



Dividend Distribution Policy of CPFL Energia S.A.

1. Introduction

This Dividend Distribution Policy ("**Policy**") of CPFL Energia S.A. ("**Company**") was prepared based on (i) Federal Law 6,404 of December 15, 1976, as amended ("**Brazilian Corporate Law**"); (ii) the **Company's** Bylaws; (iii) the rules issued by the Securities and Exchange Commission of Brazil ("**CVM**"); and (iv) the Brazilian Code of Corporate Governance for Publicly Held Companies, considering the corporate governance best practices.

2. Objective

To establish the guidelines, criteria and procedures for distributing dividends and interest on equity to the shareholders of the Company according to its cash generation, without compromising its growth and investment needs.

3. Scope

This Policy applies to the shareholders and management members of the Company, as applicable.

4. Guidelines

4.1. Mandatory dividends

4.1.1. The dividend distribution policy of the Company does not affect the right of its shareholders to receive mandatory dividends as per the Brazilian Corporate Law.

4.1.2. Article 28, paragraph 2, of the Bylaws Company's has determined the following rules on calculating the net income from the year: (a) five per cent (5%), before any other allocation, to form the legal reserve, until it reaches twenty per cent (20%) of the subscribed capital stock; (b) payment of mandatory dividend, with due regard to provision in Article 29 of the Bylaws; (c) the remaining profit, except as otherwise resolved by the General Meeting, shall be allocated to form the working capital reinforcement reserve, the total of which shall not exceed the amount of the subscribed capital stock; and (d) in the event of loss in the year, the accrued reserves of profits, of capital and legal may be used to absorb the remaining loss, being the legal reserve the last to be absorbed.

4.1.3. Pursuant to article 29 of the Bylaws of the Company, shareholders are entitled to receive in each fiscal year at least twenty-five percent (25%) of the net income from the year, adjusted as per applicable laws.

4.1.4. Net income not allocated must be distributed as dividends.

4.2. Dividend distribution policy

4.2.1. The Company may distribute dividends in addition to the mandatory minimum dividends if its Board of Directors understands that such distributions shall result in a more efficient and adequate capital structure.

4.2.2. In this regard, the Company establishes in this Policy that at least fifty percent (50%) of the adjusted net income be distributed as dividends and/or interest on equity, in accordance with the Brazilian Corporate Law.

4.2.3. The distribution amount will depend on diverse factors such as the financial condition of the Company, its future prospects, macroeconomic conditions, tariff reviews and adjustments, regulatory changes, growth strategy and other factors considered material by its Board of Directors and its shareholders.

4.2.4. Moreover, certain obligations in the Company's financial agreements may restrict the amount of dividends and/or interest on equity that can be distributed.

4.2.5. The distribution of dividends, including in an amount greater than the mandatory distribution amount, requires approval by majority vote.

4.3. Interim or periodical dividends

4.3.1. According to the Company's Bylaws, the Board of Directors may approve the distribution of dividends and/or interest on equity based on its annual or semi-annual financial statements or financial statements related to shorter periods, or also based on the booked earnings, earned or earnings allocated to non-profit reserve accounts in the annual or semi-annual financial statements and impute them to the payment of the minimum mandatory dividend.

4.4. Interest on equity

4.4.1. The Company may, in accordance with its interests, may determine that the distribution of interest on equity in the future be declare.

4.4.2. As such, the Board of Directors may declare interest on equity and calculate it towards the payment of minimum mandatory dividends.

4.5. Possibility of retention or non-payment of dividends

4.5.1. The distribution of mandatory minimum dividends may be suspended if the Board of Directors of the Company or the respective competent body of the subsidiaries informs the shareholders that such distribution is not compatible with the financial situation of the Company or its subsidiaries. In that case, the shareholders of the Company may not receive dividends or interest on equity.

4.5.2. The Fiscal Council must issue its opinion on this information and the Management will forward to CVM a justification for the information passed on to the General Meeting within five (5) calendar days after it is held.

4.5.3. The Company may not distribute dividends based on the profit reserve, established pursuant to article 196 of the Brazilian Corporate Law and based on the capital budget, approved at the General Meeting based on a management proposal, which must include the justification for retaining the earnings and the sources of funds and capital investments. Such capital budget may have a duration of up to five (5) years, except in case of execution of an investment project for a longer period.

4.5.4. The profit reserve, established pursuant to article 196 of the Brazilian Corporate Law, must be based on the capital budget, approved at the General Meeting based on a management proposal, which must include the justification for retaining the earnings and the sources of funds and capital investments. Such capital budget may have a duration of up to five (5) years, except in case of execution of an investment project for a longer period.

5. Procedures for dividend distribution

5.1. The process for defining the distribution of dividends begins at the Board of Executive Officers of the Company, which prepares the Financial Statements and submits them to the competent bodies.

5.2. Based on the Financial Statements and taking into consideration the dividend distribution policy, the Board of Executive Officers suggests to the Board of Directors the amounts to be distributed in the period.

5.3. The Financial Statements, including the proposal for the distribution of dividends and any capital budget proposal, are submitted to the Fiscal Council, if established, which must issue its opinion pursuant to the Brazilian Corporate Law.

5.4. Finally, the annual declaration of dividends is submitted to the Annual General Meeting for deliberation and the outcome is disclosed, as per the regulations in force, by the Investor Relations Department.

6. Frequency of Payment

6.1. Dividends must be paid, except when decided otherwise by the General Meeting, within sixty (60) days from the date when distribution is determined, and always within the fiscal year.

6.2. In case of distribution of periodical or interim dividends, these may be paid during the course of the fiscal year and until the Annual General Meeting that deliberates on the annual dividend amount. In that case, the amount of interim or periodical dividends shall be offset/considered as part of the mandatory dividends for the year.

6.3. The Annual General Meeting shall determine the payment of the remaining mandatory dividend, if any, and the reversal of the amount paid in advance to the appropriate reserve.

6.4. Dividends and interest on equity attributed to shareholders shall not yield interest or inflation adjustment and will expire in favor of the Company if not claimed within three (3) years from the date of the commencement of payments.

6.5. Unless otherwise decided by the competent body, the Company will pay the dividends to the person who, on the date of the declaration of dividends, is registered as the owner or beneficial owner of the shares.

7. General Provisions

7.1. This policy and its application must be monitored by the Board of Directors of the Company.

7.2. The Board of Directors is empowered to change this Policy at any time, at its sole discretion or based on a proposal submitted by the Board of Executive Officers.

7.3. Failure to comply with this Policy or report any knowledge of violation of this Policy may result in disciplinary action against the Company and the employees involved.

7.4. This Policy was approved by the Board of Directors of the Company on December 16, 2021 and will remain in force indefinitely from said date.