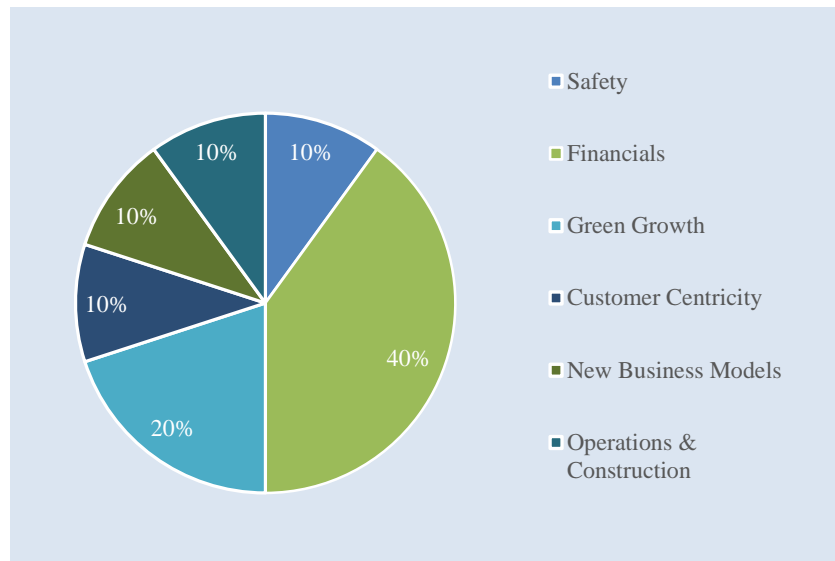
HR Compensation Team reviews the target total compensation, including base salaries, of our Executives annually. In addition, the HR Compensation Team will review the base salary of an Executive if there is a promotion or in the case of a newly-hired Executive.

Performance Incentive Plan Payouts (Bonus Plan)

Company Performance Score Targets: Our Executives are eligible for annual incentive awards under the Performance Incentive Plan. As detailed more fully below, Company measures performance in six categories: Safety, Financial, Green Growth, Customer Centricity, New Businesses Models and Operational and Construction Objectives.

In setting these performance measures, it was considered information provided by management about the Company’s financial budget for the year as well as strategic and operational objectives. The graph below reflects the measures for current Company Scorecard.

The following predefined metrics are relevant for the CEO and executive’s compensation:

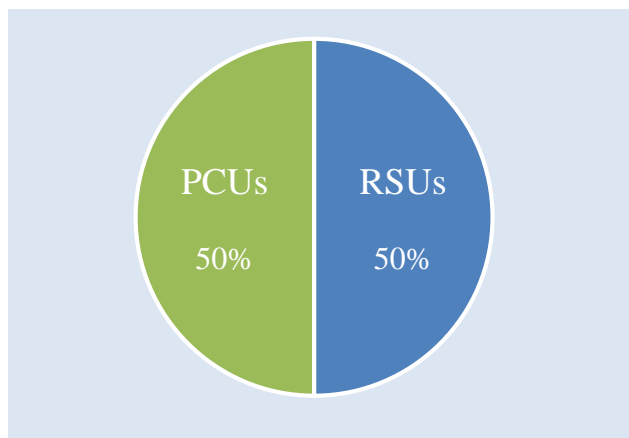


<ul style="list-style-type: none"> • Safety <ul style="list-style-type: none"> ○ No Serious Safety Incidents ○ Proactive Safety Metrics • Financial <ul style="list-style-type: none"> ○ Adjusted PTC (pre-tax contribution) in USDMM ○ Subsidiary Distributions in USDMM 	<ul style="list-style-type: none"> • Green Growth • Customer Centricity • New Business Models • Operations and Construction <ul style="list-style-type: none"> ○ Operational KPIs ○ Construction Execution
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Long-Term Compensation (LTC)

Overview of the LTC Program

The Long-Term Compensation award is comprised of Performance Cash Units (PCUs) and Restricted Stock Units (RSUs). The award split is shown below:



Performance Cash Units (PCUs)

PCUs are cash-based performance awards with value based on Proportional Free Cash Flow. PCUs Awards vest at end of three-year performance period, with earlier vesting upon certain limited termination events, Vested PCUs awards pay out after the three-year performance period is complete.

Award payout has a range value per vested Performance Cash Unit based on Cash Flow versus targeted awards pay out after the three-year performance period is complete.

Restricted Stock Units (RSUs)

RSUs are Equity-based compensation awards. RSUs Award contains a cash-based dividend equivalent. Vesting is service-based and vests 1/3 of units granted on each of the first three anniversary dates of the grant (3 years) Awards deliver upon vesting.

Clawback Policy

The Company has adopted a “clawback policy” that provides the discretion to seek the reimbursement of any annual incentive payment or long-term compensation award, as defined under the policy, from key executives of the Company, including AES Gener’s CEO and Vice Presidents when:

- The initial payment was calculated based upon achieving certain financial results that were subsequently the subject of a material restatement of the Company’s financial statements;
- The executive engaged in fraud or willful misconduct that caused, or substantially caused, the need for the restatement; and

- A lower payment would have been made to the executive based upon the restated financial results.

In each such instance, the HR Compensation Team, with the appropriate approvals,, has the discretion to determine whether it will seek recovery from the individual executive and has discretion to determine the amount.

ADDITIONAL GOVERNANCE MATTERS

Environmental, Social and Governance - ESG

AES Gener is dedicated to improving lives and making a lasting difference in the communities in which our businesses operate. We are committed to a wide range of social, economic and environmental initiatives that will improve the lives of our employees, customers and their communities; empower our people and businesses; and improve long-term returns to our investors.

In addition to our Governance practices, AES Gener has a number of environmental and social initiatives described in further detail below.

Environment

The core of our corporate sustainability efforts centers on understanding the environments in which we operate and committing to the development of environmentally responsible energy solutions. Environmental stewardship and leadership are a key part of our business. Our Environmental Management System, environmental measurement metrics, and certificates and standards demonstrate our tangible commitment to environmental sustainability. AES Gener's Integral Management System named GENERA is based on the 18001:2007 & ISO 14001:2015. All AES Gener businesses are ISO 14.001:2015, certified.

The foundation of our environmental management approach is embodied in the following four principles included in our Environmental Policy:

- Meet the requirements of environmental rules and regulations imposed by local, regional, and national governments and by participating financial institutions.
- To prevent, reduce and manage environmental impacts in our operations, and to promote the efficient use of natural resources, environmental awareness, and the relationship with the communities in which we operate.
- Promote the conservation of areas of high value for biodiversity and ecosystems in the areas where our businesses are located, protecting and promoting the knowledge of species under conservation category.
- Strive to continually improve the environmental performance at every business.
- To incorporate mitigation and adaptation to climate change in the analysis and development of the business, in line with the regulation and the commitments adopted by each country in this matter.

AES Gener management and Board have undertaken long-term strategy only after significant consideration and business planning, taking note of, and responding to, market and regulatory developments and the express interests and concerns communicated to us by our Stockholders.

AES Gener strategy aims to lower the intensity of our greenhouse gas emissions and create a clean energy future by using less carbon-intensive sources of generation with an emphasis on zero-carbon technologies like wind and solar. Our business strategies are formulated with the express intent and purpose of achieving Stockholder value creation.

Social

Safety. Safety comes before everything at AES Gener. We harness one of the world's most powerful forces: electricity. Our people put their lives on the line when they come to work each day. Ensuring safe operations at our facilities around the world, so each person can return home safely, is the cornerstone of our daily activities and decisions. We always put safety first, and we measure our successes by how safely we achieve our goals.

AES Gener has an integral policy for all businesses to ensure that our actions and decisions align with the safety beliefs and principles. This applies to all of our employees and contractors. Our actions focus on six principles aligned with our policy that promotes safety among our people and the communities.

AES Gener's Integral Management System named GENERA is based on the 18001:2007 & ISO 14001:2015. GENERA provides a consistent framework for all AES Gener operational businesses and construction projects to set expectations, measure performance and drive improvements in our management of safety. GENERA includes specific operational and construction safety and environmental standards that are based on global electric utility best practices. In addition, AES Gener has different proactive activities that help us move towards an incident-free place including an annual Safety Day, Monthly Safety Message, Safety Walks, Internal and External Audits among others.

Community Engagement. We strive to strengthen relationships through meaningful engagement with our stakeholders. AES Gener has implemented varying levels of engagement with their local communities and focus on programs that can make a community stronger economically, socially or environmentally. Our strategy of social responsibility seeks to develop and execute projects of social investment for the communities having as guiding principle the local development. The approach is based in three areas of action (education and capacity building; development of community infrastructure projects; contribute with local development), which aligned with three sustainable development goals (quality education; communities and sustainable cities; decent work and economic growth).

Human Rights. AES Gener operates under a broad range of economic, social and cultural customs, and traditions as well as different local and regional laws and regulations. We believe it is our duty and responsibility to conduct business with the highest level of integrity, ethics and compliance in all situations. AES Gener has a Human Rights Policy that formalizes our commitment to uphold and respect human rights.

Our People

We recognize that our people are our energy. AES Gener people set the foundation to achieve the Company's long-term goals. The energy our people bring to their work makes everything possible and we know we need to have the right people in the right place at the right time to meet the Company's commitments and sustain our success. Our comprehensive approach to attracting, developing and energizing our talented workforce helps our people develop to their fullest potential

Diversity. We are a diverse and inclusive Company and our employees are actively encouraged and empowered to share their perspectives. The diversity of our employees - in race, ethnicity, culture, gender, sexual orientation, perspective and experience (among others) - is essential to our ability to continue to grow and succeed in our markets.

We have a long-standing commitment to our employees to create a business working environment that fosters engagement through personal innovation, achievement, wellness, advancement and training/development opportunities, promoting health and safety, and investments in their communities. These efforts culminate in creating a business culture of achievement and loyalty that enables us to minimize turnover in our global workforce and succeed in competitive and challenging marketplaces.

AES Gener Code of Business Conduct

Our Code of Conduct has been adopted by the Board. The Code of Conduct is intended to govern, as a requirement of employment the actions of everyone who works at AES Gener, including employees of AES Gener's affiliates and our Directors.

The Code of Conduct and the Corporate Governance Guidelines are available on the Company's website (<https://www.aesgener.cl>). If any amendments to, or waivers from, the Code of Conduct are made, we will disclose such amendments or waivers on our website (<https://www.aesgener.cl>).

Our Values

Our values are at the heart of our operations and we believe these values set us apart from others in our industry. Every day, our people and businesses around the world are guided by the following core values:

Safety

We will always put safety first—for our people, contractors and communities.

Safety comes before everything at AES Gener. We harness one of the world's most powerful forces: electricity. Our people put their lives on the line when they come to work each day and ensuring safe operations at our facilities around the world so each person can return home safely is the cornerstone of our daily activities and decisions. We always put safety first, and we measure our success by how safely we achieve our goals.

Integrity

We are honest, trustworthy and dependable. Integrity is at the core of all we do—how we conduct ourselves and interact with all our stakeholders.

When we act with integrity, we earn the trust of our customers, business partners, shareholders and the people who live in the communities where we operate. We honor our commitments by doing what we say and by not making promises that we cannot keep. Maintaining our reputation requires a continuous commitment from all of us to act with the highest standard of integrity in all our business decisions.

Agility

We move with vision, speed and flexibility to adapt to our dynamic and rapidly changing world.

Our world and our industry are changing at a faster pace than ever. We must be nimble, efficient and continue to evolve our business to succeed. Agility means we create value by moving quickly, anticipating opportunities, avoiding risk and changing direction as necessary to grow in new ways and best serve our customers.

Excellence

We strive to be the best in all that we do and to perform at world-class levels.

Excellence is both a goal in itself and the way to achieve that goal. Striving for excellence means continually working to improve ourselves and our business operations

Fun

We work because work can be fun, fulfilling and exciting.

We enjoy our work and appreciate the fun of being part of a team that is being innovative, making a difference and winning. Having fun through work means knowing that what we work at each day has a positive impact and being inspired by what we do. We believe a workplace that supports respect for one another, teamwork and diversity of backgrounds and views is a fun workplace.

Related Person Policies and Procedures

According to Article 146 of Chilean Law N° 18,046, related parties' transactions are any negotiation, act, contract or operation in which the Company must intervene and, in addition, any of the following persons:

- 1) One or more persons related to the Company, pursuant to article 100, of Chilean law N ° 18,045.
- 2) A Director, manager, administrator, chief executive officer or liquidator of the Company, by himself or on behalf of persons other than the Company, or their respective spouses or relatives up to the second degree of consanguinity or affinity inclusive.
- 3) Companies in which the persons indicated in the previous number are owners, directly or through other natural or legal persons, of 10% or more of their capital, or Directors, managers, administrators, principal executives.
- 4) Those that establish the bylaws of the Company or that are properly identified by the Directors' Committee, as the case may be, even when they are those indicated in the final paragraph of article 147.
- 5) Those in which the Director, manager, administrator, chief executive or liquidator has performed as Director, manager, administrator, chief executive or liquidator of the Company, within the last eighteen months.

AES Gener may only enter into transactions with related parties when they are intended to contribute to the corporate interest and their price, terms and conditions are similar to those prevailing in the market at the time of their approval, and comply with the requirements and procedures set forth in Title XVI of Law 18,046, which are the following:

- 1) The directors, managers, administrators, chief executives or liquidators who have an interest or participate in negotiations leading to the execution of an operation with related parties of the corporation, shall immediately inform the board of directors or whoever the latter designates. Those who breach this obligation will be jointly and severally liable for the damages that the operation may cause to the company and its shareholders.
- 2) Before the company grants its consent to an operation with a related party, it must be approved by an absolute majority of the board members, excluding the directors or liquidators involved, who nevertheless must make their opinion known regarding the operation transaction if they are required by the board of directors, and their opinion must be recorded in the minutes. In addition, the reasons for the decision and the reasons why these directors were excluded should be recorded.

- 3) The resolutions adopted by the board of directors to approve a transaction with a related party will be announced at the next shareholders' meeting, with mention of the directors who approved it. In this matter, an express indication will be made in the citation to the corresponding meeting of shareholders.
- 4) In case the absolute majority of the members of the board should abstain from voting the transaction, approval can only be carried out by the unanimity of the members of the board not involved or, failing that, if in an extraordinary shareholders meeting with the agreement of two thirds of the shares issued with the right to vote.
- 5) If an extraordinary shareholders' meeting is convened to approve the operation, the board of directors shall designate at least one independent evaluator to inform the shareholders about the conditions of the operation, its effects and its potential impact on the company. In their report, the independent evaluators must also decide on the points that directors' committee, if any, has expressly requested to be evaluated. The directors' committee may appoint an additional independent evaluator, in case they do not agree with the selection made by the board. The reports of the independent evaluators will be made available by the board of directors to the shareholders on the next working day after they are received by the company, in the company's corporate offices and on the website of the company, if the company possesses such means, for a minimum period of 15 working days from the date on which the last of these reports was received, the company must inform the shareholders of this situation by issuing a material event. The directors must decide on the convenience of the operation for the social interest, within 5 business days following the date on which the last of the reports of the evaluators was received.
- 6) When the directors of the company must decide on operations of this Title, they must specify the relationship they had with the counterparty of the operation or the interest that they have in it. They must also take charge of the convenience of the operation for the social interest, of the objections or objections that the board of directors expressed, as the case may be, as well as of the conclusions of the reports of the evaluators or experts. These opinions of the directors must be made available to the shareholders the day after they are received by the company, in the corporate offices as well as on the website of the company if such means are available, and this situation must be informed by the company through a material event.
- 7) Without prejudice to the corresponding sanctions, the infraction of this article will not affect the validity of the operation but will grant the company or the shareholders the right to demand, from the infringing related person, the reimbursement of a sum equivalent to the benefits that the operation would have reported to the related counterpart, in addition to the compensation of the corresponding damages. In this case, it will be up to the defendant to prove that the operation was in accordance with the provisions of this article.

Notwithstanding the provisions of the preceding numbers, the following operations with related parties may be executed without the requirements and procedures established in the previous numbers, with prior authorization of the board:

- a. Those operations that are not of relevant amount. For these purposes, it is understood that any act or contract that exceeds 1% of the corporate assets is of relevant amount, provided that said act or contract exceeds the equivalent of UF 2.000 and, in any case, when it exceeds UF 20.000. It is presumed to constitute a single operation all of those that are perfected in a period of 12 consecutive months by means of one or more similar or complementary acts, in which there is identity of parties, including related persons, or object.

- b. Those operations that, in accordance with general policies of regularity, determined by the company's board of directors, are ordinary in consideration of the corporate purpose. In the latter case, the agreement that establishes such policies or their modification will be reported as a material event and made available to shareholders in the corporate offices and on the website of the companies that have such means, without prejudice to reporting operations as an essential fact when appropriate.
- c. Transactions between legal persons in which the company owns, directly or indirectly, at least 95% of the counterparty's property.