

Dividends Policy

November 27, 2014

PURPOSE

This regulation aims to define a Dividend Distribution Policy for the Neoenergia Group.

RESPONSIBILITIES

Financial and Investor Relations Department

POLICIES

1.1 Policy Scope

This policy applies to all Neoenergia Group companies.

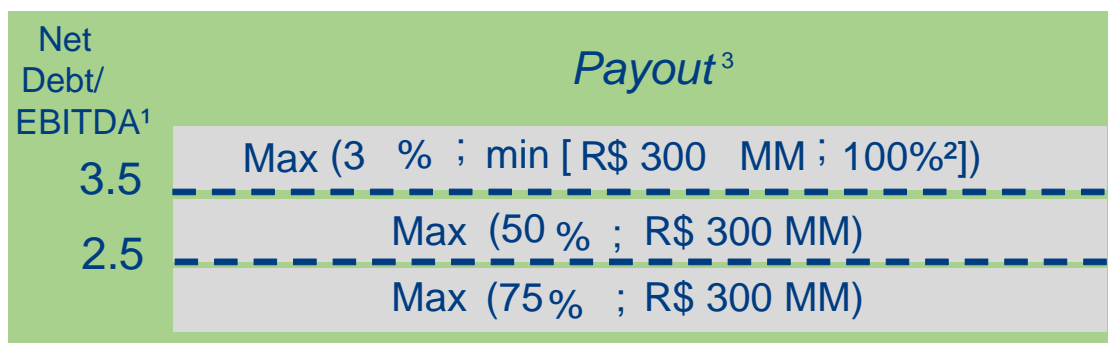
1.2 Policy General Guideline for Holding

In order to give the correct economic signals to the market, remunerate the shareholders appropriately and assist in the fulfillment of the covenants, a review was made of Neoenergia's payout assumptions, which were included in the long-term projections presented to the Board of Administration on 10/30/2014.

The Dividend policy should take maximum advantage of the tax benefit of the deductibility of the JSCP. The maximum distribution of dividends by the holding company cannot exceed the Net Income adjusted by the changes in Shareholders' Equity of the subsidiaries and by the capital reserve of the ADENE/SUDENE Tax Benefit.

Until October 31 of the following year, the amounts retained for investments should be revalued and in the case of non-existence of projects to use the capital, a complementary distribution of the dividends will be made.

The Dividends policy of the Neoenergia Group is described in the following chart:



Note¹: Proportional Net Debt / Adjusted EBITDA Proportional CVAs (except for Belo Monte). The proportional consolidation considers the companies whose control is jointly multiplied by the participation of Neoenergia in these companies (excluding Belo

Monte) + adjustment of wind power participation to account for 50% of the total.

Note²: 100% of net income with a distribution channel within the year, without considering reserves.

Note³: *Payout*: calculated as the ratio between the amount of Dividends + JSCP paid by Neoenergia in the year, and Neoenergia's Net Income for the same year. For any of the payout metrics, the gross amount should be considered, i.e., in the case of JSCP deliberation, the shareholders will receive the agreed amount less the applicable income tax.

1.3 Interpretation of the Rule

- If the index [Proportional Net Debt / Adjusted EBITDA Proportional CVAs] is greater than or equal to 3.5 in the current year: pay in the year the maximum between (1) 35% of net income for the year and (2) the lowest value between R\$ 300 million and 100% of net income for the year.
- If the index [Proportional Net Debt / Adjusted EBITDA Proportional CVAs] is between 3.5 and 2.5 in the current year: pay in the year the maximum between (1) 50% of the net income for the year and (2) R\$ 300 MM.
- If the index [Proportional Net Debt / Adjusted EBITDA Proportional CVAs] is less than or equal to 2.5 in the current year: pay in the year the maximum of (1) 75% of the net income for the year and (2) R\$ 300 MM.

The additional distribution is conditioned to the macroeconomic, regulatory and market situation that may interfere

1. The Neoenergia Group Indebtedness Policy
2. Investment opportunities in new businesses
3. Non-recurring results and/or results that will not be converted into cash at the moment

It is the Board's responsibility to justify any proposal for payment that is lower than the mandatory minimum in the chart above.

The flow of dividend policy dates is described in the following flowchart:

Summary of the Dividend Policy Payment and Deliberation Flow			
	Complementary dividends	Interim Dividends	JSCP
Deliberation	The determination of Complementary Dividends usually occurs in April	The determination of Interim Dividends usually occurs in August	The PSCB Deliberation Date occurs on the last business day of each quarter

Limit Event for the Beginning of the Payment Process	Ordinary General Meeting	Meeting of the Board of Administration	Publication of the ITR/DFP
Payday	3rd Wednesday subsequent to the resolution at the Annual General Meeting	3rd Wednesday following the deliberation on the Board of Administration	2nd Wednesday following the publication of the ITR/DFP

Generating companies should consider their contractual limitations. If there are no limitations, they must follow the same payment dates.

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This *Dividend Policy* was originally approved at the meeting of the Company's Board of Administration held on October 21, 2010 and last modified on November 27, 2014