



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

MINUTES OF THE ANNUAL AND EXTRAORDINARY GENERAL MEETINGS
HELD ON APRIL 17, 2008.

1. TIME AND PLACE: On April 17 2008, at 2:00 P.M. at the Company's headquarters, in the City of São Luís, State of Maranhão, at Avenida Colares Moreira, Renascença II, nº 477, CEP 65.075-028.

2. ATTENDANCE: Shareholders representing 55.68% of the Company's capital stock, as verified by the signatures in the "Shareholders' Attendance Book." The following persons also attended the meeting: (i) Ms. Patricia Pugas de Azevedo Lima, Company Executive Officer, (ii) Ms. Adriana Rodrigues Pereira da Silva, representative of KPMG Auditores Independentes, and (iii) Mr. Romel Alves Domingues, member of the Company's Fiscal Council, pursuant to law.

3. PRESIDING BOARD: Chairwoman: Patricia Pugas de Azevedo Lima; **Secretary:** Armando de Souza Nascimento.

4. DOCUMENTS FILED AT COMPANY HEADQUARTERS: (ii) the Company's Financial Statements for the fiscal year ended December 31, 2007, as published on March 4, 2008 in the newspapers "Valor Econômico," "O Estado do Maranhão" and "Official Gazette of the State of Maranhão"; (ii) Call Notice published on March 14, 15 and 18, 2008 in the newspapers "Valor Econômico," "O Estado do Maranhão" and "Official Gazette of the State of Maranhão"; (iii) draft of the consolidated Bylaws; (iv) Addendum to the First Plan; and (v) Addendum to the Second Plan.

5. AGENDA: According to the Call Notice, the agenda is **(a) at the Annual General Meeting:** (a.1) to analyze the Management accounts, examine, discuss and vote on the Company's Financial Statements for the fiscal year ended December 31, 2007; (a.2.) to resolve on the allocation of the income for the year; (a.3.) to resolve on the payment of dividends and interest on the Company's own capital, as approved by the Board of Directors at a meeting held on December 26, 2007; (a.4.) to establish the management's annual overall compensation; (a.5.) to resolve on the election of the members of the Company's Board of Directors; (a.6.) to resolve on the instatement of the Fiscal Council and on the election of its members; and **(b) at the Extraordinary General Meeting:** (b.1) to amend Article 2 of the Company's Bylaws to include in its corporate purpose the Company's interest in the capital stock of companies that develop activities correlated to the electricity sector; (b.2) to amend Article 5 of the Company's Bylaws, related to the capital stock, to reflect the conversion of preferred shares into common shares approved at the Extraordinary General Meeting held on February 12, 2008 and ratified at the Special Meeting of Preferred Shareholders held on February 29, 2008, the reverse split of the Company's shares approved at the Extraordinary General Meeting held on February 12, 2008 and the capital increase resulting from the exercise by the Company's management of the call options of shares; (b.3) to amend Article 8 of the Company's Bylaws to include a Sole Paragraph in the said instrument in order to anticipate the possibility of the Company waiving certification of

signatures and notarization of the powers of attorney granted by its shareholders, according to Article 126, paragraph one of Law 6,404/76, pursuant to legislation applicable to publicly-held companies; (b.4) the consolidation of the Company's bylaws; and (b.5) to amend the Company's Stock Option Plans, approved at the Extraordinary General Meetings held on February 2, 2006 (re-ratified on February 13, 2006) and April 5, 2007 to (i) amend the provisions applicable to the utilization of variable remuneration received by the beneficiaries of the Company's Second Stock Option Plan in the exercise of the options of said plan; (ii) reflect the conversion of preferred shares into common shares, as approved at the Extraordinary General Meeting held on February 12, 2008 and ratified at the Special Meeting of Preferred Shareholders held on February 29, 2008; and (iii) reflect the reverse split of the Company's shares approved at the Extraordinary General Meeting held on February 12, 2008.

6. RESOLUTIONS: The attending shareholders having chosen Ms. **Patricia Pugas de Azevedo Lima** to be Chairwoman, the meeting was called to order and Mr. **Armando de Souza Nascimento** was invited to be Secretary of the meeting. All agenda items were approved by unanimous vote with the abstention of those legally impeded and other registrations in these minutes, the following resolutions:

6.1 To consider the meeting lawful and approve the drawing up of these minutes in summary format and their publication with the omission of the shareholders' signatures, according to the provisions in Article 130, paragraphs 1 and 2 of Law 6,404 of December 15, 1976, as amended ("Corporation Law").

At the Annual General Meeting:

6.2 To approve the annual report and the management accounts, as well as the financial statements for the fiscal year ended December 31, 2007, jointly with the report issued by the independent auditors, that were published in their entirety within the legal term on March 4, 2008, in the newspapers "Valor Econômico," "O Estado do Maranhão" and "Official Gazette of the State of Maranhão."

6.3 To approve the allocation of the net income for the fiscal year ended December 31, 2007 in the amount of one hundred fifty-two million, eight hundred forty-five thousand, one hundred eighty-eight reais and fifty centavos (R\$152,845,188.50) as follows: (i) seven million, six hundred forty-two thousand, two hundred fifty-nine reais and forty-three centavos (R\$7,642,259.43) for the legal reserve; (ii) fourteen million, six hundred seventy thousand reais (R\$14,670,000.00) for the payment of interest on the Company's own capital, pursuant to Law 9,249/95, as declared on December 26, 2007 by the resolution of the Company's Board of Directors and credited to the positions held on December 28, 2007, to be paid on May 7, 2008, which shall be imputed to the mandatory dividends of the fiscal year 2007 in compliance with Article 25 of the current Bylaws; and (iii) one hundred thirty million, five hundred thirty-two thousand, nine hundred twenty-nine reais and seven centavos (R\$130,532,929.07) for the payment of dividends to the Company's shareholders proportional to their respective equity interests, pursuant to Article 22 of the Company's Bylaws.

6.4 To approve the payment of dividends related to 2007 in the amount of one hundred thirty million, five hundred thirty-two thousand, nine hundred twenty-nine reais and seven centavos (R\$130,532,929.07), as well as the payment of dividends to the profit reserve

account in the amount of five million, three hundred sixty-three thousand, one hundred sixteen reais and thirty-four centavos (R\$5,363,116.34), which total the amount of one hundred thirty-five million, eight hundred ninety-six thousand, forty-five reais and forty-one centavos (R\$135,896,045.41), corresponding to R\$1.28675 per common share credited to positions held on April 18, 2008, which shall be paid to Shareholders on May 7, 2008, and the Company's shares shall be traded "ex dividends" as of April 22, 2008.

- 6.5 To approve the proposal of the shareholders PCP LATIN AMERICAN POWER FUND LTD. and BRASIL ENERGIA I LLC. to instate the Company's Fiscal Council for the 2008 fiscal year, with the election of the following members of the Company's Fiscal Council: (i) **João Marcelo Dantas Leite**, a Brazilian citizen, married, economist, Identity Card (RG) no. 084.976.26-5 (IFP/RJ) and Individual Taxpayer's ID (CPF/MF) no. 013.849.777-08, domiciled at Av. República do Chile, 230, 29º andar, CEP: 20.031-170, City and State of Rio de Janeiro, and his deputy, (ii) **Luiz Otavio Bianchini Laydner**, a Brazilian citizen, single, electronic engineer, Identity Card (RG) no. 075.304.527 (IFP/RJ) and Individual Taxpayer's ID (CPF/MF) no. 004.481.457-74, domiciled at Rua Osório Almeida, n.º 42, CEP: 22.291-000, City and State of Rio de Janeiro; (iii) **Marcelo Sousa Monteiro**, a Brazilian citizen, married, economist, Identity Card (RG) no. 05966491-2 (IFP/RJ), Individual Taxpayer's ID (CPF/MF) no. 803.398.757-04, domiciled at Av. Caetano Monteiro, 860, casa 47, Pendotiba, CEP: 24.320/570, City and State of Rio de Janeiro, and his deputy, (iv) **Felipe Sousa Bittencourt**, a Brazilian citizen, married, administrator, Identity Card (RG) no. 11001496-6 (Detran/RJ) and Individual Taxpayer's ID (CPF/MF) no. 078.366.387-07, domiciled at Praia de Botafogo, 300, 10º andar, parte, sala 1001, City and State of Rio de Janeiro; (v) **Beatriz Oliveira Fortunato**, a Brazilian citizen, married, production engineer, Identity Card (RG) no. 09598818-4 (IFP/RJ) and Individual Taxpayer's ID (CPF/MF) no. 051.674.477-12, domiciled at Av. Lineu de Paula Machado, 90, apto. 601, City and State of Rio de Janeiro, and her deputy, (vi) **Frederico Djun Takahashi Saraiva**, a Brazilian citizen, single, Identity Card (RG) no. 11795565-8 (IFP/RJ) and Individual Taxpayer's ID (CPF/MF) no. 053.151.707-13, domiciled at Rua General Urquiza, 155, apto. 301, City and State of Rio de Janeiro, who shall remain in office until the Annual General Meeting examining the accounts related to the fiscal year ended December 31, 2008.
- 6.6 To confirm the absence of the multiple vote request by the Shareholders, as well as the absence of the voting right exercise request provided for in paragraph 4 and subsequent rights granted by Article 141 of Law 6,404/76, being thus elected the following members to the Company's Board of Directors, who shall remain in office until the date of the Annual General Meeting examining the accounts related to the fiscal year ended December 31, 2008: (i) **Firmino Ferreira Sampaio Neto**, a Brazilian citizen, married, businessman, Identity Card (RG) no. 005536790 (SSP/BA), Individual Taxpayer's ID (CPF/MF) no. 149.224.538-06, domiciled in the City and State of Rio de Janeiro at Praia de Botafogo, 300, 10º andar, CEP: 22.250-040; (ii) **Gilberto Sayão da Silva**, a Brazilian citizen, married, businessman, Identity Card (RG) no. 04625996-6 (IFP/RJ), Individual Taxpayer's ID (CPF/MF) no. 016.792.777-90 and with offices in the City and State of Rio de Janeiro at Praia do Botafogo, nº 501, 5º andar, parte, Torre Corcovado, Botafogo, (iii) **Alessandro Monteiro Morgado Horta**, a Brazilian citizen, married, electrical engineer, Identity Card (RG) no. 835740 (SSP/ES), Individual Taxpayer's ID (CPF/MF) no. 005.153.267-04, with offices in the City and State of Rio de Janeiro at Praia do Botafogo, nº 501, 5º andar, parte, Torre Corcovado, Botafogo; (iv) **Ana Marta Horta**

Veloso, a Brazilian citizen, married, economist, Identity Card (RG) no. M 4218.578 (SSP/MG) and Individual Taxpayer's ID (CPF/MF) no. 804.818.416-87, with offices at Praia de Botafogo, 300, 10º andar, City and State of Rio de Janeiro, CEP 22250-040; (v) **Paulo Jerônimo Bandeira de Mello Pedrosa**, a Brazilian citizen, married, mechanical engineer, enrolled in the Regional Engineering Council (CRE) under no. 6.478/D DREA DF and Individual Taxpayer's ID (CPF/MF) no. 309.880.471-87, with commercial address in the Federal District, Brasília at SHS Quadra 06, conjunto A, bloco C, sala 1115, Ed. Brasil XXI, (vi) **Darlan Dórea Santos**, a Brazilian citizen, married, economist, Identity Card (RG) no. 00405045 (SSP/BA), Individual Taxpayer's ID (CPF/MF) no. 019967115-04, with commercial address in the City and State of Rio de Janeiro at Rua Jardim Botânico, Centro Empresarial Jardim Botânico 674/SI 301, and (vii) **Alexandre Gonçalves Silva**, a Brazilian citizen, married, engineer, Identity Card (RG) no. 39.565.565-1 (SSP/SP) and Individual Taxpayer's ID (CPF/MF) no. 022.153.817-87, resident and domiciled at Rua Jacques Felix, 226, apto. 51, Vila Nova Conceição, CEP: 04.509-000, City and State of São Paulo, with the last two board members being independent;

- 6.7 The board members elected herein shall be invested in office upon execution of the respective instruments of investiture, drawn up in the company's records within thirty (30) days counted from this date, declaring to be in condition to provide the clearance certificate mentioned in CVM Rule 367 of May 29, 2002, and paragraph 1 of Article 147 of the Corporation Law.
- 6.8 To approve the monthly compensation of up to three thousand, five hundred reais (R\$3,500.00) for each of the members of the Fiscal Council, pursuant to Article 162, paragraph 3 of the Corporation Law.
- 6.9 To establish the amount of annual overall compensation of the Company's management for the year 2008 as up to eight million reais (R\$8,000,000.00), to be individually distributed among the members of the Board of Directors and of the Board of Executive Officers pursuant to the Bylaws and based on the criteria established in the caput of Article 152 of Law 6,404/76, complying with the annual overall limit established herein.

At the Extraordinary General Meeting:

- 6.10 To confirm that the Company's Bylaws approved at the Extraordinary General Meeting held on February 12, 2008 are in effect, given: (i) the conversion of the Company's preferred shares into common shares; and (ii) the reverse split of shares as approved at the Extraordinary General Meeting held on February 12, 2008. On this date the Company has already fulfilled the formal requirements to adhere to the Novo Mercado (New Market) regulations and its shares shall be listed on the referred corporate governance segment on April 23, 2008.
- 6.11 To amend Article 2 of the Company's Bylaws to include the possibility of the Company holding an interest in the capital stock of companies that develop activities correlated to the electricity sector, such that it has the following wording:

“Article 2 - The Company has as its purpose holding interest in the capital stock of other companies, consortiums and undertakings that operate in the electricity sector or in similar activities.”

- 6.12 To amend Article 5 of the Company’s Bylaws, related to the capital stock, to reflect: (i) the conversion of the preferred shares issued by the Company into common shares as approved at the Extraordinary General Meeting held on February 2, 2008 and ratified by the Special Meeting of Preferred held on February 29, 2008, (ii) the reverse split of the Company’s shares approved at the Extraordinary General Meeting held on February 12, 2008, and, (iii) the Company’s capital increase resulting from the exercise of the call options of shares by the Company’s management, which shall be effective with the following wording:

“Article 5 - The Capital Stock is nine hundred eighty-seven million, six hundred forty-eight thousand, eight hundred forty-three reais and eighty-nine centavos (R\$987,648,843.89), divided into one hundred five million, six hundred eleven thousand, six hundred forty-one (105,611,641) non-par registered common shares.”

- 6.13 To amend Article 8 of the Company’s Bylaws to include a Sole Paragraph in the said instrument in order to anticipate the possibility of the Company waiving certification of signatures and notarization of the powers of attorney granted by its shareholders, according to Article 126, paragraph one of Law 6,404/76, pursuant to legislation applicable to publicly-held companies, and the said Article shall be effective with the following wording:

“Article 8 - The General Meetings shall be called pursuant to Article 124 of the Corporation Law, with at least fifteen (15) days advance notice counted from the publication of the first call notice; if the Meeting is not held, a second call notice shall be published at least eight (8) days before the Meeting.

***Sole Paragraph** – According to Article 126, paragraph one of Law 6,404/76, the Company may waive the certification of signatures and notarization of the powers of attorney granted by its shareholders, in compliance with legislation applicable to publicly-held companies.”*

- 6.14 To consolidate the Company’s Bylaws, given the amendments resolved above, which shall be effective with the wording in **Appendix I** to these minutes.
- 6.15 To approve the execution of the Addendum to the Company’s First Stock Option Plan, approved at the Extraordinary General Meeting held on February 2, 2006 and re-ratified on February 13, 2006 (“First Plan”), with the wording in **Appendix II** to these minutes, in order to: (i) reflect the conversion of preferred shares into common shares as approved at the Extraordinary General Meeting held on February 12, 2008 and ratified at the Special Meeting of Preferred Shareholders held on February 29, 2008, and (iii) reflect the reverse split of the Company’s shares approved at the Extraordinary General Meeting held on February 12, 2008.

6.16 To approve the execution of the Addendum to Company's Second Stock Option Plan, approved at the Extraordinary General Meeting held on April 5, 2007 ("Second Plan"), with the wording in **Appendix III** to these minutes, in order to: (i) amend the provisions applicable to the utilization of variable remuneration received by the beneficiaries of the Company's Second Stock Option Plan in the exercise of the options of said plan; (ii) reflect the conversion of preferred shares into common shares, as approved at the Extraordinary General Meeting held on February 12, 2008 and ratified at the Special Meeting of Preferred Shareholders held on February 29, 2008; and (iii) reflect the reverse split of the Company's shares approved at the Extraordinary General Meeting held on February 12, 2008.

6.17 To authorize the Company's management to take the necessary measures for the signature of all documents necessary for the definitive execution of the resolutions approved above, including, but not limited to, the execution of addenda to the granting agreements of call option of shares with the respective beneficiaries of the First and Second Plans.

7. APPROVAL AND CLOSURE: There being no further business to discuss, these minutes were drawn up, read, approved and signed by the members of the presiding board and by the shareholders representing the majority necessary for the resolutions made at these Meetings.

8. SIGNATURES OF THE ATTENDEES: **Chairwoman:** Patricia Pugas de Azevedo Lima; **and Secretary:** Armando de Souza Nascimento; **representative of KPMG – Auditores Independentes:** Adriana Rodrigues Pereira da Silva; **(a) PCP LATIN AMERICAN POWER FUND LTD.**, herein represented by José Silva Sobral Neto; **(b) BRASIL ENERGIA I LLC.**, herein represented by José Silva Sobral Neto; **(c) THE WELCOME TRUST LIMITED**, herein represented by Mesquita Pereira, Marcelino, Almeida, Esteves Advogados.

_____ Chairwoman	_____ Secretary
_____ KPMG – Auditores Independentes	_____ Romel Alves Domingues Member of the Fiscal Council
_____ PCP LATIN AMERICAN POWER FUND LTD.	_____ BRASIL ENERGIA I LLC
_____ THE WELCOME TRUST LIMITED	

APPENDIX I TO THE MINUTES OF THE ANNUAL AND EXTRAORDINARY GENERAL MEETINGS OF EQUATORIAL ENERGIA S.A, HELD ON APRIL 17, 2008.

BYLAWS OF
EQUATORIAL ENERGIA S.A.

CHAPTER I
NAME, PURPOSE, HEADQUARTERS AND DURATION

Article 1 - The Company is called “EQUATORIAL ENERGIA S.A.” and shall be governed by these Bylaws and by applicable legal provisions.

Article 2 - The Company has as its purpose holding interest in the capital stock of other companies, consortiums and undertakings that operate in the electricity sector or in similar activities.

Article 3 - The Company’s headquarters and jurisdiction are in the City of São Luis, State of Maranhão, and it may, at the Board of Directors’ discretion, create and extinguish branches, agencies and sales offices in any part of the country or abroad.

Article 4 - The Company’s term of duration is undetermined.

CHAPTER II
CAPITAL STOCK

Article 5 - The Capital Stock is nine hundred eighty-seven million, six hundred forty-eight thousand, eight hundred forty-three reais and eighty-nine centavos (R\$987,648,843.89), divided into one hundred five million, six hundred eleven thousand, six hundred forty-one (105,611,641) non-par registered common shares.

Paragraph One - Each common share is entitled to one (1) vote in the resolutions of the Company’s General Meetings.

Paragraph Two - The compensation mentioned in paragraph 3 of Article 35 of Law 6,404, of December 15, 1976, as amended (“Corporation Law”), may be charged from shareholders.

Paragraph Three - The Company may not issue preferred shares or founders’ shares.

Article 6 - The Company is authorized to increase its capital stock, regardless of amendment to the Bylaws, up to the limit of three hundred million (300,000,000) shares by issuing new common shares.

Paragraph One - Within the authorized capital limit, the Board of Directors shall be responsible for resolving on the issue of shares, simple debentures or subscription bonuses, establishing if the increase shall take place by public or private subscription, the payment conditions and the issue price, and it may also exclude the preemptive right or reduce the term for the exercise of the issues whose placement is made through sale on a stock exchange or by public subscription, or in a public offering of control acquisition, as set forth by law.

Paragraph Two - The Board of Directors, within the authorized capital limit and according to the plan approved at the General Meeting, may grant a call option of shares to administrators, employees or individuals who provide services to the Company or to a company under its control as long as he or she does not have the ability to enable the change of the Company’s control.

Article 7 - For purposes of reimbursement, the share value may be determined based on the Company's economic value ascertained in an appraisal by a specialized company indicated and chosen according to the provisions in Article 45 of the Corporation Law, or based on the Company's book value, whichever is lower.

CHAPTER III **GENERAL MEETING**

Article 8 - The General Meetings shall be called pursuant to Article 124 of the Corporation Law, with at least fifteen (15) days advance notice counted from the publication of the first call notice; if the Meeting is not held, a second call notice shall be published at least eight (8) days before the Meeting.

Sole Paragraph – According to Article 126, paragraph one of Law 6,404/76, the Company may waive the certification of signatures and notarization of the powers of attorney granted by its shareholders, in compliance with legislation applicable to publicly-held companies.

Article 9 - The General Meeting shall be chaired by the Chairman of the Board of Directors or, in his absence, by the Vice-Chairman of that body, who shall invite one of the attendees to be the secretary of the meeting.

CHAPTER IV **MANAGEMENT**

Section I - General Rules

Article 10 - The Board of Directors and the Board of Executive Officers are responsible for the Company's Management.

Article 11 - The General Meeting shall establish the Management's annual overall compensation, including benefits of any nature and agency fees, taking into account their responsibilities, the time dedicated to their functions, their professional competence and reputation and the value of their services in the market, being incumbent upon the Board of Directors the payment of the fixed compensation.

Article 12 - The management shall be invested in their positions upon the execution of the Instrument of Investiture drawn up in the Company's records within thirty (30) days after their election. The management's investiture shall be subject to the previous subscription of the Management Instrument of Agreement, mentioned in the *Novo Mercado* (New Market) Listing Regulation and the Disclosure Policy of Material Acts or Facts adopted by the Company pursuant to CVM Instruction 358 of January 22, 2002.

Sole Paragraph - The members of the Board of Directors and of the Board of Executive Officers are obligated, without adverse effects to the duties and responsibilities attributed to them by law, to be discreet about all the Company's businesses, treating as confidential all information they have access to and concerning the Company, its businesses, employees, management,

shareholders or contracted parties and service providers, undertaking to use such information in the Company's exclusive and best interest. Upon investiture in their positions, the management shall execute the Term of Confidentiality, as well as see that subordinates or third parties do not violate their obligation to confidentiality.

Section II – Board of Directors

Article 13 - The Board of Directors, elected at the General Meeting, shall be composed of at least five (5) and at most nine (9) sitting members, with a unified term of office of two (2) years. Reelection is allowed. At least 20% of the members of the Board of Directors shall be Independent Board Members.

Paragraph One – For the purposes of these Bylaws, an “Independent Board Member” is as defined in the *Novo Mercado* Listing Regulation.

Paragraph Two - Those elected as provided for in paragraphs 4 and 5 of Article 141 of the Corporation Law shall also be considered Independent Board Members.

Paragraph Three - When compliance with the percentage referred to in Paragraph One above results in a fractional number of board members, that number shall be rounded to the whole number: (i) immediately higher, when the fraction is equal to or higher than $\frac{1}{2}$, or (ii) immediately lower, when the fraction is lower than $\frac{1}{2}$.

Article 14 - The Board of Directors may determine the creation of advisory committees aimed at assisting the respective members of the Board of Directors as well as define the respective composition and specific duties.

Article 15 - The Board of Directors shall have one (1) Chairman and one (1) Vice-Chairman who shall be elected by majority vote of the sitting members. It shall be incumbent upon the Chairman or, in his absence, upon the Vice-Chairman, to chair the Board of Directors' meetings. In their absences or temporary impediments, the Chairman and the Vice-Chairman shall substitute each other reciprocally.

Paragraph One - In the event of absence or temporary impediment of other Members of the Board of Directors, they may be substituted by other Board Members to whom special powers have been granted. In this case, the Board Member who is substituting the absent or temporary impeded Member shall express the vote of the Board Member he is substituting in addition to his own vote.

Paragraph Two - In the event that the position of Chairman or Vice-Chairman becomes vacant, a meeting of the Company's Board of Directors shall be called immediately for the election of a substitute. In the event that other positions on the Board of Directors become vacant, a Board of Directors' meeting shall be likewise called pursuant to Article 150 of the Corporation Law, and the remaining Board Members shall elect a substitute who shall remain in office until the Company's first General Meeting. In the event that most positions on the Board of Directors become vacant, a General Meeting shall be called immediately to proceed with the new election of Board Members.

Paragraph Three - The Board of Directors shall always meet whenever called by the Chairman, by the Vice-Chairman or by the Chief Executive Officer in writing, including through facsimile, at least five business days in advance. Regardless of the call formalities, a meeting that all members of the Board Directors attend shall be considered lawful.

Paragraph Four - The meetings shall be called to order with the attendance of the majority of their Members, being indispensable the attendance of the Chairman or of the Vice-Chairman of the Board of Directors. The Board Members may participate in such meetings by means of conference call or video conference, thus considered as attending the meeting, and they shall confirm their vote through a written declaration submitted to the Chairman by letter, facsimile or electronic mail immediately following the end of the meeting. Once the declaration is received, the Chairman shall be invested with full powers to sign the minutes of the meeting on behalf of the said Board Member.

Paragraph Five- The resolutions shall be made by majority vote.

Article 16 - It is incumbent upon the Board of Directors:

- (a) to establish the general guidance of the Company's businesses including the preparation of any substantial amendment to its business plan;
- (b) to elect and dismiss the Board of Executive Officers;
- (c) to oversee the Management of the Board of Executive Officers;
- (d) to call, by its Chairman, or its Vice-Chairman, or by any two (2) of its Members, the Annual and Extraordinary General Meetings;
- (e) to give its opinion about the Management report and the Board of Executive Officers' accounts;
- (f) to establish and distribute, within the limits annually set forth by the General Meeting, the administrators' compensation when voted as an overall allocation;
- (g) after observing the legal provisions and hearing the Fiscal Council, if instated, (i) to declare, during the fiscal year and up to the Annual General Meeting, interim dividends, including as partial or total anticipation of the minimum mandatory dividend on the account of: (a) profits ascertained on a semiannual balance sheet; or (b) retained earnings or profit reserves existing in the last annual or semiannual balance sheet; (ii) to determine the payment of interest on the Company's own capital;
- (h) the approval of the Company's dividend policy and the declaration, during the fiscal year and up to the General Meeting, of interim dividends, including as partial or total anticipation of the minimum mandatory dividend, on the account of profits ascertained on a semiannual or quarterly balance sheet, or on a balance sheet for a smaller period of time, or of retained earnings or profit reserves existing on the last balance sheet;
- (i) the constitution of any lien on movable or fixed assets, or the pledge or assignment of revenues or credit rights as guarantee in financial operations, or not to be entered into by the Company, whenever the total amount of the assets of the guarantee exceeds ten percent (10%) of the Company's total shareholders' equity, or any lower percentage to be established by the Board of Directors, determined based on the Company's most recent audited financial statements;
- (j) the sale of any asset included in the Company's permanent assets whose value exceeds ten percent (10%) of the total value of the Company's permanent assets, determined based on the Company's most recent audited financial statements;
- (k) the acquisition of any asset to be included in the Company's permanent assets whose value exceeds ten percent (10%) of the Company's total shareholders' equity, or any

- lower percentage to be established by the Board of Directors, determined based on the Company's most recent audited financial statements;
- (l) to give prior opinion on the proposals to issue shares and/or any securities by the Company and resolve on the issue of shares or subscription bonuses within the authorized capital limit, as the case may be, and of simple debentures;
 - (m) to choose and dismiss independent auditors;
 - (n) to authorize the Company to hold interest in other companies;
 - (o) to authorize the acquisition of shares issued by the Company for purposes of cancellation or to be held in treasury and their subsequent sale, according to the provisions in paragraph 10, items "a" and "b" of Article 30 of the Corporation Law;
 - (p) to authorize the assumption of responsibility or obligation by the Company, the release of third parties from obligations with the Company, and transactions to prevent or end litigations, involving an amount higher than five million reais (R\$5,000,000.00);
 - (q) the approval of investments and/or the contract of loans or financing of any nature, including the issue of commercial papers, debentures and/or any other bonds or similar instruments for distribution on any capital markets whose individual amount, or overall amount in the event of a series of connected or identical operations, is higher than 5% of the Company's total shareholders' equity, or any lower percentage to be established by the Board of Directors, determined based on the Company's most recent audited financial statements. Any of the aforementioned operations shall also depend on prior approval of the Board of Directors, regardless of the value, in the event the additional indebtedness represented by them exceeds, within a certain fiscal year, 10% of the Company's shareholders' equity;
 - (r) to authorize the opening or closing of branches, agencies or sales offices in any part of the country or abroad;
 - (s) to give prior opinion on the proposals of amendments to the Company's Bylaws;
 - (t) to give prior opinion about the proposals of mergers, amalgamations, spin-offs, transformations or any similar operations that involve the Company and its subsidiaries;
 - (u) to establish the vote of the Company's representative at the General Meetings and meetings of the companies in which it participates as partner or shareholder, give prior approval to the amendments to the articles of incorporation or to the bylaws of the companies in which the Company participates, also approving the choice of the management of subsidiaries or affiliated companies to be elected with the Company's vote;
 - (v) to approve the legal businesses and the resolutions referred to in this article by the Company's subsidiaries or affiliated companies;
 - (w) to establish general compensation criteria and the benefits policy (indirect benefits, profit sharing and/or a share in sales) of the Company's management and senior employees (superintendents or employees with management positions);
 - (x) to approve the execution of any businesses or agreements between the Company and its shareholders and management (and partners, directly or indirectly, of the Company's shareholders and their respective management), except the acquisition of products or services in uniform conditions or as part of the normal course of business;
 - (y) to define the three-name list of companies specialized in the economic appraisal of companies for the preparation of the appraisal report of the Company's shares, in the event of a public tender offering for deregistration as a publicly-held company or for delisting from the *Novo Mercado*; and
 - (z) to approve any long-term agreements between the Company and its clients, suppliers, service providers and other entities with which it has a commercial relationship, or their

extensions, with a term of duration longer than twelve months and total amount higher than five million reais (R\$5,000,000.00), except with concessionaires of public services or others that maintain uniform conditions.

Section III – Board of Executive Officers

Article 17 - The Board of Executive Officers, elected by the Board of Directors, shall be composed of at least (2) and at most five (5) Officers, with one (1) Chief Executive Officer and one (1) Chief Financial and Investor Relations Officer; the other members elected to compose the Board of Executive Officer shall not have a specific designation. All Officers must be residents in the country, shareholders or not, to be elected by the Board of Directors, with a term of office of one (1) year. Reelection is allowed.

Article 18 - The Board of Executive Officers is not a collective body, however, it may meet to discuss operational aspects, whenever necessary, at the Chief Executive Officer's discretion, and he shall also chair the meeting,

Sole Paragraph. The meetings of the Board of Executive Officers shall be called to order with the attendance of the majority of the members of the Board of Executive Officers.

Article 19 - In their absence or temporary impediments, the Chief Executive Officer and the Chief Financial and Investor Relations Officer shall substitute each other, reciprocally.

Sole Paragraph - In the event that a position on the Board of Executive Officers becomes vacant, a Board of Directors' meeting shall be called immediately for the election of his substitute.

Article 20 - Incumbent upon the Board of Executive Officers are the duties determined by law, in compliance with the other rules of these Bylaws.

Paragraph One - It is incumbent upon the Chief Executive Officer: (i) to call and chair the Board of Executive Officers' meetings; (ii) to command the Company's businesses; (iii) to determine and follow the exercise of the duties of the Officers with no specific designation; (iv) to chair the Board of Executive Officers' meetings and the General Meetings, the latter only in the absence of the Chairman and of the Vice-Chairman of the Board of Directors; and (v) to implement the resolutions of the Board of Directors and of the General Meeting.

Paragraph Two - It is incumbent upon the Chief Financial and Investor Relations Officer: (i) to manage Company's finances; (ii) to manage the controllership, treasury and accounting areas; (iii) to execute the guidelines determined by the Board of Directors; (iv) to substitute the CEO in his absence and temporary impediments; and (v) those duties assigned to the Investor Relations Officer by the legislation in force, such as to provide information to investors, to the Brazilian Securities and Exchange Commission and to the São Paulo Stock Exchange - BOVESPA, as well as to keep the Company's registration current according to the applicable regulation of the Brazilian Securities and Exchange Commission.

Paragraph Three - It shall be incumbent upon the Officers with no specific designation to execute the policies and guidelines set forth by the Chief Executive Officer, Chief Financial and Investor Relations Officer and the Board of Directors.

Article 21 - All documents that assume obligations for the Company or release third parties from obligations with the Company shall, under the penalty of being rendered ineffective, be signed: (a) by any two (2) Officers; (b) by any one (1) Officer pursuant to paragraph two of this Article; or (c) by one (1) Officer, jointly with one (1) attorney-in-fact constituted pursuant to paragraph one of this Article.

Paragraph One - The powers of attorney granted by the Company shall be signed by any two (2) Officers, expressly specify the powers granted, including the assumption of obligations as mentioned in this Article, and delimit the term of validity which shall be limited to, at most, one (1) year, except those granted to attorneys for the Company's representation in judicial or administrative proceedings.

Paragraph Two - The Company may also be validly represented by any one (1) Officer, including for the assumption of obligations, as long as there is a unanimous, express and specific resolution of the Board of Executive Officers to this effect, or in the following situations:

- (i) when related to the hiring of service providers or employees;
- (ii) in routine issues before federal, state and municipal public bodies, autonomous public entities and mixed companies;
- (iii) in the signature of correspondence concerning routine issues;
- (iv) in the endorsement of instruments aimed at collection or deposit on behalf of the company; and
- (v) in the representation of the company at the general meetings of its subsidiaries and other companies in which it has equity interest in compliance with the provision in these Bylaws.

Article 22 – Company Officers and attorneys-in-fact are prohibited from obligating it in businesses different from the corporate purpose, as well as from practicing acts of liberality on behalf of the Company or grant sureties and guarantees unnecessary to the achievement of the corporate purpose.

CHAPTER V **FISCAL COUNCIL**

Article 23 - The Company shall have a non-permanent Fiscal Council, composed of three (3) to five (5) sitting members and the same number of deputies elected at the General Meeting, who shall have those duties provided for by law.

Paragraph One - The investiture of the members of the Fiscal Council is subject to the prior subscription of the Instrument of Agreement of the Members of the Fiscal Council, mentioned in the *Novo Mercado* Listing Regulation.

Paragraph Two - Each operating period of the Fiscal Council shall end on the date of the first Annual General Meeting held after its investiture.

Paragraph Three - The members of the fiscal council shall have the duties and responsibilities established by the corporate legislation in force and in the *Novo Mercado* Listing Regulation.

CHAPTER VI
FISCAL YEAR, PROFITS AND THEIR DISTRIBUTION

Article 24 - The fiscal year coincides with the calendar year, ending December 31 of each year, on which date the Company's balance sheet shall be drawn up and the financial statements shall be prepared for purposes of publication and examination at the General Meeting.

Paragraph One - The Company, by resolution of the Board of Directors, may draw up semiannual, quarterly or monthly balance sheets, as well as declare dividends on the account of profits ascertained on these balance sheets, pursuant to the provisions in Article 204 of the Corporation Law.

Paragraph Two - The Company, by resolution of the Board of Directors, may also declare interim dividends on the account of retained earnings or profit reserves existing in the last annual or semiannual balance sheet.

Paragraph Three - The interim or interposed dividends paid and the interest on the Company's own capital, net of taxes, shall always be computed as anticipation of the minimum and mandatory dividend.

Article 25 - Jointly with the financial statements for the year, the Board of Directors shall present to the Annual General Meeting a proposal on the allocation of the net income for the year, after the deduction from the shared profits referred to in Article 190 of the Corporation Law and in Paragraph 2 of this Article, adjusted for the purposes of calculating dividends pursuant to Article 202 of the same law, in compliance with the following deduction:

Paragraph One - From the result of each fiscal year, any accumulated deficit and provisions for Income Tax and for Social Contribution on Profit shall be deducted before any profit sharing.

Paragraph Two - The net income for the year shall be allocated successively as follows:

- (i) five percent (5%) for the constitution of the legal reserve until it reaches twenty percent (20%) of the capital stock;
- (ii) the Company may choose not to constitute the legal reserve in a fiscal year in which the balance of this reserve plus the amount in capital reserves exceeds thirty percent (30%) of the capital stock;
- (iii) at least twenty-five percent (25%) of the balance of the net income for the year obtained after the deduction mentioned in item (i) of this Paragraph shall be distributed as dividends to all the Company's shareholders;
- (iv) the remaining portion of the net income for the year after the payment of dividends to shareholders shall be allocated to the Investment and Expansion Reserve in a percentage to be defined at the General Meeting, which reserve has is to (i) ensure resources for the acquisition of interests in the capital stock of other companies, consortiums and undertakings that operate in the electricity sector; (ii) reinforce the Company's working capital; and, (iii) be used for redemption, reimbursement or acquisition of shares of the Company's capital; and
- (v) the annual amount to be allocated to the Investment and Expansion Reserve shall be at most seventy-five percent (75%) of the net income for the year, being certain that the

amount of the said reserve shall comply with the limit referred to in Paragraph Four of this Article.

Paragraph Three - The General Meeting, by a proposal of the Board of Directors, may, at any time, pay dividends to the Investment and Expansion Reserve account, or allocate its balance, fully or partially, to increase the capital stock, including with bonus in new shares.

Paragraph Four - Pursuant to Article 194, III of the Corporation Law, the Investment and Expansion Reserve may not exceed the amount equivalent to eighty percent (80%) of the Company's capital stock.

Article 26 - Except the contrary resolutions of the General Meeting, the payment of dividends, of interest on the Company's own capital and the distribution of shares resulting from the capital increase shall be put into effect within sixty (60) days from the date of the respective resolution.

CHAPTER VII **SALE OF THE CONTROL POWER**

Article 27 - The direct or indirect Sale of the Company's share Control (as defined in the Sole Paragraph of Article 28), either by means of a single operation or by means of successive operations, shall be contracted under suspensive or resolutive condition that the acquirer of the control undertakes to hold, pursuant to the conditions and terms provided for in the current legislation and in the *Novo Mercado* Listing Regulation, a public offering of acquisition of shares from the other shareholders in order to guarantee them treatment equal to that given to the Selling Controlling Shareholder.

Article 28 - The public offering referred to in Article 27 shall also be held:

- (a) when there is an onerous assignment of subscription rights of shares and of other bonds or rights related to securities convertible into shares that results in the Sale of the Company's Control; and
- (b) in the event of the sale of control of a company that holds the Company's Control Power, and in this case the Selling Controlling Shareholder shall be obligated to declare to the São Paulo Stock Exchange – BOVESPA the value attributed to the Company in this sale and attach the documentation proving this value.

Sole Paragraph – For the purposes of the provisions in these Bylaws, the following are defined as:

“Sale of Control” the remunerated transfer to a third party of the Control Shares;

“Control Shares” the block of shares that directly or indirectly ensures its holder(s), the individual and/or shared exercise of the Company's Control Power;

“Controlling Shareholder” the shareholder or group of shareholders connected by a shareholders' agreement or under common control who exercises the Company's Control Power.

“Selling Controlling Shareholder” the Controlling Shareholder that seeks to sell the Company’s control.

“Control Power” is the power effectively used to permanently direct the social activities and guide the operation of the Company’s bodies, directly or indirectly, de facto or de jure. There is a relative presumption of ownership of control in relation to the person or group of persons connected by a shareholders’ agreement or under common control (“control group”) that holds of shares ensuring him the absolute majority of votes of shareholders attending the last three general meetings of the Company, even if he is not the holder of shares that ensure him the absolute majority of the voting capital.

Article 29 - Whoever already holds stock in the Company and acquires the shareholder Control Power due to a private agreement of purchase and sale of shares entered into with the Controlling Shareholder involving any number of shares, undertakes to:

- (a) hold the public tender offering referred to in Article 27 of these Bylaws;
- (b) refund the shareholders from whom he has purchased shares on the stock exchange in the six (6) months before the date of the Sale of Control, to whom he shall pay the difference between the price paid to the Selling Controlling Shareholder and the value paid on a stock exchange for the Company’s shares in this period, duly restated; and
- (c) take reasonable measures to recompose the minimum percentage of twenty-five percent (25%) of the total Outstanding Shares of the Company within six (6) months after the acquisition of the Control Power.

Article 30 - While the Participation Agreement in the *Novo Mercado* is effective, the Company shall not register (i) any transfer of shares to the Purchaser, or to those who hold the Control Power, as long as they do not subscribe the Instrument of Agreement of the Controlling Shareholders mentioned in the *Novo Mercado* Listing Regulation; or (ii) any Shareholders’ Agreement that provides for the exercise of the Control Power without its signatories having subscribed the Instrument of Agreement of the Controlling Shareholders.

Sole Paragraph - For purposes of the provisions in these Bylaws, the following is defined as:

“Purchaser” the one to whom the Selling Controlling Shareholder transfers the Control Power in a Sale of the Company’s Control;

CHAPTER VIII **DEREGISTRATION AS A PUBLICLY-HELD COMPANY**

Article 31 - Deregistration as a publicly-held company shall be preceded by a public tender offering, obligatorily having as minimum price the economic value ascertained through the Appraisal Report, pursuant to Articles 32 and 33 below.

Article 32 - The Appraisal Report shall be prepared by a specialized company, with proven experience and independence from the Company’s decision power, management and/or Controlling Shareholders, in addition to meeting the requirements of paragraph 1 of Article 8 of

the Corporation Law, and holding the responsibility provided for in paragraph 6 of the same Article.

Paragraph One - The choice of the specialized company responsible for the determination of the Company's economic value is incumbent upon the General Meeting, based on the presentation by the Board of Directors of the three-name list, and the respective resolution, not counting blank votes, shall be made by majority vote of the shareholders representing Outstanding Shares attending that meeting, which if instated at first call shall be attended by shareholders who represent at least twenty percent (20%) of the total Outstanding Shares, or which, if instated at second call, may be attended by any number of shareholders representing the Outstanding Shares.

Paragraph Two - For purposes of the provisions in Paragraph One of this Article, all shares issued by the Company are considered Outstanding Shares except those held by the Controlling Shareholder, by persons connected to him, by the members of the Company's Board of Directors and Board of Executive Officers, and those held in treasury.

Paragraph Three - The costs incurred with the preparation of the report shall be the full responsibility of the offeror.

Article 33 - When the decision to deregister as a publicly-held company is communicated to the market, the offeror shall disclose the maximum value per share or one thousand shares by which the public offering will be formulated.

Paragraph One - The public offering shall have the condition that the value ascertained in the appraisal report is not higher than the value disclosed by the offeror.

Paragraph Two - If the economic value of the shares, ascertained pursuant to Articles 32 and 33, is higher than the value communicated by the offeror, the decision to deregister as a publicly-held company shall be automatically revoked, except if the offeror expressly agrees to reformulate the public offering according the economic value ascertained, and the offeror shall disclose to the market the decision he has adopted.

Paragraph Three – The procedure for the Company's deregistration as a publicly-held company shall meet the other requirements set forth in the rules applicable to publicly-held companies and the precepts in the *Novo Mercado* Listing Regulation.

CHAPTER IX **DELISTING FROM THE *NOVO MERCADO***

Article 34 - The Company's delisting from the Novo Mercado shall be approved at the General Meeting by a majority vote of attending shareholders and communicated to BOVESPA in writing thirty (30) days in advance.

Paragraph One - For the Company's shares to be registered for trading off of the *Novo Mercado*, the Controlling Shareholder shall hold a public offering of acquisition of shares belonging to the other shareholders of the Company by at least the economic value ascertained in the appraisal report prepared pursuant to Articles 32 and 33 of these Bylaws.

Paragraph Two - In the event the Company's delisting from the *Novo Mercado* occurs by virtue of corporate reorganization in which the company resulting from this reorganization is not admitted for trading on the *Novo Mercado*, the Controlling Shareholder shall hold a public offering of shares belonging to the other shareholders of the Company by at least the economic value ascertained in an appraisal report prepared pursuant to Articles 31 and 32 of these Bylaws, in compliance with the applicable legal and regulatory rules. News of the public offering shall be communicated to BOVESPA and disclosed to the market immediately after the Company's General Meeting approving the said reorganization.

Article 35 - The sale of the Company's Control Power which occurs within the twelve (12) months after its delisting from the *Novo Mercado* shall obligate the Selling Controlling Shareholder, jointly and in conjunction with the Purchaser, to offer to the other shareholders the acquisition of his shares for the price and on the conditions obtained by the Controlling Shareholder in the sale of his own shares, duly restated, pursuant to the legislation in force and in compliance with the same rules applicable to the Sale of Control provided for in Chapter VII of these Bylaws.

Paragraph One - If the price obtained by the Controlling Shareholder in the sale referred to in the "caput" of this Article is higher than the value of the public offering held according to the other provisions of these Bylaws, duly restated pursuant to the legislation in force, the Selling Controlling Shareholder, jointly and in conjunction with the Purchaser, shall be obligated to pay the difference of the value ascertained to acceptors of the respective public offering on the same conditions provided for in the "caput" of this Article.

Paragraph Two – In relation to the shares held by the Controlling Shareholder, the Company and the Controlling Shareholder are obligated to register in the Company's Registry of Shares a lien which obligates the purchaser of those shares to extend to the other shareholders of the Company price and payment conditions equal to those paid to the Selling Controlling Shareholder, in the event of sale, as provided for in the "caput" and in paragraph one, above.

CHAPTER X **ARBITRATION**

Article 36 - The Company, its shareholders, management and members of the Fiscal Council undertake to resolve by means of arbitration all and any disputes or controversies that may arise between them, related to or resulting from, especially, the application, validity, efficiency, interpretation, violation and their effects of the provisions in Law 6,404/76 and these Bylaws, and in the rules edited by the Brazilian Monetary Council, the Central Bank of Brazil and the Brazilian Securities and Exchange Commission, as well as of the other rules applicable to the operation of the capital markets in general, in addition to those in the *Novo Mercado* Listing Regulation, the Participation Agreement in the *Novo Mercado* and the Arbitration Regulation of the Market Arbitration Chamber.

CHAPTER XI **LIQUIDATION**

Article 37 - The Company shall be liquidated in the events provided for by law, or by resolution of the General Meeting, which shall establish the form of liquidation, elect the liquidator and, as the case may be, instate the Fiscal Council for the liquidation period, electing its members and determining their respective compensation.

CHAPTER XII
SHAREHOLDERS' AGREEMENTS

Article 38 - Any shareholders' agreements that establish the purchase and sale conditions of their shares, or the preemptive right in their purchase or the exercise of the voting right, shall always be respected by the Company as long as they are filed at Company headquarters, being incumbent upon the respective management to abstain from counting the votes cast against the terms of such agreements.

Sole Paragraph - The obligations or liens resulting from such agreements may only be opposed by third parties after registered in the Company's Registries of Shares and in the certificates or receipts of shares, if issued.

APPENDIX II TO THE MINUTES OF THE ANNUAL AND EXTRAORDINARY GENERAL MEETINGS OF EQUATORIAL ENERGIA S.A., HELD ON APRIL 17, 2008.

**ADDENDUM TO THE FIRST STOCK OPTION PLAN OF
EQUATORIAL ENERGIA S/A**

1. OBJECTIVES OF THE PLAN

The objectives of the Stock Option Plan of EQUATORIAL ENERGIA S/A (“Company”), established pursuant to article 168, § 3rd, of Law 6.404/76, and hereby solely designated as the PLAN, are as follow:

a) to encourage the expansion, success and attainment of the Company’s corporate objectives and its shareholders interests, allowing its managers and employees, as well as the managers and employees of the companies under its control, to acquire Company’s shares, under the terms and conditions, and in the form provided for in the PLAN, thus encouraging their integration to the Company;

b) to enable the Company and companies under its control to obtain and maintain high level executive services, offering to these executives, as an additional advantage, the possibility to become shareholders of the Company, pursuant to the PLAN.

2. PLAN MANAGEMENT

a) The PLAN will be managed by a Committee composed by three (3) members; all of them are necessarily members of the Company’s Board of Directors, except those Board Members who also hold positions in the Company’s Board of Executive Officers. These Committee’s members shall not be able to take part in stock options which are object of the PLAN.

b) The Committee will have broad powers, observing the basic PLAN terms and conditions and the guidance of the Company’s Board of Directors for its organization, taking all necessary and appropriate measures to its management. The Committee shall have powers, among others, to establish the appropriate rules for the grating of options by means of the STOCK OPTION PROGRAMS, pursuant to item 2.1 bellow.

c) The Committee shall periodically appoint persons who present conditions to be selected as PLAN participants, to whom the stock options foreseen in the PLAN will be granted, and also the number of shares which is object of the option, always within the limit herein forecasted.

2.1. The Committee shall periodically create STOCK OPTION PROGRAMS, in which will be defined the persons to whom the PLAN options shall be granted, the number and type of the Company’s shares that shall be entitled to subscription with the stock option exercise, the maximum term for the option exercise, the eventual scheduling of the granted options in batches subjected to minimum terms and any restrictions to the shares received by the option exercise and provisions on penalties. It is set forth that the Committee shall create at least two (2) STOCK OPTION PROGRAMS, in compliance with the general terms of the programs specified below.

2.2. The Committee may, at any time, anticipate or extend the final term for the option(s) exercise of the STOCK OPTION PROGRAM in force, as well as anticipate the initial date and extend the final date of the option(s) exercise in batches, if any.

3. ELIGIBLE EXECUTIVES

The managers and employees of the Company and the companies under its control, especially Companhia Energética do Maranhão – CEMAR (“CEMAR”), are eligible to participate in the PLAN. The Committee shall choose, for each program, those who shall be entitled to the option granting.

4. SHARES INCLUDED IN THE PLAN

The shares subscription options to be offered, pursuant to the PLAN, shall be granted in two (2) STOCK OPTION PROGRAMS:

4.1. Within the scope of the FIRST STOCK OPTION PROGRAM at most two million, nine hundred and thirty-four thousand, two hundred and forty-two (2,934,242) common shares and five million, eight hundred and sixty-eight thousand, four hundred and eighty-one (5,868,481) preferred shares of the Company shall be offered. Within the scope of the SECOND STOCK OPTION PROGRAM at most two million, two hundred and seventy-one thousand, eight hundred and fifty-eight (2,271,858) common shares and four million, five hundred and forty-three thousand, seven hundred and twelve (4,543,712) preferred shares of the Company shall be offered, which after the conversion of the preferred shares into common shares and the reverse split of shares approved at the extraordinary general meeting held on 02/12/08 shall be equivalent to two million, two hundred and seventy-one thousand, eight hundred and fifty-eight (2,271,858) common shares of the Company. Once the option is exercised by the interested parties, said shares shall be purpose of issue through the increase of the Company’s capital. Call options of existing treasury shares may also be offered, in compliance with the legal and regulatory rules, upon previous CVM approval.

4.2. The shareholders, pursuant to Article 171, paragraph 3, of Law 6,404/76, shall not have preference in the occasion of the establishment of the PLAN or the exercise of the call option of shares resulting from the PLAN.

5. ACQUISITION PRICE (BEFORE THE REVERSE SPLIT OF CEMAR AND EQUATORIAL SHARES AND THE CONVERSION OF PREFERRED SHARES ISSUED BY EQUATORIAL)

The initial issue price of the shares to be subscribed by the integrants of the PLAN shall be defined in each STOCK OPTION PROGRAM, in compliance with the following criteria:

5.1. The original subscription price of the shares subject to the FIRST STOCK OPTION PROGRAM shall be one real (R\$1.00) per lot of one hundred thousand (100,000) shares, restated by the General Market Price Index disclosed by Fundação Getúlio Vargas (“IGP-M/FGV”), and such price shall be paid in a single installment, with money contribution in the Company, upon the subscription.

5.2. The original subscription price of the shares purpose of the SECOND STOCK OPTION PROGRAM shall be equal to the original subscription price of the shares subscribed or acquired based on CEMAR PLAN and which shall be used by the beneficiaries of the SECOND STOCK PROGRAM in the payment of the shares to be subscribed as a result of the exercise of the SECOND STOCK PROGRAM in the payment of the shares to be subscribed as a result of the exercise of the SECOND STOCK PROGRAM (“CEMAR SHARES”).

5.2.1. The number of the Company’s shares to be subscribed within the scope of the SECOND STOCK OPTION PROGRAM shall be defined according to the following formula:

$$NA_{\text{Equatorial}} = (PC_{\text{Cemar}} \times NAC_{\text{Cemar}}) / PE_{\text{Equatorial}}$$

Where:

$NA_{\text{Equatorial}}$ = Number of the Company's shares to be subscribed within the scope of the SECOND STOCK OPTION PROGRAM;

PC_{Cemar} = Price per 1,000,000 shares of Cemar, to be obtained according to the formula of item 5.2.2 below;

NAC_{Cemar} = lot of 1,000,000 of CEMAR SHARES which, in compliance with the requirements of the SECOND STOCK PROGRAM, may be used to pay shares to be subscribed as a result of the exercise of the SECOND STOCK PROGRAM;

$PE_{\text{Equatorial}}$ = Average price of the Company's common and preferred shares traded on the São Paulo Stock Exchange ("BOVESPA") within thirty (30) days prior to the date of the General Meeting resolving on the subscription of shares related to the SECOND STOCK OPTION PROGRAM.

5.2.2. In the payment of the shares acquired or subscribed within the scope of the SECOND STOCK OPTION PROGRAM, each CEMAR SHARE should be evaluated according to the following formula ("PCemar"):

$$PC_{\text{Cemar}} = EV / (NAC_{\text{Cemar}} / 1,000,000),$$

Where:

PC_{Cemar} = Price per 1,000,000 CEMAR SHARES;

EV = Cemar's market value (calculated according to the formula below);

NAC_{Cemar} = total sum of the shares issued by Cemar, added to the number of shares that may be subscribed by the beneficiaries of CEMAR PLAN.

EV must be calculated by the following formula:

$$EV = ME_{\text{Equatorial}} \times EBITDA_{\text{Cemar}} - DLC_{\text{Cemar}},$$

Where:

$ME_{\text{Equatorial}}$ = multiple FV/EBITDA of Equatorial calculated according to the formula below;

$EBITDA_{\text{Cemar}}$ = Cemar's EBITDA accumulated in the last four quarters; and

DLC_{Cemar} = Cemar's net debt (total debt less cash and cash equivalents) at the end of the last quarter.

$ME_{\text{Equatorial}}$ must be calculated by the following formula:

$$ME_{\text{Equatorial}} = (PE_{\text{Equatorial}} \times NA_{\text{Equatorial}} + DL_{\text{Equatorial}}) / EBITDA_{\text{Equatorial}}$$

Where,

$PE_{\text{Equatorial}}$ = average price of the shares issued by Equatorial on Bovespa within thirty (30) days prior to the date of the General Meeting resolving on the subscription of shares related to the SECOND STOCK OPTION PROGRAM;

$NA_{\text{Equatorial}}$ = total sum of shares issued by Equatorial, added to the number of shares to be subscribed by the beneficiaries of the FIRST STOCK OPTION PROGRAM;

$DL_{\text{Equatorial}}$ = Equatorial's net debt (total debt less cash and cash equivalents) at the end of the last quarter;

$EBITDA_{\text{Equatorial}}$ = Equatorial's EBITDA in the last four quarters by the Company.

5.2.3. When making the calculations of item 5.2.2 above, the Company's consolidated numbers must be adjusted in relation to the value of the equity interests held by the Company in each of its subsidiaries at the moment of the exercise of the options, if the case may be, in other words, only the financial results of each subsidiary must be considered, multiplied by the interest of the company in this subsidiary.

5A. ACQUISITION PRICE (AFTER THE REVERSE SPLIT OF CEMAR AND EQUATORIAL SHARES AND THE CONVERSION OF PREFERRED SHARES ISSUED BY EQUATORIAL)

5A.1 The original subscription price of the shares subject to the SECOND STOCK OPTION PROGRAM shall be equal to the original subscription price of the shares subscribed or acquired based on CEMAR PLAN and which shall be used by the beneficiaries of the SECOND STOCK PROGRAM in the payment of the shares to be subscribed as a result of the exercise of the SECOND STOCK PROGRAM ("CEMAR SHARES").

5A.2 The number of the Company's shares to be subscribed within the scope of the SECOND STOCK OPTION PROGRAM shall be defined according to the following formula:

$$NA_{\text{Equatorial}} = (PC_{\text{Cemar}} \times NAC_{\text{Cemar}}) / PE_{\text{Equatorial}}$$

Where:

$NA_{\text{Equatorial}}$ = Number of the Company's shares to be subscribed within the scope of the SECOND STOCK OPTION PROGRAM;

PC_{Cemar} = Price per common share of Cemar, to be obtained according to the formula of item 5A.2.1 below;

NAC_{Cemar} = number of CEMAR SHARES which, in compliance with the requirements of the SECOND STOCK PROGRAM, may be used to pay the shares to be subscribed as a result of the exercise of the SECOND STOCK PROGRAM;

$PE_{\text{Equatorial}}$ = Average price of the Company's common share traded on the São Paulo Stock Exchange ("BOVESPA") within thirty (30) days prior to the date of the General Meeting resolving on the subscription of shares related to the SECOND STOCK OPTION PROGRAM.

5A.2.1. In the payment of the shares acquired or subscribed within the scope of the SECOND STOCK OPTION PROGRAM, each CEMAR SHARE must be evaluated according to the following formula (" PC_{Cemar} "):

$$PC_{\text{Cemar}} = EV / NA_{\text{ECemar}};$$

Where:

PC_{Cemar} = Price per 1 unit of CEMAR SHARES;

EV = Cemar's market value (calculated according to the formula below);

NA_{ECemar} = total sum of the shares issued by Cemar, added to the number of shares that may be subscribed by the beneficiaries of CEMAR PLAN.

EV must be calculated by the following formula:

$$EV = ME_{\text{Equatorial}} \times EBITDAC_{\text{Cemar}} - DLC_{\text{Cemar}},$$

Where:

$ME_{\text{Equatorial}}$ = multiple FV/EBITDA of Equatorial calculated according to the formula below;

$EBITDA_{\text{Cemar}}$ = Cemar's EBITDA accumulated in the last four quarters; and

DL_{Cemar} = Cemar's net debt (total debt less cash and cash equivalents) at the end of the last quarter.

$ME_{\text{Equatorial}}$ must be calculated by the following formula:

$ME_{\text{Equatorial}} = (PE_{\text{Equatorial}} \times NAE_{\text{Equatorial}} + DLE_{\text{Equatorial}}) / EBITDAE_{\text{Equatorial}}$

Where,

$PE_{\text{Equatorial}}$ = average price of Equatorial's common share on Bovespa within thirty (30) days prior to the date of the General Meeting resolving on the subscription of shares related to the SECOND STOCK OPTION PROGRAM;

$NAE_{\text{Equatorial}}$ = total sum of the shares issued by Equatorial, added to the number of shares that may be subscribed by the beneficiaries of the FIRST STOCK OPTION PROGRAM;

$DLE_{\text{Equatorial}}$ = Equatorial's net debt (total debt less cash and cash equivalents) at the end of the last quarter;

$EBITDA_{\text{Equatorial}}$ = Equatorial's EBITDA in the last four quarters by the Company.

5A.3. When making the calculations of item 5A.2.1 above, the Company's consolidated numbers must be adjusted in relation to the value of the equity interests held by the Company in each of its subsidiaries at the moment of the exercise of the options, if the case may be, in other words, only the financial results of each subsidiary must be considered, multiplied by the interest of the company in this subsidiary.

6. OPTION EXERCISE

The options may be fully or partially exercised as set forth by the Committee and in the specific conditions of each STOCK OPTION PROGRAM.

6.1. The beneficiaries of the PLAN shall be subjected to the restrictive rules regarding insider trading applicable to publicly-held companies in general and rules eventually set forth by the Company, without limiting the trading of their shares according to PLAN rules and CVM Rule 358.

7. TERMS AND CONDITIONS OF THE OPTION

The terms and conditions of each option granted according to the PLAN shall be set forth in the Agreement for the Granting of Stock Option ("Option Agreement"), executed by the beneficiary, defining, among other conditions:

a) the number and type of shares that shall be granted with the option exercise and payment terms of the shares;

b) the option term and dates in which the total or partial exercise of the option and all resulting rights shall expire. The option shall be subject to expire in advance in the cases provided for in this PLAN;

c) the rules about the restrictions relative to the transfer of the shares received by the option exercise and provisions on penalties, that are determined by the Committee, so that the option is exercised by the respective holder within its lifetime, and it shall not be transferred to third parties, except as provided for in will or by succession effect, observed the terms established in the agreements;

d) any other terms and conditions which are not contrary to the PLAN.

7.1. The agreements referred to in this item and those by which the effective subscription of shares is verified and the restrictions set forth in them to the free availability of shares shall constitute a shareholders' agreement for all purposes provided for in Article 118 of Law 6,404/76 and shall be registered in the Company's corporate records.

8. SHARES DISPOSAL

Except for a contrary decision of the Committee, the holder of shares may only sell, transfer or, in any way, dispose of the Company's shares originally subscribed or acquired based on the PLAN, as well as those to be acquired by him by virtue of bonuses, stock splits, subscriptions or any form of acquisition, as long as such rights have occurred to the acquirer of the ownership of the shares subject to the PLAN ("Shares"), once offered to the Company the preemptive right for their acquisition.

8.1. The Company's preemptive right shall be exercised, if wished, for the acquisition of one hundred percent (100%) of the Shares offered by the beneficiary, being the referred holder irrevocably obligated to sell them to the Company for the subscription price as defined in item 5 above, restated by IGP-M/FGV, or other equivalent index of determination basis chosen by the Committee, if the index chosen above is no longer available or applicable, in the smallest periodicity admitted in law, since the subscription date until the payment date of the price of shares, even if there is another purchaser offering a more advantageous price.

8.2. The holder of Shares undertakes to communicate the Company in writing, his interest in selling, transferring or, in any way, disposing of the Shares, fully or partially, only releasing them for sale to third parties after an express and written manifestation of the Company in the sense of not intending to exercise its preemptive right or, in the event there is no response of the Company within thirty (30) days counted from the proven receipt of the intention communication of disposal made by the acquirer.

8.3. The payment of the price of the Shares acquired by the Company, resulting from the exercise of the preemptive right, shall always be in a single installment, on the formalization date of the legal business.

8.4. The holder of Shares undertakes not to encumber them and not to institute on them any encumbrance that may impede the execution of the provisions in this PLAN.

8.5. The preemptive right provided for in this item 8 shall only be effective while the Public Offering of Sale, either primary or secondary, has not occurred, whose result is the placement of at least twenty percent (20%) of the shares issued by the Company ("Liquidity Event").

8.5.1. After verifying the Liquidity Event, the Shares may be freely disposed of on a stock exchange or privately, without any restriction or preemptive right due to the PLAN.

9. PERMANENCE IN THE POSITION

No provision of the PLAN or option granted by the THIRD PLAN shall give any option holder rights regarding its permanence as a Company's executive or employee and as an executive or employee of the companies under the Company's control and no provision shall, in any case, interfere in the Company's and the companies under its control's rights to terminate the mandate of the manager or the labor agreement.

10. MATURITY OF THE LABOR AGREEMENT OR MANDATE

If, due to any reason, the employment relationship or the manager's mandate is terminated, except in the case of death or permanent disability of the holder of the option, the following provisions shall apply:

a) In the cases of dismissal with cause and/or resignation of the manager or employee, as defined in the corporate and labor legislation, the Company shall have, within sixty (60) days from the termination date of employment relationship or mandate, the option to acquire from the beneficiary all its Shares, as defined in item 8 above, for the lowest price between (i) the total of the amount already paid by the beneficiary in the subscription or acquisition of Shares, restated by IGP-M/FGV, within the lower periodicity set forth by law; and (ii) the Market Price, as defined in item 10.1 below. The options which, at the time of the employment relationship or mandate termination, have already been granted and not exercised, or which are not subject to exercise, shall be extinct.

b) In the cases of unfair dismissal and/or resignation of the manager or employee, as defined in the corporate and labor legislation, the Company shall have, within sixty (60) days from the termination date of employment relationship or mandate, the option to acquire from the beneficiary all its Shares, as defined in item 8 above, for the highest price between (i) the total of the amount already paid by the beneficiary in the subscription or acquisition of Shares, restated by IGP-M/FGV, within the lower periodicity set forth by law; and (ii) the Market Price, as defined in item 10.1 below. The options which, at the time of the employment relationship or mandate termination, have already been granted and not exercised, or which are not subject to exercise, shall be extinct.

c) In the cases of request for resignation or dismissal of the manager or employee or his retirement, the Company shall have, within sixty (60) days from the termination date of employment relationship or mandate, the option to acquire from the beneficiary all its Shares, as defined in item 8 above, for the Market Price, as defined in item 10.1 below. The options which, at the time of the employment relationship or mandate termination, have already been granted and not exercised, or which are not subject to exercise, shall be extinct.

10.1. For the purpose of the application of the provisions of this item, the result of the following formula is understood as Market Price:

$$\text{MARKET PRICE} = (\text{MULTIPLE} * \text{EBITDA}) - \text{NET DEBT}$$

Where:

MULTIPLE is the multiple to be annually defined by the Committee based on the average of market multiples used for evaluation of companies of the Brazilian electricity sector; and

EBITDA is the Company's profit of the twelve (12) months prior to the exercise of the call or put option, before interest, taxes, depreciation and amortization, excluding non-recurring expenses,

according to the information sent to the Brazilian Securities and Exchange Commission by the Company.

10.2. The Company's call options set forth in this clause 10 shall only be effective while the Liquidity Event has not occurred, as defined in item 8.5 above.

11. DEATH OR PERMANENT DISABILITY

In the event of death or permanent disability of the beneficiary, the Company shall have, within sixty (60) days counted from the death or from the permanent disability event, the option to acquire from the beneficiary or from his heirs, as the case may be, all his Shares, as defined in item 8 above, for the highest price between (i) the total of the amounts already paid by the beneficiary in the subscription or acquisition of Shares, restated by IGP-M/FGV, in the smallest periodicity admitted in law; and (ii) the Market Price, as defined in item 10.1 above. The beneficiary or his heirs, as the case may be, shall have the right to, in the twelve (12) months after the death of the beneficiary or the disability event, acquire the shares purpose of the options granted and not yet exercised on the date of the beneficiary's death or the disability event, as well as those purpose of the options that would be granted within three (3) months after the date of the beneficiary's death or the disability event.

11.1. The shares shall only be available for sale after the Company's express manifestation in the sense that it does not intend to exercise its call option; or, in the event there is no answer from the Company, at most within thirty (30) days, counted as of the receipt by the Company of the notice proving the death or the permanent disability of the holder of the shares.

11.2. In return to the call option provided for in this item, the beneficiary and his heirs, as the case may be, shall have, within sixty (60) days counted from the death or the permanent disability event, the option to sell to the Company, which shall have the obligation to buy all Shares of the beneficiary, acquired within the scope of the PLAN, in the same conditions set forth in this item.

11.3. The Company's call and put options set forth in this clause 11 shall only be effective while the Liquidity Event has not occurred, as defined in 8.5 above.

12. RIGHTS LIMITATIONS FOR OPTION HOLDERS

No holder of an option granted by the PLAN shall be entitled to any Company's shareholders right and privilege, in relation to any capital portion due to the execution of the option agreement, except those mentioned in this PLAN. No share shall be granted to the holder due to the option exercise, unless all legal and regulatory requirements have been fully complied with.

13. BOARD OF DIRECTORS' POWERS

The Company's Board of Directors may, at any time, amend or extinguish the PLAN or even set forth the regulation applicable to neglectful cases. The Board of Directors may not amend the provisions regarding the eligibility for taking part in the PLAN and no amendment or extinction of the PLAN may, without the consent of the holder, amend or jeopardize any rights or liabilities of any existing Agreement on the stock option.

14. AJUSTMENTS

If the existing Company's shares are increased or reduced in number or exchanged by different classes and types of shares, as a result of stock dividends, grouping or splitting, the appropriate adjustments shall be carried out in the number of shares to which the options have been granted and not exercised, as well as to options not yet granted. Any adjustments in the options shall be

carried out without changing the purchase amount applicable to the non-exercised portion of the option, including the adjustment corresponding to the price per each share or share unit covered by the option.

14.1. In the case of the Company's winding-up, transformation, takeover, merger, spin-off or reorganization, in which the Company is not the remaining company, or in the case of purchase or sale or transfer of ownership of more than eighty per cent (80%) of the Company's existing shares to any other company, the PLAN shall terminate and any option so far granted shall be extinguished, unless it is established, in writing, in connection with such operation (and when reasonable), the permanence of the PLAN and the options assumption so far granted with the replacement of the referred options by new options, and the successor Company or its affiliated or subsidiary shall take on the appropriate adjustments in the number, type and price of the shares, and in this case the PLAN shall continue the foreseen form.

14.2. The adjustments pursuant to item 14.1 above shall be carried out by the Committee, and such decision shall be final and binding. Any share fraction shall be sold or issued pursuant to the PLAN or any of these adjustments.

14.3 The price of option exercise not exercised shall be deduced from the dividends and interests on equity amounts paid by Company.

15. EFFECTIVE DATE AND MATURITY OF THE PLAN

The PLAN shall take effect upon its approval by the Company's General Meeting and it may be terminated, at any time, upon decision of the Company's Board of Directors, without adverse effect to the prevalence of the restrictions to share trading and/or to the preemptive right established herein.

16. MANDATE

For the perfect execution of the provisions of the PLAN and the Option Agreement, the beneficiaries appoint the Company as their attorney-in-fact, on an irrevocable and irreversible basis, granting the Company the powers to execute all necessary acts, including to delegate.

17. SUPPLEMENTARY LIABILITIES

In addition to the liabilities agreed in the Option Agreement, the parties entirely and fully undertake to comply with the conditions of the PLAN and supplementary documents. The execution of the Option Agreement shall imply in the express acceptance of all terms of the PLAN and Option Agreement by the beneficiary.

18. PENALTY

The party that violates any of the liabilities set forth in the PLAN and/or in the Option Agreement, shall pay to the innocent party, in addition to the amount that said party has originally agreed to pay, a injunctive penalty, non-compensatory and irresolvable in the total amount equivalent to ten per cent (10%) of the total amount of subscribed Shares, as well as all and any in-court and out-of-court expenses in which the innocent party may incur, including the lawyers' fees of twenty per cent (20%) over the amount demanded if and when there is filing of any lawsuit.

19. EXECUTION

The liabilities set forth in the PLAN and in the Option Agreement are accepted on an irrevocable basis, being considered as extrajudicial enforcement instrument pursuant to the terms of civil procedural law, enforcing the contractual parties and their successors to any title and all the time. The parties establish that such obligations have specific performance, in the form of the articles 639 and subsequent articles of the Code of Civil Procedure.

20. ASSIGNMENT

19.1. The rights and liabilities resulting from the PLAN and the Option Agreement shall not be assigned or transferred, in the whole or in part, by any beneficiary or by the Company, and nor they shall be given as liability guarantee, without the previous and expressed consent of the Company and/or the beneficiary, as the case may be.

21. RENEWAL

It is expressly agreed herein that it shall not be considered as a renewal the abstention of any party from the exercise of any right, power, resource or permission ensured by law, by the PLAN or by the Option Agreement, nor any tolerance of delay in the fulfillment of any liability by any party, which shall not prevent the other party, at its solely discretion, of exercising at any time these rights, powers, resources or permissions, which are cumulative and not exclusive in relation to the law.

22. ANNOTATION

The wording of the Option Agreement shall be annotated in the Company's corporate registry, for all the purposes of article 118 of Law 6.404/76.

23. JURISDICTION

22.1. The jurisdiction of the city of São Luiz, in the State of Maranhão, is elected, excluding any other, however privileged it may be, to settle the disputes that may arise in relation to the PLAN.

APPENDIX III TO THE MINUTES OF THE ANNUAL AND EXTRAORDINARY GENERAL MEETINGS OF EQUATORIAL ENERGIA S.A., HELD ON APRIL 17, 2008.

ADDENDUM TO THE SECOND STOCK OPTION PLAN OF EQUATORIAL ENERGIA S/A

1. OBJECTIVES OF THE PLAN

The objectives of the Third Stock Option Plan of EQUATORIAL ENERGIA S/A (“Company”), established pursuant to article 168, § 3rd, of Law 6.404/76, and hereby solely designated as PLAN, are as follow:

a) to encourage the expansion, success and attainment of the Company’s corporate objectives and its shareholders interests, allowing its managers and employees, as well as the managers and employees of the companies under its control, to acquire Company’s shares, under the terms and conditions, and in the form provided for in the PLAN, thus encouraging their integration to the Company;

b) to enable the Company and companies under its control to obtain and maintain high level executive services, offering to these executives, as an additional advantage, the possibility to become shareholders of the Company, pursuant to the PLAN.

2. PLAN MANAGEMENT

a) The PLAN will be managed by a Committee composed by three (3) members; all of them are necessarily members of the Company’s Board of Directors, except those Board Members who also hold positions in the Company’s Board of Executive Officers. These Committee’s members shall not be able to take part in stock options which are object of the PLAN.

b) The Committee will have broad powers, observing the basic PLAN terms and conditions and the guidance of the Company’s Board of Directors for its organization, taking all necessary and appropriate measures to its management. The Committee shall have powers, among others, to establish the appropriate rules for the grating of options, each year, by means of the STOCK OPTION PROGRAM, pursuant to item 2.1 bellow.

c) The Committee shall periodically appoint persons who present conditions to be selected as PLAN participants, to whom the stock options foreseen in the PLAN will be granted, and also the number of shares which is object of the option, always within the limit herein forecasted.

2.1. The Committee shall periodically create STOCK OPTION PROGRAMS, in which will be defined the persons to whom the PLAN options shall be granted, the number and type of the Company’s shares that shall be entitled to subscription with the stock option exercise, the maximum term for the option exercise, the eventual scheduling of the granted options in batches subjected to minimum terms and any restrictions to the shares received by the option exercise and provisions on penalties.

2.2. The Committee may, at any time, anticipate or extend the final term for the option(s) exercise of the STOCK OPTION PROGRAM in force, as well as anticipate the initial date and extend the final date of the option(s) exercise in batches, if any.

3. ELIGIBLE EXECUTIVES

The managers and employees of the Company and the companies under its control, especially Companhia Energética do Maranhão – CEMAR (“CEMAR”), are eligible to participate in the PLAN. The Committee shall choose, for each program, those who shall be entitled to the option granting.

4. SHARES INCLUDED IN THE PLAN

The shares subscription options to be offered, pursuant to the PLAN, shall represent the maximum of 1,111,111 Company’s shares. Once the option is exercised by the interested persons, the aforementioned shares shall subject to issuance by means of the Company’s capital increase,

within the limits of the authorized capital provided for in the Bylaws. Existing treasury shares call options, under CVM's previous approval, can also be offered.

4.1. The shareholders, pursuant to article 171, § 3, of Law 6,404/76, shall not be entitled to preemptive rights when the PLAN is implemented or to exercise the PLAN's call options.

5. ACQUISITION PRICE

The price of the shares to be acquired or subscribed by the beneficiaries due to the option exercise shall be determined by the Committee and shall be equivalent to the price of, at least, ninety percent (90%) of the weighted average of 1 Unit (1 common share and 2 preferred shares) of the Company on the São Paulo Stock Exchange - BOVESPA in the period of, at least, 30 days, and, at most, 180 days from the date in which the respective option is granted, and the mentioned amount can be added, under Committee's criterion, with monetary correction based on the variation of the General Market Price Index disclosed by Fundação Getúlio Vargas ("IGP-M/FGV"), or other index with an equivalent determination base, which may be chosen by the Committee, if the aforementioned index is no longer available or applicable, within the lower periodicity allowed by law, between the execution date and the effective exercise date of the options.

5.1. The share price shall be paid in cash by the beneficiaries of the call option, observing the conditions set forth in items 5.4, 5.5 and 5.6 below.

5.2. Except otherwise decided by the Committee, the beneficiaries shall use at least fifty per cent (50%) of the Profit Sharing, Performance Bonus amount or any other form of annual variable remuneration ("PL") to those entitled to them, net of income tax and other pertinent charges, in the subscription of the shares comprising the batches whose option has already been granted and which are not exercised yet. The option beneficiary who does not use its PL in the form provided in this item shall not be entitled to exercise the option on all shares of the batch, whose exercise period comprises the year (or part of the year) in which the PL is paid to the beneficiaries, unless if such beneficiary has already subscribed at the payment of PL, at least the number of shares which are object of its respective option, which he may have subscribed with the amount corresponding to the PL percentage above mentioned with own resources (excluding those shares computed for this same purpose in previous years), always considering PL availability by the beneficiary of the option.

5.3. In addition to the PL above mentioned, the beneficiaries shall use the total of the dividends and interests on own capital received and relative to the shares of its ownership, according to PLAN terms in the subscription of the shares offered in the batches whose option has already been granted.

5.4. After the term mentioned in item 7.1 below, the beneficiaries may notify the Company stating their intention to sell, immediately after the exercise of their options, all or part of the shares to be subscribed, on stock exchanges, and in such case the payment related to the part to be immediately sold shall be made directly by the Company, under the issue by the beneficiary (in benefit of the Company) of a promissory note with due date in the first working day after the financial settlement of the sale transaction.

6. TERMS E CONDITIONS OF THE OPTION

6.1. The terms and conditions of each option granted according to the PLAN shall be set forth in the Agreement for the Granting of Stock Option ("Option Agreement"), executed by the beneficiary, defining, among other conditions:

- a) the number and type of shares that shall be granted with the option exercise and payment terms of the shares;
- b) the option term and dates in which the total or partial exercise of the option and all resulting rights shall expire. The option may expire in advance in the cases provided for in this PLAN;
- c) the rules about the restrictions relative to the transfer of the shares received by the option exercise and provisions on penalties, that are determined by the Committee, so that the option is exercised by the respective holder within its lifetime, and it shall not be transferred to third parties, except as provided for in will or by succession effect, observed the terms established in the agreements;
- d) any other terms and conditions which are not contrary to the PLAN.

6.1. The beneficiaries of the PLAN shall be subjected to the restrictive rules regarding insider trading applicable to publicly-held companies in general and rules eventually set forth by the Company, without limiting the trading of their shares according to PLAN rules and CVM Rule 358.

7. SHARES DISPOSAL

Unless otherwise decided by the Committee, the shares holder may only sell, transfer, or otherwise, dispose the Company's shares originally subscribed or acquired according to the PLAN, as well as those which may be acquired by him as a result of bonuses, splitting, subscriptions or any other type of acquisition ("Shares") after two (2)-year from the approval date of the PLAN by the Shareholders General Meeting.

7.1. The Share Holder shall not sell, encumber and establish any encumbrance on the shares subscribed under the PLAN before the term mentioned in the previous item.

8. PERMANENCE IN THE POSITION

No provision of the PLAN or option granted by the PLAN shall give any option holder rights regarding its permanence as a Company's executive or employee and as an executive or employee of the companies under the Company's control and no provision shall, in any case, interfere in the Company's and the companies under its control's rights to terminate the mandate of the manager or the labor agreement.

9. MATURITY OF THE LABOR AGREEMENT OR MANDATE

If, due to any reason, the employment relationship or the manager's mandate is terminated, except in the case of death or permanent disability of the holder of the option, the following provisions shall apply:

a) In the cases of dismissal with cause and/or resignation of the manager or employee, as defined in the corporate and labor legislation, in the period up to 2 years after the approval date of the PLAN by the Shareholders General Meeting, the Company shall have, within sixty (60) days from the termination date of employment relationship or mandate, the option to acquire from the beneficiary all its Shares, as defined in item 7 above, for the lowest price between (i) the total of the amount already paid by the beneficiary in the subscription or acquisition of Shares, restated by IGP-M/FGV, within the lower periodicity set forth by law; and (ii) the Market Price, as defined in item 9.1 below. The options which, at the time of the employment relationship or

mandate termination, have been granted and not exercised, or which are not subject to exercise, shall be extinct.

b) In the cases of unfair dismissal and/or resignation of the manager or employee, as defined in the corporate and labor legislation, the Shares which have already been subscribed pursuant to the PLAN may be loosely disposed in the stock exchange or privately, without period restriction in relation to Clause 7 above. The options which, at the time of the employment relationship or mandate termination, have already been granted and not exercised, or which are not yet subject to exercise, shall be extinct.

c) In the cases of request for resignation or dismissal of the manager or employee or his retirement, the Shares which have already been subscribed pursuant to the PLAN may be loosely disposed in the stock exchange or privately, without period restriction in relation to Clause 7 above. The options which, at the time of the employment relationship or mandate termination, have already been granted and not exercised, or which are not yet subject to exercise, shall be extinct.

9.1. For the purpose of the application of the provisions of this item, Market Price is understood as the weighted average of the Company's share price on a stock exchange in the period of 30 days as from the event date that sets the termination of the labor agreement.

10. DEATH OR PERMANENT DISABILITY

In the case of death or permanent disability of the beneficiary, the rights arising from the option shall be extended to his heirs and successors and the options may be exercised, observing the following provisions:

- a) the options whose initial grace period have not elapsed shall have their early terms so that they may be exercised by the beneficiary or his heirs and successors, as the case may be, in the terms established in item (b) below;
- b) the options whose initial grace period have already elapsed may be exercised for a one (1)-year term as from the death date or permanent disability date;
- c) the option may be exercised in whole or in part, with cash payment, the right to the shares shall be shared among heirs or successors, as provided for in will or as set forth in the respective probate.

10.1 The shares that shall be subscribed by the beneficiary's heirs or successors of shall be free and cleared for sale at any time, and therefore, it is not applicable the period restriction referred to in Clause 7 above.

11. RIGHTS LIMITATION FOR OPTION HOLDERS

11.1. No holder of an option granted by the PLAN shall be entitled to any Company's shareholders right and privilege in relation to any capital portion due to the execution of the option agreement, except those mentioned in this PLAN. No share shall be granted to the holder due to the option exercise, unless all legal and regulatory requirements have been fully complied with.

12. BOARD OF DIRECTORS' POWERS

12.1. The Company's Board of Directors may, at any time, amend or extinguish the PLAN or even set forth the regulation applicable to neglectful cases. The Board of Directors may not

amend the provisions regarding the eligibility for taking part in the PLAN and no amendment or extinction of the PLAN may, without the consent of the holder, amend or jeopardize any rights or liabilities of any existing Agreement on the stock option.

13. ADJUSTMENTS

If the existing Company's shares are increased or reduced in number or exchanged by different classes and types of shares, as a result of stock dividends, grouping or splitting, the appropriate adjustments shall be carried out in the number of shares to which the options have been granted and not exercised, as well as to options not yet granted. Any adjustments in the options shall be carried out without changing the purchase amount applicable to the non-exercised portion of the option, including the adjustment corresponding to the price per each share or share unit covered by the option.

13.1. In the case of the Company's winding-up, transformation, takeover, merger, spin-off or reorganization, in which the Company is not the remaining company, or in the case of purchase or sale or transfer of ownership of more than eighty per cent (80%) of the Company's existing shares to any other company, the PLAN shall terminate and any option so far granted shall be extinguished, unless it is established, in writing, in connection with such operation (and when reasonable), the permanence of the PLAN and the options assumption so far granted with the replacement of the referred options by new options, and the successor Company or its affiliated or subsidiary shall take on the appropriate adjustments in the number, type and price of the shares, and in this case the PLAN shall continue the foreseen form.

13.2. The adjustments pursuant to item 13.1 above shall be carried out by the Committee, and such decision shall be final and binding. Any share fraction shall be sold or issued pursuant to the PLAN or any of these adjustments.

13.3. The price of option exercise not exercised shall be deduced from the dividends and interests on equity amounts paid by Company.

14. EFFECTIVE DATE AND MATURITY OF THE PLAN

14.1. The PLAN shall take effect upon its approval by the Company's General Meeting and it may be terminated, at any time, upon decision of the Company's Board of Directors, without adverse effect to the prevalence of the restrictions to share trading.

15. MANDATE

For the perfect execution of the provisions of the PLAN and the Option Agreement, the beneficiaries appoint the Company as their attorney-in-fact, on an irrevocable and irreversible basis, granting the Company the powers to execute all necessary acts, including to delegate.

16. SUPPLEMENTARY LIABILITIES

In addition to the liabilities agreed in the Option Agreement, the parties entirely and fully undertake to comply with the conditions of the PLAN and supplementary documents. The execution of the Option Agreement shall imply in the express acceptance of all terms of the PLAN and Option Agreement by the beneficiary.

17. PENALTY

The party that violates any of the liabilities set forth in the PLAN and/or in the Option Agreement, shall pay to the innocent party, in addition to the amount that said party has originally

agreed to pay, a injunctive penalty, non-compensatory and irresolvable in the total amount equivalent to ten per cent (10%) of the total amount of subscribed Shares, as well as all and any in-court and out-of-court expenses in which the innocent party may incur, including the lawyers' fees of twenty per cent (20%) over the amount demanded if and when there is filing of any lawsuit.

18. EXECUTION

The liabilities set forth in the PLAN and in the Option Agreement are accepted on an irrevocable basis, being considered as extrajudicial enforcement instrument pursuant to the terms of civil procedural law, enforcing the contractual parties and their successors to any title and all the time. The parties establish that such obligations have specific performance, in the form of the articles 639 and subsequent articles of the Code of Civil Procedure.

19. ASSIGNMENT

The rights and liabilities resulting from the PLAN and the Option Agreement shall not be assigned or transferred, in the whole or in part, by any beneficiary or by the Company, and nor they shall be given as liability guarantee, without the previous and expressed consent of the Company and/or the beneficiary, as the case may be.

20. RENEWAL

It is expressly agreed herein that it shall not be considered as a renewal the abstention of any party from the exercise of any right, power, resource or permission ensured by law, by the PLAN or by the Option Agreement, nor any tolerance of delay in the fulfillment of any liability by any party, which shall not prevent the other party, at its solely discretion, of exercising at any time these rights, powers, resources or permissions, which are cumulative and not exclusive in relation to the law.

21. ANNOTATION

The wording of the Option Agreement shall be annotated in the Company's corporate registry, for all the purposes of article 118 of Law 6.404/76.

22. JURISDICTION

The jurisdiction of the city of São Paulo, in the State of São Paulo, is elected, excluding any other, however privileged it may be, to settle the disputes that may arise in relation to the PLAN.