



## **PROPOSAL AND JUSTIFICATION OF THE PARTIAL SPIN-OFF OF EQUATORIAL ENERGIA S.A.**

The Executive Board of Equatorial Energia S.A. ("Equatorial" or "Company") submits, pursuant to Articles 223, 225 and 229 of Law 6,404 of December 15, 1976, to the Board of Directors and, if approved, to the Extraordinary General Meeting of the Company, this proposal and justification of the Company's partial spin-off ("Proposal and Justification of Partial Spin-Off"), with the transfer of the portion of its net equity corresponding to its interest in RME – Rio Minas Energia Participações S.A., a closed corporation headquartered at Avenida Marechal Floriano, 168, Centro, CEP 20080-002, in the city and state of Rio de Janeiro, inscribed in the corporate taxpayers register (CNPJ/MF) under no. 07.925.628/0001-47, with its articles of incorporation duly registered at the Board of Trade of the State of Rio de Janeiro under company registry (NIRE) no. 33.3.0027826-5, by order dated March 28, 2006 ("RME"), to a new corporation, which shall be registered as a publicly-held company and have its shares traded on the Novo Mercado listing segment of the São Paulo Stock Exchange ("Novo Mercado"), as follows:

### **CHAPTER I**

#### **CONSIDERATIONS AND REASONS FOR THE OPERATION**

1. Equatorial is a publicly-held company, whose capital stock on this date is R\$925,996,228.89 (nine hundred twenty-five million, nine hundred ninety-six thousand, two hundred twenty-eight reais and eighty-nine centavos) divided into 108,480,828 (one hundred eight million, four hundred eighty thousand, eight hundred and twenty-eight) registered, common shares with no par value.
2. Equatorial's corporate purpose is to hold interest in other companies, consortia and projects in the electricity sector or related activities. It currently holds, among other shareholdings, 177,327,393 (one hundred seventy-seven million, three hundred twenty-seven thousand, three hundred ninety-three) registered, common shares with no par value, issued by RME, representing 100% (one hundred percent) of its voting and total capital ("RME Shares").
3. RME's corporate purpose is to hold direct or indirect interest, in any manner, in companies operating in the electricity sector and, for this purpose, it may render sureties or guarantees to loans contracted by its subsidiary. Its main investment is the interest in the capital of Light S.A., a publicly-held company with shares traded on Novo Mercado, headquartered at Avenida Marechal Floriano, 168, 2.º andar, corredor A, parte, in the

city and state of Rio de Janeiro, with corporate taxpayer's (CNPJ/MF) Id. 03.378521/0001-75 ("Light").

4. As described in the material fact notice of December 30, 2009, a Share Purchase Agreement and Other Covenants ("Agreement") was signed on that date between Equatorial's indirect controlling shareholder, Fundo de Investimento em Participações PCP, an equity fund headquartered at Praia de Botafogo, 501, 5.º andar, parte, in the city and state of Rio de Janeiro, with corporate taxpayer's Id. (CNPJ/MF) 08.621.544/0001-82 ("FIP PCP") and Companhia Energética de Minas Gerais – CEMIG, a publicly-held company headquartered at Avenida Barbacena, 1200, Belo Horizonte, MG, with corporate taxpayer's Id. (CNPJ/MF) 17.155.730/0001-64 ("CEMIG"), in which the Company is the intervening consenting party, through which the terms and conditions for the sale of the indirect interest held by FIP PCP in Light were set forth.

5. The Agreement took into consideration that, pursuant to the material fact published by Light on November 16, 2009, the shareholders of RME intended to carry out a disproportional spin-off of RME by which a portion of Light's shares held by RME would be transferred to CEMIG, Andrade Gutierrez Concessões S.A. and Luce Empreendimentos e Participações S.A. (a subsidiary of Luce Brasil Fundo de Investimento em Participações), all of them directly or indirectly holding interest in RME. As a result of said spin-off, CEMIG, Andrade Gutierrez Concessões S.A. and Luce Empreendimentos e Participações S.A. would directly hold interest in Light, each one with thirteen point three percent (13.03%) of Light's voting and total capital, while Equatorial would hold 100% of the shares issued by RME and, consequently, of Light. Said spin-off was approved on December 31, 2009, when Equatorial became the holder of RME Shares representing 100% (one hundred percent) of RME's voting and total capital, and RME's interest in Light is now 13.03% (thirteen point three percent) of the latter's voting and total capital, which consists of 26,576,149 (twenty six million, five hundred seventy-six thousand, one hundred forty-nine) registered, common shares with no par value, issued by Light.

6. Pursuant to the Agreement, after RME's spin-off, FIP PCP would approve the partial spin-off of Equatorial ("Partial Spin-Off"), segregating RME Shares from other assets of the Company, namely its interest in Companhia Energética do Maranhão - Cemar, Equatorial Soluções S.A. and Geradora de Energia do Norte S.A. As a result of the Partial Spin-Off, the Company's interest in RME would be transferred to a new publicly-held corporation constituted specifically for this purpose at the time of the Partial Spin-Off and listing on the Novo Mercado, called Redentor Energia S.A. ("Newco"). After the Partial Spin-Off and the listing of Newco shares on the Novo Mercado, FIP PCP will sell its entire direct and/or indirect interest in Newco to a

company in which CEMIG holds an interest of not less than 20% (twenty percent). The price to be paid for Newco shares would be equivalent to the price of the corresponding Light shares. For the purposes of the Agreement, each Light share was valued at R\$29.53776, resulting in the amount of R\$785,000,000.00 (seven hundred eighty-five million reais) for the total indirect interest that Newco will hold in Light. FIP PCP will receive an amount proportional to the interest in Newco transferred pursuant to the Agreement. The price will be restated according to the Interbank Deposit Rate (CDI) disclosed by the Clearing House for the Custody and Financial Settlement of Securities (CETIP), from December 1, 2009 till the conclusion date of the acquisition, and will also be adjusted, as applicable, to proportionally reflect any dividends paid or declared by Light during the period. After the operation and the transfer of Newco's control are completed, the acquiring party or Newco will arrange for registration with the CVM a public offering for acquisition of shares by transfer of Newco's control, subject to the Brazilian Law of Corporations, CVM Instruction 361/02 and other applicable laws.

7. The spin-off proposed herein is the Partial Spin-Off mentioned above, whose purpose is to fulfill the covenants established in the Agreement executed between FIP PCP and CEMIG, with the intervention of the Company, in order to segregate in Newco the assets of Equatorial corresponding to RME Shares and, consequently, the interest held by RME in Light. Thus, the Partial Spin-Off and the resulting segregation of assets are justified as they are part of the strategic corporate and equity restructuring operation necessary so that the segregated assets are sold efficiently under the terms of the Agreement, and favorably to the minority stakeholders of the Company.

8. More specifically, the Partial Spin-Off represents, to the minority shareholders of the Company, the most favorable way to sale the indirect stake held by FIP PCP in Light, as the referred procedure will allow that said shareholders choose either to sell or keep their indirect stake in Light, receiving, should they choose for the sale, the same price to be paid for FIP PCP. Equatorial's Executive Board understands that the operation will not result in any type of damage or loss to its shareholders since their shareholdings will be maintained in identical proportions at Equatorial and Newco. In addition, pursuant to Chapter II below, the common shares of Newco allotted to the shareholders of Equatorial as a result of the Partial Spin-Off will be entitled to the same rights and advantages granted to the shares issued by Equatorial.

9. The information to shareholders required by Article 8 of CVM Instruction 481/2009 is attached hereto as Exhibit I.

## **CHAPTER II**

### **REFERENCE DATE OF THE OPERATION,**

## **CRITERIA FOR VALUATION OF THE SPUN-OFF PORTION OF NET EQUITY AND REDUCTION IN THE CAPITAL STOCK OF EQUATORIAL**

10. As mentioned in Chapter I above, the Partial Spin-Off will be carried out through the transfer of a portion of the Company's net equity, corresponding to RME Shares belonging to the Company, to Newco.

11. The Company's balance sheet as of December 31, 2009, the reference date for the operation ("Reference Date"), which will be the reference balance sheet for the Partial Spin-Off ("Reference Balance Sheet"), was prepared in compliance with the accounting practices in Brazil and duly audited by KPMG Auditores Independentes, headquartered at Rua Renato Paes de Barros, 33, CEP 04530-904, in the city and state of São Paulo, SP, pursuant to Article 12 of CVM Instruction 319/1999, which is attached hereto as Exhibit II.

12. To value the portion of Equatorial's net equity to be transferred to Newco under the Partial Spin-Off, the Company's Executive Board hired, *ad referendum* the general meeting, the specialized company Apsis Consultoria Empresarial Ltda., a limited-liability company headquartered at Rua São José, 90, sala 1802, Corporate Taxpayer's Id. (CNPJ/MF) 27.281.922/0001-70 ("Specialized Company"). The hiring of the Specialized Company *ad referendum* the general meeting will be submitted to the Company's Board of Directors and, if approved by it, the proposal will be submitted for final ratification to the general meeting that will resolve on the Partial Spin-Off. In case the hiring of the Specialized Company is not approved, the amounts included in this Proposal and Justification of Partial Spin-Off will be considered estimates, pursuant to the sole paragraph of Article 224 of the Brazilian Law of Corporations. In compliance with Article 21 of CVM Instruction 481/2009, the information related to the choice of the valuation company is attached hereto as Exhibit III.

13. The Specialized Company prepared the said report, dated March 31, 2010, ("Valuation Report"), according to the accounting criterion for valuing the net book value based on the items in the Reference Balance Sheet. The Valuation Report is attached hereto as Exhibit IV. The Valuation Report will be submitted to the Board of Directors and, if approved by it, will be submitted to the general meeting that will resolve on the Partial Spin-Off.

14. According to the Valuation Report, the value of the portion of Equatorial's net equity to be transferred to Newco is R\$359,165,652.17 (three hundred fifty-nine million, one hundred sixty-five thousand, six hundred fifty-two reais and seventeen centavos), representing 30.40% of the Company's total net equity.

15. In view of the Partial Spin-Off, Equatorial's capital stock will be reduced by the same amount, from R\$925,996,228.90 (nine hundred twenty-five million, nine hundred ninety-six thousand, two hundred twenty-eight reais and ninety centavos to R\$566,830,576.72 (five hundred sixty-six million, eight hundred thirty thousand, five hundred seventy-six reais and seventy-two centavos. The Partial Spin-Off and the consequent reduction in Equatorial's capital stock will be carried out without reducing the number of shares issued by Equatorial. In compliance with Article 16 of CVM Instruction 481/2009, information related to the reduction in the Company's capital stock is attached hereto as Exhibit V.

16. The Company's Bylaws will be amended to reflect the reduction in its capital stock, pursuant to the draft attached hereto as Exhibit VI, which will be submitted for approval by the Company's Board of Directors and, if approved, for discussion at the Extraordinary General Meeting that will resolve on the Partial Spin-Off. In compliance with Article 11 of CVM Instruction 481/2009, the information related to the amendment of the Company's Bylaws is attached hereto as Exhibit VI.

17. The spun-off portion of the Company's assets will consist of RME Shares, which will be transferred to Newco's capital stock, with the consequent issue of Newco's shares to the shareholders of Equatorial, who will also become shareholders of Newco, pursuant to Chapter III below. Newco will assume the liabilities and possible contingencies not booked relating to the transferred assets and will be responsible only for the obligations related to the transferred assets and rights, with no joint liability with Equatorial, pursuant to Article 233, sole paragraph, of the Brazilian Law of Corporations. The Company's creditors may oppose the absence of joint liability between the Company and Newco with regard to their loans, provided they notify the Company within ninety (90) days from the date of publication of the acts relating to the Partial Spin-Off.

18. The equity variations between the Reference Date and the effective approval of the Partial Spin-Off will be appropriated by Equatorial or by Newco, depending on whether they concern the assets, rights and obligations maintained by Equatorial or those related to the portion of Equatorial's net equity spun-off and transferred to Newco, respectively.

**CHAPTER III**  
**CONSTITUTION OF NEWCO, NUMBER AND TYPE OF SHARES TO BE**  
**ALLOTTED TO EQUATORIAL'S SHAREHOLDERS DUE TO THE PARTIAL**  
**SPIN-OFF AND RIGHTS OF SHARES**

19. Newco will be constituted at the time of approval of the Spin-Off, to be resolved at the Extraordinary General Meeting of Equatorial called for such purpose. Similar to Equatorial, Newco's corporate purpose will be to hold interest in companies, consortia and businesses that operate in the electricity sector or related activities.

20. Newco's capital stock will consist solely of common shares. After the Spin-Off is approved and Newco is constituted, each shareholder of Equatorial will receive one share of Newco for each share held in Equatorial, pursuant to paragraph 5 of Article 229 of the Brazilian Law of Corporations.

21. Newco's common shares, allotted to the shareholders of Equatorial as a result of the Partial Spin-Off, will be entitled to the same rights and advantages granted to the shares issued by Equatorial and envisaged in the draft Bylaws of Newco attached hereto as Exhibit VII.

22. Since Equatorial is a publicly-held company listed on the Novo Mercado, Newco should arrange for registration as a publicly-held company and admission of its shares for trading on the Novo Mercado within one hundred twenty (120) days from the Extraordinary General Meeting of the Company that will resolve on and approve this Proposal and Justification of Partial Spin-Off, pursuant to paragraph 3 of Article 223 of the Brazilian Law of Corporations. The common shares issued by the Company trading in the market will be traded "*cum rights*" to the said Partial Spin-Off, until the conclusion of the process of listing and admission of trading of Newco's shares at the *Novo Mercado* segment.

23. The draft Bylaws of Newco, pursuant to the Exhibit VII attached hereto, as well as Newco's registration as publicly-held company and the adhesion to Novo Mercado, will be submitted to the appreciation of the Extraordinary General Meeting of Equatorial that shall approve the Partial Spin-Off and which shall, in the case of Newco, also elect the members of the Board of Directors, approve the installation of the Fiscal Council for 2010, the consequent election of its members, and fix the management compensation.

24. In compliance with Articles 10 and 12 of CVM Instruction 481/2009, the Company should provide all information about the candidates for the Board of Directors and the Fiscal Council of Newco, as well as information related to the fixing of Newco's management compensation.

#### **CHAPTER IV**

#### **ASSETS AND LIABILITIES TO BE TRANSFERRED TO NEWCO**

25. Equatorial's Partial Spin-Off will result in the transfer to Newco of the assets and liabilities described in Exhibit VIII attached hereto, which will form the portion of the net equity transferred to Newco.

26. The adjustments and transfer of assets, rights and obligations resulting from the Partial Spin-Off, as applicable, will be set forth in appropriate instruments to be formalized opportune between the Company and Newco.

**CHAPTER V**  
**BREAKDOWN OF EQUATORIAL'S CAPITAL STOCK**  
**AFTER THE PARTIAL SPIN-OFF**

27. As mentioned above, consequent to the Partial Spin-Off, Equatorial's capital stock will be reduced by R\$359,165,652.17 (three hundred fifty-nine million, one hundred sixty-five thousand, six hundred fifty-two reais and seventeen centavos), without the cancellation of shares, to R\$566,830,576.72 (five hundred sixty-six million, eight hundred thirty thousand, five hundred seventy-six reais and seventy-two centavos), fully subscribed and paid-up, divided into 108,480,828 (one hundred eight million, four hundred eighty thousand, eight hundred twenty-eight) registered, common shares with no par value. Thus, the breakdown of Equatorial's capital stock after the Partial Spin-Off will remain unchanged.

**CHAPTER VI**  
**BREAKDOWN OF NEWCO'S CAPITAL STOCK**  
**AFTER THE PARTIAL SPIN-OFF**

28. Newco's capital stock, to be subscribed and paid-up with the spun-off net assets of Equatorial, will be R\$359,165,652.17 (three hundred fifty-nine million, one hundred sixty-five thousand, six hundred fifty-two reais and seventeen centavos), divided into one hundred and eight million, four hundred eighty thousand, eight hundred twenty-eight (108,480,828) registered, common shares with no par value, and Company's shareholder will receive one share of Newco for each share of the Company retained.

**CHAPTER VII**  
**WITHDRAWAL RIGHTS**

29. The approval of the Partial Spin-Off by the Company's Extraordinary General Meeting will not entitle its shareholders to withdrawal rights since the Partial Spin-Off

will not trigger any of the hypotheses envisaged in item III of Article 137 of the Brazilian Law of Corporations.

## **CHAPTER VIII GENERAL PROVISIONS**

30. Pursuant to applicable legislation, all approvals necessary for the completion of the Partial Spin-Off should be obtained from the competent bodies.

31. Once Equatorial's Partial Spin-Off and the spun-off portion is transferred to Newco's capital stock and the consequent constitution of Newco, it will be incumbent upon Newco's and Equatorial's management to practice all the acts deemed necessary for its implementation, as well as to file all the acts regarding the Partial Spin-Off.

32. The cost to be incurred with the Partial Spin-Off is estimated at not more than five hundred thousand reais (R\$500,000.00), including expenses related to the fees of auditors, valuation company, lawyers and publications.

Rio de Janeiro, April 9, 2010.

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Firmino Ferreira Sampaio Neto  
Chief Executive Officer

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Eduardo Haiama  
Chief Financial and Investor Relations  
Officer

## EXHIBIT I

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

### INFORMATION ON SPECIAL INTEREST OF RELATED PARTY

Dear Shareholders,

In view of the Annual and Extraordinary General Meetings of the Company, to be held at first call on April 29, 2010, subject to the approval by the Company's Board of Directors, in order to resolve on the proposal and justification of the Company's partial spin-off and related matters, we hereby provide the information required by article 8 of CVM Rule 481/2009, as follows:

#### **I. Name and qualification of the interested related party.**

Pursuant to article 8, caput, of CVM Rule 481/2009, Fundo de Investimento em Participações PCP, a private equity investment fund, with headquarters at Praia de Botafogo, 501, 5<sup>th</sup> floor, part, Rio de Janeiro, RJ, Corporate Taxpayer's ID (CNPJ/MF) 08.621.544/0001-82 ("FIP PCP"), has special interest in the approval of the proposal and justification of the Company's partial spin-off and related matters, as detailed in item V below.

#### **II. Nature of the relationship between the interested related party and the Company.**

FIP PCP is a party related to the Company, since it holds an indirect interest in the Company's controlling stock, as detailed in item III below.

#### **III. Number of shares and other securities issued by the Company that are directly or indirectly held by the interested related party.**

FIP PCP holds four hundred twenty-five million, five hundred nineteen thousand, seven hundred and seventeen (425,519,717) non-par registered common shares issued by PCP Latin America Power S.A., a privately-held joint-stock company with headquarters at Praia de Botafogo, 300, 10<sup>th</sup> floor, part, Rio de Janeiro, RJ, Corporate Taxpayer's ID (CNPJ/MF) 08.435.576/0001-93 ("PCP"), representing one hundred percent (100%) of the total and voting capital stock of PCP. PCP, on its turn, holds fifty-eight million, six hundred seventy-one thousand, five hundred and fifty-nine (58,671,559) non-par registered common shares issued by the Company, representing fifty-four point one percent (54.1%) of the Company's total and voting capital stock.

In addition to the common shares issued by the Company and indirectly held by FIP PCP, there are no other shares and/or securities issued by the Company that are held directly or indirectly by FIP PCP.

#### **IV. Payable and receivable outstanding balances between the involved parties.**

There are no payable and receivable outstanding balances between the Company and FIP PCP.

#### **V. Detailed description of the nature and extension of the interest in question.**

First of all, it is important to clarify that the Company currently holds, among other equity interests, one hundred seventy-seven million, three hundred twenty-seven thousand, three hundred and ninety-three (177,327,393) non-par registered common shares issued by RME - Rio Minas Energia Participações S.A., a privately-held joint-stock company with headquarters at Avenida Marechal Floriano, 168, Rio de Janeiro, RJ, Corporate Taxpayer's ID (CNPJ/MF) 07.925.628/0001-47, Corporate Registry ID (NIRE) 33.3.0027826-5 ("RME"), which represent one hundred percent (100%) of the total and voting capital stock of RME.

RME, on its turn, has as its main investment a corporate interest in Light S.A.'s stock, a publicly held joint-stock company listed on the Novo Mercado, with headquarters at Avenida Marechal Floriano, 168, 2<sup>nd</sup> floor, access A, part, Rio de Janeiro, RJ, Corporate Taxpayer's ID (CNPJ/MF) 03.378521/0001-75 ("Light"). On this date, said investment is represented by thirteen point zero three percent (13.03%) of the total and voting capital stock of Light, consisting of twenty-six million, five hundred seventy-six thousand, one hundred and forty-nine (26,576,149) non-par registered common shares issued by Light.

Pursuant to material fact dated December 30, 2009, on the same date a Stock Purchase and Sale Agreement and Other Covenants ("Agreement") was executed by and between FIP PCP and Companhia Energética de Minas Gerais CEMIG, a publicly held joint-stock company, with headquarters at Avenida Barbacena, 1200, Belo Horizonte, Minas Gerais, Corporate Taxpayer's ID (CNPJ/MF) 17.155.730/0001-64 ("CEMIG"), having the Company as the intervening and consenting party, according to which the parties determined the provisions and conditions for the sale of the indirect interest held at Light by FIP PCP to the company at which CEMIG holds at least a 20% interest.

In order to carry out this sale, the Agreement says that after the shareholding restructuring at RME, FIP PCP will see to the approval of the partial spin-off of the Company, in order to segregate the interest held by the Company at RME and, consequently, the investment held by RME at Light, of the other assets of the Company, that is, its equity interest at Companhia Energética do Maranhão - Cemar, at Equatorial Soluções S.A., and at Geradora de Energia do Norte S.A. As a result of the partial spin-off, the corporate interest held by the Company at RME will be transferred to a new joint-stock company incorporated specifically for this purpose upon the partial spin-off.

Once the Company's partial spin-off is approved, FIP PCP will sell its entire direct and/or indirect interest at the new company to a company at which CEMIG holds at least a 20% interest. The price to be paid by the shares of the new company will be equivalent to the price of the shares in Light's capital stock corresponding to them. For purposes of the Agreement, a price of R\$29.53776 has been attributed to each Light share, resulting in a value of seven hundred and eighty-five million reais (R\$785,000,000.00) for the total corporate interest the new company will indirectly

hold at Light. FIP PCP will receive an amount that is proportional to the corporate interest at the new company that transfers pursuant to the Agreement. The price will be restated at the CDI Rate – Interbank Deposit Certificate, disclosed by the CETIP – Clearing House for the Custody and Financial Settlement of Securities, from December 1, 2009 to the date the purchase and sale is completed, and will also be adjusted to proportionally reflect any dividends paid or declared by Light during the same period.

The sale of the shares is subject to certain conditions provided for in the Agreement. Once completed, with the effective transfer of the control of the new company, the acquirer or the new company itself, observing the deadlines provided for by the law, will proceed to register a takeover bid with the Brazilian Securities and Exchange Commission (CVM), observing the provisions in the applicable law.

In order to comply with the covenants of the Agreement and those described above, the Company's Board of Executive Officers prepared, on April 9, 2010, a proposal and justification for the Company's partial spin-off ("Proposal and Justification for Partial Spin-Off"), which proposes the partial spin-off of the company through the transfer of part of its shareholders' equity corresponding to the Company's interest in RME's capital stock to a new joint-stock company to be incorporated specifically for this purpose upon the partial spin-off, with the later registration of the company as a publicly-held company with the Brazilian Securities and Exchange Commission and listing of its stock in the São Paulo Stock Exchange's Novo Mercado.

The approval of the Proposal and Justification of Partial Spin-Off by the Company's extraordinary general meeting is of FIP PCP's interest because it aims at the compliance with the covenants in the Agreement and, consequently, the completion of the sale of the indirect interest held by FIP PCP at Light. Notwithstanding, said approval will not result in any advantage or special benefit to FIP PCP, since the other shareholders of the Company will also have the chance to sell the indirect interest held by them at Light for the same price to be paid for the indirect interest held by FIP PCP.

In fact, the partial spin-off will allow for the other shareholders of the Company to have the option of keeping their indirect interests in Light or selling them by subscribing to the public offer of shares mentioned above.

## **VI. Management recommendation about the proposal, highlighting the operation's advantages and disadvantages for the Company.**

The Company's management understands the partial spin-off of the Company, and the consequent segregation of the assets resulting from it, are justified because they are part of the shareholding and equity restructuring process, which is strategic and necessary for the segregated assets to be sold in an efficient manner that is favorable for the Company's minority shareholders.

More specifically, the Company's partial spin-off represents, for the Company's minority shareholders, the most favorable means to sell the indirect interest held by FIP PCP at Light, since, as mentioned above, such procedure will allow for said shareholders to choose to keep or sell their respective interests at Light, receiving, if they choose to sell, the same price to be paid to FIP PCP.

Moreover, considering that (i) the new company will have its capital stock represented solely by common shares, and each shareholder of the Company will receive one share of the new company for each share held at the Company, pursuant to article 229, paragraph 5 of the Brazilian Corporate Law, and (ii) the common shares of the new company will be entitled the same rights and advantages currently attributed to the shares issued by the Company, the Company's management understands the partial spin-off will not result in any damage or loss of any nature to the Company and/or its shareholders.

**VII. Required information should the matter submitted to approval by the meeting be an agreement subject to the rules of article 245 of the Brazilian Corporate Law: (a) detailed demonstration, prepared by the management, that the agreement observes commutative conditions, or provides for the proper compensatory payment; and (b) analysis of the terms and conditions of the agreement versus the terms and conditions that prevail in the market.**

The information required pursuant to item VII above does not apply in this case, since the matter submitted to approval by the extraordinary general meeting to be held at first call on April 29, 2010, subject to the approval by the Company's Board of Directors, is not an agreement subject to the rules of article 245 of the Brazilian Corporate Law.

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Eduardo Haiama  
Chief Financial and Investor Relations Officer

## **EXHIBIT II**

### **BALANCE SHEET OF EQUATORIAL ENERGIA S.A. AS OF DECEMBER 31, 2009**

The financial statements of Equatorial Energia S.A. of the fiscal year ended in December 31, 2009, which were used as reference to the Appraisal Report, are already available to the shareholders at CVM's website ([www.cvm.gov.br](http://www.cvm.gov.br)), in the category "Financial Statements", since March 26, 2010.

## EXHIBIT III

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

### INFORMATION ON THE CHOICE OF THE VALUATION COMPANY

Dear Shareholders,

In view of the Annual and Extraordinary General Meetings of the Company, to be held at first call on April 29, 2010, subject to the approval by the Company's Board of Directors, in order to resolve on the proposal and justification of the Company's partial spin-off and related matters, among them the approval of the choice of Apsis Consultoria Empresarial Ltda. to appraise part of the Company's Shareholders' Equity to be spun-off, we hereby provide the information required by article 21 of CVM Rule 481/2009, as follows:

#### **1. Enroll the specialized companies appointed by the management.**

The Company's management hired, as referendum of the General Meeting, the specialized company Apsis Consultoria Empresarial Ltda., a limited liability company headquartered at Rua São José, 90, office 1,802, inscribed under corporate taxpayer's id (CNPJ/MF) under number 27.281.922/0001-70, to the accounting appraisal of part of the company's shareholders' equity to be transferred to the new corporation to be created due to the Company's Spin-Off, and construction of the appraisal report that will subsidize the Company's capital stock reduction and further subscription and integralization of the above mentioned new corporation's capital stock.

Should the Company's General Meeting not approve the hiring of Apsis Consultoria Empresarial Ltda., the values outstanding in the proposal and justification of the partial spin-off of the Company as estimates, according to the only paragraph of article 224 of the LSA.

#### **2. Describe the capacity of the appointed specialized companies.**

Founded more than 30 years ago, Apsis Consultoria Empresarial Ltda. is a reference company in the corporation's or trademark's appraisal and other intangible assets, asset appraisal, real state consultancy, fixed asset management and environmental management, on a national and international basis.

Recently, Apsis Consultoria Empresarial Ltda. appraised publicly-held companies, for different purposes, as follows: América Latina Logística S.A., Gerdaul S.A., Light Serviços de Eletricidade S.A., Lojas Americanas S.A. e TAM Transportes Aéreos Meridional S.A.

**3. Provide copy of the work proposals and contribution to the appointed specialized companies.**

Attached to this report is a copy of the Commercial Proposal RJ-0132/10

**4. Describe any material relation in the last 3 years between the appointed specialized companies and related parties do the Company, as defined by the accounting standards relating to this matter.**

There was no relevant relation in the last 3 years between the appointed specialized companies and related parties to the Company, exception be made to the making of the financial appraisal report in order to determine the market value of the investment done by the Company in the Geradora de Energia do Norte S.A. – Geranorte. Said appraisal was held in January, 2009.

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Eduardo Haiama  
Chief Financial and Investor Relations Officer

## **EXHIBIT IV**

### **VALUATION REPORT OF EQUATORIAL ENERGIA S.A.**

The Valuation Report of Equatorial Energia S.A., as made by Apsis Consultoria Empresarial Ltda., is already available for the shareholders at the Company's website, in the section "Download Center".

## EXHIBIT V

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

### INFORMATION ON THE REDUCTION OF THE COMPANY'S CAPITAL STOCK

Dear Shareholders,

In view of the Annual and Extraordinary General Meetings of the Company, to be held at first call on April 29, 2010, subject to the approval of the Board of Directors, in order to resolve on the proposal and justification for the Company's partial spin-off and related matters, including the proposal for the reduction of the Company's capital stock, we hereby provide the information required by article 16 of CVM Rule 481/2009, as follows:

#### **I. Amount of the capital reduction and the new, subsequent capital stock of the Company.**

The reduction in the Company's capital stock to be resolved on pursuant to the terms of the Call Notice refers to the proposal and justification for partial spin-off of the Company ("Proposal and Justification for Partial Spin-Off"), prepared by the Company's Board of Executive Officers on April 9, 2010, as detailed below, according to which the Company's capital stock will be reduced by three hundred fifty-nine million, one hundred sixty-five thousand, six hundred fifty-two reais and seventeen centavos (R\$359,165,652.17). As a result, the Company's capital stock will be reduced from nine hundred twenty-five million, nine hundred ninety six thousand, two hundred twenty-eight reais and eighty-nine centavos (R\$925,996,228.89) to five hundred sixty-six million, eight hundred thirty thousand, five hundred seventy-six reais and seventy-two centavos (R\$566,830,576.72).

#### **II. Reasons, form and consequences of the reduction of the Company's capital stock.**

The Proposal and Justification for Partial Spin-Off mentioned above proposes the partial spin-off of the Company through the transfer of part of its shareholders' equity corresponding to the Company's interest in the capital stock of RME - Rio Minas Energia Participações S.A., a privately-held joint-stock company with headquarters at Avenida Marechal Floriano 168, Rio de Janeiro, RJ, Corporate Taxpayer's ID (CNPJ/MF) 07.925.628/0001-47, Corporate Registry ID (NIRE) 33.3.0027826-5 ("RME"), to a new joint-stock company to be incorporated specifically for this purpose

upon the approval of the partial spin-off, to be named Redentor Energia S.A. (“Newco”), with the later registration of the company as a publicly-held company with the Brazilian Securities and Exchange Commission and listing of its stock on the São Paulo Stock Exchange’s Novo Mercado.

In view of the foregoing, it is important to clarify that the Company currently holds, among other equity interests, one hundred seventy-seven million, three hundred twenty-seven thousand, three hundred and ninety-three (177,327,393) non-par registered common shares issued by RME, which represent one hundred percent (100%) of the total and voting capital stock of RME (“RME Shares”). RME, on its turn, has as its main investment a corporate interest in Light S.A.’s stock, a publicly held joint-stock company listed on the Novo Mercado, with headquarters at Avenida Marechal Floriano, 168, 2nd floor, access A, part, Rio de Janeiro, RJ, Corporate Taxpayer's ID (CNPJ/MF) 03.378521/0001-75 (“Light”). On this date, said investment is represented by thirteen point zero three percent (13.03%) of the total and voting capital stock of Light, consisting of twenty-six million, five hundred seventy-six thousand, one hundred and forty-nine (26,576,149) non-par registered common shares issued by Light.

As mentioned in the Proposal and Justification for Partial Spin-Off, the Company’s partial spin-off will be made through the transfer of part of the Company’s shareholders’ equity corresponding to RME Shares to Newco. In order to see to the appraisal of the portion of the shareholders’ equity corresponding to RME Shares, the Company’s Board of Executive Officers contracted, ad referendum of the general meeting, specialized company Apsis Consultoria Empresarial Ltda., a limited company with headquarters at Rua São José, 90, room 1,802, Corporate Taxpayer's ID (CNPJ/MF) 27.281.922/0001-70, which prepared the report dated March 31, 2010 (“Appraisal Report”), pursuant to the accounting criteria of ascertainment of the book value of net assets.

The Appraisal Report attributed to the portion of the Company’s shareholders’ equity to be transferred to the new company the value of three hundred fifty-nine million, one hundred sixty-five thousand, six hundred fifty-two reais and seventeen centavos (R\$359,165,652.17), representing 30.40% (thirty point forty percent) of the Company’s total shareholders’ equity in December 31, 2009. The Appraisal Report was prepared based on the elements included in the Company’s balance sheet on December 31, 2009, the base date for the partial spin-off, and it was audited by KPMG Auditores Independentes pursuant to article 12 of CVM Rule 319/1999.

In case the Company’s partial spin-off is approved at the extraordinary general meeting, the Company’s capital stock will be reduced by the same amount of the portion of the shareholders’ equity to be transferred to Newco, ascertained pursuant to the Appraisal Report. Thus, as mentioned above, the Company’s capital stock will be reduced by three hundred fifty-nine million, one hundred sixty-five thousand, six hundred fifty-two reais and seventeen centavos (R\$359,165,652.17), from nine hundred twenty-five million, nine hundred ninety six thousand, two hundred twenty-eight reais and eighty-

nine centavos (R\$925,996,228.89) to five hundred sixty-six million, eight hundred thirty thousand, five hundred seventy-six reais and seventy-two centavos (R\$566,830,576.72). The partial spin-off and the consequent reduction in the Company's capital stock will be made without reducing the number of shares issued by the Company. Upon the approval of the Company's partial spin-off by the extraordinary general meeting and consequent reduction in the capital stock, as mentioned above, article 5 of the Company's Bylaws shall be amended so as to reflect the Company's new capital stock.

In view of the foregoing, the Proposal and Justification for Partial Spin-Off and all matters mentioned above will be submitted to the resolution of the Company's extraordinary general meeting to be held at first call on April 29, 2010, subject to the approval by the Board of Directors. Pursuant to the requirements of articles 21 and 11 of CVM Rule 481/2009, information on the selection of the appraisers and on the proposal for the amendment to the Company's Bylaws will be available to the Company's shareholders. If the contracting of the specialized company is not approved, the amounts included in the Proposal and Justification for Partial Spin-Off will be treated as estimates, pursuant to the sole paragraph of article 224 of the Brazilian Corporate Law.

As the reduction in the Company's capital stock will be made following the partial spin-off of the Company, pursuant to the Proposal and Justification for Partial Spin-Off, said resolution will result, ultimately, from the proposal of partial spin-off of the Company, and it is thus necessary to deal with the legal and economic effects of such operation.

In this sense, the Company's management believes the partial spin-off will not result in any damage or loss of any nature to the Company and/or its shareholders. This is because, pursuant to the Proposal and Justification for Partial Spin-Off, (i) the transferred portion of the Company's equity and, thus, representing the reduction in the Company's capital stock, will be added to the capital stock of the new company, with the consequent issuance of shares of the new company to the shareholders of the Company, who will also become shareholders of the new company, (ii) the new company will have its capital stock represented solely by common shares, and each shareholder of the Company will receive one share of the new company for each share held at the Company, pursuant to article 229, paragraph 5 of the Brazilian Corporate Law, and (iii) the common shares of the new company will be entitled the same rights and advantages currently attributed to the shares issued by the Company.

Based on the foregoing, the Company's partial spin-off, the reduction of the capital stock resulting from it, and the consequent amendment to article 5 of the Bylaws will not change or affect the rights of the Company's shareholders.

**III. Copy of the opinion issued by the Audit Committee, if it is active, when the capital reduction is proposed by the management.**

The members of the Company's Fiscal Council will issue an opinion about the Proposal and Justification for Partial Spin-Off of the Company and of all documents and acts relating to such operation, including the reduction in the Company's capital stock pursuant to the terms explained above. A copy of the Fiscal Council's opinion will be available at the right opportunity.

**IV. Amount of reimbursement, per share; amount of reduction in the per-share price relative to contributions, in the case of paid-up capital; or quantity of shares purpose of the capital reduction.**

Since (i) the reduction in the Company's capital stock submitted to approval by the extraordinary general meeting, if it is approved, will be made with no reduction in the number of shares issued by the Company, as detailed above, and (ii) the shares issued by the Company have no par value, the book value of each share issued by the Company will be reduced, from ten reais and eighty-nine centavos (R\$10.89) to seven reais and fifty-eight centavos (R\$7.58) per share.

Further information required in item IV above do not apply to the case.

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Eduardo Haiama  
Chief Financial and Investor Relations Officer

## EXHIBIT VI

**EQUATORIAL ENERGIA S.A.**  
**CORPORATE TAXPAYER'S ID (CNPJ/MF) 03.220.438/0001-73**  
**CORPORATE REGISTRY ID (NIRE) 2130000938-8**  
**Publicly-held Company**

**INFORMATION ON THE AMENDMENT TO THE BYLAWS OF  
EQUATORIAL ENERGIA S.A. AND DRAFT OF THE BYLAWS OF  
EQUATORIAL ENERGIA S.A. AFTER THE PARTIAL SPIN-OFF**

To the Shareholders,

In view of the Company's Annual and Extraordinary General Meetings to be held, at first call, on April 29, 2010, subject to the approval by the Company's Board of Directors, in order to resolve, on the proposal and justification for the Company's partial spin-off and matters related thereto, among which is the proposal for amendment of Article 5 of the Company's Bylaws, we hereby provide the information requested pursuant to Article 11, items I and II of CVM Instruction 481/2009, as follows:

### **I. Origin of and Justification for the Proposed Amendments.**

On April 9, 2010, the Company's Board of Executive Officers prepared the proposal and justification for the Company's partial spin-off ("Proposal and Justification for Partial Spin-off"), which proposes the Company's partial spin-off by transferring the portion of its shareholders' equity corresponding to the Company's interest in the capital stock of RME – Rio Minas Energia Participações S.A., a limited liability company headquartered at Avenida Marechal Floriano, 168, in the City and State of Rio de Janeiro, Corporate Taxpayer's ID (CNPJ/MF) 07.925.628/0001-47, Corporate Registry ID (NIRE) 33.3.0027826-5 ("RME") to a new company to be established specifically for that purpose at the time of the partial spin-off, with the new company's subsequent registration at the Brazilian Securities and Exchange Commission (CVM) as a publicly-held company and the listing of its shares in the Novo Mercado segment of the São Paulo Stock Exchange.

In view of the foregoing, it is important to clarify that the Company currently holds, among other equity interest, one hundred seventy-seven million, three hundred twenty-seven thousand, three hundred ninety-three (177,327,393) registered, non-par common shares issued by RME, representing one hundred percent (100%) of RME's voting and overall capital stock ("RME shares"). In turn, RME's main investment is the equity interest in the capital stock of Light S.A., a publicly-held corporation with shares listed in Novo Mercado, headquartered at Avenida Marechal Floriano, 168, 2º andar, corredor A, parte, in the City and State of Rio de Janeiro, Corporate Taxpayer's ID (CNPJ) 03.378.521/0001-75 ("Light"). On this date, said investment is represented by thirteen

and three hundredths percent (13.03%) of Light's overall and voting capital stock, consisting of twenty-six million, five hundred seventy-six thousand, one hundred forty-nine (26,576,149) registered, non-par common shares issued by Light.

As mentioned in the Proposal and Justification for Partial Spin-off, the Company's partial spin-off shall be conducted by transferring the portion of the Company's shareholders' equity corresponding to the RME Shares to the new company. In order to appraise the portion of the shareholders' equity corresponding to the RME Shares, the Company's Board of Executive Officers hired, subject to the approval of the general meeting, the specialized company Apsis Consultoria Empresarial Ltda., a limited liability company headquartered at Rua São José, 90, sala 1802, Corporate Taxpayer's ID (CNPJ/MF) 27.281.922/0001-70, which prepared the appraisal report dated March 31, 2010 ("Appraisal Report"), according to the accounting criterion for determining the book value of net assets.

The Appraisal Report appraised the portion of the Company's shareholders' equity to be transferred to the new company at three hundred fifty-nine million, one hundred sixty-five thousand, six hundred fifty-two reais and seventeen centavos (R\$359,165,652.17) representing 30.40% of the Company's overall shareholders' equity. The Appraisal Report was prepared based on the figures comprising the Company's balance sheet drawn up on December 31, 2009 the partial spin-off reference date, audited by KPMG Auditores Independentes in compliance with Article 12 of CVM Instruction 319/1999.

Should the Company's partial spin-off be approved by the general meeting, the capital stock thereof shall be reduced by the same amount as the portion of shareholders' equity to be transferred to the new company appraised by the Appraisal Report. Therefore, the Company's capital stock shall be reduced by three hundred fifty-nine million, one hundred sixty-five thousand, six hundred fifty-two reais and seventeen centavos (R\$359,165,652.17), whereby it shall drop from nine hundred twenty-five million, nine hundred ninety-six thousand, two hundred twenty-eight reais and eighty-nine centavos (R\$925,996,228.89) to five hundred sixty-six million, eight hundred thirty thousand, five hundred seventy-six reais and seventy-two centavos (R\$566,830,576.72). The Company's partial spin-off and consequent reduction of its capital stock shall be conducted without decreasing the number of shares issued thereby.

Once the Company's partial spin-off is approved by the general meeting with the aforementioned consequent reduction of its capital stock, Article 5 of the Company's Bylaws shall be amended so as to reflect this new capital stock, and shall thenceforth read as follows:

*"Article 5—The Capital Stock is five hundred sixty-six million, eight hundred thirty thousand, five hundred seventy-six reais and seventy-two centavos (R\$566,830,576.72) divided into one hundred eight million,*

*four hundred eighty thousand, eight hundred twenty-eight (108,480,828) registered, non-par common shares.*

*Paragraph One – Each common share shall be entitled to one (01) vote at the resolutions taken in the Company’s general meetings.*

*Paragraph Two – the cost of services contemplated in Article 35, paragraph 3 of Law 6,404 of December 15, 1976 (“Brazilian Corporation Law”) and further amendments may be charged from shareholders.*

*Paragraph Three – the Company shall not be allowed to issue preferred shares or beneficiaries.”*

The Proposal and Justification for Partial Spin-off and all the other aforementioned matters shall be submitted to the Company’s extraordinary general meeting to be held, at first call, on April 29, 2010, subject to the approval by the Company’s Board of Directors. In compliance with the requirements of Articles 21 and 16 of CVM Instruction 481/2009, the information regarding the choice of appraisers and the reduction of the company’s capital stock will be made available to the Company’s shareholders. Should the hiring of the specialized company not be approved, the amounts stated in the Proposal and Justification for Partial Spin-off shall be taken as estimates, in accordance with the sole paragraph of Article 224 of the Brazilian Corporation Law.

## **II. Proposal’s Legal and Economic Effects.**

As described above, the amendment proposed to Article 5 of the Company’s Bylaws has the sole purpose of reflecting the reduction of the company’s capital stock to be produced as a result of the approval of the Company’s partial spin-off, in accordance with the Proposal and Justification for Partial Spin-off. Therefore, the proposal for amendment of the Bylaws results ultimately from the proposal for the Company’s partial spin-off and, as such, it is necessary to address the legal and economic effects of this operation.

Accordingly, it is important to clarify that the Company’s management understands that the partial spin-off shall not result in losses of any nature to the Company and/or its shareholders. The reason for this is that, pursuant to the Proposal and Justification for Partial Spin-off, (i) the spun portion of the Company’s shareholders’ equity and, therefore, representing the reduction of the company’s capital stock, shall be assigned to the new company’s capital stock with the consequent issue of shares of the new company to the Company’s shareholders, who shall also become shareholders of the new company, (ii) the new company’s capital stock shall be represented solely by common shares, and each of the Company’s shareholders shall receive one share of the

new company for each share held in the Company, in accordance with Article 229, Paragraph 5, of the Brazilian Corporation Law, and (iii) the new company's common shares shall be entitled to the same rights and advantages currently assigned to the shares issued by the Company.

Based on the foregoing, the Company's partial spin-off, the resulting reduction of its capital stock and the consequent amendment to Article 5 of its Bylaws shall neither change nor affect any of the rights of the Company's shareholders.

In compliance with Article 11, item I, of CVM Instruction 481/2009, a copy of the Company's Bylaws highlighting the amendments presented above is attached hereto.

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Eduardo Haiama  
Chief Financial and Investor Relations Officer

**EQUATORIAL ENERGIA S.A.**  
**CORPORATE TAXPAYER'S ID (CNPJ/MF) 03.220.438/0001-73**  
**CORPORATE REGISTRY ID (NIRE) 2130000938-8**  
**Publicly-held Company**

**BYLAWS OF EQUATORIAL ENERGIA S.A.**  
**HIGHLIGHTING THE PROPOSED ALTERATIONS**

**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 five hundred sixty-six million, eight hundred thirty thousand, five hundred seventy-six reais and seventy-two centavos (566,830,576.72), divided into one hundred five million, eight hundred thousand, six hundred twenty-six (105,800,626) 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.

## **EXHIBIT VII**

### **PROPOSAL OF BYLAWS OF NEWCO**

#### **BYLAWS OF REDENTOR ENERGIA S.A.**

##### **CHAPTER I** **NAME, PURPOSE, HEADQUARTERS AND DURATION**

Article 1 - The Company is called "REDENTOR 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 Rio de Janeiro, State of Rio de Janeiro, 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 three hundred fifty-nine million, one hundred sixty-five thousand, six hundred fifty-two reais and seventeen centavos (359,165,652.17), divided into one hundred five million, eight hundred thousand, six hundred twenty-six (105,800,626) 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:

- (aa) to establish the general guidance of the Company's businesses including the preparation of any substantial amendment to its business plan;
- (bb) to elect and dismiss the Board of Executive Officers;
- (cc) to oversee the Management of the Board of Executive Officers;
- (dd) to call, by its Chairman, or its Vice-Chairman, or by any two (2) of its Members, the Annual and Extraordinary General Meetings;
- (ee) to give its opinion about the Management report and the Board of Executive Officers' accounts;
- (ff) to establish and distribute, within the limits annually set forth by the General Meeting, the administrators' compensation when voted as an overall allocation;
- (gg) 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;
- (hh) 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;
- (ii) 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;
- (jj) 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;
  - (kk) 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;
  - (ll) 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;
  - (mm) to choose and dismiss independent auditors;
  - (nn) to authorize the Company to hold interest in other companies;
  - (oo) 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;
  - (pp) 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);
  - (qq) 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;
  - (rr) to authorize the opening or closing of branches, agencies or sales offices in any part of the country or abroad;
  - (ss) to give prior opinion on the proposals of amendments to the Company's Bylaws;
  - (tt) to give prior opinion about the proposals of mergers, amalgamations, spin-offs, transformations or any similar operations that involve the Company and its subsidiaries;
  - (uu) 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;
  - (vv) to approve the legal businesses and the resolutions referred to in this article by the Company's subsidiaries or affiliated companies;
  - (ww) 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);
  - (xx) 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;

- (yy) 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
- (zz) 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:

- (vi) when related to the hiring of service providers or employees;
- (vii) in routine issues before federal, state and municipal public bodies, autonomous public entities and mixed companies;
- (viii) in the signature of correspondence concerning routine issues;
- (ix) in the endorsement of instruments aimed at collection or deposit on behalf of the company; and
- (x) 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:

- (vi) five percent (5%) for the constitution of the legal reserve until it reaches twenty percent (20%) of the capital stock;
- (vii) 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;
- (viii) 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;
- (ix) 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
- (x) 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:

- (c) 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
- (d) 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:

- (d) hold the public tender offering referred to in Article 27 of these Bylaws;
- (e) 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
- (f) 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.

## EXHIBIT VIII

### ASSETS AND LIABILITIES TO BE TRANSFERRED TO NEWCO

#### Assets

Stakes held in controlled companies	R\$359,165,652.17
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<b>Sub-Total</b>	R\$359,165,652.17
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#### Liabilities

<b>Sub-Total</b>	R\$0.00
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<b>Total</b>	R\$359,165,652.17
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