

# Corporate Governance Policy

Updated on September 27, 2023

The Board of Directors of NEOENERGIA SA (the “Society”) has the power to design, evaluate and review, on a permanent basis, the Governance and Sustainability System and, specifically, approve and update the corporate policies that contain the guidelines that govern the performance of the Society and the societies integrated into the group, whose dominant entity is, in the sense established by law, the Society (the “Group”).

In carrying out these responsibilities and within the scope of the law, the Society's Bylaws, the guidelines and action guidelines in which the Neoenergia Group's Purpose and Values are implemented, as well as its sustainable development strategy, the Board of Directors approves this Policy of Corporate Governance (the “Policy”).

## PURPOSE AND GENERAL PRINCIPLES

### 1. Purpose

The purpose of this Policy is to establish the general corporate governance strategy and commitments, both for the Society and for other societies in the Group, based on the application of the highest ethical standards and compliance with governance recommendations recognized in international markets, adapted to your needs and peculiarities.

All of the Group's societies share the concept of Corporate Governance as an element at the service of social interest, which represents the common interest of all the Group's shareholders, oriented towards the creation of sustainable value, materialized through the development of activities included in its corporate purpose in order to maintain alignment with other interest groups related to its business activity and its institutional reality, in accordance with the Purpose and Values of the Neoenergia Group, with the Group's commitment to the social dividend and, in particular, to the contribution of achieving the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

The Society requires and aspires that its shareholders and other people holding rights or interests over the Society's shares and, to the extent applicable, intermediary entities, managers or depositaries, respect and comply, in their relations with the Group, with the which is established in this Policy.

### 2. Scope

This Policy is applicable to all societies that are part of the Group and to subsidiaries that are not part of the Group over which the Society has management influence, within the legally established limits.

Furthermore, this Policy also applies, as applicable, to joint ventures and other equivalent associations, when the Society assumes their management.

In subsidiaries in which this Policy is not applicable, the Society will promote, through its representatives in Management bodies, the alignment of its own policies with those of the Society.

### **3. General principles of the Corporate Governance strategy**

To achieve the objectives related to the Governance and Sustainability System, the Society adopts it and promotes the following general principles of action in each of the areas indicated below:

- a) In relation to shareholders: within the scope of social interest, the Society takes into account in its strategic planning concrete and measurable financial and non-financial objectives that always seek to improve profitability and create value in a sustainable way for shareholders.

The Governance and Sustainability System includes appropriate measures to protect the interests of minority shareholders of Group societies that are not fully owned, to the extent that these interests are not fully aligned with those of the Society.

- b) In relation to the separation of functions and decentralized management within the organization: a configuration is established on the basis of due separation between the functions of effective management and supervision, as well as between the central function of strategy and decentralized executive responsibilities, with a Group structure inspired by the principle of subsidiarity and respect for the corporate autonomy of the societies that make up the Group.

The Society respects the legal and functional separation of regulated societies and the autonomy that other societies in the Group must have, especially publicly traded societies, predisposing, for this purpose, specific mechanisms and procedures to prevent, identify and resolve conflict situations of competence and interests, on a punctual or structural and permanent basis.

- c) In relation to regulatory and ethical compliance: the Society ensures compliance with the law and the Governance and Sustainability System, as well as ethical principles, in particular those set out in the Code of Ethics and promotes a preventive culture based, on the one hand, in the principle of “zero tolerance” in the face of irregular actions and illicit acts contrary to the law or the aforementioned Governance and Sustainability System and, on the other hand, in the application of ethical principles and responsible behavior that must govern the actions of members of the governing bodies, management, professionals and suppliers of the Society and other societies in the Group.

To this end, the Society has its own, effective, autonomous, independent and robust Compliance System, made up of a structured set of standards, formal procedures and material actions that are intended to guarantee the Society's performance in accordance with ethical principles. , legality and internal regulations, in particular, the Governance and Sustainability System, contribute to the full realization of the Neoenergia Group's Purpose and Values and social interest, as well as preventing and managing the risk of regulatory and ethical non-compliance, which may be committed by its administrators, professionals or suppliers within the organization.

The responsibility for proactively and autonomously ensuring the implementation and effectiveness of the Society's Compliance System falls on the Compliance Unit, an internal and permanent collegiate body, linked to the Society's Sustainability Committee. To this end, it has broad competencies, budgetary autonomy and independence of action.

The Society's Compliance Unit and the compliance units and functions of the other societies in the Group carry out their functions under the principles of coordination, collaboration and information, complying in particular with the provisions of the Governance and Sustainability System with respect to the decentralization of management effective business operations and the corresponding individualization and separation of responsibilities of each of the societies that make up the Group.

In terms of data protection, the Society has a specific Policy that ensures compliance with the legislation applied to this matter, ensuring, in particular, respect for the right to honor and privacy in the processing of different types of personal data.

In tax matters, the Society 's corporate Tax Policy is based on the principle that taxes collected by the Group's societies in the States in which they operate constitute the main support for public charges and, therefore, one of the main contributions to society in general.

The Society 's tax strategy basically consists of ensuring compliance with applicable tax regulations and ensuring adequate coordination of the tax practices of the societies that make up the Group, all within the scope of achieving corporate interests and supporting a long-term business strategy that avoids risks and tax inefficiencies in the execution of business decisions.

d) In relation to the promotion of diversity: the Group seeks an appropriate balance in the composition of its management bodies, as well as their periodic and staggered renewal, and seeks diversity of capabilities, knowledge, experiences, origins, nationalities, ages and gender in its members as a reflection of the social and cultural reality of the Group's group of societies.

In the area of remuneration, the Society articulates its Directors' Remuneration Policy in principles that combine motivation, loyalty and objective assessment of management and performance, with dedication and fulfillment of the Society's individual and consolidated objectives and results of its Group.

e) In relation to transparency, the Governance and Sustainability System attributes to the Board of Directors the responsibility to supervise, at the highest level, the information provided to shareholders, institutional investors

and markets in general, safeguarding, protecting and facilitating the exercise of their functions. rights and interest, considering the defense of social interest, ensuring veracity, transparency, symmetry and respect for the principle of equal treatment in the dissemination of information.

The Society ensures that its financial information, which must be made public periodically, reflects, in all relevant aspects, the true image of the assets, the financial situation and results in accordance with the provisions of the law and, also, in the preparation consolidated information, the Neoenergia Group Financial Information Preparation Policy.

In addition to financial information, the Society prepares and discloses, as provided for in the Non-Financial Information Policy, relevant non-financial information, in a reliable manner, about its performance and activities, formulated by the Board of Directors and analyzed by the Sustainability Committee through the report of sustainability, which informs the Group's performance in the social, environmental and corporate governance spheres, as well as the social dividend generated and shared with its interest groups.

The general strategy for communicating corporate financial and non-financial information is carried out through information and communication channels that contribute to maximizing the dissemination and quality of information made available to the market, shareholders and the financial community and other interested parties.

f) In relation to the Neoenergia brand: considering that it is one of its strategic assets, both in the economic, social, environmental and corporate governance dimensions, this ensures its protection and use as a lever that contributes to the reputation and success of businesses developed by the Group's societies.

Furthermore, the brand contributes to the Society's reciprocal interaction with its shareholders and encourages their involvement with other interest groups, whose expectations the Society integrates into its strategy and is very present in the management of corporate reputation.

g) In relation to innovation: the Society considers innovation as a strategic variable that affects all businesses and activities it develops, including its corporate governance practices. This strategic objective permeates the entire organization and affects all matters of order and functioning of the Group's societies and their governing bodies.

#### **4. Commitment to relations with societies' shareholders**

The Board of Directors recognizes, as a strategic objective, permanent attention to the transparency of information and relations with its shareholders and institutional investors, which are governed by the provisions of the law and the Governance and Sustainability System and, in particular, by the principles established in the General Sustainable Development Policy.

In turn, shareholders must exercise their rights towards the Society and other shareholders and fulfill their duties with loyalty, good faith and transparency, within the framework of the social interest, as a priority interest towards the natural persons

of each shareholder, and compliance with legislation and the Governance and Sustainability System, to the extent applicable to them.

## **5. Commitments regarding the separation of Functions and Counterweights**

### **5.1. The Board of Directors**

The Board of Directors corresponds to the body with the broadest powers granted to it by law and the Bylaws to manage and indicate strategic guidance to the Society, focusing its activity on the approval of strategic objectives with projection at the Group level, on the definition of its organizational model and in supervising the fulfillment and development of this model. In carrying out its functions, it pursues the social interest and acts with unity of purpose and independent criteria, granting the same treatment to all shareholders who are in identical conditions.

The Board of Directors is made up of people of recognized prestige and professional competence, who act with independent discretion in carrying out the duties specific to the position. In its composition, diversity of skills, knowledge, experiences, origins, nationalities, age and gender is encouraged, in order to enrich decision-making and contribute to the debate on issues within its competence from multiple points of view.

The Board of Directors will be formed in accordance with the Society's Bylaws, and its members will be elected and dismissed by the General Assembly, with a unified term of office of 2 (two) years. They may have their respective alternates, and re-election will be permitted.

The Compliance Area must ensure that none of the incompatibilities, prohibitions and causes of conflict of competence or interest established by law and the Governance and Sustainability System occur.

## **6. Positions within the Board of Directors**

### **a) Chairperson of the Board of Directors.**

The Chairperson of the Board of Directors exercises the highest strategic direction of the Society, directs the discussions, ensures the proper operation of the Board of Directors and promotes the attendance of all Board Members in the meetings and resolutions. Likewise, chair the General Shareholders' Meeting and directs its discussions and resolutions.

### **b) Secretary of the Board of Directors**

The Secretary of the Board of Directors is responsible for ensuring the formal and material legality of the Board of Directors' activities and its adequacy to the Governance and Sustainability System, as well as the coordination of the secretaries of the Board of Directors' advisory committees.

## **7. Advisory committees of the Board of Directors**

The Board of Directors has four ancillary committees: Remuneration and Succession Committee, Audit Committee, Financial Committee and Related Parties Committee, whose composition, attributions and operations are regulated by their respective regulations and approved by the Board of Directors.

### **8. Meetings of the Board of Directors and its Committees.**

Directors must personally attend meetings of the Board of Directors and its committees of which they are members and, when they are unable to attend, they must delegate their representation to their alternate and, if there is not one, to another director or member of the body, together with the timely instructions.

When preparing proposals and reports relating to the re-election of directors, the Remuneration Committee must take into account, among other issues, the level of attendance at meetings of the Board of Directors, as well as the committees in which the candidate subject to re-election is a member, occurred during your previous term of office, to assess your dedication to the position.

Regarding the means of participating in meetings, the Society, in its desire to remain at the forefront of innovation, promotes the use of new technologies within the scope of the Board of Directors and its auxiliary committees, which constitute a fundamental element for the effective exercise of its functions. functions and has the necessary instruments. enable meetings of its governing bodies to be held via remote communication.

Annex I to this Policy contains the specific rules that must be observed when using remote communication systems to hold meetings of the Board of Directors and its committees.

## **GOVERNANCE MODEL OF THE GROUP CORPORATE AND GOVERNANCE STRUCTURE AND BUSINESS MODEL OF THE GROUP**

Society is part of a group of societies whose parent Society is the listed holding Spanish society, Iberdrola S.A. (the "Iberdrola Group").

NEOENERGIA is the subholding society of the Iberdrola group in Brazil and gathers certain interests in other entities that develop the energy business.

As a subholding society, one of Society's main functions is to assume the functions of organization and strategic coordination in Brazil, in relation to the societies in its Group, taking into account its characteristics and singularities, as well as to centralize

the provision of common services to operating societies, always in accordance with the provisions of its Shareholders' Agreement and applicable law.

This structure favors an agile and fast process of taking the ordinary management decisions regarding operating societies, while at the same time favoring an adequate coordination within the group with its shareholders.

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This Policy was initially approved by the Board of Directors on September 6, 2018 and last updated at a meeting of the Board of Directors on September 27, 2023.

## **Annex**

Specific rules concerning the use of remote communication system for the performance of meetings of the the Board of Directors and its committees.

### **First rule:** How to hold the meetings

1. As a rule, the meetings of the Board of Directors and its committees will be held in-person, at the place to be defined in the call of meeting.
2. When, the Chairperson of the body in concern decides so, the meeting may be called to be held in several connected places or in a telematic way, by using remote communication systems that allow the recognition and identification of the attendees, the permanent communication between them and the intervention and casting of the vote, all of which in real time, understanding that the meeting was held at the headquarters. The board members present at any of the interconnected places will be considered for all purposes as attendees of the same meeting.
3. The call of the meetings to be held at several interconnected places will prioritize i) the use of available rooms at the facilities of Neoenergia's group societies and, in this order, ii) remote attendance systems, iii) video conference or iv) conference call.

### **Second rule:** Attendance at meetings via remote communication systems

1. The Chairperson of the body in concern may, by taking into account the circumstances of each case, authorize the attendance at the meeting by one or more board members against the use of remote connection systems that allow their recognition and identification, permanent communication with the location at which the meeting is held and their intervention and casting of vote, all of which in real time.
2. For these purposes, it is desirable that the board member attends any meeting through remote communication systems by connecting through an available room at the facilities of Neoenergia's group.
3. When the aforementioned is not possible or expedient, the Chairperson of the body in concern may authorize the connection from other locations, upon using devices supplied by the Company (computer, tablet, mobile), prioritizing the use of video conference systems and, exceptionally, via telephone (no image).
4. The Chairperson of the body in concern may agree with the use of other access systems, on a reasonable basis, and provided that it does not compromise the meeting confidentiality.
5. Those same indications must be complied with for the attendance of guests at the meetings of the Board of Directors and its committees.

### **Third rule:** Security and privacy rules

The following mandatory rules and limitations are established, regarding the use by the board members of computer and telephone systems, applications and equipment in relation to the exercise of their functions, in particular in order to access the Board's website and the Group's information, as well as to attend meetings of the Board of Directors or its committees. The use of the term "board members" in this Annexes encompasses, in addition to the board members, also the members of the Board's advisory committees.



- a) The board members must comply with the instructions concerning access, security, operation and use of hardware and software elements, including computer programs, access to the web page, applications and mobile communication devices used in their access to the Society's information.
- b) Before using private telephone devices to access the Society's systems and applications, the board members must inform the Secretary of the Board of Directors and be compliant to the security and privacy protocols established by the Society.
- c) At the meetings of the Board of Directors and its committees, as well as any other meeting in which the Society's board members may attend, the security and privacy protocols established by the Society must be fulfilled, which may include disconnecting mobile phones and telephone devices in general during the entire meeting, as well as the restriction of receiving or making calls or connections during the meetings.

The Society will respect and protect the privacy of communications and data of board members while using the computer and telephone systems, applications and equipment provided to them.

#### **Fourth Rule:** Confidentiality

1. When the attendance of board members or guests at any meeting of the Board of Directors or its committees does not take place around the facilities of Neoenergia's group societies, the attendees will be responsible for taking the necessary arrangements to assure the meeting confidentiality.
2. For these purposes, they must connect from a quiet, private and closed room, which guarantees the confidentiality of the resolutions, agreements and materials used in the meeting, without the attendance of any third parties.

#### **Fifth rule:** Identification of the attendees

1. The secretary of the meeting will be responsible for confirming the identity of the remote attendees at the beginning of the meeting and, in case of guests, at the time of their connection. When the secretary connects remotely, their identification will correspond to the chairperson of the meeting.
2. In event of any doubts regarding the identity of any person to attend the meeting, the chairperson may decide on whether or not such person will attend the meeting.

#### **Sixth rule:** Session development

1. For the good order and development of the meetings held through remote communication systems, the attendees (board members or guests) must comply with the measures indicated by the Chairperson of the body, including, without limitation, hanging up on-hold calls or mute the microphones of the devices to which they are connected.
2. The development of the meetings in which the remote communication systems are used must not be subject to any sort of recording, neither must it be subject to the storage, retransmission or diffusion.

3. When, in accordance with the provisions of the Board of Directors' Regulations, any board member remotely attending the meeting is absent during the resolution and voting on any matter, they will be considered as disconnected from the session. The secretary of the meeting will be responsible for verifying that point and recording it in the minutes.
4. The secretary of the meeting will be responsible for verifying whether the meeting guests remotely attending it connect at the time indicated by the Chairperson.
5. The chairperson of the meeting may suspend or adjourn the meeting at any time, in event of technical incidents preventing the proper holding or threatening the confidentiality of the resolutions, agreements or materials used thereat.
6. In the event of any technical incident definitely preventing the connection of the Chairperson of the meeting with the other attendees, it shall be considered as automatically completed. The secretary will record it in the meetings, without the adoption of any additional agreement or action. In all other events, the Chairperson of the meeting will decide whether to continue or suspend the meeting

**Seventh rule:** Compliance with the standards

Before connecting to any of the meetings of the Board of Directors or its committees (or right after the connection, whenever it is not possible to do so earlier), the attendees (board members or guests) must confirm that they know and undertake to comply with the foregoing standards.

**Eighth rule:** Interpretation

The Chairperson of the Board of Directors will be responsible for the ultimate interpretation of those rules. Notwithstanding the doubts that may arise as for their interpretation, they must be settled over the course of the meeting and if the Chairperson of the Board of Directors fails to attend the meeting, since it is a meeting of another body, the person chairing such meeting, in their absence, the secretary of the body in concern will be responsible for such interpretation.

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