

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|--|-----------------------------------|---|-----------------------------|
| 1 Issuer's name | | 2 Issuer's employer identification number (EIN) | |
| The AES Corporation | | 54-1163725 | |
| 3 Name of contact for additional information | 4 Telephone No. of contact | 5 Email address of contact | |
| Ahmed Pasha | 703-682-6451 | invest@aes.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact | | 7 City, town, or post office, state, and Zip code of contact | |
| 4300 Wilson Boulevard | | Arlington, VA 22203 | |
| 8 Date of action | | 9 Classification and description | |
| May 16, 2016 | | Cash distribution to public shareholders of AES common stock | |
| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |
| 00130H105 | | AES | |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ The AES Corporation made a cash distribution of \$.11 per share of common stock on May 16, 2016 to its shareholders of record on May 2, 2016.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The AES Corporation made a cash distribution of \$.11 per share on May 16, 2016. At this time, and based upon reasonable assumptions by The AES Corporation, this distribution is expected to be a non-taxable return of capital, thereby reducing a shareholder's basis by \$.11 per share. To the extent the tax basis reduction is in excess of a shareholder's basis, the excess should be treated as capital gain.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ At this time, and based upon reasonable assumptions by The AES Corporation, the May 16, 2016, \$.11 per share cash distribution is expected to be 100% return of capital as The AES Corporation is not expected to have any earnings and profits (current or accumulated) as of December 31, 2016. Pursuant to applicable Treasury Regulations under Section 6045B, if these assumptions turn out to be incorrect, The AES Corporation will file a corrected Form 8937 within 45 days of such determination.

Part II Organizational Action (continued)


17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sections 301 (c), 312, and 316 (a) of the Internal Revenue Code.

18 Can any resulting loss be recognized? ▶ Not applicable.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ None.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 1/5/2017

Print your name ▶ Margaret Tigre Title ▶ Vice President-Tax and Chief Tax Officer

| | | | | | |
|-------------------------------|----------------------------|----------------------|------|---|--------------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | Firm's name ▶ | | | | Firm's EIN ▶ |
| | Firm's address ▶ | | | | Phone no. |