

Crime Prevention Policy

Updated on May 22, 2019

The Board of Directors of NEOENERGIA S.A. ("**NEOENERGIA**" or "**Company**") is responsible for formulating the strategy and approving the Company's Corporate Policies, as well as organizing the internal control systems. In the exercise of these responsibilities and in congruence with the Purpose and Values and with its irregularities prevention culture, determines this *Crime Prevention Policy*.

1. Purpose

1.1. The Crime Prevention Policy aims to make clear to all company's executives and employees belonging to the group whose dominant company, in the sense established by law, is the Company ("**Group**" or "**NEOENERGIA Group**"), as well as to third parties related to it, a strong message of opposition to the practice of any criminal and illegal act, as well as clearly expressing the Group's desire to combat them and avoid a possible deterioration of the image and reputation and, ultimately, of the value participation and brand of the Company.

1.2. This *Crime Prevention Policy*, together with the *Anti-Corruption and Fraud Policy*, attest to the Group's commitment to continuous monitoring and sanctioning of acts and fraudulent behavior, maintenance of effective communication mechanisms and awareness of all employees to develop an ethical and honest culture.

1.3. For the development of this Policy, the Company must establish, through the *Compliance Superintendent* and other competent bodies, a specific and effective program to prevent crimes (as a whole of measures for the prevention, detection and reaction to possible criminal practices), which will also extend to the prevention and control of other frauds, administrative infractions and serious irregularities, considering the provisions of Brazilian criminal law, without prejudice to applicable regulations in any other jurisdiction in which the Company carries out its activities. In addition, the other companies of the Group will establish equivalent programs for the prevention of crimes.

1.4. The purpose of the abovementioned programs is, on the one hand, to ensure, before third parties and judicial and administrative bodies, that the Group companies effectively perform the functions of supervision, monitoring and control of their activities by establishing appropriate measures to prevent the practice of crimes or significantly reduce the risk of their practice and therefore have on their management, managers, employees, representatives and other dependents, considering their governance model, the correct control that is legally

required, including the control of possible situations of criminal risk that may arise in the scope of its action, even if it cannot be attributed to a specific person; and, on the other hand, strengthen the commitment to work against fraud and corruption in all its manifestations, including payment of bribes, extortion, bribery, influence peddling and money laundering.

2. Scope of application

2.1. This Policy applies to all directors, officers and employees of the Company, as well as to companies belonging to the NEOENERGIA Group.

2.2. The Group has a governance model in which decentralized executive responsibilities are assumed by those responsible for the Group's business, who enjoy the autonomy necessary to carry out the ordinary and effective management of each of the companies and their decision-making units, whose management responsibilities control were attributed through their respective boards of directors and management bodies.

2.3. These executive responsibilities are overseen by the *Compliance* Superintendent and other competent bodies in order to ensure the implementation and monitoring of the actions principles included in this Policy, without prejudice to adequate coordination at all levels of the Group.

2.4. The persons who act as representatives of the Group in companies and entities outside the Group will promote, as far as possible, the implementation of specific and effective programs for the prevention of crime, similar to those of NEOENERGIA Group companies.

2.5. The administrators, executives and employees of the Group to whom the provisions of this Policy apply shall also comply with other norms or policies of a sectorial nature or derived from the national legislation of the countries in which they carry out their activity. Appropriate coordination will be established for such standards or policies to be consistent with the principles set forth in this *Crime Prevention Policy*.

3. Principles of action

The principles of action governing the *Crime Prevention Policy* are as follows:

a) Integration and coordination: of the set of actions necessary to prevent and combat the possible practice of unlawful acts by any Group professional, such as, in general, possible irregular situations or fraud, in line with the provisions of the *Anti-Corruption and Fraud Policy*, the *General Corporate Risk Management Policy* and the *General Corporate Social Responsibility Policy*.

b) Transparency: the Company must create an environment of transparency, integrating the different systems developed for the prevention of crimes, maintaining appropriate internal channels to facilitate the communication of possible irregularities, among which the denunciations channel, the ombudsman channel in companies and the investor relations channels, which allow the Group's professionals, Company's shareholders, suppliers and society in general to report financial irregularities, not accounting and to communicate others behaviors that may imply a violation of the Company's Corporate Governance System or in practice, by any Group professional, of any act contrary to the law or to the rules of the *Code of Ethics*.

Likewise, the Group companies will provide any assistance and cooperation that may be required by national or international judicial or administrative bodies or institutions to investigate allegedly criminal, fraudulent or irregular facts that may have been committed by their professionals.

c) Legality: act at all times, in accordance with the legislation in force and within the rules established by the *Code of Ethics*, and in accordance with the Company's internal regulations.

d) Prevention: Promote a preventive culture based on the principle of "zero tolerance" against the practice of illegal acts and on the application of the principles of ethics and responsible behavior of all Group professionals, regardless of their hierarchical level and the country and area in question.

e) Self-control: within the context of this preventive culture, the Company must promote self-control process in actions and decision-making by employees and executives, and so that any action of a Group professional is based on four basic premises: (i) that the action is ethically acceptable, (ii) that it is legally valid, (iii) that it is desirable for the Company and the Group, and (iv) that the professional is willing to assume responsibility for it.

f) to ensure that the *Compliance* Unit has necessary material and human resources to monitor the operation and compliance with this Policy in an effective and proactive manner, without prejudice to responsibilities that correspond to other organs and directives of the Company and, where appropriate, the administrative and management bodies of the subsidiaries and the main companies in the Group's business.

g) to develop and implement adequate procedures for the control and integral management of crime prevention in all Group companies.

h) to maintain the emphasis on proactive activities, such as prevention and detection, in relation to reactive activities, such as research and sanction.

i) to investigate any information related to the practice of an allegedly criminal, fraudulent or irregular act, regardless of its amount or the persons involved and, as soon as possible, ensuring the confidentiality and anonymity of the complainant and the rights of investigated persons.

(j) to search for a fair, non-discriminatory and proportionate application of sanctions, in accordance with the provisions of the applicable legislation at all times.

k) to communicate to all Group professionals the responsibility to report any fact that constitutes a possible criminal infraction or irregularity that they have evidence through the available communication channels and specifically about any indication or suspicion that a transaction made or projected could be linked to money laundering activities or the financing of illegal activities.

l) to implement adequate training programs for Group's professionals, both in person and by any other appropriate method, in the duties imposed by the applicable legislation, with sufficient frequency to guarantee the updating of their knowledge in this matter.

m) to apply disciplinary sanctions, in accordance with what is established in the applicable legislation to conducts that aim to cover or prevent the discovery of crimes, as well as the infringement of the specific duty to inform the control bodies of the violations that could have been detected.

4. Control, evaluation and review.

a) Control

It is the responsibility of the *Compliance Unit* to supervise the implementation, development and compliance of the Company's Prevention Program and the Group's companies and supervise and coordinate the implementation, development and compliance of equivalent programs in other Group companies, without prejudice to the responsibilities which correspond to other organs and Company's directions, including subsidiaries management bodies and the main companies in the Group's business.

To this end, the *Compliance director* must have the necessary initiative and control to monitor the operation, effectiveness and compliance of this Policy, ensuring the adequacy of programs to prevent the practice of crimes to the needs and circumstances of each company of the Group and the adequacy of the disciplinary systems which are applicable in each case of noncompliance with the measures in the programs.

b) Evaluation

The *Compliance director* shall evaluate, at least once a year, the compliance and effectiveness of the programs to prevent the practice of crimes of the Group companies and, in any case, when there are relevant infractions of the programs or when there are changes in the organization, structure or in the activity developed by the Group companies, evaluating the need and convenience of improvements.

c) Review

The Audit Committee will review this *Crime Prevention Policy* annually and propose to the Board of Directors the modifications and updates that contribute to its development and continuous improvement, adding, as appropriate, the suggestions and proposals made by the *Compliance Superintendent* or by the other areas of the Company or its professionals.

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This *Crime Prevention Policy* was initially approved by the Board of Directors on July 19, 2018 and last revised and modified at a Board of Directors meeting on May 22, 2019.