



EQUATORIAL ENERGIA S/A
Corporate Taxpayer's ID (CNPJ/MF): 03.220.438/0001-73
Company Registry (NIRE) 2130000938-8
Publicly-Held Company

MINUTES OF THE BOARD OF DIRECTORS' MEETING
HELD ON JULY 3, 2014

1. DATE, TIME AND VENUE: On July 3, 2014, at Equatorial Energia's ("Company") branch in the city of Rio de Janeiro, located at Avenida Borges de Medeiros, 633, Gr. 708, Leblon, Offices Shopping Leblon, CEP 22430-041, at 11:00 a.m.

2. CALL NOTICE: Call notice was sent through e-mail to all members of the Boards of Directors.

3. QUORUM AND ATTENDANCE: The following Board members were present: **Firmino Ferreira Sampaio Neto, Gilberto Sayão da Silva, Alessandro Monteiro Morgado Horta, Carlos Augusto Leone Piani, Paulo Jerônimo Bandeira de Mello Pedrosa, Celso Fernandez Quintella and Eduardo Saggioro.**

4. PRESIDING: Chairman: Carlos Augusto Leone Piani; Secretary: David Abdalla Pires Leal.

5. RESOLUTIONS: The meeting was instated; Mr. Carlos Augusto Leone Piani was in the chair and invited Mr. David Abdalla Pires Leal to act as the secretary. The following resolutions were approved by unanimous vote:

- (i) To approve the guarantee, renouncing the benefit provided for in art. 827 c/c 828, I of the Civil Code and Articles 77 and 595 of the Brazilian Code of Civil Procedure, for a period of 01 (one) year, in favor of its subsidiary, the Centrais Elétricas do Pará S/A - In Judicial Recovery, the fulfillment of all principal and accessory obligations arising from the sale of computer equipment, the use of computer services and software licenses, as required by its contract with AVNET TECHNOLOGY SOLUTIONS BRAZIL S/A, in the amount of up to R\$6,000,000.00 (six million dollars);
- (ii) To authorize the Company's Board of Directors or their attorneys to perform all acts necessary for the completion, delivery and improvement of the operation approved herein, and may, therefore, sign any and all documents and instruments necessary.



- (iii) To approve the proposal, to be submitted to the General Meeting, of creation of the Company's 4th Stock Option Purchase Plan, to be allocated to the Company's directors and employees or to its subsidiaries' ("4th Plan"), which general conditions are detailed in Annex I;
- (iv) To approve the call notice of the Shareholders' General Meeting; and
- (v) To approve the drawing up of these minutes in summary format, pursuant to article 130, paragraph 1 of the Brazilian Corporation Law.

6. CLOSING: There being no further business to discuss, the meeting was adjourned for the drawing up of these minutes, which were read, approved and signed by all the undersigned members.

7. SIGNATURES: **Chairman:** Carlos Augusto Leone Piani, **Secretary:** David Abdalla Pires Leal; **Members of the Board of Directors:** Firmino Ferreira Sampaio Neto, Gilberto Sayão da Silva, Alessandro Monteiro Morgado Horta, Carlos Augusto Leone Piani, Paulo Jerônimo Bandeira de Mello Pedrosa, Celso Fernandez Quintella and Eduardo Saggiaro.



ANNEX I – BASIC GENERAL CONDITIONS PROPOSAL FOR THE COMPANY’S 4TH STOCK OPTION PURCHASE PLAN

- a) Potential Beneficiaries: May be elected as Options Beneficiaries under the terms of this Plan, managers and employees of the Company or of another company under their control if approved by the Company’s Board of Directors.
- b) Maximum number of granted options: Refer to item 2.c. below. Each Option will entitle the beneficiary to purchase 1 (one) share, subject to the terms and conditions set forth in the Option Contract.
- c) Maximum number of shares covered by the plan: the total number of Shares that may be acquired under the Plan shall not exceed 3.0% (three percent) of the Shares representing the total Company’s capital stock (including shares issued through the exercise of options under the Plan) provided that the total number of Shares issued or likely to be issued under the Plan is always within the limits of the Company’s authorized capital. If any Option is terminated or canceled without having been fully exercised, the Shares subject to such Options shall again become available for future Options grants.
- d) Acquisition Conditions: Annually, or whenever it deems appropriate, the Committee shall approve the granting of Options, choosing the Beneficiaries in favor of whom Options shall be granted under the Plan, setting the exercise price of the Options and payment conditions, establishing terms and conditions of the exercise of Options and impose any other conditions relating to such Options. The terms and conditions for entitlement to exercise the Options, as provided in the Plan, will be provided in the Option Contract to be signed with each of the Beneficiaries. The Committee may establish terms and conditions for each Option Contract, without the application of any rule of equality or similarity between the Beneficiaries, even if they are in similar or identical situations.

During the period of one (1) year from the exercise of Options’ date, the Beneficiaries may not sell, assign or otherwise dispose of the Shares of the Company originally acquired or subscribed under the Plan, as well as those that may be acquired by them by virtue of bonuses, splits, subscriptions or any other form of acquisition and rights to subscribe for Shares or any other securities issued by the Company convertible into Shares or that gives the right to subscribe for Shares.

- e) Detailed criteria for the exercise price setting: The Exercise Price of Options granted under the Plan will be determined by the Committee, based on the average price of the Company's Shares traded at BM&FBOVESPA, weighted by the trading volume in the period up to 180 days prior to the Grant Date.

The Exercise Price shall be reduced by the amount of dividends, interest on capital and other distributions to shareholders by the Company or any other amounts per share available to the Company's shareholders, including due to capital reduction without canceling shares or other corporate transaction involving resource allocation to shareholders or decrease in the Shares' value, always considering the period between the Grant Date and the Options' date of exercise.

If the Beneficiary does not have the funds necessary to finance the exercising of the Options, after four (4) years from the Grant Date, the sale of the number of shares necessary to pay for exercising of the Options plus the costs and taxes that incur will be provided. The number of shares subject to selling restrictions will be calculated according to the following formula:

$$N = Q - V$$

Where:

N = number of Shares subject to the Trading Prohibition

Q = number of Shares available to be exercised

V = number of Shares eventually necessary to fund the exercising of the Options, plus the costs and taxes incurring on the sale.

$$V = Pe \times Q / \{ Pv - [IR \times (Pv - Pe)] \}$$

Where:

Pe = Exercise Price of the Options;

Pv = Share Sales Price;

C = transaction cost of the sale of the shares as a percentage of the total sales value;

IR = income tax rate on the sale of shares.

- f) Criteria to determine the exercise period: Without prejudice to other terms and conditions set forth in the respective Option Agreements, the Options will become exercisable as long as their Beneficiaries remain continuously connected with the Company or another



company under its control as administrators or employees during the period between the Grant Date and the dates specified below, as follows:

- (a) 25% (twenty five percent) of the Options may be exercised after the first anniversary of the Grant Date;
- (b) 25% (twenty five percent) of the Options may be exercised after the second anniversary of the Grant Date;
- (c) 25% (twenty five percent) of the Options may be exercised after the third anniversary of the Grant Date; and
- (d) 25% (twenty five percent) of the Options may be exercised after the fourth anniversary of the Grant Date.

Options not exercised within the stipulated deadlines and conditions shall be deemed automatically canceled, without any compensation, observing the maximum deadline of the Options, which will be six (6) years from the Grant Date

- g) Method of payment of options: There will be at least one payment date for each calendar year. The Exercise Price shall be paid by the Beneficiaries in the terms and conditions established by the Committee, as appropriate, observed in any case the provisions of the Plan and in the related respective grant contracts.
- h) Criteria and events that, when verified, will cause the suspension, amendment or termination of the plan:

Suspension: The Board of Directors or the Committee may decide to suspend the right to exercise the Options, whenever situations that, under the law or regulations, restrict or prohibit the Beneficiaries from trading of Shares.

Amendment: Any significant changes to the regulation of corporations, public companies, labor legislation and/or the tax effects of a stock option plan, may lead to a complete revision of the Plan.

Termination: It may be terminated at any time by a decision of a General Shareholders Meeting.



Notwithstanding any provision to the contrary in the Plan or the Option Contract, the Options granted under the Plan shall automatically be cancelled, with the cessation of the legal effects of all rights granted, in the following cases:

- (a) upon being fully exercised;
- (b) after the expiration of the Option deadline;
- (c) upon the termination of the Option Contract;
- (d) if the Company is dissolved, liquidated or declared bankrupt; or
- (e) in the cases stipulated in item 9.2 of this Plan.

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