ENGIE BRASIL ENERGIA S.A.

A PUBLICLY LISTED COMPANY – CNPJ 02.474.103/0001-19
NIRE 4230002438-4

NOTICE TO SHAREHOLDERS

We hereby notify all Shareholders and the market at large that the Board of Directors of ENGIE Brasil Energia S.A., meeting on October 31, 2018, pursuant to subsection XV of Article 19 of the Company's Bylaws, approved:

1) The credit of interest on shareholders' equity: relative to the period from January 1st to December 31, 2018, pursuant to Article 9 of Law 9,249/95 and CVM Deliberation 683/2012 with respect to the following values and conditions:

1.a) Amount:
The gross amount of the interest on shareholders' equity shall be R$ 397,000,000.00 (three hundred and ninety-seven million Reais), corresponding to R$ 0.6082033686 per share, considering the total quantity of shares as of this date. Should the Extraordinary General Meeting approve the capital increase with a share bonus, as disclosed in a Material Fact published on October 31, 2018, the dividend amount will be adjusted to reflect the total new number of shares up to the ex-interest on equity date.

1.b) Record date:
The record date for the entry of the interest on shareholders' equity to the Company's accounting records shall take place on December 31, 2018.

1.c) Share Trading:
The Company's shares shall trade ex-interest on shareholders' equity as from January 4, 2019.

1.d) Income tax withholding at the source
The amount of interest on shareholders' equity shall be subject to federal income tax withholding of 15%, except for shareholders who are provably immune or exempt. Regarding shareholders who are resident in or domiciled in a country that does not tax income or that applies a maximum tax rate of less than 20%, pursuant to article 24 of Law 9,430 of December 27, 1996, the income tax withholding rate at the source shall be 25%.

1.e) Proof of immunity or exemption

Shareholders who are immune or exempt of income tax, under the terms of the existing tax legislation, shall present proof of such immunity or exemption by January 24, 2019, at the Company's head offices at Rua Paschoal Apóstolo Pítsica, 5064 – Agronômica, Florianópolis – SC, Zip code 88025-255 Brazil, Attn the Tax Governance Department – GTR (Departamento de Governança Tributária).

1.f) Imputation of the interest to the dividends

The interest on shareholders' equity, net of income tax withheld at the source, shall be imputed to the mandatory dividends of 2018 fiscal year, pursuant to § 7º from article 9 of Law 9,249/95 and CVM Deliberation 683/2012.

1.g) Payment of interest on shareholders' equity

The interest on shareholders' equity **shall be paid on a date to be subsequently decided upon by the Board of Executive Officers** and communicated through a Notice to Shareholders, based on the records currently on file at Itaú Unibanco Banco Múltiplo S.A. on January 3, 2019.

2) The credit of intermediate dividends: based on the Net Income Reserves, pursuant to Article 204 of Law 6,404/76 with respect to the following values and conditions:

2.a) Amount:

The amount of the intermediate dividends shall be R$ 652,742,192.00 (six hundred and fifty-two million, seven hundred and forty-two thousand, one hundred and ninety-two Reais), corresponding to R$ 1.0000000000 per share.

2.b) Share Trading:

The Company's shares shall trade ex-intermediate dividends as from November 13, 2018.

2.c) Payment of intermediate dividends

The intermediate dividends **shall be paid on a date to be subsequently decided upon by the Board of Executive Officers** and communicated through a Notice to Shareholders, based on the records currently on file at Itaú Unibanco Banco Múltiplo S.A. on November 12, 2018.

Florianópolis, October 31, 2018.

Eduardo Antonio Gori Sattamini
Chief Executive Officer

Carlos Freitas
Chief Financial and
Investor Relations Officer