

Energisa S/A
CNPJ 00.864.214/001-06
A publicly held company

Share-Based Long-Term Incentive Plan (LTIP)
Approved by the Annual and Extraordinary General Meetings
held concurrently on April 25, 2018

The Share-Based Long-Term Incentive Plan established by **ENERGISA S.A.** ("Energisa" or "Company") pursuant to applicable laws and regulations ("Plan") sets out the general terms and conditions upon which the Company or its subsidiaries may award shares in the Company, traded as units under the ticker symbol ENGI11 ("Units"), to the officers, statutory or otherwise, of the Company and its subsidiaries ("Executives"), for the purpose of:

- (i) Ensuring alignment between the interests of shareholders and Executives;
- (ii) Promoting a merit-based culture;
- (iii) Retaining high-performing executives;
- (iv) Achieving sustainable results, business objectives, and shared value.

I. Eligible Participants

1.1. - Under this Plan, Energisa shall offer those of its Executives who meet the Eligibility criteria (as defined below) the option to receive long-term incentives upon achieving certain corporate targets.

1.2. - Executives shall be eligible to join the Plan who are invited to do so by the Board of Directors of the Company, which shall only invite those executives who are placed in boxes 5 to 9 of the "Nine-Box Assessment Grid" described in Appendix 1 based on their assessment for the year immediately prior to the award, notwithstanding the date appointed for signing the Agreement ("Eligibility").

1.3. - The Eligibility criteria may be revised and reformulated as necessary with each new Program at the convenience and discretion of the Company.

1.4. - The placement of a given Executive in boxes 5 to 9 of the "Nine-Box Assessment Grid" described in Annex 1 shall not in itself entitle that Executive to participation in the Plan or any Program, and such participation shall only occur upon an invitation being made by the Board of Directors to each Program and upon the signature of the relevant Agreement, which will contain the corporate targets and other requirements as shall be established, the period over which the Executive's performance will be measured, and what the Executive will be entitled to receive for achieving the targets and meeting the other requirements set forth in this Plan and in the relevant Program.

1.5. - The participation of an Executive under the Plan in a Program shall not entitle that Executive to participate in any subsequent Program(s).

1.6. - No provision of this Plan shall confer on any Executives the right to retain their positions until the end of their term (in the case of statutory directors) or the right to re-appointment, or otherwise create any right to remain as an employee of the Company or its subsidiaries. No provision of this Plan or the agreement to be entered into with the Executive shall in any way affect the rights of the Company and its subsidiaries to terminate at any time the Executive's term of office or employment agreement, as applicable.

II. Plan Management

2.1. - This Plan shall be managed by the Company's Board of Directors, which may seek advice on Plan management from the Compensation and Succession Committee.

2.2. - The Board of Directors shall have autonomy and broad powers to organize and manage the Plan, subject the provisions of the Plan, including, but not limited to, powers to:

- (i) Subject to the provisions of Section 2.2.1 below, amend or discontinue the Plan;
- (ii) Establish criteria for the selection of Executives or for the setting of Targets and/or calculation criteria for each Executive under the Plan in each Program;
- (iii) Accelerate or extend any deadlines hereunder;
- (iv) Select new participants eligible to participate in the Plan, subject to their express agreement to its terms and conditions;
- (v) Settle any questions regarding the interpretation of the provisions of the Plan.

2.2.1 - No decision by the Board of Directors, except such adjustments as are permitted by the Plan and any adjustments arising from changes in applicable legislation, shall: (i) increase the total limit on Units under the Plan; or (ii) entitle any Executives to retain their positions as directors or as employees of the Company or its subsidiaries.

2.3. - In exercising its discretionary powers, the Board of Directors shall be subject only to such limitations as are established by law and by this Plan, and may otherwise stipulate special conditions for certain Executives as warranted by the circumstances without having any obligation to extend to all Executives the conditions it deems applicable to only one or some of them.

2.4. - The resolutions of the Board of Directors related to the Plan shall be binding upon the Company and upon Executives.

2.5. - The Board of Directors shall set forth the terms and conditions of the Plan in an agreement to be entered into between the Company and each Executive ("Agreement"), subject to the provisions set forth in this Plan and the relevant Program. Executives shall also be subject to the insider trading rules generally applicable to publicly held companies as well as to those established by the Company.

III. Terms and conditions for Unit awards

3.1. - The Board of Directors or the Committee, as applicable, shall, as and when it shall deem appropriate, create Share Award Programs under the Plan (the "Programs") establishing, among other conditions: (a) the term of each Program; (b) those among potential participants who will be beneficiaries under each Program; (c) the vesting period and the terms and conditions for the transfer of Units; (d) the method of transferring Units, including transfers in lots subject to different vesting periods, if applicable; (e) any restrictions on the trading of shares following the transfer of ownership to the participant; (f) rules on the withdrawal of participants; (g) the possibility of settling in cash the obligation to transfer ownership of the shares, as applicable, at the sole discretion of the Company; and (h) any other specific conditions, requirements and rules, subject at all times to the general rules set forth in this Plan.

3.2. - The Board of Directors shall implement at least one Program establishing Eligibility criteria and targets to be met ("1st Program"), as well as the following provisions:

- (i) that performance against corporate targets shall be measured during the vesting period of 3 (three) years from the signature of the Agreement;
- (ii) that no consideration shall be payable by participants for the award of Units;
- (iii) that a lock-up period of 1 (one) year following the receipt of Units by the Executive shall apply; and
- (iv) that the obligation to transfer ownership of the Units may, at the sole discretion of the Company, be settled in cash.

3.3. - Without prejudice to the provisions of section 3.2 above, the Board of Directors may create other Programs subject to the limits and criteria established by this Plan.

3.4. - The Board of Directors may, subject to the Aggregate Award established below and, where applicable, any limits prescribed by general meeting resolutions, accept new participants into the Programs in force and shall in such case establish the number of Units to which they will be entitled.

3.5. - Following Program launch, the Board of Directors or the Committee, as applicable, shall establish the terms and conditions for transferring ownership of Units under the Agreements, subject to the provisions of this Plan and the relevant Program.

3.6. - Units shall be transferred only after the terms and conditions set forth in this Plan and in the relevant Programs and Agreements have been met, such that the award of Units shall not in itself guarantee that ownership of the Units will be transferred.

3.7. - No Unit will be delivered to a participant unless all legal, regulatory and contractual requirements have been fully met.

IV. Transfer of Units

4.1. - To be entitled to receive Units, an Executive must, unless otherwise provided in the Programs as described in section 6 below, (i) remain a full-time Executive or employee of the Company until the end of the applicable vesting period; and (ii) not establish, work for, become an associate of or otherwise participate as an executive or shareholder (either directly or indirectly) of, any companies competing, or potentially competing, with the Company until the applicable vesting period has expired.

4.2. - Upon the requirements set forth in this Plan having been met, and subject to the rules contained in each Program and Agreement, ownership of the Units shall be transmitted to the Executive upon the terms and conditions set forth in the relevant Program and/or Agreement.

V. Aggregate Award

5.1. - Executives may be awarded a maximum of 1,729,827 Units in aggregate, representing up to a maximum of 0.5% (zero point five percent) of the Company's capital stock as of the date of approval of this Plan ("Aggregate Award"). The Aggregate Award may only be adjusted pursuant to section 7 of this Plan.

5.2. - For the purposes of this Plan, the Company may issue new shares or utilize treasury shares subject to the rules issued by the Brazilian Securities Commission (CVM).

5.3. - The Board of Directors may in addition, at the Company's discretion, approve share buyback programs for the purpose of implementing the Plan, subject to the terms and conditions established in applicable laws and regulations.

5.4. - The number of Units awarded to each Executive shall be defined by the Board of Directors based on the Executive's base compensation (salary or management fees, if a Director) as of December of the year preceding the launch of the Program, or (in the event that the Board of Directors permits an Executive to join the Program subsequent to its inception) as of the month in which the Executive joined the Company, if later, plus a multiple applicable to such base compensation.

VI. Termination, Retirement, Disability and Death of Participant

6.1. - The Board of Directors shall establish in each Program the rules which shall apply to Company Executives in the event of the termination of their employment agreement, expiration of

their term of office, removal or resignation from their executive position, or in the event of their retirement, permanent disability or death.

VII. Adjustments to the Number of Units

7.1. - If the number of shares in the Company is increased or decreased as a result of share-based payments, stock splits or reverse splits, adjustments shall be made as appropriate to the number of Units under the Programs and Agreements which have not yet been transferred to Executives.

7.2. - Any adjustments under sub-section 7.1 above shall be made by the Board of Directors and such a decision shall be final and binding. No fraction of shares shall be sold or issued by reason of any such adjustments.

VIII. Term of the Plan

8.1. - This Plan shall enter into force upon its approval by the General Meeting of the Company and shall continue for an indefinite term, subject to the limitation set forth in sub-section 5.1 above. This Plan may be discontinued at any time by resolution of the Board of Directors.

IX. Confidentiality

9.1. - During the term of this Plan and for five (5) years after the Executive has ceased to own any Unit or to hold a position as Executive of the Company and/or its subsidiaries, whichever occurs last, the Executive shall keep confidential all information acquired by virtue of this Plan and their capacity as a director and shareholder of the Company, concerning the Company or companies directly or indirectly owned by the Company, except to the extent that such information (i) has been made available to the public without the commission of any act or omission by the Executive or (ii) is required to be disclosed by law or by a competent judicial decision ("Confidential Information"). Executives shall use their best efforts to protect all Confidential Information and shall not use any Confidential Information for their own benefit or for the benefit of any third party except as specifically permitted under the Plan.

9.2. - An Executive who breaches the duty of confidentiality above shall be liable to pay any damages caused to the Company or to companies directly or indirectly owned by the Company, but shall remain bound to the duty of confidentiality as applicable. Any breach of the duty of confidentiality by an Executive shall further entitle the Company to fully suspend application of the relevant Plan or Program to the Executive.

X. General

10.1. - In the event of a change in the Company's direct or indirect ownership structure (pursuant to Article 116 of the Brazilian Companies Act), the Board of Directors may cause the Plan to be canceled or reformulated.

10.2. - In the event of any dissolution, transformation, acquisition, merger, spin-off or reorganization involving the Company in which the Company is not the surviving company or, if remaining as the surviving company, ceases to be listed for trading on a stock exchange, then the Agreements in force may, at the discretion of the Board of Directors: (i) be transferred to the successor company; (ii) be canceled or reformulated; or (iii) be maintained and settled in cash. In the event that the company enters into court-supervised reorganization proceedings, the Board of Directors may also elect to cancel or reformulate the Plan.

10.3. - If at the end of the vesting period under any Program the value of the Units has been reduced by more than fifteen percent (15%) of their value at the inception of that Program, the Board of Directors of the Company may, at its sole discretion, cancel the Program or the Plan proper and/or reformulate the Program, subject to the rules of this Plan, to reflect the Company's new market capitalization.

10.4. - Upon signing the Agreement, Executives expressly, irrevocably and irreversibly accept, and agree to be fully bound by, all the terms and conditions of the Plan and the relevant Program.

10.5. - The obligations set out in the Plan and all Programs and Agreements thereunder are undertaken irrevocably, and are valid as extrajudicially enforceable instruments pursuant to civil procedural law, and shall be binding upon the parties and upon their successors of any kind and at any time. The parties agree that such obligations shall be subject to specific enforcement pursuant to the Code of Civil Procedure.

10.6. - The rights and obligations arising from the Plan, the Programs and the Agreements are personal to the parties and may not be assigned or transferred, in whole or in part, by any of the parties, nor given as a guarantee of obligations, without the prior written consent of the other party, except as otherwise expressly provided in this Plan.

10.7. - It is expressly agreed that the failure of any of the parties to exercise any right, powers, remedies or options provided by law or under the Plan, the Programs or the Agreements, and any forbearance extended by such party for any delay by the other party in performing any obligations, shall not constitute a waiver by such party of, nor preclude such party from exercising at its sole discretion, all such rights, powers, remedies and options at any time, which are in addition to and not exclusive of those provided by law.

10.8. - Any dispute arising under the Plan, including with respect to its interpretation, performance, breach, termination or nullity, shall be finally settled through arbitration to be conducted at the Market Arbitration Chamber in accordance with its Rules of Arbitration, in strict observance of applicable legislation and, in particular, Act 9307/96. Arbitration shall be held and the arbitration award made in the City of São Paulo, State of São Paulo.

10.9. - Any omissions herein and doubts or dispute which may arise as between the Company and Executives regarding the Plan, the Programs and/or the Agreements shall be settled by the Board of Directors.

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APPENDIX 1 TO THE SHARE-BASED LONG-TERM INCENTIVE PLAN

ELIGIBILITY RULES - NINE-BOX ASSESSMENT GRID

PERFORMANCE			
Above expectations	<p>SUPERIOR DELIVERY AND HOLDS KNOWLEDGE</p> <p>7</p>	<p>OUTSTANDING PERFORMANCE</p> <p>8</p>	<p>HIGH POTENTIAL</p> <p>9</p>
Within expectations	<p>DELIVERY WITHIN EXPECTATIONS</p> <p>4</p>	<p>CONSISTENT DELIVERY</p> <p>5</p>	<p>OUTSTANDING POTENTIAL</p> <p>6</p>
Below expectations	<p>CRITICAL</p> <p>1</p>	<p>OBSERVE</p> <p>2</p>	<p>DEVELOP</p> <p>3</p>
	Below expectations	Within expectations	Above expectations

- POSITIONS ELIGIBLE: BOXES 5, 6, 7, 8 AND 9