



**CTEEP – COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA**  
**A Publicly Held Company**  
**CNPJ No. 02.998.611/0001-04**  
**NIRE 35300170571**

**BYLAWS CHAPTER I**

**NAME, REGISTERED OFFICES, PURPOSE AND DURATION OF THE COMPANY**

**ARTICLE 1.** CTEEP – Companhia de Transmissão de Energia Elétrica Paulista, adopting the trade name CTEEP, shall be governed by these Bylaws and by the applicable Law.

**ARTICLE 2.** The purpose of the Company shall be to:

- I.** study, plan, design, build and operate and maintain electric energy transmission systems, lines, substations and control centers as well as the respective infrastructure;
- II.** study, prepare, design, execute, explore or transfer research and development plans and programs intended for any type or form of energy transportation as well as other activities correlated with the available technology, whether directly or in collaboration with state or private-sector bodies;
- III.** explore, whether in isolation or jointly with other entities, activities arising from the secondary use of material or immaterial goods over which it has title as a result of the essential nature of its activity, as well as the rendering of services that directly or indirectly relate to its corporate purpose;
- IV.** participate in other entities as a partner, shareholder or quota holder; and
- V.** form consortia or any other type of business collaboration.

**ARTICLE 3.** The society, which shall remain for an indeterminate duration, has registered offices and shall be subject to the jurisdiction of the city and state of São Paulo.

**Sole Paragraph** – The Company may open and close branches, regional branches, agencies, offices or representations in Brazil and overseas at the proposal of the Executive Board and resolution of the Board of Directors.

**CHAPTER II**

**CAPITAL STOCK, SHARES AND SHAREHOLDERS**

**ARTICLE 4.** The subscribed and paid-in capital stock is of 3,590,020,426.94 (three billion, five hundred and ninety million, twenty thousand, four hundred and twenty-six Brazilian reais and ninety-four centavos), divided into 685,883,304 (six hundred and eighty-five million, eight hundred and eighty-three thousand, three hundred and four) shares, being 257,937,732 (two hundred and fifty-seven million, nine hundred and thirty-seven thousand, seven hundred and thirty-two) common and 400,945,572 (four hundred million, nine hundred and forty-five thousand, five hundred and seventy-two)



preferred shares, all of which nominative, book entry and with no par value.

**ARTICLE 5.** The authorized capital stock is R\$ 5,000,000,000.00 (five billion Brazilian Reais).

**Paragraph 1** – The Company, by resolution of the Board of Directors and regardless of any amendment to the Bylaws, shall be authorized to increase the capital stock up to the foregoing limit, issuing the shares corresponding to each type in line with the respective proportions.

**Paragraph 2** – Upon issuing shares within the limit of the authorized capital, the Board of Directors shall establish:

- a) the quantity, type and class of shares;
- b) the issue price; and
- c) the remaining subscription and paying-in conditions as provided in Law No. 6.404/76.

**Paragraph 3** – The contents of Paragraph 1 of the present Article shall not apply in the event of a capital increase through the paying in of goods, which shall depend on the approval of the General Meeting pursuant to Law 6.404/76.

**Paragraph 4** – The Company may also issue subscription bonds, complying with the limit for authorized capital, by resolution of the Board of Directors.

**Paragraph 5** – Shareholders that fail to pay in capital according to the established conditions shall be, *ipso jure*, deemed in default and subject to the payment of interest of 1% (one percent) per month, monetary restatement according to an index to be established by the Board of Directors, and a penalty fee of 10% (ten percent), calculated on the value of the delay, without prejudice to other appropriate legal measures.

**Paragraph 6** – By resolution of the Board of Directors, the Company may acquire its own shares for cancellation or to hold in treasury, determine their resale or further market placement in compliance with the Law and other applicable provisions including those issued by the Brazilian Securities and Exchange Commission – CVM.

**Paragraph 7** – Within the limit of the authorized capital and pursuant to the plan approved for the purpose by the General Meeting, the Company may grant stock options to its members of management or employees, with the exclusion of the shareholders' right-of-first-refusal in the granting and exercise of the stock options.

**ARTICLE 6.** The preferred shares shall have the following characteristics:

- I. priority in capital reimbursement with no right to a premium in the event the Company's liquidation;
- II. non-cumulative priority dividend as provided in ARTICLE 36, item II, of the present Bylaws;
- III. right to elect a member of the of the Fiscal Council and respective alternate as selected by the shareholders in a separate voting round, pursuant to Law 6.404/76;
- IV. right to elect a member of the of the Board of Directors as selected by the shareholders in a separate voting round as provided in Law 6.404/76;
- V. right to participate in capital increases, arising from monetary restatement and capitalization of reserves and profits, under equal conditions with the common shares; and
- VI. shall have no voting rights and be irredeemable.

**ARTICLE 7.** Each common nominative share shall be entitled to 1 (one) vote in the resolutions of General Meetings.



**ARTICLE 8.** Pursuant to the legal provisions, the shareholders may convert shares of the common type into preferred shares or vice-versa, conditional on these having been paid in. The conversions shall be executed by resolution of the Board of Directors, for periods of not less than 15 (fifteen) consecutive days in accordance with the following conditions:

- a) to exercise this right, the shareholders shall have used all the rights inherent to the shares held and present identity documents at the time of conversion;
- b) b. in each share-type conversion period, the shareholder may apply to convert of up to 3% (three percent) of the capital stock, the amount of the applications submitted shall not exceeding 5% (five percent) of the capital stock.

**ARTICLE 9.** All the Company's shares shall be book entry, held in a deposit account in the name of their holders, without the issue of certificates, in a financial institution authorized by the Brazilian Securities and Exchange Commission – CVM and designated by the Board of Directors.

**Sole Paragraph** – The Company may authorize the depository institution responsible for the registration of the book entry shares pursuant to the limits set by the Brazilian Securities and Exchange Commission – CVM, to charge the shareholders for the cost of transfer of ownership of the book entry shares.

**ARTICLE 10.** In the event of a capital increase, shareholders shall be granted right-of-first-refusal in the subscription of the shares corresponding to the increase, in proportion with the number of shares held, pursuant to Article 171 of Law 6404/76.

**Sole Paragraph** – The contents of the present article shall not apply in cases of an increase in capital within the authorized limit under the contingencies listed in Article 172, sub-items I and II, of Law 6.404/76.

### **CHAPTER III CORPORATE BODIES**

**ARTICLE 11.** The Company's corporate bodies shall be:

- I.** the General Meeting;
- II.** the Board of Directors;
- III.** the Executive Board; and
- IV.** the Fiscal Council.

### **OF THE GENERAL MEETING**

**ARTICLE 12.** The Ordinary General Meeting shall be convened by April 30 of each year, as legally required, to:

- a) receive the management accounts for the last fiscal year;
- b) examine, discuss and vote the financial statements, together with the opinion of the Fiscal Council;
- c) rule on the allocation of net income for the fiscal year and the distribution of dividends;
- d) elect the effective and alternate members of the Fiscal Council;
- e) elect, as the case may be, the members of the Board of Directors; and
- f) set the remuneration of the members of the Fiscal Council and the aggregate



annual compensation and other benefits of management.

**ARTICLE 13.** The General Meeting shall be convened by the Board of Directors or, in cases pursuant to the law, by shareholders or by the Fiscal Council.

**ARTICLE 14.** The shareholders shall present ID and/or corporate documents as evidence of their status as legal representative at the General Meetings.

**Paragraph 1** – The Company shall waive the submission of proof of share ownership by the titleholder of book entry shares included in the list of shareholders supplied by the financial depository institution.

**Paragraph 2** – In addition to other documents required under this Article, those shareholders that are participants of the fungible depository service, shall deposit at the Company's registered offices, at least 2 (two) business days before the date of the General Meeting, a statement issued at least 5 (five) days prior to the date of the General Meeting by the Brazilian Clearing and Depository Company or other authorized body, containing the respective shareholding participation.

**Paragraph 3** – Shareholders may be represented at the General Meeting by an attorney-in-fact appointed pursuant to Article 126, Paragraph 1, of Law 6.404/76 through a public or private instrument with certified signature, conditional on the respective power-of-attorney having been delivered to the Company's registered offices, together with the other documents required under this Article, at least 2 (two) business days prior to the date on which the General Meeting is to be held.

**ARTICLE 15** – The General Meetings shall be presided by the Chairman of the Board of Directors or by their substitute, who shall appoint the Secretary.

**ARTICLE 16.** The General Meeting's resolutions shall be adopted by a majority vote of those present, except where otherwise stated pursuant to Law 6.404/76 or hereunder, blank votes or abstentions not being counted.

**Paragraph 1** – The General Meeting may only deliberate on matters included in the day's agenda, contained in the respective convening notice, except where otherwise stated pursuant to Law 6.404/76.

**Paragraph 2** – The minutes of the Meetings shall be drafted to the General Meetings Minutes register in summarized format of the facts discussed and published omitting the signatures.

**Paragraph 3** – Exercise of the right to withdrawal by shareholders in dissent against a Meeting resolution, which right shall only be exercised under the circumstances provided by Law, shall take place by means of the reimbursement of the price of the shares held by withdrawing shareholders, such to be calculated based on the average price of the shares on the São Paulo Stock Exchange – B3 in the 60 (sixty) days of trading prior to the date of publication of the first convening notice for the General Meeting leading to the right to withdrawal, in any case pursuant to the contents of Article 45 of Law 6.404/1976.

**Paragraph 4** – Payment of the amount of the reimbursement shall be made according to a General Meeting resolution in up to 6 (six) monthly and successive installments, the first being due 30 (thirty) days after the event that formalizes the right to withdrawal.

**Paragraph 5** – Each installment owed by the Company as reimbursement shall accrue monthly interest at 0.5% (one half percent) and monetary restatement as calculated according to the variation of the IGPM/FGV inflation index.



**ARTICLE 17.** The Board of Directors shall be made up of up to 10 (ten) members, all shareholders, whether or not with place of residence in Brazil, elected by the General Meeting, pursuant to the applicable law in force.

**Paragraph 1** – The Board of Directors shall elect from among its members 1 (one) Chairman and 1 (one) Vice Chairman. The positions of Chairman of the Board of Directors and Chief Executive Officer of the Company may not be accumulated by the same person.

**Paragraph 2** – The annual compensation and other benefits of the members of management, approved by the General Meeting, shall be individualized by the Board of Directors.

**Paragraph 3** – The employees shall be guaranteed participation on the Board of Directors in the person of an appointed representative selected by them in a direct vote, whose name shall be ratified by the General Meeting, pursuant to the Notice of Sale of Shares of the Capital Stock of CTEEP SF/001/2006.

**ARTICLE 18.** The term of office of the members of the Board of Directors shall be 1 (one) year, members being eligible for reelection.

**Paragraph 1** – Vesting of the members of the Board of Directors in their respective positions shall be contingent upon their endorsement of the Manager Statement of Consent as per the contents of the Level I Rules, as well as compliance with the applicable legal requirements and signature of the Statement of Investiture entered into the Board of Directors' Minutes Register.

**Paragraph 2** – Upon termination of their term of office, the members of the Board of Directors shall remain in their positions until their successors take office.

**ARTICLE 19.** In the event of a vacant position for any reason on the Board of Directors, the Chairman of the Board may fill the said vacancy ad referendum of the General Meeting, the substitute member holding the position for the remaining term.

**Paragraph 1** – In the event of the temporary incapacity of the Chairman of the Board of Directors, the Vice Chairman shall serve in that capacity, or, in the latter's absence, another Director appointed by the Chairman, and, in where no such appointment has been made, as selected by the remaining members of the Board.

**Paragraph 2** – Should the Chairman's position become vacant, the Vice Chairman shall serve in that capacity and remain until the Board appoints a new incumbent, the substitute member holding the position for the remaining term.

**ARTICLE 20.** It shall be incumbent on the Board of Directors to:

- I. establish the Company's general business policy;
- II. elect, reelection, and remove from office members of the Company's Executive Board, establishing their individual duties, pursuant to the provisions of these Bylaws;
- III. elect, reelection and remove from office, among the Board's Directors, the member that shall substitute the Chief Executive Officer during his incapacity;
- IV. supervise the management activities of the Executive Board, at any time examining the books and documents of the Company, requesting information on contracts entered into or about to be entered into, and any other information deemed necessary, as well as carrying out any other acts;
- V. convene the General Meeting as called for pursuant to the law or when deemed convenient;
- VI. issue opinions on the Management Report, the Financial Statements and the



accounts of the Executive Board;

- VII. resolve on the acquisition, divestment or encumbrance of goods or real estate, pertaining to the assets of the Company, the raising of funds through the issue of Promissory Notes, the securing of loans and financing, the establishment of encumbrance and the granting of collateral or personal guarantees as surety for own obligations or those of subsidiary or affiliate companies, when the operation exceeds 2% (two percent) of the paid-in capital stock;
- VIII. approve the granting of loans to third parties including subsidiaries or affiliates, when the operation exceeds 2% (two percent) of the paid-in capital stock;
- IX. approve the plans and economic-financial and executive budgets of annual and multi-annual projects, prepared by the Executive Board;
- X. appoint and remove from office the Independent Auditors;
- XI. submit proposed amendments hereto to the General Meeting;
- XII. resolve on the issue, placement, price and conditions for paying in of shares and stock warrants, obtaining the opinion of the Fiscal Council, when installed, as well as making calls for capital within the limits of the authorized capital;
- XIII. deliberate on capital increases and the issue, purchase and cancellation of shares in accordance with Article 5, paragraphs 1, 4, 5 and 6, hereof and establish the period for exercising rights-of-first-refusal for the subscription of issued shares, where applicable, the issue price per share, as well as respective period and pay-in conditions;
- XIV. authorize the Company to trade in its own shares and resolve on the issue of simple, non-convertible, unsecured, debentures and share call options, pursuant to the applicable Law in force;
- XV. approve the Company taking an equity interest in other companies as a partner, shareholder or quota holder, as well as participation in consortia or any other type of business collaboration implying the Company's joint-and-several liability; and
- XVI. exercise the other duties that may be required of it by the General Meeting within the scope of the applicable Law in force.

**ARTICLE 21** – The Board of Directors shall meet ordinarily on the dates established in the annual calendar of events, approved by the Board at its first meeting for each fiscal year, and extraordinarily whenever convened by its Chairman or through the solicitation of the majority of its members.

**Paragraph 1** – The Board of Directors shall meet with a quorum of the majority of its members and shall deliberate on the basis of the majority vote of those present, the Chairman, in addition to their own vote, having the tie-breaker vote.

**Paragraph 2** – The meetings of the Board of Directors may be conducted by conference call, video conferencing or any other means of communication allowing the member of the Board to be identified as well as permitting simultaneous communication with all the other persons present at the meeting. Absent Directors may also delegate their vote to other Directors by written notice.

**Paragraph 3** – The Directors who attend the meeting in the manner described above shall be deemed present for all intents and purposes, the signature on the respective minutes sent by facsimile or other electronic means deemed valid, a copy to be filed at the Company's registered offices together with the signed original of the minutes.

**Paragraph 4** – The prior convening of the meeting may be waived if all the members of the Board of Directors are present.

## **OF THE EXECUTIVE BOARD**

**ARTICLE 22** – The Company shall be managed by an Executive Board made up of up to 5 (five) members, being 1 (one) Chief Executive Officer, 1 (one) Chief Operating Officer, 1



(one) Chief Projects Officer, 1 (one) Chief Strategy and Business Development Officer and 1 (one) Chief Financial and Investor Relations Officer, all of whom shall carry out their duties according to the duties as provided in the applicable Law and the present Bylaws.

**Paragraph 1** – The members of the Executive Board may be Brazilian or foreign nationals, conditional on being residents of Brazil, shareholders or otherwise, and may be appointed and removed from office at any time by the Board of Directors.

**Paragraph 2** – The compensation and other benefits of the members of the Executive Board shall be set in aggregate by the General Meeting and individually basis by the Board of Directors.

**Article 23** – The term of office of the members of the Executive Board shall be 3 (three) years, reelection being permitted.

**Paragraph 1** – Vesting of the members of the Executive Board in their respective positions shall be contingent upon their endorsement of the Management Statement of Consent as per the contents of the Level I Rules as well as compliance with the applicable legal requirements and signature of the statement of investiture, entered into the Executive Board's Minutes Register.

**Paragraph 2** – On termination of term of office, the members of the Executive Board shall remain in their positions until their successors take office.

**ARTICLE 24** – In the event of an Executive Board position becoming vacant for any reason, with the exception of that of the Chief Executive Officer, the latter may appoint the new officer ad referendum of the Board of Directors, the substitute officer holding the position for the remaining term of office

**ARTICLE 25** – It shall be incumbent upon the Executive Board in a meeting and on the basis of a majority vote decision to:

- I. carry out all acts necessary for the regular working of the Company;
- II. approve the Company's internal charter and regulations and the levels of authority of the managers and employees for approving matters and documents;
- III. propose Management's basic guidelines to the Board of Directors for their examination;
- IV. submit proposals to the Board of Directors for capital increases and amendments hereto;
- V. recommend to the Board of Directors the acquisition, divestment or encumbrance of goods and real estate owned by the Company, the raising of funds through the issue of Promissory Notes, the securing of loans or financing, the constitution of encumbrance and the granting of collateral or personal guarantees as surety for the Company's own liabilities or those of subsidiary or affiliate companies, where the operation exceeds 2% (two percent) of the paid in capital stock;
- VI. recommend to the Board of Directors the granting of loans to third parties including subsidiaries or affiliates, where the operation exceeds 2% (two percent) of the paid in capital stock;
- VII. submit to the Board of Directors the fiscal year's financial statements, annual and multi-annual plans and economic-financial and executive budgets; and
- VIII. carry out other duties that may be required of it by the Board of Directors within the scope of the applicable law in force.

**ARTICLE 26.** In the performance of the duties of the Executive Board, it shall be



incumbent upon:

- I. the Chief Executive Officer of the Company: to preside over and supervise the general policy of the Company as established by the Board of Directors, coordinate the activities among the Management Divisions and provide guidance to the Divisions' sectoral activities; and
- II. the other members of the Executive Board: to carry out the duties incumbent upon them pursuant to the Law, the present Bylaws and the Board of Directors' orders to perform the actions required for the regular working of the Company, guiding and supervising the specific activities under their responsibility and carrying out specific responsibilities assigned to them by the Chief Executive Officer.

**Paragraph 1** – It shall be incumbent on the Officer so appointed by the Board of Directors, to fill in for the Chief Executive Officer during his absences or eventual incapacity.

**Paragraph 2** – It shall be incumbent on any member of the Executive Board, in addition to exercising the powers granted to them hereunder, to undertake the duties that shall be assigned to them by the Board of Directors.

**ARTICLE 27.** – The Executive Board shall meet when convened by the Chief Executive Officer of the Company, with a quorum representing the majority of Board members.

**Paragraph 1** – The decisions of the Executive Board shall be taken on a majority vote of its members in attendance, the Chief Executive Officer, in addition to his own vote, having the tie-breaker vote.

**Paragraph 2** – All Executive Board resolutions shall be included in minutes entered into the respective register of the minutes of the Executive Board and signed by the Officers present.

**ARTICLE 28.** Conditional on the legal and statutory authorities, it shall be incumbent on the Chief Executive Officer of the Company to represent the Company both in- and out-of-court.

**Paragraph 1** – The Company shall in any case be represented in acts which involve financial responsibility or the waive third parties' liability (i) by the joint signatures of 2 (two) Officers, (ii) by the joint signatures of 1 (one) Officer and 1 (one) attorney-in- fact, (iii) by the joint signatures of 2 (two) attorneys-in-fact, in compliance with the levels of authority approved and delegated by the Executive Board in a power-of- attorney, and (iv) by the single signature of 1 (one) Officer, conditional on being expressly and specifically authorized by the Board of Directors to sign certain documents, as provided in the minutes of the Meeting of the Board of Directors.

**Paragraph 2** – All powers of attorney will be granted by any two (2) Officers, with specific powers and term, except for judicial powers of attorney, in which case the power of attorney may have indefinite term, under a public or private instrument. In the case of item (iv) above, the power of attorney must be granted necessarily by the Chief Executive Officer, jointly with another Officer.

**Paragraph 3** – The Officers may not bind the Company to business outside the scope of its corporate purpose and may not bind the Company to financing, sureties, personal guarantee or collateral as favors or in any manner unrelated to the businesses of the Company or companies controlled by or affiliated with the Company.

**ARTICLE 29.** The meetings of the Executive Board may be conducted by conference call, video conferencing or any other means of communication which allows each Officer to be identified and enables simultaneous communication with all the other persons in attendance at the meeting. Absent Officers may also delegate their vote in writing to other Officers.





**Paragraph 1** – Officers attending at the meeting in the manner described above shall be deemed present for all intents and purposes, the signature on the respective minutes sent by facsimile or other electronic means deemed valid, a copy being filed at the Company’s registered offices together with the signed original of the minutes.

**Paragraph 2** – The prior convening of the meeting may be waived only if all the members of the Executive Board are in attendance

## **OF THE FISCAL COUNCIL**

**ARTICLE 30** – Pursuant to the applicable Law in force, the Fiscal Council shall be made up of 3 (three) to 5 (five) effective members and an equal number of alternates, with a term of office of 1 (one) year, elected by the Annual General Meeting, members being eligible for reelection.

**Paragraph 1** – The Annual General Meeting shall establish the compensation of the members of the Fiscal Council.

**Paragraph 2** – One member of the Fiscal Council and their respective alternate shall be elected by the minority shareholders and another by the preferred shareholders pursuant to Law 6.404/76.

**ARTICLE 31** – In the event of the position of an effective member becoming vacant or in the event of a member’s incapacity, the respective alternate shall be called upon to substitute the member in question.

**ARTICLE 32** – The duties of the Fiscal Council shall be as per the applicable Law in force and the Council shall be permanently installed.

## **OF THE MANAGERS’ LIABILITY**

**ARTICLE 33.** The Company shall ensure to its Officers, Members of the Board of Directors, Fiscal Councilors and employees or staff with powers delegated to them by management, technical legal defense in judicial and administrative proceedings stemming from facts arising from or acts practiced in the course of the performance of their legal or institutional duties on behalf of the company.

**Paragraph 1** – Guaranteed legal defense shall be assured even after the party has for any reason left their position or ceased to perform.

**Paragraph 2** – At the discretion of the agent and conditional on the absence of a conflict of interests, the defense shall be carried out by the Company’s in-house legal team.

**Paragraph 3** – The party may choose to engage their own counsel, whose fees shall hereby be advanced or reimbursed by the Company, according to guidelines established by the Board of Directors, pursuant to the level of fees adopted by outside counsel.

**Paragraph 4** – In addition to legal defense costs, the Company shall bear court fees, charges of any nature, administrative expenses and required court deposits.

**Paragraph 5** – A party that is sentenced or declared liable where no further appeal is possible, shall be liable to reimburse the Company of the amounts disbursed, except when it can be proved that the said party acted in good faith and with the purpose of protecting the Company’s interests.

**Paragraph 6** – The provisions of this Article shall be applicable to the facts which occurred or acts which were practiced as from January 1 2005.



## CHAPTER IV

### OF THE FINANCIAL STATEMENTS AND DISTRIBUTION OF PROFITS

**ARTICLE 34.** The fiscal year shall begin on January 1 and end on December 31 of each year.

**ARTICLE 35.** At the end of each fiscal year, the Executive Board shall prepare the following financial statements for the Company, in accordance with the applicable law in force:

- I. balance sheet;
- II. statement of changes in shareholders' equity;
- III. income statement for the fiscal year;
- IV. sources and uses of funds statement; and
- V. cash flow statement.

**ARTICLE 36.** Jointly with the financial statements for the fiscal year, the Executive Board and the Board of Directors shall submit to the Annual General Meeting a proposal for the allocation of net income for the fiscal year, net of deductions pursuant to Article 190, paragraph 1, of Law 6.404/76 and according to the following priority:

- I.** 5% (five percent) for the constitution of the legal reserve which shall not surpass 20% (twenty percent) of the paid-in capital stock;
- II.** From the remaining balance, a quantum shall be allocated to payment of preferred dividends assigned to preferred shares, to be distributed equally to all shares of this type, in the greater amount between R\$ 218,460,960.36 (two hundred and eighteen million, four hundred and sixty thousand, nine hundred and sixty Brazilian Reais and thirty-six centavos) and 25% (twenty-five percent) of the net income for the period (minus amounts allocated to reserves as provided above), with priority payment of dividends equal to 3% (three percent) of the equity value of the share plus the right to participate in the income distributed on equal footing with common shares, after these have been assured the minimum required dividend as provided in item III of the present Article;
- III.** From the remaining balance, after deduction of the preferred dividends pursuant to foregoing item II, a quantum shall be allocated to payment of required dividends to common shares, to be distributed equally to all shares of this time, in the greater amount between R\$ 140,541,082.33 (one hundred and forty million, five hundred and forty-one thousand, eighty-two Brazilian Reais and thirty-three centavos) and the same 25% (twenty-five percent) of the net income for the fiscal year as per foregoing item II, minus amounts allocated to reserves as provided above;
- IV.** From the remaining balance, after deduction of mandatory dividends pursuant foregoing item III, up to 20% (twenty percent) of the net income for the period after deductions for the legal reserve shall be allocated to statutory reserves, whose amount shall not exceed that of the equity capital, without prejudice to other constraints pursuant to the applicable law in force. The purposes of the statutory reserves shall be to: (a) sustain investments in expanding the Company's activities; (b) enable maintaining appropriate working capital; (c) enable the creation of funds required for compliance with obligations before third parties, including financing providers; and (d) protect the Company from potential contingencies or losses stemming from regulatory risks; and
- V.** Allocation of the remaining balance shall be the subject of resolution at the General Meeting, provided the withholdings allowed under the Law, and, in the event



of the distribution of any remaining balance to common and preferred shares, such distribution shall take place on equal footing.

**Paragraph 1** – The Company, by submission of the Executive Board and by resolution of the Board of Directors, and *ad referendum* of the General Meeting, may prepare financial statements for semi-annual, quarterly or lesser periods, and may distribute interim dividends on the basis of these statements.

**Paragraph 2** – The Company, by submission of the Executive Board and by resolution of the Board of Directors, and *ad referendum* of the General Meeting, may distribute interim dividends from retained profits or profits reserves existing in the latest annual or semi-annual balance sheet.

**Paragraph 3** – It shall be further incumbent on the Board of Directors, by submission of the Executive Board, and *ad referendum* of the General Meeting, to resolve at any time as to the payment of interest on shareholders equity, which may be deducted from the total dividends payable pursuant to applicable law in force.

## CHAPTER V LIQUIDATION

**ARTICLE 37.** The Company shall be liquidated as provided under the applicable law, and it shall be incumbent on the General Meeting to determine the form of liquidation, to appoint a liquidator and to elect the Fiscal Council, which shall be permanently installed for the duration of the period of liquidation.

## CHAPTER VI

### GENERAL AND TEMPORARY CONDITIONS

**ARTICLE 38.** With the admission of the Company to the special listing segment termed Level 1 Corporate Governance of BM&FBOVESPA S.A. – Securities, Commodities and Futures Exchange (“BM&FBOVESPA S.A.”), the Company, its shareholders, Members of Management and members of the Fiscal Council, when installed, shall be subject to the provisions of BM&FBOVESPA Level 1 Corporate Governance Listing Regulations (“Level 1 Regulations”).

**ARTICLE 39.** Any omissions from the present Bylaws shall be resolved by the General Meeting and regulated pursuant to the contents of Law 6.404/76.

**ARTICLE 40.** The Company shall comply with shareholders’ agreements filed at its registered offices, and registration of share transfers and computing of votes cast in a General Meeting or in a meeting of the Board of Directors contrary to the terms of the said shareholders’ agreements shall not be permitted.

**ARTICLE 41.** The Company shall maintain a complementary Pension Plan for its employees.

**ARTICLE 42.** The term of office of 1 (one) year pursuant to Article 18 of these Bylaws shall be applicable to the Directors elected in a separate vote by the employees and by the holders of preferred shares only as from the Annual General Meeting held in 2008.



**ARTICLE 43.** The NEW CONTROLLING SHAREHOLDER, thus deemed the incumbent shareholder of the CONTROLLING BLOCK as identified in item (c) of the recitals of Stock Purchase Agreement entered into on July 26 2006, pursuant to (i) Notice SF/001/2006; (ii) the Stock Purchase Agreement; (iii) Concession Contracts 059/2001 and 143/2001, entered into on June 20, 2001 and June 20, 2001; and (iv) ANEEL Authorization Resolution 642 of July 25, 2006; and any successors thereto, on any account, including as a result of any subsequent assignment and transfer of shares that are part of the CONTROLLING BLOCK, shall be jointly and severally, irrevocably and unreservedly liable, without loss to compliance with the specific applicable law and regulations, to abide by and comply with the duties and conditions set forth in each of the instruments mentioned in foregoing items "i", "ii", "iii" and "iv", exercising to this end, if necessary, their voting rights as controlling shareholder in the Company's General Meetings.

**Sole Paragraph** – Among the said duties, some of those enshrined in item 5.3 of Notice SF/001/2006 are herein transcribed merely by way of example as follows: (i) to submit to ANEEL's prior approval any changes that may imply direct or indirect transfers or changes of ownership of the Company's CONTROLLING BLOCK; (ii) to maintain the Company as a publicly listed company for the entire duration of the concession period, and to keep its shares tradable on Stock Exchanges; (iii) to guarantee that 1 (one) member of the Board of Directors shall be elected by its employees should the shares of the latter be insufficient to ensure this election according to Brazilian corporate law; (iv) to maintain the Company's registered offices in the state of São Paulo; and (v) pursuant to the law, to guarantee to officers, directors, members of the fiscal council and employees or agents of the Company that have been delegated powers to act by management, access to the Company's documents, maintaining said documents them for the duration of the legally required periods, allowing their use, whenever needed for supporting the case of the defense in the event of any legal and administrative proceedings concerning facts arising from, or actions carried out in, the performance of their legal or institutional duties.

**ARTICLE 44.** Should the General Meeting pass by December 18, 2018 any resolutions enabling the exercise of the right to withdrawal by dissenting shareholders, calculation of the reimbursement payable by the Company and payment thereof shall take place as provided in the Company's Bylaws in force until the General Meeting of December 18, 2017.

THESE BYLAWS WERE APPROVED BY THE GENERAL MEETING FOR CONSTITUTION OF THE COMPANY ON FEBRUARY 4, 1999, HAVING RECEIVED CORPORATE IDENTIFICATION NUMBER (NIRE) 353.00.170.571 ON FEBRUARY 22, 1999.

## **AMENDMENTS**

EGM OF 03/30/1999 – FILED WITH JUCESP UNDER NO. 101.243/99-06 -06/24/1999  
EGM OF 08/31/1999 – FILED WITH JUCESP UNDER NO. 153.531/99-0 -09/10/1999  
EGM OF 10/28/1999 – FILED WITH JUCESP UNDER NO. 198.734/99-2 -11/10/1999  
E/AGM OF 04/26/2000 – FILED WITH JUCESP UNDER NO. 85.714/00-8 -05/15/2000  
EGM OF 10/31/2001 – FILED WITH JUCESP UNDER NO. 229.724/010-2 – 11/14/2001  
EGM OF 12/19/2002 – FILED WITH JUCESP UNDER NO. 284.219/02-02 – 12/27/2002  
E/AGM OF 04/25/2005 – FILED WITH JUCESP UNDER NO. 128.270/05-6 – 05/04/2005  
EGM OF 02/02/2006 – FILED WITH JUCESP UNDER NO. 51.659/06-2 – 02/14/2006  
EGM OF 08/14/2006 – FILED WITH JUCESP UNDER NO. 223.786/06-8 – 08/17/2006  
EGM OF 07/12/2007 – FILED WITH JUCESP UNDER NO. 261.587/07-9 – 07/24/2007  
EGM OF 07/18/2008 – FILED WITH JUCESP UNDER NO. 238.317/08-0 – 07/23/2008  
E/AGM OF 04/15/2009 – FILED WITH JUCESP UNDER NO. 136.769/09-3 – 04/22/2009  
EGM OF 08/24/2009 – FILED WITH JUCESP UNDER NO. 301.095/09-7 – 08/27/2009  
E/AGM OF 04/29/2010 – FILED WITH JUCESP UNDER NO. 153.995/10-5 – 06/05/2010  
E/AGM OF 04/29/2011 – FILED WITH JUCESP UNDER NO. 179.207/11-8 – 05/11/2011  
EGM OF 07/19/2011 – FILED WITH JUCESP UNDER NO. 299.596/11-4 – 08/01/2011  
E/AGM OF 04/16/2012 – FILED WITH JUCESP UNDER NO. 199.033/12-2 – 05/16/2012



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EGM OF 04/01/2013 – FILED AT JUCESP UNDER NUMBER 144.316/13-4 – 04/16/2013  
E/AGM OF 03/31/2014 – FILED AT JUCESP UNDER NUMBER 131.846/14-0 –  
09/04/2014

EGM OF 10/27/2014 – FILED WITH JUCESP UNDER NO. 469.964/14-5 – 11/21/2014

EGM OF 03/30/2016 – FILED WITH JUCESP UNDER NO. 179.718/16-6 – 04/25/2016

EGM OF 07/15/2016 – FILED WITH JUCESP UNDER NO. 441.610/16-0 – 10/11/2016

E/AGM OF 03/30/2017 – FILED WITH JUCESP UNDER NO. 215.612/17-6 – 05/11/2017

EGM OF 12/17/2017 – FILLED WITH JUCESP UNDER NO. 582.144/17-6 – 12/27/2017

E/AGM OF 04/04/2019 – FILLED WITH JUCESP UNDER NO. 252.843/19-8 – 05/09/2019

Luiz Fernando Couceiro Machado de  
Souza  
OAB/SP 132.194

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