



## **RELATED PARTY TRANSACTIONS POLICY**

June 4, 2019

### **1. INTRODUCTION**

The purpose of this Related Party Transactions Policy ("**Policy**") is to establish rules to ensure that decisions involving transactions between related parties and situations with a potential conflict of interest are adopted through a transparent process and always in the best interests of Neoenergia S.A. ("**Company**"), as well as compliance with the best practices of corporate governance.

### **2. TO WHOM IT APPLIES**

This Policy applies to shareholders, members of the Board of Administration and members of the Company's Advisory Committees and shall be respected by employees, statutory officers and other employees of the Company when they execute, on behalf of the Company, transactions with them.

### **3. DEFINITION OF RELATED PARTY TRANSACTIONS**

Related party transactions are considered as transfers of resources, services or obligations between the Company and a related party, regardless of whether a price is charged in return ("**Related Party Transactions**").

### **4. DEFINITION OF RELATED PARTIES**

The members, quotaholders or shareholders (in any case, direct or indirect) of the shareholders, as well as their affiliates ("**Related Parties**"), are considered as related parties of the Companies. For the purposes of this Policy, affiliate means, in relation to any person, the individual or legal entity that is its parent company, subsidiary, under common control or, also: (i) company that is controlled; or (ii) investment fund whose majority of the quotas is held, directly or indirectly, by the same final controller(s) of such person.

For the purposes of this Policy, control means the ownership of voting rights that permanently assure preponderance in the corporate resolutions and the power to elect the majority of the administrators of a particular legal entity, either alone or through a control block regulated by members' or shareholders' agreement.

The internal area of the Company responsible for the operation with a potential Related Party triggers the Governance Board, which, in turn, submits the matter to the Company's Board of Directors, which submits it to the Appreciation of the Related Party Committee, when applicable. The Related Party Committee is responsible for identifying Related Parties and for classifying transactions as Related Party Transactions.

#### **5. DEFINITION OF SITUATIONS INVOLVING A CONFLICT OF INTEREST OF THE SHAREHOLDER, MEMBER OF THE BOARD OF ADMINISTRATION OR MEMBER OF THE ADVISORY COMMITTEE OF THE BOARD OF ADMINISTRATION**

The conflict of interest arises when a shareholder, member of the Board of Administration or member of the Advisory Committee of the Board of Administration ("**Committee**") is involved in a decision-making or advisory process in which it may result in a gain for himself, for some family member, or third party with which he is involved, or that may interfere with his ability to render an exempt judgment, in any case, to the detriment of the interests of the Company. In the case of the Company, situations involving conflicts of interest may also be considered as situations in which the personal objectives of the decision-makers, for any reason, are not aligned with the Company's objectives in specific matters.

In view of the potential conflict of interest in these situations, the Company seeks to ensure that any decisions or recommendations that may confer a private benefit on any of its shareholders, members of the Board of Administration, members of the Committees, family members, investees or persons related to them are taken in full transparency.

#### **6. RULES FOR DECISIONS INVOLVING RELATED PARTIES OR OTHER POTENTIAL CONFLICTS OF INTEREST**

When identifying a matter of this nature, the shareholders, members of the Board of Administration or members of the Committees must immediately express their conflict of interests at the General Shareholders' Meeting, at a meeting of the Board of Administration, or at a meeting of any Committee, including said potential conflict of interest in the minutes. In addition, they should be absent in discussions on the subject and refrain from taking decisions or issuing opinions, as the case may be.

At the request of the Chairman of the Board of Administration or of the Chairman of the corresponding Committee, as the case may be, such shareholders, members of the Board of Administration or members of the Committees may participate partially in the discussion, in order to provide more information about the operation and the parties involved. In this case, they should be absent from the decision making or the opinion issue, as the case may be.

In the event that any shareholder, member of a Board of Administration or member of a Committee, who may have a potential private gain resulting from any decision or opinion, does not express his conflict of interest, any other shareholder or member of the body to which he belongs that has knowledge of the situation may do so. In this case, the conflict of interest will be determined by the respective Board of Administration or Committee and, if necessary, the voluntary non-manifestation of the shareholder, member of the Board of Administration or of the Committee shall be considered a violation of this Policy, subject to corrective action determined by Administrative Council.

The manifestation of the conflict of interest situation and subsequent abstention shall be recorded in the minutes of the meeting. Upon their inauguration, the members of the Company's Board of Administration and Committees shall sign a document stating that they have received, read and undertake to follow this Policy and other situations involving conflicts of interest.

The Company's Directors are subject to the rules of conflict of interest and related party transactions set forth in the Procedure for Conflicts of Interest and Related Operations with Directors and Professionals Who Have Direct Dependence on the Board of Administration.

## **7. FORMALIZATION OF RELATED PARTY TRANSACTIONS**

The Related Party Transactions of the Board of Administration shall be reviewed by the Related Party Committee, which shall ensure that the following conditions are met:

- (a) Related Party Transactions must be carried out in accordance with market standards (conditions equivalent to those that would be negotiated with independent third parties); and
- (b) Loans in favor of the controller, if any, and of the administrators, shall not be permitted, except upon a favorable opinion of the Related Party Committee.

Except when they qualify as Binding Transactions under the Procedure for Conflicts of Interest and Related Transactions with Directors and Professionals Who Have Direct Dependence on the Board of Administration, Related Party Transactions shall be resolved by the Board of Administration, pursuant to the Company's Bylaws, which shall take into account the opinion issued by the Related Party Committee on the transaction in question.

Accordingly, they will be subject to approval by the Company's Board of Administration: (i) the provision of guarantees by the Company in favor of its subsidiaries and affiliates, (a) with a value exceeding R\$ 500,000,000.00 (five hundred million reais), for loans, debentures or financial operations, including Company derivatives or (b) with a value greater than R\$ 50,000,000.00 (fifty million reais) for the other operations; and (ii) the negotiation, conclusion or amendment of a contract of any kind or value between the Company and its shareholders, directly or through intermediaries or companies that directly or indirectly participate.

In turn, the Board of Administration, as a collegiate body, shall be subject to the provision of guarantees by the Company in favor of its subsidiaries and affiliates, (a) up to R\$ 500,000,000.00 (five hundred million Reais), for operations involving loans, debentures or financial operations, including the Company's derivatives or (b) up to R\$ 50,000,000.00 (fifty million reais) for other operations.

## **8. DISCLOSURE**

Under the current legislation, the Company must disclose the transactions with related parties, the type of relationship and transaction between the parties, providing sufficient details to identify the related parties and any essential or non-strictly commutative conditions inherent in the transactions in question.

The disclosure of this information will be made (i) in the notes to the financial statements of the Company, in accordance with the applicable accounting standards, after consulting the Company's Audit Committee; and (ii) in the Reference Form, to be submitted to the Brazilian Securities and Exchange Commission (CVM), pursuant to item 16 of Exhibit 24 of CVM Instruction 480/09.

## **9. RESPONSIBILITIES FOR POLICY APPROVAL AND UPDATE**

As provided for in the Company's Bylaws, the Audit Committee is responsible for the evaluation, monitoring and recommendation to the Board of Administration of the Company for the correction or improvement of this Policy. For these purposes, the Audit Committee shall have the assistance of the Related Party Committee.

## **10.FINAL PROVISIONS**

This Policy was approved by the Board of Administration on June 4, 2019 and will come into effect on the date of publication of the announcement of the beginning of the public offer of secondary distribution of common shares issued by the Company.