

# Dividend Policy

Updated October 26, 2017

## 1. PURPOSE

The purpose of this policy is to establish the link between the profits determined by the companies of the Neoenergia Group and the remuneration of its shareholders.

## 2. RESPONSIBILITIES

The Executive Board and the Directors of the companies of GRUPO NEOENERGIA are responsible for the fulfillment of this Policy.

## 3. POLICIES

### 3.1. Applications

These Policies apply to all companies in the NEOENERGIA GROUP, including its AFFILIATES, observing their respective bylaws and applicable legislation.

### 3.2. Definitions

**3.2.1 Affiliates:** A company is said to be an affiliate if another company participates with ten percent or more of its capital, without controlling it.

**3.2.2 Subsidiaries:** Company whose capital another company holds the majority of votes in the deliberations of the quota holders or the general meeting and the power to elect the majority of the directors;

### 3.3. Criteria

The Executive Board of the companies of GRUPO NEOENERGIA will take into account, in its strategic planning, specific and measurable objectives that seek to optimize profitability and create shareholder value in a sustainable manner, considering the applicable legislation and recognized corporate governance principles.

### 3.4.

#### Guidelines

The Executive Board, within the scope of its powers, may propose to the shareholders the decisions it deems most appropriate in relation to the distribution of dividends, including through the payment of intermediary earnings (dividends or interest on equity), provided that the limits established in this policy and the Bylaws of the companies of the Neoenergia Group and its affiliates.

### 3.5. Limitations on Shareholders' Compensation

Any circumstances that justify changes to the limits described below must respect the principles of business sustainability and be compatible with the maintenance of the company's financial health:

- a) *Neoenergia Holding* - The declaration of earnings by the company must respect the minimum limit of 25% of the Net Profit that can be distributed.
- b) SUBSIDIARIES AND AFFILIATES - Subject to financial, regulatory, legal, statutory restrictions and established by different creditors, they should maximize the distribution of earnings, including from profit reserves constituted in previous fiscal years.

### **3.6. Final Provisions**

- a) This Policy will be posted on the NEOENERGIA and its companies' Intranet and must be mandatory for all professionals working in the financial area.
- b) NEOENERGIA understands that, so that this Policy is always up to date and continuously evolves to meet the best business practices, it must be constantly evaluated, audited and reviewed annually.

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This *Dividend Policy* was originally approved at the Company's Board of Directors' meeting held on October 21, 2010 and last modified on October 26, 2017.