



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

**MINUTES OF THE ANNUAL AND EXTRAORDINARY GENERAL MEETING
HELD ON MARCH 20, 2009.**

1. TIME AND PLACE: On March 20, 2009, at 2:00 P.M. at the Company's headquarters, at Alameda A, Quadra SQS, nº 100, sala 31, Loteamento Quitandinha, Altos do Calhau, CEP 65.071-680, in the city of São Luis, state of Maranhão.

2. CALL NOTICE: The Call Notice, dated March 05, 2009, was published in the editions of March 5, 6 and 9, 2009, of the newspapers "Valor Econômico" and "O Estado do Maranhão" and in the Official Gazette of the State of Maranhão.

3. ATTENDANCE: Shareholders representing 63.42% of the Company's capital stock, as verified by the signatures in the "Shareholders' Attendance Book." The following persons also attended the meeting: (i) Mr. Eduardo Haiama, Company Executive Officer, (ii) Mr. Ricardo Silva, representative of KPMG Auditores Independentes, and (iii) Mr. Marcelo Sousa Monteiro, member of the Company's Fiscal Council, pursuant to law.

4. PRESIDING BOARD: **Chairman:** Firmino Ferreira Sampaio Neto; **Secretary:** José Silva Sobral Neto.

5. DOCUMENTS FILED AT COMPANY HEADQUARTERS: (i) the Company's Financial Statements for the fiscal year ended December 31, 2008, as published on March 3, 2009 in the newspapers "Valor Econômico," "O Estado do Maranhão" and in the Official Gazette of the State of Maranhão; (ii) Call Notice, dated March 5, 2009 and published in the editions of March 5, 6 and 9, 2009, of the newspapers "Valor Econômico," "O Estado do Maranhão" and in the Official Gazette of the State of Maranhão; (iii) draft of the consolidated Bylaws.

6. AGENDA: According to the Call Notice, the agenda is **(a) at the Annual General Meeting:** (a.1) to analyze the Management accounts, examine, discuss and vote on the Company's Financial Statements for the fiscal year ended December 31, 2008; (a.2.) to resolve on the allocation of the income for the year referred to in the previous item; (a.3.) to resolve on the payment of dividends and interest on the Company's own capital, as approved by the Board of Directors at the meetings held on February 17, 2009 and on December 22, 2008, respectively; (a.4.) to establish the management's annual overall compensation; (a.5.) to resolve on the election of the members of the Company's Board of Directors; (a.6.) to resolve on the reinstatement of the Fiscal Council and on the election of its members; (a.7) resolve on changing the newspapers where the publications set forth by law are made; and **(b) at the Extraordinary General Meeting:** (b.1) to amend Article 5 of the Company's Bylaws referring to the capital stock in order to reflect the capital stock reduction proposed by the Company's Board of Directors on February 17, 2009; (b.2) to amend Article 5 of the Company's Bylaws, related to the capital

stock, to reflect the increase resulting from the exercise of the stock options by the Company's management; (b.3) Consolidation of the Company's Bylaws.

7. RESOLUTIONS: The attending shareholders having chosen Mr. Firmino Ferreira Samapaio Neto to be Chairman, the meeting was called to order and Mr. José Silva Sobral Neto was invited to be Secretary of the meeting. After all the items in the agenda had been discussed, with the abstention of those legally impeded and other registrations in these minutes, the following resolutions were approved:

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

At the Annual General Meeting:

7.2 To approve, by unanimous vote, the annual report and the management accounts, as well as the financial statements for the fiscal year ended December 31, 2008, jointly with the report issued by the independent auditors, that were published in their entirety within the legal term on March 3, 2009, in the newspapers "Valor Econômico," "O Estado do Maranhão" and "Official Gazette of the State of Maranhão."

7.3 To approve, by unanimous vote, the allocation of the net income for the fiscal year ended December 31, 2008 in the amount of three hundred eight million, nine hundred sixty-two thousand, five hundred four reais and eighty-nine centavos (R\$308,962,504.89), which, after previous year adjustments in the negative amount of nine million, six hundred eighty thousand, sixty-one reais and fifty-four centavos (R\$9,680,061.54), shall be distributed as follows: (i) fourteen million, nine hundred sixty-four thousand, one hundred twenty-two reais and seventeen centavos (R\$14,964,122.17) for the legal reserve; (ii) eleven million, eight hundred sixty-five thousand (R\$11,865,000.00) for the payment of interest on the Company's own capital, pursuant to Law 9,249/95, by the resolution of the Company's Board of Directors, at a meeting held on December 22, 2008, to be paid on April 6, 2009, which shall be imputed to the mandatory dividends of the fiscal year 2008 in compliance with Article 25 of the current Bylaws; and (iii) one hundred ninety million, one hundred fifty thousand, nine hundred ninety-three reais and fifty-two centavos (R\$190,150,993.52) for the payment of dividends to the Company's shareholders in proportion to their respective equity interests, pursuant to resolution taken by the Company's Board of Directors at a meeting held on February 17, 2009; and (iii) eighty-two million, three hundred two thousand, three hundred twenty-seven reais and sixty-six centavos ((R\$82,302,327.66) for the reserve referred to in article 25, paragraph 2, items (iv) and (v) of the Bylaws, pursuant to article 194 of the Corporation law.

7.4 To approve, by unanimous vote, the payment of dividends related to 2008 in the amount of one hundred ninety million, one hundred fifty thousand, nine hundred ninety-three reais and fifty-two centavos (R\$190,150,993.52), corresponding to R\$1.7972577 per common share, which shall be distributed to shareholders in three (3) installments: R\$0.8222851 per share on April 6, 2009; R\$ 0.8617417 per share on June 4, 2009; and R\$0.1132310 per share on November 30, 2009, respectively; and the Company's shares shall be traded "ex dividends" as of March 23, 2009.

- 7.5 To approve, by unanimous vote, the proposal of the shareholder PCP LATIN AMERICA POWER S.A. to instate the Company's Fiscal Council for the 2009 fiscal year, with the election of the following members of the Company's Fiscal Council: (i) **João Marcelo Dantas Leite**, a Brazilian citizen, married, economist, Identity Card (RG) no. 084.976.26-5 (IFP/RJ) and Individual Taxpayer's ID (CPF/MF) no. 013.849.777-08, domiciled at Av. República do Chile, 230, 29º andar, CEP: 20.031-170, City and State of Rio de Janeiro, and his deputy, (ii) **Luiz Otavio Bianchini Laydner**, a Brazilian citizen, single, electronic engineer, Identity Card (RG) no. 075.304.527 (IFP/RJ) and Individual Taxpayer's ID (CPF/MF) no. 004.481.457-74, domiciled at Rua Osório Almeida, n.º 42, CEP: 22.291-000, City and State of Rio de Janeiro; (iii) **Marcelo Sousa Monteiro**, a Brazilian citizen, married, economist, Identity Card (RG) no. 05966491-2 (IFP/RJ), Individual Taxpayer's ID (CPF/MF) no. 803.398.757-04, domiciled at Av. Caetano Monteiro, 860, casa 47, Pendotiba, CEP: 24.320/570, City and State of Rio de Janeiro, and his deputy, (iv) **Felipe Sousa Bittencourt**, a Brazilian citizen, married, business administrator, Identity Card (RG) no. 11001496-6 (Detran/RJ) and Individual Taxpayer's ID (CPF/MF) no. 078.366.387-07, domiciled at Praia de Botafogo, 300, 10º andar, parte, sala 1001, City and State of Rio de Janeiro; (v) **Beatriz Oliveira Fortunato**, a Brazilian citizen, married, production engineer, Identity Card (RG) no. 09598818-4 (IFP/RJ) and Individual Taxpayer's ID (CPF/MF) no. 051.674.477-12, domiciled at Av. Lineu de Paula Machado, 90, apto. 601, City and State of Rio de Janeiro, and her deputy, (vi) **Frederico Djun Takahashi Saraiva**, a Brazilian citizen, single, Identity Card (RG) no. 11795565-8 (IFP/RJ) and Individual Taxpayer's ID (CPF/MF) no. 053.151.707-13, domiciled at Rua General Urquiza, 155, apto. 301, City and State of Rio de Janeiro, who shall remain in office until the Annual General Meeting examining the accounts related to the fiscal year ended December 31, 2009.
- 7.6 To approve, by unanimous vote, the monthly compensation of up to three thousand five hundred reais (R\$3,500.00) for each of the members of the Fiscal Council, pursuant to Article 162, paragraph 3 of the Corporation law.
- 7.7 To confirm the absence of the multiple vote request by the Shareholders, as well as the absence of the voting right exercise request provided for in paragraph 4 and subsequent rights granted by Article 141 of Law das S/A., being thus elected, by unanimous vote, the following members to the Company's Board of Directors, who shall remain in office until the date of the Annual General Meeting examining the accounts related to the fiscal year ended December 31, 2010: (i) **Firmino Ferreira Sampaio Neto**, a Brazilian citizen, married, businessman, Identity Card (RG) no. 005536790 (SSP/BA), Individual Taxpayer's ID (CPF/MF) no. 037.101.225-20, domiciled in the City and State of Rio de Janeiro at Praia de Botafogo, 300, 10º andar, CEP: 22.250-040; (ii) **Gilberto Sayão da Silva**, a Brazilian citizen, married, businessman, Identity Card (RG) no. 04625996-6 (IFP/RJ), Individual Taxpayer's ID (CPF/MF) no. 016.792.777-90 and with offices in the City and State of Rio de Janeiro at Praia do Botafogo, nº 501, 5º andar, parte, Torre Corcovado, Botafogo, (iii) **Alessandro Monteiro Morgado Horta**, a Brazilian citizen, married, electrical engineer, Identity Card (RG) no. 835740 (SSP/ES), Individual Taxpayer's ID (CPF/MF) no. 005.153.267-04, with offices in the City and State of Rio de Janeiro at Praia do Botafogo, nº 501, 5º andar, parte, Torre Corcovado, Botafogo; (iv) **Carlos Augusto Leone Piani**, a Brazilian citizen, married, business administrator, Identity Card (RG) no.09.578.876-6 IFP/RJ, Individual Taxpayer's ID (CPMF/MF) no.

025.323.737-84, domiciled at Av. Borges de Medeiros, n° 633 – Gr. 708 – Leblon, Offices Shopping Leblon, CEP 22.430-041; (v) **Paulo Jerônimo Bandeira de Mello Pedrosa**, a Brazilian citizen, married, mechanical engineer, enrolled in the Regional Engineering Council (CRE) under no. 6.478/D DREA DF and Individual Taxpayer's ID (CPF/MF) no. 309.880.471-87, with commercial address in the Federal District, Brasília at SHS Quadra 06, conjunto A, bloco C, sala 1115, Ed. Brasil XXI, (vi) **Alexandre Gonçalves Silva**, a Brazilian citizen, married, engineer, Identity Card (RG) no. 39.565.565-1 (SSP/SP); (vii) and Individual Taxpayer's ID (CPF/MF) no. 022.153.817-87, resident and domiciled at Rua Jacques Felix, 226, apto. 51, Vila Nova Conceição, CEP: 04.509-000, City and State of São Paulo, with the last two board members being independent; (vii) **Celso Fernandez Quintella**, a Brazilian citizen, married, mechanical engineer, Identity Card (RG) no. 18341-D, issued on October 21, 2007, by CREA-5ª Região, RJ, Individual Taxpayer's ID (CPF/MF) no. 022.752.447-00, resident and domiciled at Av. Francisco Bhering, 169, apt. 401 – Ipanema, CEP: 22.080-050, in the City and State of Rio de Janeiro; the latter two are independent members;

- 7.8 The board members elected herein shall be invested in office upon execution of the respective instruments of investiture, drawn up in the company's records within thirty (30) days from this date, declaring to be in condition to provide the clearance certificate mentioned in CVM Rule 367 of May 29, 2002, and paragraph 1 of Article 147 of the Corporation Law.
- 7.9 To establish, by unanimous vote, the amount of annual overall compensation of the Company's management for the year 2009 in the amount of nine million reais (R\$9,000,000.00), to be individually distributed among the members of the Board of Directors and of the Board of Executive Officers pursuant to the Bylaws and based on the criteria established in the caput of Article 152 of the Corporation Law, complying with the annual overall limit established herein.
- 7.10 The shareholders approved by unanimous vote on maintaining the newspapers where the Company's publications set forth by Law are made; consequently, the aforementioned publications shall continue to be made in the following newspapers: "Valor Econômico", "O Estado do Maranhão" and in the Official Gazette of the State of Maranhão.

At the Extraordinary General Meeting:

- 7.11 To approve, by unanimous vote, the proposal for reduction of the Company's capital stock by eighty-two million, three hundred two thousand, three hundred twenty-seven reais and sixty-six centavos (R\$82,302,327.66), without cancellation of shares issued by the Company and with each shareholder's equity interest in the capital stock remaining unchanged, pursuant to resolution taken by the Company's Board of Directors on February 17, 2000.
- 7.12 To approve, by unanimous vote, the restitution of the amount corresponding to the capital reduction approved herein, of eighty-two million, three hundred two thousand, three hundred twenty-seven reais and sixty-six centavos (R\$82,302,327.66), equivalent to R\$ 0.7779002 per share, which shall be paid to the Company's shareholders fourteen (14)

days after the end of the period during which creditors may oppose the capital stock reduction, pursuant to article 174 of the Corporation Law. The Company's shares shall be traded "ex restitution" on the day following the end of the aforementioned period for creditor opposition.

- 7.13 To approve, by majority of vote, the amendment to Article 5 of the Company's Bylaws, related to the capital stock, so that it includes (i) the Company's capital increase within the limit of authorized capital as a result of the exercise of part of the Company's stock options within the scope of the Company's Third Stock Option Plan, approved by the Company's Extraordinary General Meeting held on October 16, 2008, as per resolution taken by the Company's Board of Directors at a meeting held on March 5, 2009, and (ii) the reduction in the capital stock approved in item 6.11 herein, which shall be effective with the following wording:

"Article 5 - The Capital Stock is nine hundred six million, eight hundred ninety-one thousand, one hundred seventy-nine reais and twenty-three centavos (R\$906,891,179.23), divided into one hundred five million, eight hundred thousand, six hundred twenty-six (105,800,626) non-par registered common shares."

- 7.14 To approve, by unanimous vote, the consolidation of the Company's Bylaws, given the amendments resolved above, which shall be effective with the wording in **Appendix I** to these minutes.
- 7.15 To authorize the Company's management to take the necessary measures for the signature of all documents necessary for the definitive execution of the resolutions approved above.

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

9. SIGNATURES OF THE ATTENDEES: **Chairman:** Firmino Ferreira Sampaio Neto; **Secretary:** José Silva Sobral Neto; **Representative of KPMG – Auditores Independentes:** Ricardo Silva; **Member of the Fiscal Council:** Marcelo Sousa Monteiro.

Chairman

Secretary

Ricardo Silva
KPMG – Auditores Independentes

Marcelo Sousa Monteiro
Member of the Fiscal Council

Shareholders:

(a) PCP LATIN AMERICAN POWER S/A

Represented by **David Abdalla Pires Leal;**

(b) BNY MELLON ARX HEDGE FI MULTIMERCADO, BNY MELLON ARX HEDGE II FI MULTIMERCADO, BNY MELLON ARX HEDGE PLUS MULTIMERCADO, BNY MELLON ARX INCOME FI EM AÇÕES, BNY MELLON ARX TARGET FI MULTIMERCADO, BNY MELLON ARX TARGET PLUS FI MULTIMERCADO, BNY MELLON ARX FI EM AÇÕES, BNY MELLON ARX LONG TERM FI EM AÇÕES, BNY MELLON ARX INCOME PREVIDÊNCIA FI MULTIMERCADO, MELLON BRASPREV FI MULTIMERCADO PREVIDENCIÁRIO CRÉDITO PRIVADO, BNY MELLON CAPIBARIBE FI EM AÇÕES, BNY MELLON CELOS FUNDO DE INVESTIMENTO MULTIMERCADO, MELLON DATA EQUITY FI DE AÇÕES PREVIDENCIÁRIO, FUNDO DE INVESTIMENTO EM AÇÕES TOP ATLAS, BNY MELLON BANESE APERIPÊ FUNDO DE INVESTIMENTO MULTIMERCADO CRÉDITO PRIVADO, and SAMAMBAIA III FI AÇÕES,

Represented by **Armando de Souza Nascimento;**

(c) JANUS CAPITAL MANAGEMENT LLC, MFS INTERNATIONAL NEW DISCOVERY FUND, BLACKROCK GLOBAL FUNDS, FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST, FIDELITY ADVISOR SERIES VIII: LATIN AMERICA FUND, JANUS ADVISER INTERNATIONAL EQUITY FUND, JANUS INTERNATIONAL FORTY FUND, JANUS ADVISER INTERNATIONAL GROWTH FUND, JANUS ASPEN SERIES – INTERNATIONAL GROWTH PORTFOLIO, JANUS CAPITAL MANAGEMENT LLC, JANUS INSTITUCIONAL INTERNATIONAL EQUITY PORTFOLIO, JANUS OVERSEAS FUND, MFS EMERGING MARKETS EQUITY FUND, MFS MERIDIAN FUNDS – EMERGING MARKETS EQUITY FUND,

Represented by **Clóvis L. S. Purgato.**

APPENDIX I TO THE MINUTES OF THE ANNUAL AND EXTRAORDINARY GENERAL MEETINGS OF EQUATORIAL ENERGIA S.A., HELD ON MARCH 20, 2009.

BYLAWS OF
EQUATORIAL ENERGIA S.A.

CHAPTER I
NAME, PURPOSE, HEADQUARTERS AND DURATION

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

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

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

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

CHAPTER II
CAPITAL STOCK

Article 5 - The Capital Stock is nine hundred and six million, eight hundred ninety-one thousand, one hundred seventy-nine reais and twenty-three centavos (906,891,179.23), 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.