

STATUTORY AUDITOR CONTRACTING AND RELATIONS POLICY

July 19, 2018.

The Audit Committee of NEOENERGIA SA ("**Neoenergia**", "**Company**") approves this *Statutory Auditor Contracting and Relations Policy* ("**Policy**"), the purpose of which is to ensure that the position of statutory auditor ("**Auditor**", "**Independent Auditor**") of the Company is held by an independent firm that has the technical qualifications required to perform its work in an efficient and responsible manner and in accordance with applicable legal provisions.

This *Policy* governs the selection, appointment and any re-election or removal of the statutory auditor of the individual accounts of the Company and of the accounts of the Company consolidated with those of the companies making up the group of which the Company is the controlling entity, within the meaning established by law (the "**Group**"), as well as the framework of relations with such statutory auditor and the procedure for evaluating the activities thereof.

This Policy also sets forth the principles that must govern the selection, appointment and any re-election or removal of the statutory auditors of the other companies within the Group, as well as the framework of relations between such companies and their auditors.

1. Appointment, re-election and removal

The appointment, re-election and removal of the statutory auditor that has to verify the individual annual accounts of the Company as well as the accounts of the Company consolidated with those of the companies belonging to the Group is within the purview of the Board of Administration.

The Board Administration shall decide on the proposal for appointment, re-election or removal of such Statutory Auditor pursuant to the provisions of this *Policy*, the Company's Shareholder's Agreement and the applicable legal provisions.

2. Procedure for selection, contracting and proposal for appointment

The Audit Committee shall establish the minimum requirements to be met by those entities that apply for the status of Statutory Auditor of the Company, as well as the most appropriate selection and contracting procedure, which shall be impartial, transparent, efficient and non-discriminatory and include a collection between the different entities to ensure compliance with the previous requirements.

For these purposes, the Audit Committee will approve a list of conditions for all candidates invited to the process, which will allow them to know the Company's

activities and the characteristics and scope of the services required. The list will contain a preliminary calendar of the process.

To protect the integrity of the selection process and the confidential information that the Company makes available to the candidates, a corresponding confidentiality agreement shall be signed with each of them.

The bid terms and conditions shall include transparent and non-discriminatory selection standards, which the Company shall apply objectively in evaluating the bids submitted. Such standards shall provide for the Auditor's independence, sufficiency and adequacy of his or her experience, solvency and operational capacity, as well as strict compliance with any other requirement or requirement that the applicable legislation establishes at any time. The Audit Committee will establish a weighting for each of the selection criteria defined in the list of conditions, which will not be part of this.

The Audit Committee may rely on the collaboration of any Board of Administration or area of the Company or of the group companies. In this regard, the board or area that the Audit Committee indicates in the list of conditions will include the conclusions of the selection process in a report that will be ratified by the committee.

Candidate companies will present to the Audit Committee and/or the boards and areas indicated by this Committee their offers at one or more meetings convened for this purpose, at which time the Committee may formulate the questions and requests to the clarifications that may be necessary.

In the selection process, the Audit Committee will ensure, among other things, the strict compliance with the legislation applicable to the selection and contracting of Statutory Auditors and, in particular, the equal treatment of the candidate companies.

The Audit Committee may provide in the list of conditions the possibility of, at any time, considering the collection of prices closed due to the absence of candidate companies or withdrawal of the process by the committee.

Communications with the candidates shall in any event be led by the Committee and/or by the boards and areas designated by this Committee. Candidate companies should refrain from requesting additional information through channels other than those established in the list of conditions by the Audit Committee. The candidates must refrain from requesting additional information through channels other than those established by the Committee for such purpose in the bid terms and conditions. Furthermore, no company of the Group shall respond to any question or request for information that is not channelled through the Committee.

The Committee shall not submit a proposal to the Board of Administration for appointment of an audit firm as the Company's statutory auditor if it has evidence that such firm is affected by any circumstance of lack of independence, prohibition or

disqualification pursuant to the legal provisions governing the audit of accounts. In particular, the foregoing shall apply if the fees accrued from the provision of audit services and services other than audit that the Company and any other entity of the Group expect to pay the statutory auditor or audit firm or a member of its network during each of the last three consecutive financial years represent more than fifteen per cent of the total annual income of the statutory auditor or audit firm and of said network.

In addition, the total fees received for services other than audit may not exceed seventy per cent of the average of the fees paid during the last three financial years for audit work provided to the Company and to the other entities of the Group.

The tender may include the selection of the statutory auditor of other companies of the Group provided that applicable legal provisions in each case do not prevent the selection thereof.

Once the bids submitted have been evaluated in accordance with the selections standards set forth in the bid terms and conditions, the Committee, based on the report, if any, submitted by the relevant division or area, shall submit to the Board of Administration a report describing the selection process and recommending two candidates to serve as statutory auditor of the individual accounts of the Company and the accounts of the company consolidated with those of its subsidiaries, indicating its preference for one of them and providing sufficient grounds therefor.

In stating its preference for one of the candidates in its report, the Committee shall state that its recommendation is free from any third-party influence and that no contractual provision has been imposed upon it whereby the election is restricted to certain categories or lists of statutory auditors, pursuant to the terms of applicable legal provisions.

In view of the report, the Board of Administration shall define the appointment of one of the two candidates selected by the Committee, with the reasons for the proposal if it differs from the preference of this committee.

Once the appointment proposal has been approved, the Board of Administration will determine that all the necessary steps are taken to conclude the corresponding service agreement.

3. Proposal for re-election

Before the expiration of the appointment of the Statutory Auditor of the Company, the Audit Committee will analyze its possible re-election or, if applicable, the beginning of the selection and hiring of a new Auditor, in accordance with the provisions of item previous.

For this purpose, the Audit Committee shall take into account the results of the annual evaluation of independence and the quality of the work performed by the Company's Statutory Auditor, as well as the temporary and quantitative limitations established in the applicable legislation.

Based on the foregoing, the Audit Committee shall submit to the Board of Administration the proposed re-election of the Statutory Auditor of the Company.

In case of approval of the proposed re-election, the Board of Administration shall determine that all necessary steps are taken to conclude the corresponding service agreement.

4. Proposal for removal

The Committee may only propose the removal of the statutory auditor to the Board of Administration, for subsequent submission to the shareholders at the General Shareholders' Meeting, if so allowed by legal provisions, and a prior report is necessary justifying the reasons.

5. Relationship with the Statutory Auditor

The Board of Administration shall maintain an objective, professional and continuous relationship with the Company's Statutory Auditor, and shall at all times respect the independence thereof. This relationship will normally be channeled through the Audit Committee.

The Board of Administration shall meet at least once per year in order to receive information regarding the work performed and regarding the accounting status and risks of the Company.

The Audit Committee will annually carry out a formal evaluation of the quality of the work performed by the Statutory Auditor during the year and on the degree of coordination among the different auditors of Group entities, if there are several. To this end, it will receive regular information on the audit plan and its execution.

For its part, the Statutory Auditor will present to the Audit Committee, as a result of its work, an annual report with its recommendations.

The Statutory Auditor may carry out limited audits or reviews of the interim accounts that are published less than one year in accordance with the provisions of current legislation.

6. Independence

The Company's Corporate Governance System ensures the establishment of the required relations between the Committee and the statutory auditor so that the former

receives from the latter specific information regarding matters that might entail threats to the independence thereof.

The Committee shall endeavour to ensure that the statutory auditor of the Company is independent and that this is made clear in the relations between them. To this end, it must authorise, prior to formalisation thereof, any contract it intends to sign with the statutory auditor or with any member of its network for the provision of services other than auditing to the Company or any of the companies of its Group, in order to be able to individually and globally analyse the threats to independence that might arise from said contracts. The Committee shall continuously communicate and coordinate with the audit and compliance committees of the other companies of the Group for this purpose.

The Company's Audit Committee shall also be immediately informed of any contracting of audit or non-audit services from firms performing audits at companies of the Group, with a level of detail sufficient to allow it to perform a global and effective analysis of the effect that the contracting of these services may have on independence from an individual and collective viewpoint.

The Audit Committee shall receive annually from the Company's statutory auditor a certification of independence from the Company or entities directly or indirectly connected thereto, as well as a detailed breakdown of information regarding additional services (other than auditing) of any kind provided to such entities by said statutory auditor or by persons or entities connected thereto, pursuant to the legislation governing the audit of accounts.

On an annual basis and prior to the issuance of the audit report, the Committee shall issue a report setting forth an opinion on the independence of the statutory auditor. This report must contain an assessment of the possible impact on the independence of the statutory auditor of each and every one of the additional services other than the legal audit referred to in the preceding paragraph, considered individually and as a whole.

Furthermore, the Committee shall monitor the internal procedures for assuring quality and safeguarding independence implemented by the Company's statutory auditor.

The audit firms carrying out audits of accounts at companies of the Group shall on an annual basis provide to the Committee, through the audit committees or the bodies at each company assuming the powers thereof, information regarding the profiles and the track record of the persons making up the audit teams working for the Company and the Group, with specific mention of the changes in the composition of such teams compared to the immediately preceding financial year

The Committee shall also receive information on the hiring by any of the companies of the Group of professionals coming from any of the Group's audit firms.

7. Transparency

The Board of Administration will publicly disclose the fees paid by the Company to the various audit firms working for the Group, both in consideration for the audit of accounts and for services other than the audit of accounts, specifying the fees paid to the statutory auditor and those paid to any company of the network to which the statutory auditor belongs or to any other company to which the statutory auditor is related under a relationship of joint ownership, management or control.

The activities report of the Audit Committee, which will be submitted to the approval of the Board of Administration and will subsequently be available to shareholders and investors, will report on the relevant aspects of the activity of the Statutory Auditor in the financial year.

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This Statutory Auditor Contracting and Relations Policy was approved by the Board of Administration on July 19, 2018.