



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

MINUTES OF THE BOARD OF DIRECTORS' MEETING
HELD ON APRIL 11, 2008

1. DATE, PLACE AND TIME: On April 11, 2008, 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, at 10:00 A.M.

2. CALL AND QUORUM: The call was waived given the attendance of all members of the Company's Board of Directors.

3 PRESIDING BOARD: Chairman: Firmino Ferreira Sampaio Neto. Secretary: José Silva Sobral Neto.

4. RESOLUTUIONS: The meeting was started, and Mr. Firmino Ferreira Sampaio Neto took over the chair of the Presiding Board and invited Mr. Jose Silva Sobral Neto to be the secretary of the meeting, and the board members, by unanimous vote, approved the following resolutions:

4.1 After analyzing the documents made available by the Board of Executive Officers, related to the exercise of the Company's Second Stock Option Plan, approved by the Company's Extraordinary General Meeting held on April 5, 2007 ("Second Plan"), the Board members verified that from April 5, 2008 up to this date the beneficiaries of the Second Plan have exercised part of their stock options, corresponding to part of the first lot of options, resulting in the subscription of thirty-eight thousand, four hundred and eleven (38,411) common shares, for the price of R\$16.1409, per share. As a result of the exercise of said options, the Company's capital stock increases from nine hundred and eighty-seven million, twenty-eight thousand, eight hundred and fifty-five reais and eighty centavos (R\$987,028,855.80) to nine hundred and eighty-seven million, six hundred and forty-eight thousand, eight hundred and forty-three reais and eighty-nine centavos (R\$987,648,843.89), being represented by one hundred and five million, six hundred and eleven thousand, six hundred and forty-one (105,611,641) non-par registered book-entry common shares.

4.2 To document that the shares issued as a result of the exercise of the Second Plan shall be entitled to the same rights of the other outstanding shares issued by the Company, including but not limited to the dividends related to the fiscal year ended in 2007.



- 4.3 As a result of the capital increase this meeting refers to, the proposal of amendment to Article 5 of the Company's Bylaws was approved, to be submitted to the Extraordinary General Meeting, to encompass the capital stock increase, pursuant to item 4.1 above.
- 4.4 To approve the proposal, to be submitted to the General Meeting, of execution of an Addendum to the Company's First Stock Option Plan, approved at the extraordinary general meeting held on 02/02/06 and re-ratified on 02/13/06 ("First Plan"), with the wording in **Attachment I** to this date, in order to: (i) reflect the conversion of the preferred shares into common shares, approved at the Extraordinary General Meeting held on 02/12/08 and ratified at the Special Meeting of Preferred Shareholders held on 02/29/08, and (iii) reflect the reverse split of the Company's shares approved at the Extraordinary General Meeting held on 02/12/08.
- 4.5 To approve the proposal, to be submitted to the General Meeting, of execution of the Addendum to the Company's Second Stock Option Plan, approved at the extraordinary general meeting held on 04/05/07 ("Second Plan"), with the wording in **Attachment II** to this date, in order to: (i) change the provisions applicable to the utilization of the variable compensation received by the beneficiaries of the Company's Second Stock Option Plan in the exercise of the options purpose of said plan, (ii) reflect the conversion of preferred shares into common shares, approved at the Extraordinary General Meeting held on 02/12/08 and ratified at the Special Meeting of Preferred Shareholders held on 02/29/08, and (iii) reflect the reverse split of the Company's shares approved at the Extraordinary General Meeting held on 02/12/08.
- 4.6 To approve the change of the Company's headquarters address, which shall no longer be at Av. Colares Moreira, n.º 477, Renascença II, CEP 65.075-028, in the city of São Luís, state of Maranhão, and shall be in the following address: Loteamento Quitandinha, Alameda A, Quadra SQS, nº 0, Altos do Calhau, CEP 65.071-680, also in the city of São Luís, state of Maranhão.
- 4.7 To approve the call of the Company's Extraordinary Meeting to approve the matters purpose of this meeting.

6 CLOSURE: There being no further business to discuss, these minutes were drawn up, which, after read and approved, were signed by all attendees.

7 SIGNATURE OF THE ATTENDEES: **Chairman:** Firmino Ferreira Sampaio Neto, **Secretary:** Jose Silva Sobral Neto; **Board of Directors' Members:** The following members of this board attended the meeting: Firmino Ferreira Sampaio Neto; Gilberto Sayão da Silva;



Alessandro Monteiro Morgado Horta; Paulo Jerônimo Bandeira de Mello Pedrosa; Darlan Dórea Santos; and Ana Marta Horta Veloso.

CERTIFICATE

This is a free English translation of the original instrument drawn up in the company's records.

José Silva Sobral Neto
Secretary



Attachment I – Minutes of the Board of Directors’ Meeting (ARCA) held on 04.11.08

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

WHEREAS:

A. at the Extraordinary General Meeting held on February 2, 2006 the shareholders of Equatorial Energia S/A (“Equatorial”) approved the creation of the Company’s First Stock Option Plan, established pursuant to Article 168, paragraph 3, which was re-ratified at the extraordinary general meetings held on February 13, 2006 and on February 12, 2008 (“First Plan”);

B. at the meeting held on February 3, 2006 the First Plan management Committee created two (2) stock option programs, which are the FIRST STOCK OPTION PROGRAM and the SECOND STOCK OPTION PROGRAM, which were changed by the Committee at the meeting held on February 14, 2006;

C. on February 12, 2008 the Company’s shareholders, gathered at a general meeting, approved: (i) the conversion of all preferred shares issued by the Company into common shares, with the extinguishment of the preferred shares class, in the proportion of one (1) preferred share for each one (1) common share; and (ii) the reverse split of the common shares representing the Company’s capital stock, in the proportion of three (3) currently existing common shares for each one (1) common share after the reverse split, pursuant to Article 12 of Law 6,404/76;

D. The managers of Companhia Energética do Maranhão – Cemar approved the proposal, to be submitted to the shareholders of said company, of the reverse split of Cemar’s shares in the proportion of one hundred thousand (100,000) shares of each existing type and class to one (1) share;

E. the Company wishes to adjust (i) the price, the number and the type of shares to be subscribed as of this date by the beneficiaries of the First Plan, given the reverse split and the conversion of the Company’s shares mentioned above and (ii) the evaluation formula of Cemar’s shares, in the payment of the shares to be subscribed by the beneficiaries of the First Plan;

the members of the Company’s Board of Directors, at a meeting held on April 10, 2008, propose to the Company’s shareholders this PROPOSAL OF ADDENDUM TO THE FIRST STOCK OPTION PLAN OF EQUATORIAL ENERGIA S/A, to be submitted to the Extraordinary General Meeting to be held on April 17, 2008 (“Addendum to the First Plan”)



1. Options Purpose of this Addendum.

The adjustment of price, number and type of shares to be subscribed by the beneficiaries of the First Plan shall be made only in relation to the options exercised as of this date. Considering that on this date the options resulting from the FIRST STOCK OPTION PROGRAM have already been fully allocated and exercised, this Addendum to the First Plan aims to only adjust the exercise conditions of the options resulting from the SECOND STOCK OPTION PROGRAM.

2. Shares Included in the Plan.

Considering the conversion and the reverse split of the Company's shares, within the scope of the SECOND STOCK OPTION PROGRAM, two million, two hundred and seventy-one thousand, eight hundred and fifty-eight (2,271,858) common shares of the Company shall be offered. Thus Clause 4 of the First Plan shall be effective with the following wording:

"4. SHARES INCLUDED IN THE PLAN

The share 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 of 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, the referred shares shall be subject to issue through the Company's capital increase. Call options of existing treasury shares may also be offered, in compliance with legal and regulatory rules, upon previous approval of CVM.

4.2. The shareholders, pursuant to the provisions in Article 171, paragraph 3 of Law 6,404/76, shall have no preference on the occasion of the establishment of the PLAN or of the exercise of the call option of shares resulting from the PLAN."



3. Acquisition Price.

Clause 5.A is included to the First Plan with the wording below, with the price of the shares to be subscribed based on the Second Plan after the conversion of the company's shares and the aforementioned reverse split:

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

5A.1 *The original subscription price of the shares that are the object 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 (“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:*

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

Where:

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

PC_{Cemar} = Price per common shares 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 shares to be subscribed as a result of the exercise of the SECOND STOCK PROGRAM;

PE_{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}”):*

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

Where:

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



*EV = Cemar's market value (calculated according to the formula below);
NAECemar = 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_{Equatorial} = multiple FV/EBITDA of Equatorial calculated according to the formula below;

EBITDA_{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_{Equatorial} must be calculated by the following formula:

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

Where,

PE_{Equatorial} = average price of Equatorial's common share on Bovespa in the 30 days prior to the date of the General Meeting resolving on the subscription of shares related to the SECOND STOCK OPTION PROGRAM;

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

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

EBITDA_{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."

4. Plan Consolidation.

Given the provisions in Clauses 2 and 3 of the Addendum to the First Plan, the First Plan shall be effective according to the following wording:



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_{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_{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 (“PC_{Cemar}”):

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

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:

$$EV = ME_{\text{Equatorial}} \times EBITD_{\text{Cemar}} - DL_{\text{Cemar}},$$



Where:

MEquatorial = multiple FV/EBITDA of Equatorial calculated according to the formula below;
EBITDACemar = Cemar's EBITDA accumulated in the last four quarters; and
DLCemar = Cemar's net debt (total debt less cash and cash equivalents) at the end of the last quarter.

MEquatorial must be calculated by the following formula:

$$MEquatorial = (PEquatorial \times NAEquatorial + DLEquatorial) / EBITDAEquatorial$$

Where,

PEquatorial = 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;

NAEquatorial = 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;

DLEquatorial = Equatorial's net debt (total debt less cash and cash equivalents) at the end of the last quarter;

EBITDA 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:

$$NAEquatorial = (PCemar \times NACemar) / PEquatorial$$

Where:

NAEquatorial = Number of the Company's shares to be subscribed within the scope of the SECOND STOCK OPTION PROGRAM;

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



NACemar = 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;

PEquatorial = 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 ("PCemar"):

$$PCemar = EV / NAECemar;$$

Where:

PCemar = Price per 1 unit of CEMAR SHARES;

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

NAECemar = 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:

$$EV = MEquatorial \times EBITDACemar - DLCemar,$$

Where:

MEquatorial = multiple FV/EBITDA of Equatorial calculated according to the formula below;

EBITDACemar = Cemar's EBITDA accumulated in the last four quarters; and

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

MEquatorial must be calculated by the following formula:

$$MEquatorial = (PEquatorial \times NAEquatorial + DLEquatorial) / EBITDAEquatorial$$

Where,

PEquatorial = 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;

NAEquatorial = 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;



DLEquatorial = Equatorial's net debt (total debt less cash and cash equivalents) at the end of the last quarter;

EBITDA 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. 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.

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 irrevocable 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 sole 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.



Attachment II – Minutes of the Board of Directors Meeting (ARCA) held on 04.11.08

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

WHEREAS:

F. at the Extraordinary General Meeting held on 04/05/07 the shareholders of Equatorial Energia S/A (“Equatorial”) approved the creation of the Company’s Second Stock Option Plan, established pursuant to Article 168, paragraph 3 (“Second Plan”);

G. at a meeting held on 04/05/07 the Second Plan management Committee created the FIRST STOCK OPTION PROGRAM;

H. on February 12, 2008 the Company’s shareholders, gathered at a general meeting, approved: (i) the conversion of all preferred shares issued by the Company into common shares, with the extinguishment of the preferred shares class, in the proportion of one (1) preferred share for each one (1) common share; and (ii) the reverse split of the common shares representing the Company’s capital stock, in the proportion of three (3) currently existing common shares for each one (1) common share after the reverse split, pursuant to Article 12 of Law 6,404/76;

I. the Company wishes (i) to adjust the price, the number and the type of shares to be subscribed by the beneficiaries of the Second Plan to be exercised as of this date by the beneficiaries of the Second Plan, given the reverse split and the conversion of the Company’s shares mentioned above; and (ii) to adjust the provisions applicable to the utilization of the variable remuneration received by the beneficiaries of the Second Plan in the exercise of the options subject to said plan;

the members of the Company’s Board of Directors, at a meeting held on April 11, 2008, propose to the Company’s shareholders this PROPOSAL OF ADDENDUM TO THE SECOND STOCK OPTION PLAN OF EQUATORIAL ENERGIA S/A, to be submitted to the Extraordinary General Meeting to be held on April 17, 2008 (“Addendum to the Second Plan”)

1. Shares Included in the Plan.

Considering the conversion and the reverse split of the Company’s shares, the shares subscription options to be offered, pursuant to the PLAN, shall represent at most 1,111,111 common shares of the Company. Thus, Clause 4 of the First Plan shall be effective with the following wording:

“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 common 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”.

2. Price and Form of Payment:

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 the respective option is granted, and the such amount may be added, at the Committee's discretion, of monetary restatement based on the variation of the General Market Price Index disclosed by Fundação Getúlio Vargas (“IGP-M/FGV”), or other equivalent index of determination basis which is chosen by the Committee, if said index is no longer available or applicable, in the smallest periodicity admitted in law, between the execution date and the effective exercise date of the options.

Except for a contrary decision of the Committee, the beneficiaries shall use at least fifty percent (50%) of the amount of the Profit Sharing, Performance Bonus or any other modality of annual variable compensation (“PL”) they are entitled to, net of income tax and other charges, in the subscription of the shares contained in the lots whose option has already been granted and which has not been exercised. The beneficiary of the option who does not use his PL as provided for in this item shall lose the right to exercise the option on all shares of the lot whose exercise period encompasses the year (or part of the year) in which the PL is paid to the beneficiaries, except if such beneficiary has already subscribed, upon the payment of the PL, at least the number of shares purpose of their respective option which could have subscribed with an amount corresponding to the percentage of the aforementioned PL with own funds (excluding those shares computed for this same purpose in previous years), always making an exception to the free availability of the PL by the beneficiary of the option.

In addition to the aforementioned PL, the beneficiaries shall use all the dividends and interest on own capital received related to the shares of their ownership acquired within the scope of the PLAN in the subscription of shares contained in the lots whose option has already been granted.

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 may 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.

Considering the provisions above, Clause 5 of the plan shall have the following wording:

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 per cent (90%) of the weighted average of 1 Unit (1 common shares 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 5.2, 5.3 and 5.4 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 may 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.

3. Plan Consolidation.

Given the provisions in Clauses 1 and 2 of the Addendum to the Second Plan, the Second Plan shall be effective according to the following wording:

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 bellow.



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 t 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. 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.

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.