

Ethics Charter

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Introduction by Dirk Beeuwsaert and Philip Cox



Dirk Beeuwsaert Chairman

Following the combination between International Power (“IPR”) and GDF SUEZ in February 2011, IPR has re-drafted its ethics charter to bring together the principles that governed both IPR and GDF SUEZ Energy International.

As a member of the GDF SUEZ Group, IPR endorses the GDF SUEZ ethics and values together with the guidelines, reference documents and processes which may be amended from time to time. Through this Ethics Charter, IPR implements that philosophy.



Philip Cox Chief Executive Officer

The Ethics Charter forms the basis of our business practices. It provides an overarching framework on which further processes and procedures of IPR are based, placing ethics at the heart of strategy, management and professional practice. It also provides a practical means for organising and managing an ethics and compliance system that measures our adherence to these principles.

The Ethics Charter has been adopted by IPR's Board of Directors.

IPR is committed to excellence in everything we do. Our Values, implementing the GDF SUEZ Group's values, embody the spirit and energy of IPR and form the cornerstone of IPR as an ethical company:

Drive: we continually drive for the highest operational and financial performance through innovation, efficiency, and financial discipline on behalf of all our stakeholders.

Commitment: we commit to the highest standards of safety in everything we do, we reconcile IPR's development of essential services with respect for the individual and for the planet and continually act with transparency and integrity.

Daring: we dare to live in the present with optimism and to build for the future with ambition, creativity and an entrepreneurial mindset.

Cohesion: we mobilise all our strengths in a spirit of teamwork and values-driven behaviour to share best practice, learn from each other and create a sustainable energy business.

It is important for each one of us to act in accordance with the ethical principles we have identified and ensure that our values are reflected in our day to day behaviour.

Our ethical principles can be summarised in four simple messages: follow the laws and regulations, establish a core culture of integrity, behave fairly and honestly, respect others. These should be the watchwords of all our professional actions everywhere in the world. We all know that good reputation is hard to win but easy to lose and we all have a responsibility to foster and protect IPR's reputation.

The importance of our ethical standards cannot be overstated. Their observance determines how IPR is regarded by shareholders, partners, customers, suppliers, the communities we serve and the governmental agencies and officials that might have jurisdiction over our business.

Together we must ensure that IPR remains trustworthy in every respect.



Philip Cox
Chief Executive Officer



Dirk Beeuwsaert
Chairman of the
Board of Directors

Ethical Principles and the Circle of Stakeholders

Fundamental principles to guide our practices

Fundamental Principles

IPR's values are expressed in the way we work. IPR's ethical standards are reflected in the fundamental principles that guide our practices: compliance with laws and regulations, integrity, fairness, honesty, and respect for others.

Acting in Accordance with Laws and Regulations

An overarching principle is that in all circumstances, IPR employees must observe the international, federal, national, local laws and regulations, and ethical and professional codes of practice applicable to their activities. They will equally adhere to internal decisions and other regulations issued by IPR.

IPR's policies and practices may be adapted by IPR entities to comply with local laws or fit in with certain aspects of local cultures. However, IPR reserves the right to limit this power of adaptation.

Establishing a Culture of Integrity

IPR accepts no compromise in the matter of integrity, which must govern all its day-to-day business relations and professional practices. This being the case, IPR attaches the greatest importance to ethical professional behaviour of its employees, both towards colleagues and third parties.

IPR employees must all be aware of the fact that IPR's reputation depends on their actions. It is therefore imperative that each IPR employee should act in a manner that permanently and in all circumstances fosters a culture of integrity.

In practice, integrity demands that IPR employees should avoid any situation likely to create a conflict between personal interests and those of IPR. Acting with integrity also means always maintaining IPR's fundamental Values, which helps to establish a climate of trust and acts as a shield against corrupt practices, which are a serious risk to the commercial survival of any business.

Behaving Fairly and Honestly

For IPR, the quality of a relationship depends primarily on the fairness and honesty of the parties, especially in the performance of contracts. These qualities mean that we honour the commitments we make and know the limits of our capacities, so that we do not make promises that we cannot keep.

This means that each time we communicate with other parties, we do so in good faith, in a constructive spirit, with an awareness of the other's needs and with the intention of providing genuine, accurate and comprehensive information.

This principle applies not only to IPR's relations with customers, shareholders, investors, suppliers, non-governmental organisations (NGOs) and the public, but also to IPR's internal communication, with employees, between departments or with the trade unions.

IPR's aim is to establish long-term relations with its partners. This ambition cannot be realised without fair and honest behaviour, which constitutes the bedrock of mutual trust. However, beyond this and in all circumstances, IPR's success depends above all on its reputation.

From this point of view, a failure to act fairly and honestly represents a threat to the future of the company, to its image, its shareholders and its employees.

Respecting Others

The principle of mutual respect is about reciprocity, each of us having rights to claim and duties to fulfil.

That is why IPR attributes equal value to both, whether in its dealings with people or with corporate entities.

This principle applies particularly to respect for the rights of individuals, for their dignity in all circumstances and for their differences, as well as the respect for cultures. It also applies to tangible and intangible goods belonging to others.

An imperative for employees in the performance of their functions, respect for others also governs the relations of any IPR entity with its employees.

This principle governs IPR's policy on the respect for private life and diversity, the fight against discrimination and the prevention and punishment of bullying and harassment. From a wider perspective, it guides IPR's policies on relations with all parties and on conflict resolution.

IPR expects its employees to act in keeping with these ethical principles in all their dealings, in all circumstances and whatever their role and level of responsibility.

At every level of the company, from Board member to employee, we all have an absolute duty never to act in a way that could cast the slightest doubt on IPR's ethical integrity.

A strict Ethical Code

The ethics rules apply in practice to the three circles within which our company operates:

- the circle of IPR, consisting of its employees, its entities and its shareholders;
- the circle of the market, within which we maintain relations with our customers, our suppliers and our competitors;
- the circle of the wider society everywhere that we operate.

IPR's enhanced commitment to ethical standards in the conduct of business is a key element for the improvement of the three circles combined: IPR, market and society.

1. The Circle of IPR

A healthy working climate is a key element underpinning IPR's effectiveness, which is why IPR has taken the necessary steps to ensure its employees can work in decent conditions and in a safe working environment. IPR also fosters a climate of respect and trust in relations between employees. This human and ethical requirement applies to all IPR entities, and to shareholders, for whom IPR seeks to provide the highest standards of "corporate governance".

2. The Circle of the Market

Customer satisfaction is an IPR priority, and is governed by clearly identified factors: the quality of products and services, an open dialogue, transparency in procedures, the fulfilment of commitments and compliance with the rules of competition.

These principles, which all IPR employees are expected to follow, also apply to suppliers and competitors. In this respect, IPR employees are asked to act fairly and impartially in negotiations. They are also required to ensure that IPR's partners apply ethical principles that are compatible with their own.

3. The Circle of Society

As part of its ethical commitment to corporate responsibility, IPR is involved in the communities where it operates. In its respect for the environment and cultures, IPR seeks to minimise its ecological impact, communicates openly about its achievements and challenges in this sphere, and supports non-governmental organisations (NGOs) working in the environmental and humanitarian fields. Each of us is individually responsible for supporting this policy and IPR encourages its employees to play an active role for the community and sustainable development.

Ethics Governance

A Charter for all IPR employees

Scope of Application

The Ethics Charter applies to all IPR employees and entities.

In order to encourage our employees to behave ethically and to act in accordance with existing laws and regulations, IPR has set up an Ethics and Compliance structure, which applies to all IPR entities.

A Three-level Architecture

IPR's ethics programme is based on three levels: reference sources, organisational structures and professional practices.

- The law, the Ethics Charter and the Values constitute the first level anchorage points, the bedrock on which IPR stands in a clearly defined objective: to act professionally at all times and in all places in accordance with existing regulations, following the rules and principles of action set out in its Ethics Charter.
- The second level of the system is organisational. It entails the implementation of the appropriate structures and procedures of management, development, administration and reporting.
- Professional practices constitute the third and final level of the ethics programme. These are all the operational tools made available to employees to help them act in accordance with IPR's references.

There are practical documents to back up the ethics programme. Their role is to give employees practical help in their behaviour and decisions.

They place particular emphasis on the laws, rules and standards on ethics and compliance produced not only by international, federal, national and local bodies, but also by professional bodies.

A Very Wide Scope of Application

The principles of this Ethics Charter are also to be promoted by IPR employees who sit on the managing boards of companies which are not controlled by IPR.

IPR employees are required, insofar as it is necessary, to inform the people they deal with, particularly their suppliers, service providers and subcontractors of the existence of IPR's Ethics Charter by, for instance, providing them with a copy of this document.

IPR's Ethics Charter applies to all IPR entities, and is also promoted by the company's employees beyond that perimeter and communicated to all involved parties.

Management System

All IPR employees are expected to make IPR's ethical standards an integral part of the way they do their jobs. To assist with this, the management system clearly defines responsibilities at all levels.

IPR's managers are the primary guarantors of the application of IPR's Ethics Charter.

To perform this role, they must put in place the tools needed to monitor the application of the Ethics Charter and detect violations of its rules. They must also establish a system for monitoring the application of processes relating to ethics and compliance.

In each entity, the manager nominates an ethics officer and ensures that they are given the appropriate human and financial resources, together with the authority needed to carry out their role.

Strong Managerial Involvement

The entire line management, individually and collectively, is charged with applying IPR's Ethics Charter to IPR's activities. It is imperative that the rules established by this Ethics Charter must be familiar to all employees likely to exercise significant control over the activity of the company or to influence any of its policies. The behaviour of these employees, whose decisions have a primary impact on ethical standards, must of course be exemplary.

This means that when a manager assigns a position of responsibility, he or she must make sure that the person appointed has the skills, the authority and the resources needed to apply IPR's Ethics Charter.

An Appropriate Management Structure

The impetus behind IPR's ethical commitment comes from the highest level of IPR: the Chairman and Chief Executive Officer, the Board and the Executive Team, who provide IPR with appropriate structures.

The ethics and compliance activities of IPR are overseen by the Board of Directors. The Audit Committee, which deals among other things with subjects relating to ethics and compliance, reports to and assists the Board of Directors. A Board member is specifically charged with closely monitoring and following up, on behalf of the Board, IPR's ethics and compliance activities. A dedicated ethics and compliance activity is included in the mission of the IPR HQ Legal Department ("IPR Group E&C").

An Embedded System

The IPR ethics and compliance activities, performed under the responsibility of the IPR managers, aim at ensuring that ethical rules are followed by all employees. These activities include ensuring that IPR's ethics and compliance policies and practices are updated as required.

The ultimate purpose of the ethics and compliance activities of IPR, coordinated by IPR Group E&C, is to ensure the ethical dimension is incorporated into IPR's vision, strategy, management and practices.

Activities in that respect, following the related GDF SUEZ guidelines, reference documents and processes, include issuing ethics and compliance documents and giving impetus to their implementation in the operational and functional departments, and identifying where other controlling policies and practices within IPR need to be enhanced. This involves various departments throughout the IPR organisation, under the responsibility of line management, and with specific support of IPR Group E&C.

Communication

IPR's managers are responsible for ensuring that this Ethics Charter document is circulated to their employees, so that they are familiar with and apply IPR's ethical standards in their day-to-day work. For this purpose, managers organise deployment, training and awareness-raising initiatives. They also provide help and guidance to employees who ask or share concerns about ethical issues.

IPR Group E&C, the entity ethics officer, the entity Legal Department, the Human Resources Department and the Internal Communications Department can particularly help the managers in their communication role.

Lastly, while managers must verify that their employees are familiar with their ethical and legal obligations, it is even more important that they should make sure that practices reflect those obligations. Sanctions shall be applied in accordance with local law and customs.

The Ethics Officer

Ethics officers are responsible for implementing the Ethics Charter within their entities. As both facilitator and manager, they contribute to the prevention of ethical risk by giving impetus to professional practices that reflect IPR's undertakings.

In every entity of sufficient size and autonomy, the manager appoints an ethics officer responsible for implementing IPR's ethical principles within his or her entity. Where no ethics officer is appointed, the ethics officer of the immediately upper level entity shall act as ethics officer of the first-mentioned entity.

In this respect, the main components of the ethics officer's role are to:

- Communicate and if necessary explain the charters, codes or guidelines that define IPR's ethical commitments, to all employees, in close liaison with the entity's management.
- Devise or supervise the preparation of additional documents for the ethics and compliance programme, specific to the entity's location or activity.
- Ensure that ethical principles are applied in the entity's development strategies and activities.
- Answer employees' questions and give advice on ethics and compliance.
- Run awareness-raising, training and communication initiatives.
- Monitor the implementation of the ethics and compliance policies that will be used to draw up the entity's annual compliance report to be submitted by the manager to the IPR Group Ethics Officer and the Deputy IPR Group Ethics Officer.
- Identify the entity's ethical risks.

Responsibilities of the Ethics Officer

Chosen for their precision, honesty, discretion, abilities as mediator, objectivity, and their analytical skills, ethics officers are members of their entity's management team and/or have direct access to management.

Ethics officers are bound to maintain strict confidentiality with regard to the information they obtain in performing their role. Indeed, an ethics officer may not disclose the name of a person that is subject to an allegation or an informer without their express agreement, unless, as regards disclosure of the name of the person that is subject to an allegation, this is required for purposes of investigation or preserving the interests of the company. In that case, sharing of information with other persons shall be on a "need to know" basis only. This obligation of confidentiality is exercised in accordance with local law and custom. In addition, the ethics officer will see to it that all necessary precautions are taken to prevent whistleblowers from being exposed to retaliatory measures.

A System for Tracking Ethical Objectives

The ethics officer gives IPR a global overview of its ethical practices. To perform this role, the ethics officer network reports regularly to the managing Board of their entity. The information in these reports is incorporated into the annual report on ethics presented by the IPR Group Ethics Officer and the Deputy IPR Group Ethics Officer to the Chief Executive Officer, and ultimately to the Board of Directors (through the Audit Committee of the Board and the member of the Board charged with monitoring ethics activities).

The ethics officers are involved in setting ethical rules and obligations for professional practice and ensuring that they are followed in the company.

They provide help and advice to any employee seeking guidance on ethical matters and help to identify good practices through their participation in IPR's network of ethics officers.

They contribute to the prevention of IPR's ethical risks by establishing their entity's compliance report.

Reporting, Monitoring and Audits

To support its ethics and compliance activities, IPR has implemented procedures designed to ensure ethics and compliance related reporting, monitoring and audit.

For ethics and compliance related reporting, monitoring and audit, IPR follows the related GDF SUEZ guidelines, reference documents and processes.

In ethics and compliance, as in many other fields, a regular management evaluation of individual knowledge and behaviour form part of a continuous improvement process. The implementation of this evaluation process throughout IPR, conducted under the responsibility of the IPR managers, is supported by IPR Group E&C.

IPR Group E&C also supports the implementation of the ethics and compliance policies and practices, and the establishment of compliance controls.

Ethical audits and special investigations throughout IPR are coordinated or overseen by IPR Group E&C (its particular mode of functioning depends on the requirements presented by the case at hand), acting in close cooperation with the internal audit departments or other relevant departments.

A very detailed policy monitoring the deployment of IPR's ethical standards in the entities has been set up.

Indeed, under this procedure, all ethics officers must produce an annual report on progress in ethics and compliance organisation in their entities, in application of IPR's rules and procedures, together with any specific ethics-related arrangements or initiatives established by the entity itself.

This report is submitted to the upper level entity, accompanied by a compliance letter from the manager certifying their commitment to the application of the ethics and compliance programme within the organisation which they head.

The ethics and compliance activities include taking the measures required in the event of a failure to comply with IPR's ethics standards, under the responsibility of management, assisted by IPR Group E&C and by other relevant departments throughout IPR (Legal, Audit, Internal Control, Enterprise Risk Management, Insurance, Human Resources, etc.).

The internal control and audit departments, with the particular support of IPR Group E&C, are alert to any information that might suggest a violation of the rules.

They must be alert to the existence of any weak points in the organisation of IPR's entities. These departments report their observations to their respective management structures.

They also inform the ethics officer and, if necessary, conduct a specific review of certain applications of the ethics and compliance programme.

The IPR ethics and compliance programme entails regular reporting, monitoring and auditing of the application of IPR ethical standards. It comprises activities by various departments throughout the IPR organisation.

Our values

Drive

Commitment

Daring

Cohesion

Further Information or Guidance

IPR's Ethics Charter is available on the IPR website and intranet. For further information or guidance on ethical practice and compliance please contact:

ethics@iprplc-gdfsuez.com

