



Eletrobras

Eletrobras Companies Antitrust Policy

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ELETROBRAS COMPANIES ANTITRUST POLICY

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1. Objective

To guide the management of antitrust issues in Eletrobras Companies with the goal to orient their actions in competitive environments in order to strengthen the corporate practices which encourage free competition, as well as reduce the operational risks of their activities facing the regulatory authorities, in accordance with legal principles and antitrust best practices on the market.

2. Concepts

▪ Unfair competition

Unfair competition is a violation of economic order, characterized by a series of actions intended to harm competition or free enterprise.

▪ Trust

Antitrust is an economic phenomenon that comes into play in the relationships between companies, where normally a company or a group of companies would come to control others with the objective of dominating the market and suppressing free competition.

3. References

- Constitution of 1988, art. 37, caput, combined with art. 170, IV.
- Law N°. 12,529 of November 30, 2011 - The structure of the Brazilian System for the Defense of Competition; provides for the prevention and repression of infractions against economic order.
- Law N°. 8,666, of June 21, 1993 - Regulates art. 37, item XXI, from the Federal Constitution, instituting regulations for Public Administration bidding and contracts and other measures. (Art. 3, § 1, item I).
- Law N°. 12,813, of May 16, 2013 - Provides for Conflict of Interest in the exercise of an office or employment in the Federal Executive Branch and subsequent restraints on the exercise of office or employment.
- Law N°. 12,846 of August 1, 2013 - Provides for civil and administrative liability of legal entities for the practice of acts against public, national or foreign administration, and implements other measures.
- Eletrobras Companies Code of Ethics.
- Eletrobras Antitrust Guidelines.
- Eletrobras Board of Directors Guide.
- Orientation Manual of Members of the Board of Directors Representing Eletrobras.
- Orientation Manual of Members of the Fiscal Council Representing Eletrobras.

4. Principles

- Subject to constitutional, legal and regulatory dictates assigned to their status as indirect entities of Public Administration.
- Base their business decisions and actions on ethics, transparency, integrity, loyalty, impartiality, professionalism and efficiency, considering the legitimate interests of all its stakeholders and its commitment to sustainability.
- Defend the rules of free competition.
- Do not manipulate prices or act in the market using unfair or anti-competitive practices.
- Refuse to have business dealings with companies that promote unfair or anticompetitive actions or that, in any way, undermine free competition or free enterprise.
- Refuse to have business dealings with companies that promote the formation of trusts to dominate goods or services on the market.
- Refuse to have business dealings with companies that promote actions that compromise market free enterprise.
- Refuse to have business dealings with companies that promote actions that may characterize unfair competition.
- Refuse to have business dealings with companies that promote agreements with competition to fix prices or manipulate proposals.

5. Guidelines

5.1. Corruption, Bribery and Influence Peddling

Eletrobras companies repudiate any form or attempt at corruption, bribery, kickbacks, personal advantage and influence peddling, acting without concessions to the interference of private interests and, to partisan or personal favoritism, and encourage its employees to report possible occurrences through the appropriate channels.

5.2. Privileged Information

Eletrobras employees must maintain confidentiality of privileged, strategic and sensitive information, not using it for their own benefit or for third party benefit (insider trading). In addition, employees who own shares in the company shall report the trading of such shares with the stock exchange, as defined in the Trading of Company Shares Manual.

5.3. Generation, Transmission, Distribution and Trading of Electric Energy

Eletrobras companies do not manipulate prices or act in the market using unfair or anticompetitive practices. Eletrobras defends the rules of free competition regardless of the location of work.

5.4. Sponsorships and Social Contributions

Eletrobras companies select and contract environmental, social, cultural, sports-related, educational and technical/scientific projects, through the use of objective criteria and, preferably, through public selection, being prohibited the selection and the contracting of projects initiated by workers, managers or union organizations and, also, contribution to political parties or the support of political campaigns for elected office candidates.

5.5. Formation of Joint Ventures

Eletrobras companies do not associate with other companies that intend to manipulate prices or act in the market using unfair or anti-competitive practices, defending the rules of free competition regardless of the location of work.

5.6. Suppliers

The selection and contracting of suppliers of goods or providers of services are conducted through regular bidding processes, preferably through electronic trading, based on objective technical criteria, avoiding the favoring of any bidder company or manipulation of proposals and pricing.

5.7. Hiring of Effective Employees

All Eletrobras companies permanent employees are hired through prior approval through the Brazilian public employee application and approval process, with no possibility for personal favoritism in the selection and hiring process.

5.8. Handling of Antitrust Allegations

Collaborators, employees and other stakeholders are encouraged to report anticompetitive practices directly to the Ombudsman for review and action. Complaints of this nature shall be sent from the Ombudsman to top management of the company.

5.9. Report of Antitrust Cases

The occurrence of any antitrust cases or complaint of anti-competitive practices is reported in company management public documents, detailing the process to which the company is subject, in addition to any fines on matters that violate antitrust laws.

6. Responsibilities

- **Eletrobras Executive Board** - approve this policy and ensure its implementation.
- **Eletrobras Superintendent of Communications and Institutional Relations** - support implementation of this policy.
- **Eletrobras companies Executive Board** - ensure the implementation of this policy in their companies.



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7. General Provisions

- The guidelines set forth herein should be observed by all employees of Eletrobras companies, members of the Board of Directors, officers, employees, contractors, service providers and trainees, in addition to any business partners, suppliers, service companies and employees of business partners and joint ventures.
- In consideration of the specificities of each company, this policy can be deployed in other specific normative documents, always aligned with the principles and guidelines set forth herein.
- This policy was approved by Resolution 293/2014 of May 19, 2014.