



**Eletrobras**

**Guidance Manual for the  
Eletrobras Representative in the  
Board of Directors**

Version 2.0  
12/22/2014



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

## Presentation

Dear Member,

Centrais Elétricas Brasileiras S. A. - Eletrobras attributes to the performance of the representatives of the Eletrobras Companies in the Board of Directors a relevant role in defense of their interests, whose actions should be based on the principles of corporate governance: transparency, equality, rendering of accounts and corporate liability, in order to increase the corporate efficiency and profitability, contributing towards the perpetuity of the organizations in which they are stakeholders.

The Guidance Manual for the Eletrobras Representative in the Board of Directors was prepared in recognition of the need for the successful performance of the members, who have the mission of protecting and valuing the assets of the company, as well as maximizing the return on investment, supervising the relationship between the executives and other interested parties.

As a result, Eletrobras verified the importance of reviewing the present Manual, strengthening the adaptation of the companies to the current scenario, striving towards enhancing the role performed by its representatives in the Board of directors of the companies in which they work and, therefore, increasing investor confidence and, consequently, the longevity of the company.

In March 2010, the Strategic Plan 2010-2020 of the Eletrobras System was edited, defining its mission, values, benefits for the target audience, finalistic strategic objectives, strategic management objectives and competences and the combined associated strategies. Over the years, proceeding with its deployment, the Business Driver and Management Plans were created.

With the publication of Provisional Measure 579 of 09/11/2012, converted into Law nº. 12.783, of 01.11.2013, the planning process of Eletrobras was reviewed, seeking the alignment with the new legal and regulatory reality.

In November 2014, the Strategic Plan of the Eletrobras System was approved, for the period 2015-2030, based on the restructuring of business processes, the readjustment of the costs related to revenue and the optimization of efforts between Eletrobras companies, issues that have already been addressed in recent years, as well as new leverages for the aggregation of value, consolidating a foundation that will guide the preparation of the next five-year Business and Management Plans for each of the Eletrobras companies.

The efficient performance of the boards in the corporations is an essential condition for the sustainability of the company. For this reason, Eletrobras expects that the members incorporate goals of socio environmental order in the definition of business, operations and corporate strategies of these organizations envisaging a sustainable development.



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

We hope that the information provided in this Manual will provide you members full knowledge of your main obligations, also in relation to Eletrobras, as representative of the company.

In this way, I offer my best wishes of success to the board of directors representing the Eletrobras companies during its trajectory in the boards, in accordance with the provisions in this Manual, remembering that the area of Corporate Governance will provide the necessary support to attain the best results.

Yours sincerely,

**José da Costa Carvalho Neto**  
Chief Executive Officer - CEO



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

**Index**

1. Introduction.....	6
2. Scope of Work.....	6
3. Composition and Operation of the Board .....	7
3.1. Composition .....	7
3.2. Operation .....	8
3.3. Interministerial Committee on Governance .....	9
4. Taking Office and Investiture.....	10
5. Management.....	10
6. Meetings of the Board of Directors .....	12
7. Secretariat of the Board of Directors.....	15
8. Competences of the Board of Directors .....	15
9. Requirements Applied to Members of Board of Directors Representatives of Eletrobras .....	16
10. Duties and Responsibilities .....	16
10.1. Duties .....	17
10.1.1. Duty of Diligence.....	17
10.1.2. Purpose of Attributions and Misuse of powers .....	17
10.1.3. Duty of Loyalty and Confidentiality.....	17
10.1.4. Conflict of Interest.....	18
10.1.5. Duty to Inform.....	20
10.2. Civil, Administrative and Criminal Responsibilities .....	20
11. Obligations of the Members of the Board of Directors Representatives of the Eletrobras Companies .....	21
11.1. Operational, Economic and Financial Controls .....	24
12. Supporting Instruments.....	25
12.1. Internal Rules of the Board of Directors .....	26
12.2. Manuals of Corporate Governance .....	26
12.3. Regulations of the Capital Market .....	27
13. Performance Appraisal .....	27
14. Relationships of the Board of Directors.....	27
14.1. With the Shareholders .....	27
14.2. With the Fiscal Council .....	28
14.3. With the Board of Executive Officers .....	28



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

14.4. With Board Committees .....	28
14.5. With the Independent Audit .....	29
14.6. With the Internal Audit.....	29
14.7. Specialist Consultancies .....	29
14.8. Related Party.....	29
15. Terms and Attachments.....	32
15.1. Terms.....	32
Term of the Member of the Board of Directors Representative of Eletrobras .....	32
Term of Commitment for the Supply of Information (DEL-242/2010) .....	33
Term of Commitment for forwarding of corporate informations.....	34
15.2. Attachments.....	35
Annex A .....	35
Annex B .....	38
Bibliography .....	41



## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

### 1. Introduction

This Manual has been prepared based on the Corporation Law (Brazilian Corporate Law), n°. 6404, of 12/15/1976 and its subsequent amendments, and, in complementary legislation, that confers high relevance to the boards of directors and gives them powers of extreme amplitude, taking as reference the Code of Best Practices of Corporate Governance, the Model of Internal Rules of the Board of Directors and the Legal Guidance Manual of Members of the Board of Directors and Executive Officers, all of the Brazilian Institute of Corporate Governance – IBGC, in addition to the “Guidance Manual of Members of the Board of Directors”, prepared by Eletrobras.

The global effort for the improvement of corporate governance standards of the companies reflects the need for the development of control systems for management. According to the IBGC, “Corporate Governance is the system by which organizations are directed, monitored and encouraged, involving the relationships between owners, the Board of Directors, the Board of Executive Officers and control bodies. The good practices of corporate governance translate principles into objective recommendations, aligning interests with the purpose of preserving and optimizing the value of the organization, facilitating their access to resources and contributing to their longevity”.

With the purpose of disseminating the referential practices of governance and to keep them in constant improvement, this Manual was organized, which provides basic tools of conduct to guide their representative members by providing them with a standardized line of work with a focus on sustainable, competitive and profitable performance, in addition to providing significant information to exercise the function of member of the board of directors.

It is, therefore, essential that the representative members of Eletrobras in boards of directors of the companies for which they have been given appointed to develop the knowledge inherent to their assignments.

### 2. Scope of Work

The Board of Directors is a deliberative body and inspects, with competence in any matter of social interest, except private matters of the Shareholders’ Meeting, and must act to protect and add value to the assets of the company and maximize the return on investment on a sustainable basis, reconciling these objectives with the legal, social and environmental obligations.

It is a decision and managing shareholding participations body, which represents the interests of all the shareholders, working as instance of direction, evaluation and monitoring of the business of the organization, in order to add value to the management without interfering in the daily activities of the company.

The focus on financial issues is about the flow of compulsory information that allows the Board of Directors to acknowledge the actual financial impact of business and management decisions.



## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

It is necessary, therefore, to understand the proposed capital budget to understand and give an opinion on the use and commitment of resources by the companies, especially of working capital, which may involve possible loans, compromising the financial health of the current business, reducing profits and future dividends.

They must fully acknowledge the mission, vision, values and objectives of the Eletrobras company they represent and the holding company, ensuring its development.

The Board of Directors should also follow up the approval of the company's business plan, the development of indicators in order to observe if their results are contributing to the improvement of the economic and financial situation of the companies and, in particular, the improvement of the quality of service and the balanced tariffs.

It should also prevent and manage situations of conflicts of interest or of divergence of views, so that the interests of the company always prevail.

### **3. Composition and Operation of the Board**

#### **3.1. Composition**

The Board of Directors will be composed of a minimum of 03 (three) members, in accordance with the Corporation Law, and, in the case of public companies or of mixed economy, as well as of its subsidiaries, or any of the companies under the direct or indirect control of the Government, except for the provisions in special law, will be a maximum (06) six members, including the representative or representatives of the minority shareholders, in accordance with Decree n°. 757, of 02/19/1993. For the other companies, the maximum number of members must be provisioned in its Bylaws, respecting the current legislation. Its members will be elected by the Shareholders' Meeting.

Still, under the enforcement of the provisions of this Decree, in the board of directors of public companies, companies of mixed capital, as well as in its subsidiaries and controlled companies or even in any of the companies under the direct or indirect control of the Government, there will be, in addition to the representative or representatives of the minority shareholders, elected through a separate vote, a representative designated by the Ministry of Planning, Budget and Management, and the other given by the Minister of State under whose supervision the society is, among Brazilians of notorious knowledge and experience, morals and unblemished reputation, leaving it up to one of them being the Chairman

In accordance with art. 141, paragraph 4, subparagraphs I and II of Law n°. 6.404/1976, the minority and preferred shareholders will have the right to elect and destitute a member and his/her deputy from the Board of Directors, in a separate vote in the Shareholders' Meeting, excluding the controlling shareholder. Most of the members able to exercise this right are those representing at least 15% (fifteen percent) of the total number of issued shares of the publicly traded company with the right to vote and holders of



## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

preferred shares without voting rights or with restricted voting rights for the issuing of the open company, representing at least 10% (ten percent) of the capital stock, which have not exercised the right provisioned in the bylaws, in accordance with art. 18 of the same law.

In addition, in accordance with paragraph 5 of art. 141 of the legal provisions in question, noting that neither the holders of shares with voting rights nor the holders of preferred shares without voting rights or with restricted voting rights reached, respectively, the quorum required in sections I and II of §4 mentioned above, they should be entitled to aggregate their actions to jointly elect one member and his deputy to the Board of Directors, noting that, in this case, the quorum required by paragraph II of § 4, i.e. of 10% of the share capital.

The composition of the Board should be established in the Bylaws of the company.

In public companies and companies of mixed capital, its subsidiaries and controlled and other companies in which the Government, directly or indirectly, holds the majority of the share capital with voting rights, the Board of Directors will have 01 (one) member representative of the employees, except for those companies that have less than 200 (two hundred) employees, whereby the predicted vacancy should be contemplated in the company's Bylaws, whose election will be organized by the company in conjunction with the trade unions that represent them, according to the provisions of Law n°. 12.353, of 12.28.2010.

For the above mentioned companies that have less than 200 (two hundred) employees, if the controller considers appropriate, and for the companies that are not covered in the above paragraph, it is optional to give their employees the right to elect, by separate vote, a member to represent them on the Board, which should be provisioned at its registered office. Given this right, the election will be held by the company in conjunction with the trade unions that represent them, in accordance with the Corporation Law.

### **3.2. Operation**

The company's Bylaws should govern the operation of the Board of Directors and should establish: (I) the number of members, or the maximum and minimum allowed, (II) the process of choosing and replacing the chairman and for the replacement of the other members, (III) the instrument of investiture, which may not be more than 3 (three) years, reelection being permitted, (IV) the rules on summoning, installing and operation of the Board, which should act by a majority of votes; and (V) the powers, duties and the limit of jurisdiction of the Board's operations.

It is recommended that the Board of Directors should prepare and approve its internal rules, to regulate the provisions in the Bylaws.

The reelection of the member is possible and recommended, in order to build a Board of Directors that is experienced and productive. If it occurs, it should be, preferably, after a formal performance appraisal. All members should be elected at the same Shareholders' Meeting, whenever possible.





## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

The chairman has the responsibility of ensuring the efficiency and performance of the body and of each one of its members, as well as suggest an annual process for their appraisal. It's up to him to establish the objectives and programs of the Board, chairing meetings, organizing and coordinating schedules, coordinating and supervising the activities of other board members and establishing responsibilities and deadlines. He must also ensure that the members receive full and timely information for the exercise of their mandates.

The powers of the chairman are different and complementary to those of the CEO. To safeguard adequate management supervision the accumulation of these functions should be avoided by the same person.

Companies should provide the necessary support to the board of directors, by providing them with the necessary means to achieve its mission and giving them, together with all its bodies, the information deemed necessary for efficient performance.

The members of the Board of Directors should be compensated for their travel and accommodation expenses required to perform their duties for the company in which they act as members, whenever they reside outside the city in which the meeting is being held. If the company no longer does this, the member should suggest the application of this practice, and include it in the minutes.

The annual budget of the Board, approved by the Shareholders' Meeting, should acknowledge the expenditure necessary for the attendance of members at company meetings.

### **3.3. Interministerial Committee on Governance**

The Interministerial Committee on Corporate Governance and Administration of Shareholding Participations of the Federal Government (CGPAR) was created by Decree n<sup>o</sup>. 6.021, dated 01/22/2007, with the purpose of dealing with matters related to corporate governance in state-owned federal enterprises and of administration of shareholdings of the Government.

On 03/28/2011, CGPAR published Resolution n<sup>o</sup>. 3, which has led to the adoption of guidelines to be followed by the state-owned companies aiming at enhancing governance, related to the Board of Directors, of which we emphasize especially:

- segregation of administration positions, preventing the accumulation of the post of chairman;
- formal institution of the practice of executive session in the Board of Directors of state-owned enterprises, at least once a year, without the presence of the CEO;
- whenever the number of members of the board of directors allows and the cost/benefit ratio is appropriate, establish committees to support the Board of Directors;



## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

- implementation or enhancement of the formal performance appraisal of the Board of Executive Officers and of the Board of Directors; and
- include, in the explanatory notes to the financial statements, the values, on the date of their establishment, of greater and lesser compensation paid to its employees and administrators, computing the advantages and benefits actually perceived, as well as the average wage of their employees and administrators.

### **4. Taking Office and Investiture**

Taking office is the act through which the member is vested in office, enabling them to exercise the function.

The members of the Board of Directors should be vested in their offices by signing an investiture, observing what is provisioned in the Bylaws and the Internal Rules of the Board.

The instrument of investiture will expire if it is not signed within 30 (thirty) days following the appointment, except when the reason is accepted by the body to which the member has been elected.

Under penalty of nullity, the instrument of investiture should contain an indication of at least one address in which administrators will receive the citations and subpoenas in case of administrative and/or judicial procedures related to acts of its management. Therefore, any change of address should be communicated in writing to the company.

Upon taking office, the member of the board of directors of a publicly traded company must, in addition to signing the instrument of investiture, deliver a curriculum and declaration of non-impediment pursuant to art. 2 of CVM Instruction n<sup>o</sup>. 367 and in art. 147, §§ 1 to 3 of the Corporation Law, also observing the additional documents required in this Manual.

When signing the instrument of investiture, the administrator of a publicly traded company has the duty to inform them of their equity situation with respect to the securities issued by the organization, which consists of declaring the number of shares, subscription bonus, options to purchase shares and debentures convertible into shares, issued by the company and subsidiary companies or within the same group, of which he is the holder.

The minutes of the Shareholders' Meeting in which the members are elected should be registered in the Commercial Registry and published.

### **5. Management**

The Bylaws of the company should establish the term of office of members and, where appropriate, the conditions for the renewal, observing the current legislation regarding the time limit for the mandate of the member, but it may not be more than 03 (three) years, whereby reelection is permitted.

The term of office of members extends to the investiture of the newly elected administrators.



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

In case of replacement, the substitute elected to fill the vacant position should complete the term of office of the replaced.

Following the guidelines of good governance, the reelection should not be automatic, but must be preceded by the annual performance appraisal, which will be addressed more comprehensively in this Manual.

The member representative of the employees may be re-elected only once, in accordance with Law n<sup>o</sup>. 12.353.

The definitive vacancy of the member position may occur through disclaimer, dismissal, invalidity, loss of mandate, confirmed impediment, death or as a result of other assumptions provisioned in the law.

In the case of a vacancy of the member of the Board of Directors, unless otherwise provisioned in the Bylaws, the substitute should be appointed by the remaining members and should remain in office until the first Shareholders' Meeting. If the vacancy is for the majority of the positions, the remaining members will summon a Shareholders' Meeting for the new election. On the other hand, in the event of a vacancy of all the positions of the Board of Directors, the Board of Executive Officers will be responsible for summoning the Shareholders' Meeting to decide on the appointment of new members of the Board of Directors, in accordance with the caput and §1 of art. 150 of the Corporation Law. In addition, according to this law, the substitute elected to fill the vacant position should complete the term of office of the replaced.

In the event of a vacancy of one or more of the positions, the remaining members must, first of all, check what is provisioned on the matter in the Bylaws and/or Internal Rules. If the Bylaws states nothing to this regard, then the procedures laid down in the Corporation Law should be observed regarding this theme.

In the case of the member representative of employees, also configured as vacancy are all situations in which he no longer belongs to the active employees of the organization, i.e. if his employment contract is terminated during the term of office, he automatically loses the condition of member of the board of directors.

The disclaimer of a member should be given by means of a written communication to the chairman, becoming effective, before the company, from its receipt; and, in relation to third parties in good faith, from the filing of the letter of resignation in the Trade Registry and its publication, which can be promoted by the complainant, in accordance with art. 151 of the Corporation Law.

In the event of spontaneous resignation, the member should forward the correspondence to the CEO of the Eletrobras company that appointed him, to the area of support to members of Board of Directors of Eletrobras and to the chairman of the company in which he works, as far in advance as possible.



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

## 6. Meetings of the Board of Directors

The meetings of the board of directors will be held as provisioned in the Bylaws of each company, or, when they exist, in their internal rules. In the absence of such instruments, the chairman should propose an annual calendar of regular meetings and the summoning of extraordinary meetings, as well as organize an agenda for the Board with the important issues to be discussed during the course of a year and the dates on which they will be addressed, providing a further investigation of strategic affairs. This agenda does not impede the matters from being discussed according to their opportunity and urgency in the meetings.

The members representatives of the Eletrobras companies should suggest, in the assumption that it does not exist, the creation of a work plan, as well as a program of activities for the Board of Directors, in order to analyze the general direction of the company's business, checking the compatibility between its implementation and the guidelines set out in the Strategic Plan of the Eletrobras System.

The frequency of meetings should be sufficient to ensure the effectiveness of the work of the Board of Directors, without, however, interfering in the work of the Board of Executive Officers.

The meetings should be in person, preferably at the company's headquarters, using tele or video conferencing only in exceptional cases.

The agendas of the meetings of the Board of Directors should be prepared by the chairman, after hearing the other members, the CEO and, if appropriate, the other executive officers.

It is important that the documentation for the meeting is distributed in advance to the members, in accordance with the guidelines of each company, clearly, with quality and adequate quantity. A summary of the matter proposed must precede the material of each theme, as well as the recommendation of the management vote for its proposition, thus contributing to a good preparation of the member for the meeting.

The decisions of the members should be well informed, pondered and in benefit of the company. In this sense, the preparation for the decision-making process is essential. The members should make every effort to ensure that the company grants, along with the agenda of the meeting, enough time for them to find out about the issues in question and request any clarification, clear and complete information, as well as the respective documentation.

It is vital that members focus on the quality of the information. If, on the one hand, excessive detail makes the understanding of the matter difficult at the expense of relevant data, the lack of them hinders an informed and thoughtful vote.

Formality is an important factor in the meetings of the Board of Directors to the extent of the efficiency of the body. The chairman should establish the rules of conduct to be observed by the members during the meeting. He must also comply with the agenda, the time dedicated to each item and the contribution of all the members.



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

For each meeting the minutes should be drawn with a serial number, date, place, members present and reporting of the work and the decisions, whereby the minutes should be drafted with clarity and signed by all the members present at the meeting.

The members of the Board of Directors should include their divergence in relation to a specific theme under discussion or vote on the minutes of meeting.

The opinions and the minutes will be duly filed and, where appropriate, registered with the Commercial Board.

The deliberations of a strategic nature for the company or that could put at risk the interests of the company may, at the discretion of the Board of Directors, be of a confidential nature, in whole or in part, not being disclosed in accordance with the legislation in force. The disclosure, when performed, must comply with the conditions of equality for all shareholders, upon publication.

The deliberations of the Board of Directors should be taken by majority of votes, but the Bylaws may establish qualified quorum for certain deliberations, as long as it specifies the matters, as established in the Corporation Law.

The casting vote, also called tie, or minerva, is the one usually granted by the Bylaws to the chairman and that has the attribute to prevail, in the case of deadlock in the deliberation, arising from the numerical equality of votes in opposite directions, in the face of a specific proposal.

It is essential that the Bylaws determine if the chairman has the casting vote. If the Bylaws is silent on this issue, it is understood that this attribute is not be valid.

It should be clear that the chairman has no more than one vote. In the event of a tied vote, the vote of the chairman previously expressed will prevail. Thus, the resolution submitted to an impasse will be resolved by the vote given by the chairman.

The Board of Directors should meet at least once a year, without the presence of the CEO, and this meeting may be devoted to management appraisals, issues of possible conflicts of interest and approval of the PAINT and RAIN, pursuant to the terms of resolution n°. 3 of CGPAR.

A space at the meeting of the Board of Directors, without the presence of the CEO, can become a routine, facilitating the adoption of this measure at a time of great need.

The discussion of matters that do not appear on the agenda of the meeting should be avoided, except in cases in which this subject requires an immediate positioning of the body. The matters should not be discussed beyond necessary, exceeding the level of involvement desired by the Board of Directors, as defined above, ensuring that the meeting takes place as a genuine discussion.

It is recommended that the meeting of the Board of Directors is structured in such a way as to address:



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

## Permanent or Recurring Themes

Among the various permanent or recurring themes that can be presented and discussed, we highlight:

a) Financial Issues:

- Monitoring of Budget Performance;
- Balance sheet;
- Consolidated Balance Sheet – DRE;
- Cash Flow;
- Indebtness;
- Financing; and
- Margins.

b) Commercial and Market-based Themes:

- Market Share;
- Players;
- Clients;
- Collections; and
- Stocks.

c) Operational Themes:

- Volume and Production Cost;
- Productivity;
- Portfolio of Orders;
- Investments; and
- Specific aspects related to the company's business.

d) Themes Related to the Implementation of the Strategy:

- Follow up of the Strategic Action Plans.

e) Structural Themes:

- Implementation of the Human Resources Policies;
- Compensation;
- Evaluation of the Internal Controls; and
- Analysis of Business Risks.

## Specific (ad hoc) Themes

Dealing with definitions and guidelines about the future:

a) Annual Projects and Plans in progress;



## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

- b) Annual Projects and Plans for approval;
- c) Strategy and Budget.

### **7. Secretariat of the Board of Directors**

It is recommended that the Board of Directors creates a Secretariat of the Board of Directors to support and organize the tasks of the Board of Directors, as well as to monitor compliance with the deliberations of the body.

The companies that have in their organizational structure the figure of the General Secretariat should allocate to it the functions to mediate the relations between the members of the boards and the various levels of the company, receive the members requests and arrange the delivery of material, tickets, accommodation and rendering of accounts, prepare, draw up in the proper book, register with the proper authorities and publish the minutes of the meetings of the Board and Shareholders' Meetings, in the form of the current legislation, maintain updated the relationship of requests made by members, among other activities established by the company.

The requests for the inclusion of items on the agenda or the summoning of ordinary or extraordinary meetings, on the part of members of the board of directors or the CEO, should be forwarded, in writing, to the General Secretariat (the Secretariat of the Board), which should submit the proposals received to the chairman and should inform its decision to the members of the board of directors and CEO.

### **8. Competences of the Board of Directors**

In accordance with the Corporation Law, the powers conferred to the Board of Directors constitute declinable duties to their members, whereby the members will be liable for non-compliance with these obligations. The powers conferred to the Board of Directors may not be delegated to other bodies of the company and must follow the guidelines established by the Bylaws of the company, and, when applicable, by the Internal Rules. Without prejudice to the duties established by the Bylaws and Internal Rules, the Board of Directors, in accordance with art. 142 of the law, is responsible for:

- establishing the general guidelines of the company's business;
- the election and destitution of the directors of the company and establishing their duties, observing the provisions on this in the Bylaws;
- supervising the management of the Board of Executive Officers, to examine, at any time, the books and documents of the company, requesting information on contracts firmed or being concluded and any other acts;
- summoning the Shareholders' Meeting in the cases provisioned in the law and where it sees fit;
- expressing an opinion on the administration report and the accounts of the Board of Executive Officers;



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

- expressing an opinion previously on acts or contracts, when the Bylaws so requires;
- deliberating, when authorized by the Bylaws, on the issuance of shares or subscription bonus;
- authorizing, if the Bylaws does not say otherwise, the sale of non-current assets, the constitution of real onus and the provision of guarantees for third party obligations;
- the choice and destitution of the independent auditors, if applicable.

## **9. Requirements Applied to Members of Board of Directors Representatives of Eletrobras**

The Board Executive Officers of Eletrobras approved, through RES-091/2009, 02.05.2009 , the set of normative criteria for board members representatives of Eletrobras, among which we highlight:

- proven experience in office of managerial level or of consultancy;
- proven experience in the exercise of activities in the financial, administrative, accounting, legal or audit area;
- preferably graduated in related areas of Economics, Business Administration, Accounting, Law or Engineering;
- knowledge of the best practices of governance and management of business, finance and accounting;
- knowledge of the laws and procedures that govern the investment area of Eletrobras;
- knowledge of the Code of Ethics of the Eletrobras Companies, without prejudice to the knowledge of the Code of Ethics of the company where they work;
- alignment with the mission, vision, values and planning of Eletrobras;
- decision-making capacity and delegation;
- absence of condemnation in administrative proceedings, if characterized by the magistrate body, as bad conduct in business;
- absence of conflict of interests, according to the corporate law;
- participation in courses such as: best practices of corporate governance, of IBGC, accounting, business management and financial management.

## **10. Duties and Responsibilities**

Members of the board of directors and executive officers, when elected as administrators, assume a series of tasks, obligations, duties and responsibilities inherent to the position.





## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

### 10.1. Duties

The duties relating to the members of the Board of Directors provisioned in Articles 153 to 157 of the Corporation Law and other applicable laws must be observed.

#### 10.1.1. Duty of Diligence

The administrator must employ, in the exercise of his functions, the care and diligence that every active man and of integrity usually employs in the administration of their own business, looking after the equity of the company as if it were his heritage.

#### 10.1.2. Purpose of Attributions and Misuse of powers

The administrator must act seeking to fulfill his functions without misuse of power, exercising the powers that the law or the Bylaws grants him to meet the interests of the company, meeting the requirements of public welfare and the social function of the company.

The administrator elected by group or class of shareholders has, to the company, the same duties as the others, and cannot, even to defend the interests of those who elected them, fail to fulfill these duties.

The administrator must not practice acts of liberality at the expense of the company, decide on resources or assets of the company by means of loans or personal use, of a society in which he has interest, or of third parties, of their goods, services or credit, except with prior approval of the Shareholders' Meeting or the Board of Directors, in addition to the receipt of personal advantage, directly or indirectly, by reason of the exercise of his office, without statutory authorization or from the Shareholders' Meeting.

The Board of Directors may authorize the practice of free acts for the benefit of employees or the community in which the company operates, taking into consideration their social responsibilities, provided that the required foundation demonstrates reasonableness.

#### 10.1.3. Duty of Loyalty and Confidentiality

On the basis of art. 155, paragraph 1, of the Corporation Law and CVM Instruction n°. 358, as amended by CVM Instruction n°. 369, it is the duty of members of the board of directors to maintain secrecy about relevant information of the company on whose Board they participate.

Guard of secrecy is understood as the behavior of the administrator that inhibits to provide information reserved to people that are not directly and specifically involved in facts and legal business relevant to the company, ensuring that the breach of secrecy does not occur through subordinates and/or trusted third parties, jointly and severally liable with them in the event of non-compliance.

Also, members of the Board of Directors may not use sensitive information for their own benefit or for the benefit of other people.



## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

In publicly traded companies, especially, administrators must maintain secrecy about information not yet disclosed to the market, obtained as a function of their position and able to reasonably interfere in the quotation of securities, and they are forbidden to use the information to obtain, for themselves or others, advantage through purchase or sale of securities. In addition, administrators of publicly held companies must comply with the provisions of the Manual of Use and Disclosure of Relevant Information sent by the respective company.

As already discussed, the decisions of the Board of Directors should be recorded in minutes and some deliberations, treated with confidentiality, especially when it comes to issues of strategic interest not yet matured. Administrators may not disclose any information when they feel that their revelation puts at risk a legitimate interest of the company. The disclosure, when performed, must comply with the conditions of equality to all shareholders, upon publication.

However, secrecy is not the retention or concealment of information to other control bodies and people, inside and outside the company, which, of course, should be made aware of these facts. In this sense, it should be noted that the information that the members of the Board of Directors must report to the Eletrobras company who appointed him, as well as the reports for monitoring business.

The member should consider himself as a channel of privileged access to the shareholders. Information and variables required for the evaluation of business should, therefore, be captured publicly. The information should be made available in an equitable manner, especially with regard to corporate, strategic, and marketing events, in addition to economic and financial results. This procedure ensures a positive assessment of the securities of the company by the market agents.

The duty of confidentiality is intrinsic to the duty of loyalty and should be weighted with the duty to disclose relevant information, the latter being treated in art. 157 of the Corporation Law.

### **10.1.4. Conflict of Interest**

The member should not intervene in any social operation in which he has a conflicting interest with that of the company, as well as the determination on the matter established by the other administrators, whereby he should make them aware of his impediment and to consign, in minutes of the meeting of the Board of Directors, the nature and extent of his interest, in accordance with art. 156 of Law n°. 6.404.

The member is not allowed to participate in the deliberation of matters where his pronouncement is not independent, exerting influence or taking decisions in a biased manner, and cannot decide when there is a personal conflict of interest or related to third parties under their influence.

The member representative of employees will not participate in discussions and deliberations on matters involving labor union relations, compensation, benefits and advantages, including matters of supplementary pensions and



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

assistance, assumptions on which the conflict of interest is apparent, according to art. 2, paragraph 3, of Law n<sup>o</sup>. 12.353, of December 28, 2010, and art. 8 of Decree n<sup>o</sup>. 026 of the MPOG.

Law n<sup>o</sup>. 12.813, of May 16, 2013, defines conflict of interests as the situation generated by the confrontation between public and private interests, which can compromise the collective interest or influence, improperly, the performance of the public office. The configuration of the conflict of interests does not depend on the existence of damage to public property, as well as the receipt of any benefit or gain by a public officer or third party.

The administrator must abstain from voting on matters in which he/she has a particular interest (direct or indirect) involved. As soon as the conflict of interests is identified in relation to a specific theme, the person involved must withdraw, including physically, from discussions and deliberations, without neglecting their legal duties as administrator. If the person involved does not do so, another person may reveal the conflict. The temporary withdrawal must be recorded in minutes, as well as the reason for their abstention.

It is the duty of members to monitor and manage potential conflicts of interest of executives and members of the Board of Directors and of the shareholders, to prevent the misuse of the organization's assets and, in particular, abuses in transactions between related party.

Law n<sup>o</sup>. 12.813 also establishes a list of information that the public officials are required to send to the Commission of Public Ethics, applying this provision even to those who are on leave or have been suspended. In compliance with the Law, the following are considered as cases of conflict of interests:

- Disclosing or making improper use of privileged information obtained during time in office, either for own benefit or for a third party;
- Providing services or negotiating with individuals or entities interested in the decision of the public officer or collective group in which he participates;
- Exercising activities that are incompatible with the duties of the position or employment which he occupies, including in areas or co-related matters;
- Acting, even informally, as prosecutor or mediator of private interests in entities and agencies of any of the powers of the Federal Government, states, Federal District and municipalities;
- Practicing acts that benefit an corporation in which the public agent himself participates, his/her spouse or relatives (up to the 3<sup>rd</sup> degree);
- Receiving a gift from anyone who has an interest in a decision of the public official or a body of which he/she participates, outside the limits and conditions laid down in regulation;



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

- Providing services, even if eventual, to the company whose activity is controlled, supervised or regulated by the entity to which the public official is associated.

#### 10.1.5. Duty to Inform

Art. 157 of the Corporation Law lists the situations in which the administrator will have the duty to inform, applicable to publicly held companies.

It is the duty of the administrator to promptly disclose any material fact related to the business and status of the company, unless expressed authorization of the CVM to the contrary.

In turn, CVM Normative Instruction nº. 358/02, which provisions on the disclosure and use of information on the relevant act or fact relating to publicly held companies, in its art. 2, defines what is relevant fact and considered as such, among other cases, the act that may reasonably interfere "in the decision of investors to exercise any rights inherent to the condition of holder of securities issued by the company or referenced by it". Such Instruction determines that the notice should be done within the shortest possible time, in terms of the caput of art. 3.

In addition, in publicly traded companies, administrators have a duty to observe the Securities Trading Policy of the respective company and immediately inform the Chief Investor Relations Officer of the company on all the negotiations that take place with securities issued by the company or controlled companies that are holders or people related to the respective administrator.

#### 10.2. Civil, Administrative and Criminal Responsibilities

The Corporation Law lists the penalties assigned to administrators that do not comply with their obligations.

Irregularities that come to be committed by administrators may have their conduct assessed under the angles of civil, administrative and criminal liability.

The members of the Board of Directors should be responsible for damages resulting from the failure to comply with their duties and by acts practiced with negligence or malicious intent, in violation of the law or the Bylaws of the company. It will be considered as omission not promoting representation at the Shareholders' Meeting of irregular acts of administrators, when they fail to vote on matters of social interest or when approving accounts or reports that are in violation of the law and the Bylaws.

The administrative responsibility arises from pure and simple mismanagement, and can cause the demotion or dismissal of the administrator. The administrative responsibility can be seen under the angle of operation of public authorities of control and supervision, like CVM and Administrative Council for Economic Defense (CADE).



## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

As a rule, the administrator is not personally liable for damages caused by the company to third parties or that it may suffer as a result of its own activities, provided, evidently, that such losses arise from acts of regular management, as well as those committed by the administrator within his/her legal and statutory rights, in compliance with the social object of the company.

When he operates within the scope of his powers and in accordance with the legal and statutory rules applicable, the characterization of tort depends on the evidence that there was guilt (negligence, recklessness or incompetence) or intent (deliberate intention to produce the harmful result). If the administrator has violated the Bylaws or applicable law, no proof is required of the occurrence of guilt, because this is a consequence of the fact that the infringement has, in fact, been committed. So, the civil liability arises from the illegal act and the administrator must compose the loss suffered by the company.

However, the Corporation Law, in art. 159, paragraph 6, allows the exclusion of liability of the administrator, whenever he has acted in good faith and considering the best interests of the company. In paragraph 7 of the Article, it is determined that administrators should be responsible for losses caused to third parties or to any shareholder individually, in which case the person concerned will file an individual lawsuit against the guilty administrator.

If any such elements are present, i.e. guilt, intent, breach of law or Bylaws, the administrator will respond with their own assets for losses caused to the company or to third parties. On the other hand, if any of these elements is not present, even if the company has suffered loss or caused loss to a third party, there is no need to discuss about the responsibility of administrators, as, indeed, CVM has decided repeatedly, except in cases of strict liability, according to which the Law provisions that, in certain situations, the administrator will be held liable regardless of intent or guilt (cases specified by the law, in general, when the activity normally developed by the prosecutor of the loss involves, by its nature, risk to the rights of others).

In terms of criminal liability, the irregularity committed by the administrator, in certain circumstances, can correspond to a conduct typified by law as criminal, and the Criminal Code, in its art. 177, enrolls some typical crimes of administrators of a joint stock company.

It must be emphasized that there are other approaches that could be practiced by administrators of joint stock company typified as criminal in other legal instruments, among which we mention: Law n°. 1.521, of 12/26/1951; Law n°. 6.385, of 12/07/1976; Law n°. 7.942 of 06/16/1986 and Law n°. 8.137 of 12/27/1990.

### **11. Obligations of the Members of the Board of Directors Representatives of the Eletrobras Companies**

The obligations stipulated for the board members representatives of the Eletrobras companies, when applicable, are:

- be aware of and comply with the specific legislation of the office;



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

- compliance with the Code of Ethics of the Eletrobras Companies, with the signature of the “Term of Receipt”, without compromising the compliance with the Code of Ethics of the company in which he works;
- know and adhere to the Compliance Program of the Eletrobras companies and respective Manual with the signature of the “Term of Receipt”;
- know the present Guidance Manual for the Eletrobras Representative in the Board of Directors;
- learn about the Bylaws of the company in which he/she works and the Internal Rules and the Shareholders’ Agreement, when applicable;
- keep personal and professional details updated at Eletrobras;
- recommend the election of the chairman, if non-existent;
- enable to Eletrobras the annual schedule of meetings of the board and its amendments;
- demonstrate commitment to the Strategic Planning of the Eletrobras System;
- learn about the topics on the agenda, prior to the meeting of the Board of Directors;
- look after the interests of shareholders he/she represents, in the activities of the company, avoiding conflict of interests;
- ensure the continuity, equity and profitability of the company, as well as paying attention to the strategies focused on ethically correct business;
- make available to the area of corporate governance of Eletrobras (e-mail address: [pgg@eletrobras.com](mailto:pgg@eletrobras.com)), up to 60 days after the meeting of the Board of Directors, the minutes of the meetings duly signed by all the members present, forwarded together with the personal report containing the reasonable comments concerning the votes and the relevant issues raised in the meeting;
- in the case of a company in operational phase, forward to the area of corporate governance of Eletrobras (e-mail address: [pgg@eletrobras.com](mailto:pgg@eletrobras.com)) up to 20 days after the completion of the meeting for the approval of each ITR, the analysis carried out by the board member on the matters related to the themes highlighted in “Annex A” in respect of (i) operational indicators, (ii) financial indicators, (iii) strategic guidelines, (iv) monitoring of business plan, (v) monitoring the implementation of the budget, (vi) control of strategic works, and (vii) other matters that it considers relevant for the society; highlighting the relevant facts occurring in the period. Observation: In cases in which the company makes available an executive report to its Board of Directors and, if such a document contains this analysis, you will only need to forward the last report of each quarter;
- in the case of a company in pre-operational phase, forward to the area of corporate governance of Eletrobras (e-mail address: [pgg@eletrobras.com](mailto:pgg@eletrobras.com)) up to 20 days after the completion of the meeting for the approval of each ITR, the form that is in “Annex B”, which deals



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

with the collection of information from companies in the pre-operational phase;

- know the Guidelines for Members of the Board of Directors, prepared by Eletrobras;
- sign the “Term of the Member of the Board of Directors Representative of Eletrobras”;
- sign the “Declaration of Non-Impediment” before taking office;
- send registration form signed, as well as the following documents:
  - a) 02 certified copies of the identity card (RG);
  - b) 02 certified copies of the CPF;
  - c) 02 certified copies of proof of residence;
  - d) last declaration of assets;
  - e) curriculum, signed;
  - f) Instrument of investiture, signed;
  - g) Minutes of the meeting of the Board in which the election occurred.
- inform Eletrobras when the Shareholders’ Meetings have been summoned;
- forward the Term of Commitment for the Supply of Information, approved in Resolution 242/2010, together with the measures for their compliance with the company where he/she works;
- sign the Term of Commitment for forwarding of corporate informations, committing to completing the Follow-up Reports (Annexes A and B);
- participate actively and diligently in the meetings of the Board of Directors;
- monitor the strategic indicators throughout the year, noting the goals attained;
- communicate, promptly, to Eletrobras any evidence of irregularity or violation of legal standards and adopt measures or initiatives that, in his/her judgment, and observing the limits of his/her competence, to help control the bodies involved;
- for the publicly traded companies registered with the CVM, verify if they are meeting the standards and instructions;
- meet the requirements provisioned in the Regulations of Differentiated Practices of Corporate Governance of Levels 1 and 2 and of the New Market for the Securities, Commodities and Futures Exchange – BM&FBOVESPA, in case the company adheres to any one of these regulations;
- be available, contributing towards Eletrobras in the access to information when prompted, observing the rules of the current legislation;
- ask the legal area for exposure to demands, notices and fines;
- approve the Code of Ethics of the company and its own Internal Rules;





GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

- if there are no Internal Rules of the Board of Directors, recommend their preparation;
- examine possible environmental liabilities, their treatment and the contingencies and their evolution;
- collaborate towards the conservation of the environment, taking into account the principles of sustainable development;
- monitor the matters related to the internal audit of the company and request, whenever necessary, their examination and pronouncement;
- participate in the Shareholders' Meeting, when invited, to respond to requests for information by the shareholders, not being able to vote as member, having their participation based on social interest, observing their duties and responsibilities under the Corporation Law;
- monitor, when applicable, the implementation of the recommendations of the Sarbannes-Oxley Law (SOX);
- approve the risk management policy and monitor the implementation;
- ensure that the company, in conducting its business, acts in full compliance with the Brazilian Anti-corruption Law (Law n<sup>o</sup>. 12.846 / 2013) and with the North American Law Against Foreign Corrupt Practices, of 1977, and its subsequent amendments, called Foreign Corrupt Practices Act (FCPA), without prejudice to any other legislation on anti-bribe and anti-corruption applicable, or any other law, rule or regulation of similar purpose and effect and to refrain from any conduct that may be prohibited to people subject to the laws mentioned above;
- join the Compliance Program, when edited by the company in which he operates.

#### 11.1. Operational, Economic and Financial Controls

The member of the Board of Directors representative of the Eletrobras companies should also act in compliance with the guidelines relating to information and financial statements, by adopting the International Accounting Standards for the preparation and dissemination of these statements, aiming at the non-imputation of fines or any penalty to Eletrobras or its administrators, by delay in the presentation of any of its accounting information periodically, by regulating agencies or inspectors, national or international.

For companies whose respective statutes provision devices on the procedures established under the preceding paragraph, in the case of imputation of a fine, the company in which the member works will be responsible for refunding Eletrobras for the losses caused at the respective amount contributed in the consolidated for the imputation of the respective fine.

It is advisable that the members employ efforts to ensure that the statutory provisions related to the procedures mentioned above are replicated in the bylaws of its subsidiaries companies and companies in which they have a holding, as well as in shareholders' agreements that





## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

they come to celebrate, for companies in which it has percentage holding, these adopt the same measures and commitments already established.

### 12. Supporting Instruments

The good performance of members of the board of directors depends on the quality of the documents distributed in advance, because it takes time for everyone to read them, in order to prepare for the meeting. In this way, the board of directors must first know the subjects that will be addressed in the meetings and receive, in advance, the material necessary to discuss.

It is recommended that companies adopt technological resources for the swift distribution of material to support the decision with lower cost and greater convenience, such as: CDs, virtual offices, and governance portal, among others.

The following are examples of some instruments that contribute to the effectiveness of the Board of Directors:

- strategic plans, of business and management;
- Contract of Corporate Performance Targets (CMDE), for the Eletrobras companies;
- minutes of the shareholders' meetings;
- minutes of the Fiscal Council' meetings;
- minutes of the Board of Directors' meetings;
- previous minutes of Board of Executive Officers' meetings;
- Bylaws and internal rules of the company;
- internal rules of the Board of Directors and of its committees, manuals of the company and shareholders' agreement, when applicable;
- monthly analytical balance sheets;
- Quarterly Information (ITR) and Annual (IAN) of CVM;
- reference form, for publicly traded companies, in accordance with CVM Instruction n°. 480;
- 20F form, for listed companies with the Securities and Exchange Commission (SEC);
- monitoring of risks and budget;
- executive summary, when adopted by the company;
- annual and sustainability report and Aneel report;
- management report and financial statements;
- results of the work of internal and external audits;
- legislation relevant to the activity of the company;
- monitoring reports of the Federal Government.



## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

Besides the knowledge of the Corporation Law and complementary legislation, as well as the standards established by regulating agencies and of the capital market (National Monetary Council, Central Bank of Brazil, CVM, regulatory agencies etc.), the board of directors must make use of other documents that consolidate their assignments.

### **12.1. Internal Rules of the Board of Directors**

Given the activity of collective nature of the body, it is recommended that the Board of Directors has a standard for its internal operation, with a view to standardizing the conduct of its members in various situations that may occur during the mandate, without restricting the individual duties of the member. The Internal Rules are critical to ensure that the work can be developed without spending unnecessary time on administrative and bureaucratic aspects. The Internal Rules can complement the statutory provisions regarding the operation of the Board of Directors and their approval depends on the decision of the board itself.

Organizations that access the capital market should make these internal rules available on its website .

### **12.2. Manuals of Corporate Governance**

An effective corporate governance contributes towards sustainable economic development, providing improvements in the performance of companies.

Various aspects of the scope of work of the Board of Directors, among which are the transparency of information, the relationship with the shareholders and other related party and the professional responsibility of the members of the board of directors, may be found in documents focusing on corporate governance.

The reading of these documents assists the member in their day-to-day activities, establishing goals for the improvement of their work and the standards of governance of the company.

These documents have several classifications, but all aim at guiding and enriching the knowledge of the directors, such as:

- Principles of Corporate Governance of the Organization for Economic Cooperation and Development (OECD);
- Code of Best Practices of Corporate Governance of the Brazilian Institute of Corporate Governance (IBGC);
- Letter of Guidance for Actions of Members of the Board of Directors of the Brazilian Institute of Corporate Governance (IBGC);
- Book of Best Practices for Meetings of the Board of Directors (IBGC);
- Handbook of Corporate Governance of the CVM;
- Manual for Participation in Shareholders' Meetings of Eletrobras;
- Manual for the Evaluation of Performance of the Board of Directors and the Board of Executive Officers of Eletrobras;



## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

- Code of Practices of Corporate Governance of Eletrobras;
- Guidance of Members of the Board of Directors prepared by Eletrobras.

### 12.3. Regulations of the Capital Market

Regardless of whether it is a publicly traded company or not, the regulations of the capital market are useful, because they are sustained by the transparency and protection of the shareholder.

Such regulations are important parameters for any business, including that in the future they are able to evolve in the market, which will enable the reduction of the cost of acquisition of loans or financing. By importance, we state the Regulations of Differentiated Corporate Governance Practices of Levels 1 and 2 and the New Market of BM&FBOVESPA.

### 13. Performance Appraisal

As a way of ensuring that the Board of Directors and the Board of Executive Officers perform their roles aligned with the corporate strategy, it is important to analyze the contribution of the administrators to attain the organizational objectives, in order to influence more efficient and effective future results for the business.

A formal evaluation of the performance of the Board of Directors and of the Board of Executive Officers must be done annually, and their systematic tailored to the situation of each company. It is important that the assessment is backed up by formal processes, with a well defined scope of work and qualification. The participation of external experts can contribute to the objectivity of the process.

Art. 1, subparagraph "d", of Resolution n<sup>o</sup>. 3 of CGPAR, of December 31, 2010, determines the adoption, by the state-owned companies, of implementation or enhancement of the formal performance appraisal of the Board of Executive Officers and of the Board of Directors, in order to subsidize the decision of the shareholder in respect of the renewal of administrators.

The result of the performance appraisal should be disclosed by the chairman to the other members of the board for knowledge, analysis and preparation of a plan for mitigating actions, when they deem it necessary.

### 14. Relationships of the Board of Directors

The relationship with other bodies must focus on good harmony and care to avoid double work, in an effective and transparent manner.

#### 14.1. With the Shareholders

The chairman should establish a channel of contact with the shareholders, not restricted to situations of the Shareholders' Meeting.

The Board of Directors should also account for their activities, with the objective of allowing them a good understanding and an assessment of the



## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

actions of the body. Examples of instruments for this communication are: Administration Report, Aneel Report, Annual Report and of Sustainability, the company website and the Manual for Participation in Shareholders' Meetings.

Direct contact with shareholders is allowed and encouraged, pursuant to the rules of confidentiality and equality in the handling of information.

### **14.2. With the Fiscal Council**

It is recommended that the Board of Directors meets periodically with the Fiscal Council to deal with matters of common interest, for mutual support in understanding the critical issues that affect the decision-making process of the companies, thus developing, a schedule of productive work.

The Fiscal Council has the right and the duty to participate in meetings of the Board of Directors in which matters are discussed on which they should give an opinion.

### **14.3. With the Board of Executive Officers**

The members should be aware of the activities of the Board of Executive Officers, ensuring the maintenance of the efficient flow of information between the bodies. One of the main responsibilities of the Board of Executive Officers is the choice or replacement of the CEO and other executive officers, in addition to the definition of their compensation and benefits, within the limits established by the Shareholders' Meeting.

The requests for information by the Board of Directors should be sent to the CEO, to facilitate the communication between the Board of Directors and the Board of Executive Officers. The CEO is the link between the Board of Directors and the company, whereby the permanence of clear and continuous communication is vital, aiming to provide more effective decisions.

It is recommended that the CEO attends part of the meeting of the Board of Directors, as well as other executives of the company, when it comes to matters of their competence, to educate and clarify the matters submitted for discussion, whereby its manifestations appear in the minutes of the work when the members of the Board of Directors deem necessary.

The participation in the meetings of the Board of Directors may be extended to the employees of the company in which the member acts or of its subsidiaries, if the members wish to clarify any doubts and further clarifications about the matters to be discussed.

### **14.4. With Board Committees**

The Board of Directors should encourage the establishment of committees, with specific tasks of analysis and recommendation on certain matters, whenever it deems necessary. The committees do not have the power of decision and must submit their reports to the Board of Directors, supporting it in certain activities.

It is up to the Board of Directors to approve the internal rules of these committees and the appointment of its members.



## GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE IN THE BOARD OF DIRECTORS

The committees should be formed by members of the Board of Directors. The member that accumulates executive functions should not participate in these committees.

### **14.5. With the Independent Audit**

It is incumbent upon the Board of Directors to choose and destitute independent auditors, evaluating their performance and verifying their work plan. In the case of the existence of the Audit Committee, it will be up to them to address these matters and submit them to the Board of Directors for approval.

### **14.6. With the Internal Audit**

The Internal Audit should report to the Audit Committee or, in the absence of this, the Board of Directors.

The Board of Directors must also approve the annual planning, analyze the results and monitor the implementation of the recommendations made by the Internal Audit.

It is recommended that the Board of Directors and the Audit Committee participate in the planning of the internal audit activities.

### **14.7. Specialist Consultancies**

The members may, in the case of issues on which they wish greater expertise to provide an opinion, hire a consultant or specialized external consultancy to assist them in their analyses and decisions, including the hiring of technical advice.

The Board of Directors should deliberate, in advance, about the inclusion of this expense in their budget, so that all members can take advantage of expert advice.

### **14.8. Related Party**

On hiring Transactions between Related Party ( "TPRs" or "TPR" ), the administrators must ensure the interest of the company, while preserving the equality between all partners. They should also act independently of the related party and with transparency.

Envisaging their legitimacy and validity, the TPRs should be commutative (win-win), that is, profitable to contracting parties, observing the exchange ratio, the adequacy of the methodology of evaluation adopted for the assets involved, the reasonableness of the projections and verification of alternatives available on the market.

It is important for the company to establish and formally approve a Policy of TPRs, as a way of disciplining the transactions and monitoring them. The Board of Executive Officers should prepare the Policy proposal and submit it to the Board of Directors for approval, which should be widely disseminated, externally and internally, including on the company's website.



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

The administrators, under the supervision of the Fiscal Council, should comply with and implement the Policy for TPRs.

If a professional or shareholder has self-interest or conflicting with the society in the TPR, it should, justifiably, refrain from taking part in the negotiation and decision related to the operation. This obligation applies to the shareholders, members of the board of directors, executive officers, professionals responsible for the structuring of the operation and any party related to these people. The sooner the conflict concerning the TPR is revealed by the conflicted party or, when not revealed, identified by the internal control systems of the company, the better.

Routine TPRs performed in the normal course of business may be decided by the Board of Executive Officers, while the analysis of material or sensitive TPRs should be allocated by the Board of Directors.

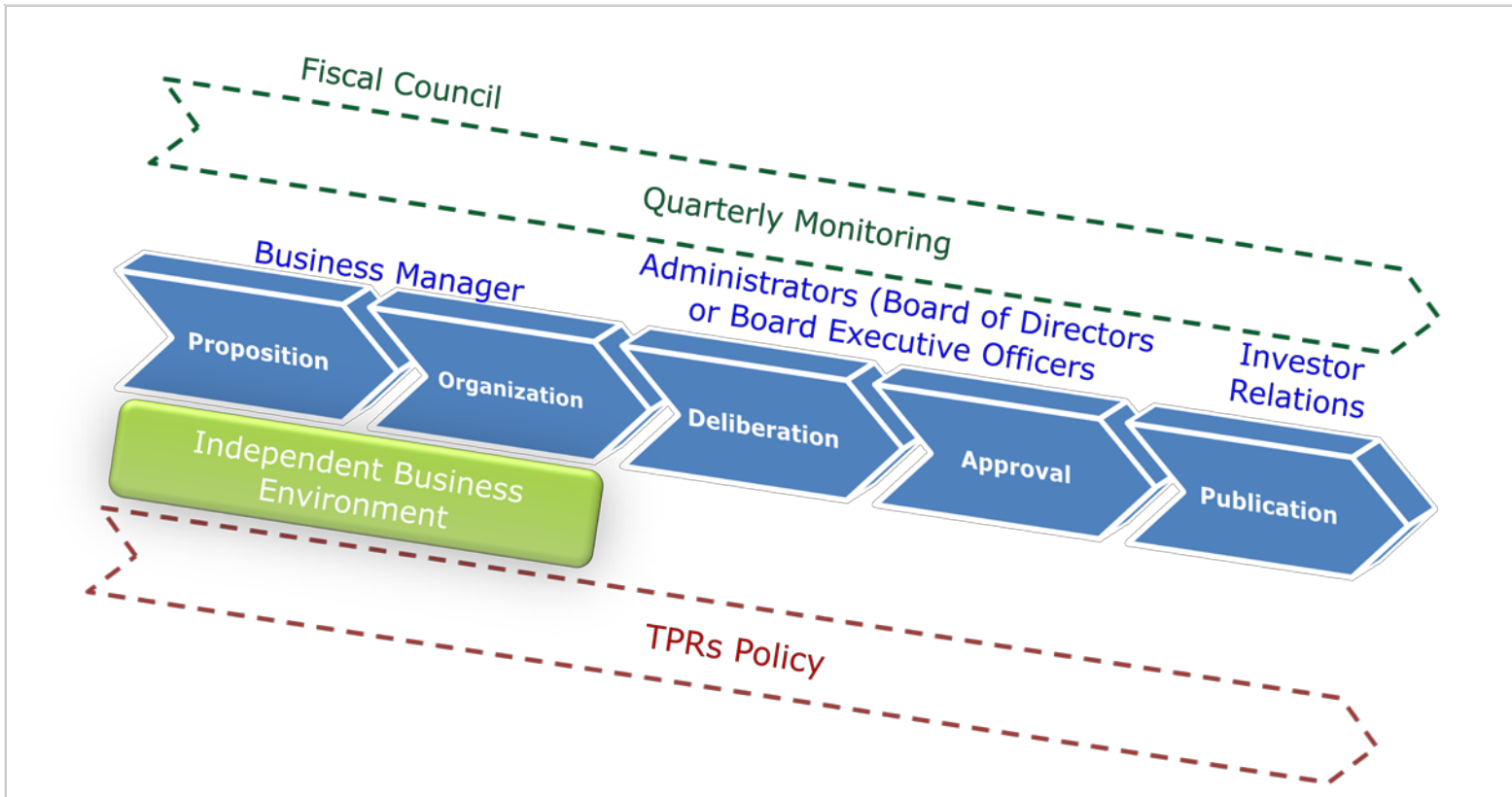
The annual administration report, the forms of disclosure of periodic and eventual information and the explanatory notes to the financial statements should contain information about the TPRs: clear, correct, complete and concise (4 "Cs" ), showing all elements of the TPRs.

Even TPRs without immediate equity impact must be disclosed with scope, especially if they are sensitive, material or strategically relevant to the company.

The TPRs are object of recommendations in the Booklet of the CVM (Recommendations of the CVM on Corporate Governance, June 2002) and in Codes edited by the IBGC and by the Brazilian Association of Publicly Held Companies (Abrasca) and by the Committee of Acquisitions and Mergers (CAF).

CVM has edited several normative acts for disciplinary TPRs contracted by publicly traded companies, such as CVM Instructions n°. 358/02, 480/09, 481/09, 488/10, 509/11, 520/12, 525/12, 547/14 and 552/14, the CVM Deliberation n°. 642/10 and the Opinion of CVM Guidance n°. 35/08.

GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS





GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

## 15. Terms and Attachments

### 15.1. Terms

#### **Term of the Member of the Board of Directors Representative of Eletrobras**

By this instrument, **(insert name)**, **(insert nationality, marital status and profession)**, resident and domiciled at **(enter the address)**, registered in the Register of Persons of the Ministry of Finance, under n°. **(insert CPF)** and bearer of the Identity Card n°. **(insert number)**, issued by **(insert issuing agent and date issued)**, henceforth simply known as **"Declarant"**, declares through this **Term** that he/she assumes and expresses their personal responsibility as representative **(insert if holder or alternate)**, of this Centrais Elétricas Brasileiras S.A. – Eletrobras, mixed capital company, constituted in the form of Law n°. 3.890 – A, April 25, 1961, based in the city of Brasilia, DF, and with the main office on Avenida Presidente Vargas, n°. 409 – 13° andar – Centro – Rio de Janeiro – RJ, registered in the National Registry of Entities (CNPJ/MF) under n°. 00.001.180/0002-07, in the **Board of Directors** of **(insert name of company)**, in compliance with the rules established in the following documents: **Guidance of the Member of the Board of Directors; Bylaws; Internal Rules and Shareholders' Agreement (if applicable), Code of Ethics of the Eletrobras Companies, Compliance Manual**, as well as inform when the Shareholders' Meeting are summoned.

The declarant undertakes both obligations to him/her directly attributable, as to make the company in which he/she works to fulfill their duties as established in the regulations. The declarant signs this **Term** in two copies of equal wording and content, in the presence of two signatory witnesses.

**(Enter the place and date of signature)**

**(Enter name of declarant)**

**(Enter address, fax and e-mail for the purposes of notification)**





GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

## **Term of Commitment for the Supply of Information (DEL-242/2010)**

The (qualification of society), represented by its Chief Financial Officer (qualification), undertakes before Centrais Elétricas Brasileiras S.A. – Eletrobras/controlled company – (qualification), represented by its Chief Financial Officer (qualification), aiming to promote the acts necessary for full compliance with the Brazilian Standards of Accounting and to Brazilian Audit Standards.

### **The obligations contracted by the COMPANY**

The **COMPANY** undertakes, from the date of signature of this Term of Commitment to Supply Information, to:

I – hire independent auditors for the financial statements, annual and quarterly, internal controls and procedures for tax and revenue;

II – forward quarterly, by the 15<sup>th</sup> day of the months of April, July and October, the financial statements raised respectively on March 31, June 30 and September 30 of the same year, audited by an independent audit firm;

III – forward, annually, by the 30<sup>th</sup> day of the month of January, the financial statements raised on December 31 of the previous year, accompanied by explanatory notes and Letter of Comfort issued by independent auditors of the **COMPANY**;

IV – forward, on an annual basis, a review report of internal controls, issued by an independent audit firm of the **COMPANY**;

V – in the case of the **COMPANY** having independent auditors not coinciding with those of **Eletrobras or of its subsidiary**, granting to independent auditors of these companies free access to work papers of the independent auditors of the **COMPANY** and/or to adopt additional audit procedures in the **COMPANY**;

VI – to provide, in a timely manner, information and clarification of accounting, financial, fiscal, taxation and legal nature to the technical staff of **Eletrobras or its subsidiary**, in order to allow the appropriate accounting information from them.

VII – adopt International Accounting standards for the preparation and dissemination of Financial Statements; (applicable in the case of SPE abroad)

VIII – provide, also, the following documents:

- a) each year, as soon as it is drawn up, the Letter of Recommendation of the independent auditors;
- b) each year, up to 60 (sixty) days after the closing of each tax year, the full Financial Statements, accompanied by administrative reports, opinion of the independent auditors and of the Fiscal Council, without prejudice to item III;
- c) special accounting statements to be raised at any time, whenever requested by **Eletrobras or by its subsidiary**.

### **The term of duration**

The present Term of Commitment is valid indefinitely, and must be observed while **Eletrobras, or its subsidiary**, maintains equity participation in the **COMPANY's** share capital.

**Date**

**Signature**



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

**Term of Commitment for forwarding  
of corporate informations**

By this instrument, **(insert name)**, **(insert nationality, marital status and profession)**, resident and domiciled at **(enter the address)**, registered in the Register of Persons of the Ministry of Finance, under n°. **(insert CPF)** and bearer of Identity Card n°. **(insert number)**, issued by **(insert issuing agent and date issued)**, henceforth simply known as **"Declarant"**, declares through this **Term of Commitment** that he/she assumes and expresses his/her personal responsibility as representative **(insert if holder or alternate)**, of this Centrais Elétricas Brasileiras S.A. – Eletrobras, mixed capital company, constituted in the form of Law n°. 3.890 – A, April 25, 1961, based in the city of Brasilia, DF, and with the main office on Avenida Presidente Vargas, n°. 409 – 13° andar – Centro – Rio de Janeiro – RJ, registered in the National Registry of Entities (CNPJ/MF) under n°. 00.001.180/0002-07, the **Board of Directors** of **(insert the name of the company)**, by forwarding, in up to 20 days after the completion of the meeting for the approval of each ITR, the analysis performed by the member on the matters listed in Annexes "A" and "B".

The declarant signs this **Term** in two copies of equal wording and content, in the presence of two signatory witnesses.

**(Enter the place and date of signature)**

**(Enter name of declarant)**

**(Enter address, fax and e-mail for the purposes of notification)**



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

**15.2. Attachments**

**Annex A**

Follow-up Report on Business Information

**Power Generation Company**

**(i) Operational Indicators**

Indicator	Description of the Indicator
DISPGR	General Availability of Units of Generation
Energy sold (MWh)	Quantity of energy sold
Energy purchased (MWh)	Quantity of energy purchased
Loss caused by purchase power on the open market (R\$ thousand)	Value of the loss in purchasing power of the free market
Net Operating Income - ROL (BRL million)	Value of Net Revenues
Total Expenditure (R\$ million)	Operating Cost
PMSO (R\$ million)	
PMSO/ROL (%)	Total operating cost in relation to the Net Operating Revenue
Operational Margin (%)	Operating Profit in relation to the Net Operating Revenue

**(ii) Financial Indicators**

Indicator	Description of the Indicator
Value of the EBITDA (R\$ million)	Result of the monthly EBITDA
EBITDA margin (%)	EBITDA in relation to Net Operating Revenues
Profit / Loss Value (R\$ million)	Monthly and accrued Profit-Loss
Net Margin (%)	Profit-Loss in relation to Net Operating Revenues



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

**Power Transmission Company**

**(i) Operational Indicators**

Indicator	Description of the Indicator
RAP of the period (R\$ thousand)	Value of the Annual Revenue Allowed
Variable Tranche (PV) (R\$ thousand)	Value of deductions to RAP
Index of Availability of LTs ( %)	Availability Percentage of total circuits of LT for each of the levels of voltage XXX kV
Index of Availability of Transformers ( %)	Percentage of availability of the total number of transformers for each of the levels of voltage XXX kV
Robustness Index (any level of load) (%)	Ratio between the number of disturbances without load shedding and the total number of disturbances in a given period
Shutdowns per 100 km of LT (annual)	Number of trips per sector of LT
Loss caused by fines due to interruptions (R\$ thousand)	Value of the loss caused by the application of fines by the agent
Net Operating Revenue - ROL (BRL million)	Value of Net Revenues
Total Expenditure (R\$ million)	Operating Cost
PMSO (R\$ million)	
PMSO/ROL (%)	Total operating cost in relation to the Net Operating Revenue
Operational Margin (%)	Operating Profit in relation to the Net Operating Revenue

**(ii) Financial Indicators**

Indicator	Description of the Indicator
Value of the EBITDA (R\$ million)	Result of the monthly EBITDA
EBITDA margin (%)	EBITDA in relation to Net Operating Revenues
Profit / Loss Value (R\$ million)	Monthly and accrued Profit-Loss
Net Margin (%)	Profit-Loss in relation to Net Operating Revenues



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

**Power Distribution Company**

**(i) Operational Indicators**

Indicator	Description of the Indicator
Market Billed (MWh)	Market billed in the year of 2014 in MWh for all classes of consumers
Market Growth (%)	Percentage of market growth
Number of consumers billed	Numbers of consumers billed
Purchase of energy (R\$ million)	Purchase of energy to meet the market
Purchase of energy (MWh)	
Average Cost of purchased energy (R\$ /MWh)	Value of the average MWh
Net Operating Revenue - ROL (BRL million)	Value of Net Revenues
Total Expenditure (R\$ million)	Operating Cost
PMSO (R\$ million)	
PMSO/ROL (%)	Total operating cost in relation to the Net Operating Revenue
Operational Margin (%)	Operating Profit in relation to the Net Operating Revenue
Overall Loss (%)	Overall Loss in the System in relation to the Energy Injected - last 12 months
Technical Losses	Technical Loss in the System in relation to the Energy Injected - last 12 months
Non-technical Losses	Non-technical Loss in the System - last 12 months
DEC (hours)	An Equivalent Duration of Interruption per Consumer Unit
FEC (number of times)	Equivalent Frequency of Interruption per Consumer Unit
TMAE (hours)	Average Time of emergency assistance
Number of Complaints	Number of complaints recorded in the month and until the month
Customer Satisfaction Index – ISQP (%)	Satisfaction Index with Perceived Quality

**(i) Financial Indicators**

Indicator	Description of the Indicator
Value of the EBITDA (R\$ million)	Result of the monthly EBITDA
EBITDA margin (%)	EBITDA in relation to Net Operating Revenues
Profit / Loss Value (R\$ million)	Monthly and accrued Profit-Loss
Net Margin (%)	Profit-Loss in relation to Net Operating Revenues
Default - INAD (R\$ million)	Default stock in relation to billing – last 12 months
Default - INAD (%)	
Collection Index (%)	Planned collection in relation to performed

**For all the companies**

- (i) Strategic Guidelines
- (ii) Monitoring of the Business Plan
- (iii) Monitoring the Implementation of the Budget
- (iv) Control of Strategic Works



GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

**Annex B**

CENTRAIS ELÉTRICAS BRASILEIRAS S.A. - ELETROBRAS Follow up Report of Projects of Specific Purpose Societies (SPEs)		G	
Name of SPE: Member's Name: Date of Election: Term of Office:		Reference:	
<b>PHASE OF CONSTRUCTION</b>			
<b>1. Details of the Enterprise</b>			
1.1. Name:			
1.2. Shareholding structure and percentage:			
1.3. Location (river, municipal district, state):			
1.4. Installed Capacity (MW):		1.7. Number of the Concession Contract:	
1.5. No. units:		1.7.1. Date Contract Signed:	
1.6. Unit Power:		1.7.2. End of Concession:	
		1.7.3. Number of last Additive:	
		1.7.4. Date last Additive Signed:	
<b>2. Follow up of the Project</b>			
	<b>Legal Act</b>	<b>Projected</b>	<b>Realized</b>
2.1. Physical Realization Index (%):	XX%	XX%	XX%
2.2. Initial date of operation:	XX/XX/XX	XX/XX/XX	XX/XX/XX
2.3. Date of conclusion (entry of last unit):	XX/XX/XX	XX/XX/XX	XX/XX/XX
2.4. Next milestone:	XX/XX/XX	XX/XX/XX	XX/XX/XX
2.5. Total weighted average delay (days):	XX	XX	XX
2.6. Report of monthly follow up (annex)			
2.7. Comments on the follow up of the project:			
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
<b>3. Environmental License</b>			
	<b>Date Requested/Delivered and Protocol no.</b>	<b>Date issued</b>	<b>Expiry date</b>
3.1. EIA/RIMA or RAS	XX/XX/XX - XXXX/XX	-	-
3.2. Preliminary License	XX/XX/XX - XXXX/XX	XX/XX/XX	XX/XX/XX
3.3. Basic Environmental Plan (PBA)	XX/XX/XX - XXXX/XX	-	-
3.4. License of Installation	XX/XX/XX - XXXX/XX	XX/XX/XX	XX/XX/XX
3.5. Six-monthly report for environmental agency and technical opinion of the	XX/XX/XX - XXXX/XX	-	-
3.6. Operating License	XX/XX/XX - XXXX/XX	XX/XX/XX	XX/XX/XX
3.7. Environmental Licensing Agency (name):			
3.8. Comments on the delay in obtaining the license and environmental studies:			
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
<b>4. Financial Follow Up</b>			
	<b>Legal Act</b>	<b>Projected</b>	<b>Realized</b>
4.1. Rate (R\$/MWh)	R\$ XX/MWh	R\$ XX/MWh	R\$ XX/MWh
4.2. Financial loss due to delay in starting the operation			R\$ XXthousand
4.3. Total investment (R\$ thousand)	R\$ XXthousand	R\$ XXthousand	
4.4. Financial Realization Index (%)	XX%	XX%	XX%
4.5. Comments on the financial follow up:			
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
<b>5. Profitability (shareholder)</b>			
			<b>Index</b>
5.1. AUCTION TIR			XX%
5.2. CURRENT TIR			XX%
5.3. Comments to change the TIR of the project:			
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
<b>6. Capital Structure</b>			
6.1. Own Capital			XX%
6.2. Third Party Capital			XX%
<b>7. Follow up of Sources of Resources</b>			
<b>7.1. Details of third party resources</b>			
7.1.1. Short Term or Long Term?	[Short Term or Long Term]	[Short Term or Long Term]	[Short Term or Long Term]
7.1.2. Source of the Resources	[agent]	[agent]	[agent]
7.1.3. Institution Responsible	[agent]	[agent]	[agent]
7.1.4. Financing Value (R\$ thousand)	R\$ XXthousand	R\$ XXthousand	R\$ XXthousand
7.1.5. Term of amortization (months)	XX	XX	XX
7.1.6. System of amortization			
7.1.7. Grace Period of the Principal (months)	XX	XX	XX
7.1.8. Capitalization rate + spread (% p.a.)	Basic Cost + XX%	Basic Cost + XX%	Basic Cost + XX%
7.1.9. Current balance due (R\$ thousand)	R\$ XXthousand	R\$ XXthousand	R\$ XXthousand
7.1.10. All in Cost of the Operation	XX%	XX%	XX%
7.1.11. Eletrobras or Third Party Guarantee?	[Eletrobras/ Third Party]	[Eletrobras/ Third Party]	[Eletrobras/ Third Party]
7.1.12. In the case of Third Party Guarantee:	XX%	XX%	XX%
<b>7.2. Financial Structure</b>			
7.2.1. Initial Financing:			
7.2.2. How should it be done?			
7.2.3. Is there a projected need to obtain extraordinary resources?			
[Yes / No]			
7.2.4. How should it be done?	Increase of Capital (Equity)	[R\$ XX thousand]	Financing (Debt)
[R\$ XX thousand]			
7.2.5. Comments on the possible need of obtaining new financing:			
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
<b>8. Management of risks</b>			
<b>Main risk events</b>	<b>Effect on the project</b>	<b>Mitigating measures</b>	
8.1. Comments for the possible occurrence of the highlighted risks:			
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			



**GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS**

CENTRAIS ELÉTRICAS BRASILEIRAS S.A. - ELETROBRAS Follow up Report of Projects of Specific Purpose Societies (SPEs)		G
Eolic - Fill in report for each park		
Name of SPE: Member's Name: Date of Election: Term of Office:		Reference:
PHASE OF CONSTRUCTION		
1. Details of the Enterprise		
1.1. Name:		
1.2. Shareholding structure and percentage:		
1.3. Location (municipal district, state):		
1.4. Installed capacity of the Complex (MW):		
1.5. Installed capacity of the Park (MW):		
1.6. No. units:		
1.7. Unit Power:		
1.8. Developer:		
1.9. Number of the Concession Contract:		
1.9.1. Date Contract Signed:		
1.9.2. End of Concession:		
1.9.3. Number of last Additive:		
1.9.4. Date last Additive Signed:		
2. Follow up of the Project		
2.1. Physical Realization Index (%):		
2.2. Initial date of operation:		
2.3. Date of conclusion (entry of last unit):		
2.4. Next milestone:		
2.5. Total weighted average delay (days):		
2.6. Report of monthly follow up [annex]:		
2.7. Comments on the follow up of the project:		
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
3. Environmental License		
3.1. EIA/RIMA or RAS		
3.2. Preliminary License		
3.3. Basic Environmental Plan (PBA)		
3.4. License of Installation		
3.5. Six-monthly report for environmental agency and technical opinion of the environmental		
3.6. Operating License		
3.7. Environmental Licensing Agency (name):		
3.8. Comments on the delay in obtaining the license and environmental studies:		
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
4. Financial Follow Up		
4.1. Rate (R\$/MWh)		
4.2. Financial loss due to delay in starting the operation		
4.3. Total investment (R\$ thousand)		
4.4. Financial Realization Index (%)		
4.5. Comments on the financial follow up:		
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
5. Profitability (shareholder)		
5.1. AUCTION TIR		
5.2. CURRENT TIR		
5.3. Comments to change the TIR of the project:		
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
6. Capital Structure		
6.1. Own Capital		
6.2. Third Party Capital		
7. Follow up of sources of resources		
7.1. Details of third party resources		
7.1.1. Short Term or Long Term?		
7.1.2. Source of the Resources		
7.1.3. Institution Responsible		
7.1.4. Financing Value (R\$ thousand)		
7.1.5. Term of amortization (months)		
7.1.6. System of amortization		
7.1.7. Grace Period of the Principal (months)		
7.1.8. Capitalization rate + spread (% p.a.)		
7.1.9. Current balance due (R\$ thousand)		
7.1.10. All in Cost of the Operation		
7.1.11. Eletrobras or Third Party Guarantee?		
7.1.12. In the case of Third Party Guarantee:		
7.2. Financial structure		
7.2.1. Initial Financing:		
7.2.2. How should it be done?		
7.2.3. Is there a projected need to obtain extraordinary resources?		
7.2.4. How should it be done?		
7.2.5. Comments on the possible need of obtaining new financing:		
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
8. Management of risks		
Main risk events		
Effect on the project		
Mitigating measures		
8.1. Comments for the possible occurrence of the highlighted risks:		
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		





**GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS**

CENTRAIS ELÉTRICAS BRASILEIRAS S.A. - ELETROBRAS					
Follow up Report of Projects of Specific Purpose Societies (SPEs)				T	
Name of SPE:		Reference:			
Member's Name:					
Date of Election:					
Term of Office:					
PHASE OF CONSTRUCTION					
1. Details of the Enterprise					
1.1. Name:					
1.2. Shareholding structure and percentage:					
1.3. Location:					
1.4. Total Extension of the Transmission Line:					
1.5. Quantity of Transmission Lines:					
1.6. Total Capacity of Transformation (MVA):					
1.7. No. of Substations:					
1.8. Number of the Concession Contract:					
1.8.1. Date Contract Signed:					
1.8.2. End of Concession:					
1.8.3. Number of last Additive:					
1.8.4. Date last Additive Signed:					
2. Follow up of the Project		Legal Act	Projected	Realized	
2.1. Physical Realization Index (%):		XX%	XX%	XX%	
2.2. Date of energization:		XX/XX/XX	XX/XX/XX	XX/XX/XX	
2.3. Total weighted average delay (days):		XX	XX	XX	
2.4. Report of monthly follow up (annex)					
2.5. Comments on the follow up of the project:					
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX					
3. Environmental License		Legal Act	Date Requested/Delivered and Protocol No.	Date issued	Expiry date
3.1. EIA/RIMA or RAS		XX/XX/XX	XX/XX/XX - XXXX/XX	-	-
3.2. Preliminary License		XX/XX/XX	XX/XX/XX - XXXX/XX	XX/XX/XX	XX/XX/XX
3.3. Basic Environmental Plan (PBA)		-	XX/XX/XX - XXXX/XX	-	-
3.4. License of Installation		XX/XX/XX	XX/XX/XX - XXXX/XX	XX/XX/XX	XX/XX/XX
3.5. Operating License		XX/XX/XX	XX/XX/XX - XXXX/XX	XX/XX/XX	XX/XX/XX
3.6. Environmental Licensing Agency (name):					
3.7. Comments on the delay in obtaining the license and environmental studies:					
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX					
4. Financial Follow Up		Projected	Realized		
4.1. RAP		R\$ XXthousand	-		
4.2. Loss of RAP due to delay in the energization.		-	R\$ XXthousand		
4.3. Total investment (R\$ thousand)		-	-		
4.4. Financial Realization Index (%)		XX%	XX%		
4.5. Comments on the financial follow up:					
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX					
5. Profitability (shareholder)		Index			
5.1. AUCTION TIR		XX%			
5.2. CURRENT TIR		XX%			
5.3. Comments to change the TIR of the project:					
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX					
6. Capital Structure					
6.1. Own Capital		XX%			
6.2. Third Party Capital		XX%			
7. Follow up of sources of resources					
7.1. Details of third party resources					
7.1.1. Short Term or Long Term?	[Short Term or Long Term]	[Short Term or Long Term]	[Short Term or Long Term]	[Short Term or Long Term]	
7.1.2. Source of the Resources					
7.1.3. Institution Responsible	[agent]	[agent]	[agent]	[agent]	
7.1.4. Financing Value (R\$ thousand)	R\$ XXthousand	R\$ XXthousand	R\$ XXthousand	R\$ XXthousand	
7.1.5. Term of amortization (months)	XX	XX	XX	XX	
7.1.6. System of amortization					
7.1.7. Grace Period of the Principal (months)	XX	XX	XX	XX	
7.1.8. Capitalization rate + spread (% p.a.)	Basic Cost + XX%	Basic Cost + XX%	Basic Cost + XX%	Basic Cost + XX%	
7.1.9. Current balance due (R\$ thousand)	R\$ XXthousand	R\$ XXthousand	R\$ XXthousand	R\$ XXthousand	
7.1.10. All in Cost of the Operation	XX%	XX%	XX%	XX%	
7.1.11. Eletrobras or Third Party Guarantee?	[Eletrobras/ Third Party]	[Eletrobras/ Third Party]	[Eletrobras/ Third Party]	[Eletrobras/ Third Party]	
7.1.12. In the case of Third Party Guarantee:	XX%	XX%	XX%	XX%	
7.2. Financial structure					
7.2.1. Initial Financing:					
7.2.2. How should it be done?					
7.2.3. Is there a projected need to obtain extraordinary resources?					
[Yes / No]					
7.2.4. How should it be done?					
	Increase of Capital (Equity)	[R\$ XX thousand]	Financing (Debt)	[R\$ XX thousand]	
7.2.5. Comments on the possible need of obtaining new financing:					
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX					
8. Management of risks					
Main risk events	Effect on the project		Mitigating measures		
8.1. Comments for the possible occurrence of the highlighted risks:					
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX					





GUIDANCE MANUAL FOR THE ELETROBRAS REPRESENTATIVE  
IN THE BOARD OF DIRECTORS

## Bibliography

1. CARVALHOSA, Modesto; LATORRACA, Nilton. Comentários à Lei das Sociedades Anônimas (Comments on the Corporation Law). São Paulo: Editora Saraiva, 1998.
2. Código das Melhores Práticas de Governança Corporativa (Code of the Best Practices of Corporate Governance) - Instituto Brasileiro de Governança Corporativa IBGC. São Paulo, SP, 4th ed., 2009.
3. Law n°. 6.404, of December 15, 1976.
4. Manual of the Member of Administration of the Ministry of Planning, Budget and Management (MPOG). Available on: <<http://www.planejamento.gov.br> >
5. Modelo de Regimento Interno de Conselho de Administração (Model of Internal Rules of the Board of Directors) - Instituto Brasileiro de Governança Corporativa. Coordination: Paulo Fernando Campos Salles de Toledo. São Paulo, SP: IBGC, 2008 (Book Series on Corporate Governance, 5).
6. Book on Best Practice for Board of Directors' Meetings - Instituto Brasileiro de Governança Corporativa. São Paulo, SP: IBGC, 2010 (Book Series on Corporate Governance, 9).
7. Guide on Legal Guidance for Members of the Board of Directors and Directors - Instituto Brasileiro de Governança Corporativa. São Paulo, SP: IBGC, 2012 (Book Series on Corporate Governance, 11).
8. Eletrobras, Instruments of Management and Policies. Available on: <<http://www.eletrobras.com/elb/data/Pages/LUMISD76CB1BBPTBRIE.htm>>