

IPP PUBLIC NOTICE FOR BID N. 2/2018-PPI/PND

INVESTMENT PARTNERSHIP PROGRAM - IPP

CONCESSION OF PUBLIC ELECTRICITY DISTRIBUTION SERVICE ASSOCIATED WITH THE DISPOSAL OF THE CAPITAL STOCK OF THE ELECTRIC POWER DISTRIBUTORS: (i) AMAZONAS DISTRIBUIDORA DE ENERGIA S.A., (ii) BOA VISTA ENERGIA S.A., (iii) COMPANHIA DE ELETRICIDADE DO ACRE, (iv) COMPANHIA ENERGÉTICA DE ALAGOAS, (v) COMPANHIA ENERGÉTICA DO PIAUÍ AND (vi) CENTRAIS ELÉTRICAS DE RONDÔNIA S.A.

The Brazilian National Development Bank – BNDES (*Banco Nacional de Desenvolvimento Econômico e Social*), a federal government-controlled company with head offices in Brasília/DF and an office in Rio de Janeiro / RJ at Av. República do Chile, 100, enrolled at the National Taxpayers's Registry ("CNPJ") under N. 33.657.248/0001-89, using the powers conferred by art. 2 of Decree N. 8.893/2016; through this Public Notice for Bid, and according to its provisions, makes public the conditions for privatization of the Distributors upon grant of public electricity distribution service associated with the disposal of the stock representing their capital.

This bid shall be ruled by this Public Notice for Bid and annexes hereto, Law N. 9.491 dated of 07/09/1997 ("Law N. 9.491/1997"), by Law N. 8.666 dated of 6/21/1993 ("Law N. 8.666/1993"), Law N. 12.783 dated of 01/11/2013 ("Law N. 12.783/2013"), Law N. 13.360 dated of 11/17/2016 ("Law N. 13.360/2016"), Law N. 13.334 dated of 09/13/2016, ("Law N. 13.334/2016), Decree N. 2.594 dated of 05/15/1998 ("Decree N. 2.594/1998"), Decree N. 8.893 dated of 11/01/ 2016 ("Decree N. 8.893/2016"), Decree N. 9.192 dated of 11/06/2017 ("Decree N. 9.192/2017"), Resolutions IPPC N. 03 dated of 09/13/2016 ("Resolution IPPC N. 03/2016"), N. 20 dated of 11/08/2017 ("Resolution IPPC N. 20/2017"), N. 21 dated of 11/08/2017 (Resolution IPPC N. 21/2017"), N. 28 dated of 11/22/2017 ("Resolution IPPC N. 28/2017") and N. 29 dated of 12/28/2017 ("Resolution CPPI N. 29/2017"), and other rules in force about the matter.

The bidding was preceded by Public Hearings for each of the Distributors, pursuant to art. 39 of Law 8.666/1993, duly disclosed at the website www.bndes.gov.br/distribuidoras-eletobras and published in the Federal Official Gazette of great circulation on the following dates:

AMAZONAS ENERGIA: On April 1st, 2018 and rectified on February 15th, 2018, with a face-to-face session held at the city of Manaus, State of Amazonas, on February 2nd, 2018;

This a free translation from the original draft of the Public Notice for Bid. In case of divergence between this version and the original version, in Portuguese language, the latter shall prevail.

BOA VISTA: On January 29th, 2018, with a face-to-face session held at the city of Boa Vista, State of Roraima, on February 16th, 2018;

CEPISA: On February 5th, 2018, with a face-to-face session held at the city of Teresina, State of Piauí, on February 28th, 2018;

CEAL: On February 6th, 2018, with face-to-face sessions held at the city of Maceió, State of Alagoas, on February 27th, 2018 and March 3rd, 2018;

CERON: On February 1st, 2018 and rectified on February 9th, 2018, with a face-to-face session held at the city of Porto Velho, State of Rondônia, on February 21st, 2018; and

ELETROACRE: On February 2nd, 2018, with a face-to-face session held at the city of Rio Branco, State of Acre, on February 23rd, 2018;

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CHAPTER I - INITIAL PROVISIONS

Section I - Definitions

1.1. For the purposes of this Public Notice for Bid and its Annexes, unless provided otherwise in this Public Notice for Bid and/or its Annexes, and notwithstanding other definitions established herein, the respective terms and expressions used below in this Public Notice for Bid and its Annexes are defined as follows:

1.1.1. **Shareholders Agreement:** Agreement to be entered into between Eletrobras and each of the Winning Bidders on the date of the Bid Settlement, under the provisions of Annex 15 hereof;

1.1.2. **Transferor:** Eletrobras - Centrais Elétricas Brasileiras S.A.;

1.1.3. **AMAZONAS ENERGIA:** Amazonas Distribuidora de Energia S.A., a government-controlled closed corporation headquartered in the city of Manaus, at Avenida Sete de Setembro, n. 2.214, enrolled at the CNPJ/MF under n. 02.341.467/0001-20 whose shares will be sold in the Bid pursuant to this Public Notice for Bid. All references to AMAZONAS ENERGIA in this Public Notice for Bid and its Annexes include all former names of AMAZONAS ENERGIA;

1.1.4. **ANEEL:** National Electric Energy Agency (*Agência Nacional de Energia Elétrica*), an autarchy under special regimen created by Law N. 9.427 of 12/26/1996 ("Law N. 9.427/1996") to regulate and inspect the production, transmission, distribution and commercialization of electric power;

1.1.5. **Winning Bidder(s):** The winning bidder(s) of one or more Bids, to whom the Bid Purpose is awarded, to be called for execution of one or more contracts for acquisition of the control of one or more Distributors, which, after signature of the respective Contracts and Bid Liquidation, shall be the new controller(s) of the Distributors;

1.1.6. **Annexes:** each of the documents attached to the Public Notice for Bid followed by their respective name;

1.1.7. **B3:** B3 S.A. – Brasil, Bolsa, Balcão, located at Rua XV de Novembro, 275 – Centro, São Paulo-SP, ZIP Code [CEP] 01010-901, responsible for the provision of specialized technical advisory services and operational support related to the procedures necessary for conducting the Bids, including the analysis of documents necessary for the qualification of the Bidders; (i) operation of the Offers to Active and Retired Employees; and (ii) Settlement of the Bids and Offers to Active and Retired Employees;

1.1.8. **Reversible Assets:** those related to the concession, essential for the continuity of the provision of the public electricity distribution service dealt with in the Concession Contract;

1.1.9. **BNDES:** Brazilian National Development Bank – BNDES, with headquarters in Brasília/DF and central office at Avenida República do Chile, 100, Centro, Rio de Janeiro - RJ, CEP 20031-917, enrolled at the CNPJ/MF under the above-mentioned number, as responsible for the performance and monitoring of the privatization process according to Decree N. 8.893/2016;

1.1.10. **BOA VISTA:** Boa Vista Energia S.A., a government-controlled closed corporation headquartered in the city of Boa Vista, at Avenida Capitão Ene Garcez, 691 - Centro, enrolled at the CNPJ under n. 02.341.470/0001-44, whose shares will be sold in the Bid pursuant to the provisions of this Public Notice for Bid. All references to BOA VISTA in this Public Notice for Bid and its Annexes include all former names of BOA VISTA;

1.1.11. **Bonus for the Grant:** The amount to be paid by the Winning Bidder of the Bid, corresponding to the right to explore the public electricity distribution service, under the terms of the Concession Contract and Annex 13 hereof;

1.1.12. **CADE:** Economic Defense Administrative Council (*Conselho Administrativo de Defesa Econômica*), a federal autarchy pursuant to Law N. 12.529 of 11/30/2011 (“Law N. 12.529/2011”) which is responsible for protecting from competition;

1.1.13. **CEAL:** Companhia Energética de Alagoas, a government-controlled closed corporation headquartered in the city of Maceió, AL, at Rua Fernandes Lima, 3349, enrolled at the CNPJ under n. 12.272.084/0001-00 whose shares will be sold in the Bid pursuant to this Public Notice for Bid. All references to CEAL in this Public Notice for Bid and its Annexes include all former names of CEAL;

1.1.14. **CEPISA:** Companhia Energética do Piauí, a government-controlled closed corporation headquartered in the city of Teresina, State of Piauí, at Av. Maranhão, 759 enrolled at the CNPJ/MF under n. 06.840.748/0001-89 whose shares will be sold in the Bid pursuant to this Public Notice for Bid. All references to CEPISA in this Public Notice for Bid and its Annexes include all former names of CEPISA;

1.1.15. **CERON:** Centrais Elétricas de Rondônia S.A., a government-controlled closed corporation headquartered in the city of Porto Velho, State of Rondônia, at Av. Imigrantes, 4,137 enrolled at the CNPJ/MF under n.

05.914.650/0001-66 whose shares will be sold in the Bid pursuant to this Public Notice for Bid. All references to CERON in this Public Notice for Bid and its Annexes include all former names of CERON;

1.1.16. **CND:** National Privatization Council (*Conselho Nacional de Desestatização*), high decision-making body of the National Privatization Program – PND (*Programa Nacional de Privatização*);

1.1.17. **IPPC:** Council of the Investment Partnerships Program (*Conselho do Programa de Parcerias de Investimentos*), the high decision-making body created by Federal Law 13.334/2016, with powers to perform the functions assigned to the CND pursuant to Law N. 9.491/1997;

1.1.18. **Bidding Commission:** Commission in charge of conducting the procedures related to the Bids, in addition to examining and judging all relevant documents, to be formed by five (5) members, being four (4) members designated by BNDES, and one (1) member appointed by the MME, as well as their respective substitutes;

1.1.19. **Buyer:** Winning Bidder(s) that enters into one or more Contracts with Eletrobras and other parties, as well as one or more Concession Contracts, after the award of the Bid Purpose and ratification of the result of the Bids, then becoming the new controller(s) of the Distributors;

1.1.20. **Consortium:** Group of Bidders participating in the Bid(s) together, all of them being jointly responsible for full and timely compliance with the obligations resulting from this Public Notice for Bid, in both bid judgment and qualification phase and in the Settlement phase, according to the provisions of the applicable law and rules;

1.1.21. **Consórcio Mais Energia B:** consortium enrolled at the CNPJ/MF under n. 29.960.296/0001-86, comprising the companies PricewaterhouseCoopers Corporate Finance & Recovery Ltda., enrolled at the CNPJ/MF under n. 05.487.514/0001-37, with headquarters at Avenida Francisco Matarazzo, n. 1400, 6º andar, lado ímpar (parte), Torre Torino, Água Branca, São Paulo/SP, CEP: 05001-100; PricewaterhouseCoopers Serviços Profissionais Ltda., enrolled at the CNPJ/MF under n. 02.646.397/0001-19, with headquarters at Avenida Francisco Matarazzo, n. 1400, 6º andar, lado ímpar (parte), Torre Torino, Água Branca, São Paulo/SP, CEP: 05001-100; Loeser e Portela Advogados, enrolled at the CNPJ/MF under n. 60.527.520/0001-89, with headquarters at Avenida Francisco Matarazzo, n. 1400, 15º andar, Torre Milano, Água Branca, São Paulo/SP, CEP: 05001-100 and Siglasul Consultoria Ltda., enrolled at the CNPJ/MF under n. 05.396.538/0001-80, with headquarters at Rua Visconde de Inhaúma, 58, sala

1401, CEP 20091-007, Downtown, Rio de Janeiro/RJ, engaged by the BNDES for the provision of the services required for privatization of the Distributors, according to the Reference Instrument that is part of Annex I of the Public Notice for Bid of the Electronic Bid AARH N. 51/2016 - BNDES;

1.1.22. **Agreements:** it means the Sales Contracts of the Distributors, in the form of Annex 1, comprising the following drafts: (i) Share Purchase and Sale Agreement and Other Covenants of AMAZONAS ENERGIA, to be entered into between Eletrobras, and the Winning Bidder of the Bid of AMAZONAS ENERGIA, in addition to the intervening party, whose purpose will be the transfer of shares representing the share control of AMAZONAS ENERGIA to the Winning Bidder of the Bid of AMAZONAS ENERGIA; (ii) Share Purchase and Sale Agreement and other Covenants of ELETROACRE, to be entered into between Eletrobras and the Winning Bidder of the Bid of ELETROACRE, in addition to the intervening party, whose purpose will be the transfer of shares representing the share control of ELETROACRE to the Winning Bidder of the Bid of ELETROACRE; (iii) Share Purchase and Sale Agreement and other Covenants of CEAL, to be entered into between Eletrobras and the Winning Bidder of the Bid of CEAL, in addition to the intervening party, whose purpose will be the transfer of shares representing the share control of CEAL to the Winning Bidder of the Bid of CEAL; (iv) Share Purchase and Sale Agreement and Other Covenants of BOA VISTA, to be entered into between Eletrobras and on the Winning Bidder of the Bid of BOA VISTA, in addition to the intervening party, whose purpose will be the transfer of shares representing the share control of BOA VISTA to the Winning Bidder of the Bid of BOA VISTA; (v) Share Purchase and Sale Agreement and Other Covenants of CERON, to be entered into between Eletrobras and the Winning Bidder of the Bid of CERON, in addition to the intervening party, whose purpose will be the transfer of shares representing the share control of CERON to the Winning Bidder of the Bid of CERON; and (vi) Share Purchase and Sale Agreement and Other Covenants of CEPISA, to be entered into between Eletrobras and the Winning Bidder of the Bid of CEPISA, in addition to the intervening party, whose purpose will be the transfer of shares representing the share control of CEPISA to the Winning Bidder of the Bid of CEPISA;

1.1.23. **ELETROACRE'S Minority Shareholders Stock Purchase Agreement:** Agreement to be entered into as of the Bid Settlement Date between the Winning Bidder of ELETROACRE's Bid and ELETROACRE's minority shareholders, in the form of Annex 14 of this Public Notice for Bid, ensuring to them the tag along right;

1.1.24. **Concession Contract:** contract for the concession of public electricity distribution service to be entered into between the Granting

Authority and the respective Winning Bidder, in the form of Annex 12 - Draft Concession Contract;

1.1.25. **Accredited Broker:** A brokerage firm authorized by the Central Bank of Brazil and the Securities and Exchange Commission ("CVM"), duly authorized to operate at B3 and engaged by the Bidder(s) to represent them before B3 in all acts related to the Bids;

1.1.26. **Initial Discount of the Bid:** Flexibility adjustment of PMSO and PNT regulatory parameters to comply with the provisions of art. 4, paragraph 4 of Decree N. 9.192/2017;

1.1.27. **Right of Participation:** Right that entitles its holder to the option to be qualified for the live bidding stage of the Bids, even if the economic offer presented is out of classification interval, pursuant this Public Notice for Bid;

1.1.28. **Right to Withdraw an Offer:** Right that entitles its holder to the possibility of withdrawing their economic offer of the Bid of one or more Distributors, in accordance with this Public Notice for Bid;

1.1.29. **Session Director:** The director of the Public Session of the Bids appointed by B3;

1.1.30. **Distributors:** BOA VISTA, CEAL, CEPISA, CERON, ELETROACRE and AMAZONAS ENERGIA, taken together;

1.1.31. **Qualification Documents:** Set of documents listed in the Public Notice for Bid required to be submitted by the Bidders to prove their regular legal, fiscal, labor and economic-financial status;

1.1.32. **Public Notice for Bid:** This document setting forth the rules for disposal of the shares issued by the Distributors associated with the concession of the public electricity distribution service;

1.1.33. **ELETROACRE:** Companhia de Eletricidade do Acre, a government-controlled closed corporation headquartered in the city of Rio Branco, State of Acre, at Rua Valério Magalhães, 226 - enrolled at the CNPJ/MF under n. 04.065.033/0001-70, whose shares will be sold in the Bid pursuant to the provisions of this Public Notice for Bid. All references to ELETROACRE in this Public Notice for Bid and its Annexes include all former names of ELETROACRE;

1.1.34. **Eletrobras:** Centrais Elétricas Brasileiras S.A., a government-controlled publicly-held corporation incorporated under the provisions of Law N. 3.890-A of April 25, 1961 ("Law N. 3.890-A/1961"), headquartered in

Brasília-DF, and with central office at Avenida Presidente Vargas, 409, 13th. Floor - Rio de Janeiro / RJ, ZIP Code 20071-003, enrolled at the CNPJ/MF under n. 00.001.180/0001-26;

1.1.35. **Active and Retired Employees:** The following are considered Active and Retired Employees of the Distributors for acceptance of the Offers to Active and Retired Employees of the Distributors: (i) employees with employment relationship originated from certain Distributor, even if it was assigned to another entity, on the date of publication of this Notice in the Federal Official Gazette; (ii) retirees who meet at least one of the following requirements: (a) having an employment relationship originated from the respective Distributor on the date of the application for their respective pensions; or (b) having the last contribution to social security been made as an employee of the respective Distributor; or (c) having the last contribution to social security been paid by CEAL, CERON, BOA VISTA, CEPISA, AMAZONAS ENERGIA or ELETROACRE, as the case may be, due to plans to encourage dismissal;

1.1.36. **Document Delivery:** act through which the Bidders submit, on the day established in the schedule of Chapter IX, from 9 a.m. to 12 p.m., at B3, the documents mentioned in Section I of Chapter V hereof;

1.1.37. **Bid Bond:** Guarantee of compliance with the conditions of the Public Notice for Bid and economic offer to be submitted by the Bidders, pursuant the Chapter IV, Section IV hereof;

1.1.38. **Combined Discount Index in Tariff Flexibilization and Granting** (or simply "**Index**"): a single, increasing value variable to be used as an offer by the Bidders, for the purposes of calculation of the flexibilization of the regulatory parameters and tariff recognition related to RGR loans, as well as calculation of the amount offered as payment of Bonus by Grant of the concession, according to Annex 13;

1.1.39. **Bid:** Bidding modality for the grant of the contract of concession of the public electricity distribution service associated with the transfer of share control of the Distributors, to be made in the form and conditions described herein;

1.1.40. **Bid Settlement:** Timely and full payment by the Winning Bidder to the Transferor in exchange for the transfer of title to the Bid Purpose, to be operated by B3;

1.1.41. **Settlement of the Offer to Active and Retired Employees:** Timely and full payment by Active and Retired Employees of the Distributors to

Eletrobras in exchange for the transfer of ownership of the Offers to the Active and Retired Employees Purpose Shares, to be operated by B3;

1.1.42. **Due Diligence Procedure Manual:** Document detailing the contents and procedures applicable to the data room, technical visits and meetings, available at the electronic address www.bndes.gov.br/distribuidoras-eletrobras;

1.1.43. **Employee and Retired Employee Offer Manual:** Document that gathers information regarding the Offer to the Active and Retired Employees, in accordance with the provisions of the Annex 9 and Public Notice for Bid;

1.1.44. **B3 Manual of Bid Procedures:** Document prepared by B3 and approved by BNDES, containing guidelines, rules and samples of documents for the operational procedures of the Bid and of the Bid Settlement, as well as all other procedures relevant to the bidding process, to be published on the electronic address www.bndes.gov.br/distribuidoras-eletrobras on the date set forth on the Chapter VIII of this Public Notice;

1.1.45. **B3 Manual of Procedures for Offer to Active and Retired Employees:** Document prepared by B3 and approved by BNDES containing guidelines, rules and details regarding the Offer to Active and Retired Employees and the Settlement of the Offer to Active and Retired Employees, as well as all other procedures relating to the accomplishment of the Offer to Active and Retired Employees, to be published on the electronic address www.bndes.gov.br/distribuidoras-eletrobras on the date set forth on the Chapter VIII of this Public Notice;

1.1.46. **MME:** Ministry of Mines and Energy, an agency of the direct Federal Administration responsible for the areas of geology, mineral and energy resources, hydroelectric power, mining and metallurgy, petroleum, fuel and electric power, including nuclear power, and rural energization and agroenergy, including rural electrification, when funded with resources of the national electric system, designated as responsible for the coordination and monitoring of the procedures and stages of the privatization process of the Distributors, pursuant to art. 3 of Decree N. 8.893/2016;

1.1.47. **Bid Purpose:** (i) the concession of public electricity distribution service in the State of Amazonas, under the terms of the contract to be entered between the Granting Authority and the Winning Bidder, in the form of Annex 12 - Draft Concession Contract, associated with the sale of the common shares of AMAZONAS ENERGIA, equivalent to approximately ninety percent (90%) of the total capital stock of such company, all of which owned by Eletrobras and duly paid in; (ii) the concession of public electricity

distribution service in the State of Roraima, under the terms of the contract to be entered between the Granting Authority and the Winning Bidder, in the form of Annex 12 - Draft Concession Contract, associated with the sale of the common shares of BOA VISTA, equivalent to approximately ninety percent (90%) of the total capital stock of such company, all of which owned by Eletrobras and duly paid in; (iii) the concession of public electricity distribution service in the State of Rondônia, under the terms of the contract to be entered into between the Granting Authority and the Winning Bidder, in the form of Annex 12 - Concession Contract, associated with the sale of the common shares of CERON's total capital stock owned by Eletrobras, equivalent to approximately ninety percent (90%) of the company's total share capital, all owned by Eletrobras and duly paid in; (iv) the concession of public electricity distribution service in the State of Alagoas, under the terms of the contract to be entered into between the Granting Authority and the Winning Bidder, in the form of Annex 12 - Draft Concession Contract, associated with the sale of the shares of CEAL's capital stock, equivalent to approximately eighty-nine integers and ninety-four hundredths percent (89.94%) of the capital stock of such Company, all owned by Eletrobras and duly paid in; (v) the concession of public electricity distribution service in the State of Acre, under the terms of the contract to be entered into between the Granting Authority and the Winning Bidder, in the form of Annex 12 - Draft Concession Contract, associated with the sale of the shares of ELETROACRE, equivalent to approximately eighty-seven integers and sixty one hundredths percent (87.61%) of ELETROACRE's total capital stock, all owned by Eletrobras and duly paid in; and (vi) the concession of public electricity distribution service in the State of Piauí, under the terms of the contract to be entered between the Granting Authority and the Winning Bidder, in the form of Annex 12 - Draft Concession Contract, associated with the sale of the shares of CEPISA, equivalent to approximately eighty-nine whole and ninety-four hundredths percent (89.94%) of the company's total capital stock, all owned by Eletrobras and duly paid in;

1.1.47.1. The share interest of Eletrobras in ELETROACRE, as the purpose of this Bid and described in the previous item, presupposes the non-adhesion of the minority shareholders to the first capital increase, set forth in the sub item 5.50 (b) of this Public Notice.

1.1.48. **Offer to Active and Retired Employees:** (i) the offer of the common shares corresponding to approximately ten percent (10%) of the total shares of AMAZONAS ENERGIA held by Eletrobras, prior to the sale to the Winning Bidder; (ii) the offer of the common shares and preferred corresponding to approximately ten point zero six percent (10.06%) of the total shares of CEAL held by Eletrobras, prior to the sale to the Winning Bidder; (iii) the offer of the common shares corresponding to approximately ten percent (10%) of the total

shares of CERON held by Eletrobras, prior to the sale to the Winning Bidder; **(iv)** the offer of the common shares corresponding to approximately ten percent (10%) of the total shares of BOA VISTA owned by Eletrobras prior to the sale to the Winning Bidder; **(v)** the offering of the common shares and preferred shares corresponding to approximately ten percent (10%) of the total shares of ELETROACRE held by Eletrobras, prior to the sale to the Winning Bidder; and **(vi)** the offer of the common shares and preferred shares corresponding to approximately ten point zero six percent (10.06%) of the total shares of CEPISA held by Eletrobras, prior to the sale to the Winning Bidder;

1.1.49. **Granting Authority:** The Union, legal entity of internal public right, headquartered in Brasília, The Federal District;

1.1.50. **PND:** National Privatization Program ruled by Law n. 9.491/1997;

1.1.51. **Bidder:** Participant of the Bids acting individually or as a member of a Consortium, pursuant to the terms of Chapter III hereof;

1.1.52. **Qualified Bidder:** Bidder whose economic offer offered meets all the requirements established in the applicable legislation and regulations and is subject to the conditions and terms set forth in this Public Notice;

1.1.53. **Accredited Representatives:** Individuals authorized to represent the Bidders in all documents and acts related to the Bid;

1.1.54. **RGR:** Fund constituted by the Global Reversion Reserve, in accordance with the applicable legislation;

1.1.55. **Data Room:** Documents, data, reports, system accesses and any other information about the Distributors available in the (i) City of Manaus, State of Amazonas, at Avenida Sete de Setembro, 2.214; (ii) City of Boa Vista, State of Roraima, at Avenida Capitão Ene Garcêz, 691; (iii) City of Maceió, State of Alagoas, at Rua Fernandes Lima, 3.349; (iv) City of Teresina, State of Piauí, at Av. Maranhão, 759; (v) City of Porto Velho, State of Rondônia, at Av. Imigrantes, 4.137; and (vi) City of Rio Branco, State of Acre, at Rua Valério Magalhães, 226, and in any virtual environment, which can be accessed at the following website: <https://www.rdvenue.com> by registrants meeting the requirements of the Diligence Procedures Manual;

1.1.56. **Bids Public Session:** Bid Stage starting with the opening of the envelopes of the respective economic bids submitted by the Bidder, during which the live stage of the Bid is held, if applicable, and that is carried out on the day indicated in the schedule of Chapter IX;

1.1.57. **Economic Value of the Operation:** the Sale value of the Distributors' shares, as set forth by the respective Agreements, added by the estimated value of the concession, as follows: (i) twenty three billion, two hundred and forty nine million, eight hundred and twenty three thousand, four hundred and fifty-one Brazilian reais and forty-four cents (R\$ 23,249,823,451.44) for CEAL; (ii) thirty three billion, three hundred and sixty-six million, seven hundred and sixty thousand and six Brazilian reais and ninety six cents) (R\$ 33,366,760,006.96) for CEPISA; (iii) nine billion, seventy-three million, two hundred and sixty-six thousand, eight hundred and fifty-nine Brazilian reais and seventy-three cents (R\$ 9,073,266,859.73) for BOA VISTA; (iv) twenty-two billion, seven hundred and ninety-two million, eighty thousand, seven hundred and eighty-eight Brazilian reais and forty-nine cents (R\$ 22.792.080.788,49) for CERON; (v) fifty-one billion, eight hundred and ninety-five million, five hundred and forty-seven thousand, two hundred and twenty Brazilian reais and sixty cents (R\$ 51,895,547,220.60) for AMAZONAS; and (vi) eighty billion, five hundred and forty-eight million, seven hundred and fifty-eight thousand, four hundred and forty-one Brazilian reais and eighty-eight cents (R\$ 8,548,758,441.88) for ELETROACRE. The Economic Value of the Operation has a purely indicative effect, and cannot be used to recompose the economic-finance balance.

1.2. Except where the context otherwise indicates, the definitions of the Public Notice for Bid shall be applicable in both singular and plural forms.

1.3. In the calculation of the terms established in this instrument and its Annexes, the following shall be observed: (i) the starting date will be excluded and the expiration date will be included; (ii) the terms will only begin and expire on business days at the BNDES office located in Rio de Janeiro; and (iii) the schedules set forth in this Public Notice for Bid refer to the official timetable of Brasília.

Section II – Purpose

1.4. The purpose of this Public Notice for Bid is the award of the Contract of Concession for public electricity distribution service, associated to the assignment of the Distributors' share control.

1.4.1. The Winning Bidder of ELETROACRE's Bid, in addition to purchasing ELETROACRE's shares as described in the Bid Purpose shall also be required to purchase the shares from ELETROACRE's minority shareholders enforcing their tag along right, in the same conditions and prices as those paid by the Winning Bidder by the Eletrobras' shares.

1.5. The following Annexes are an integral part of this Public Notice for Bid:

1.5.1. Annex 1 – Drafts of the Share Purchase and Sale Agreements of the Distributors;

1.5.2. Annex 2 - B3 Manual of Bid Procedures, to be published on the electronic address www.bndes.gov.br/distribuidoras-elektrobras on the date set forth on the Chapter IX of this Public Notice;

1.5.3. Annex 3 – Template of Declaration of Nonexistence of an Equivalent Foreign Document;

1.5.4. Annex 4 – Template of economic bid;

1.5.5. Annex 5 – Template of Statement of Lack of Interest;

1.5.6. Annex 6 – Template of Acknowledgment of the Terms of the Public Notice for Bid and Nonexistence of Obstacle to Participating in the Bid;

1.5.7. Annex 7 – Template of Declaration of Compliance with art. 7, XXXIII of the Federal Constitution;

1.5.8. Annex 8 – Bid Ratification Template;

1.5.9. Annex 9 – Active and Retired Employees Share Offer Manual;

1.5.10. Annex 10 - B3 Manual of Procedures for Offer to Active and Retired Employees, to be disclosed at the website www.bndes.gov.br/distribuidoras-elektrobras on the date provided in Chapter IX of this Public Notice for Bid;

1.5.11. Annex 11 – Template of Declaration of Submission to the Brazilian Legislation;

1.5.12. Annex 12 – Draft of Concession Contract of the Distributors;

1.5.13. Annex 13 - Application of the Combined Discount Index in the Tariff Flexibilization and Grant;

1.5.14. Annex 14 - Draft of ELETROACRE's Share Purchase and Sale Agreement;

1.5.15. Annex 15 – Draft of the Shareholders' Agreements;

1.6. In the event of any conflict or discrepancy between any provision of this Public Notice and any of its Annexes, which cannot be solved based on the context in which they are used, the Bidding Commission shall decide on the matter based on the provisions of the Public Notice for Bid.

Subsection I – Offer to Active and Retired Employees:

1.7 Under item 1.1.48 hereof, an amount of the Distributors' shares will be offered to Active and Retired Employees, given that such shares will be offered in lots, pursuant the Annex 9 - Active and Retired Employees Share Offer Manual.

1.8 The price of the shares comprised in the Offer to the Active and Retired Employees corresponds to a discount of approximately ten percent (10%) over the price paid by the respective Winning Bidder. Such discount will be compensated to Eletrobras by the respective Winning Bidder, in order to secure that the total value paid to Eletrobras for the sale of the shares Bid Purpose corresponds to that provided in the respective Agreements.

1.9 Pursuant to CPPI Resolution N. 20/2017, Eletrobras shall assign the preemptive right for the subscription of increase in the capital to be made by the Winning Bidders to the eligible Active and Retired Employees who acquire the Offer to Active and Retired Employees Purpose Shares, considering that the value per share or lot of shares for the potential follow-up of this capitalization by Active and Retired Employees is equal to the price per share for subscription by the Winning Bidders, pursuant to provisions of Annex 9 - Active and Retired Employees Share Offer Manual.

1.10 Within three (03) years from the date of signature of the respective Agreements, the new controller shall be required to repurchase the shares purchased by the Active and Retired Employees of the respective Distributor, if they are willing to sell them, pursuant to terms and conditions set forth in the Annex 9 - Active and Retired Employee Share Offer Manual.

1.11 The detail of the conditions and operational procedures of the Offer to Active and Retired Employees of the Distributors are established on the Annex 9 - Actives and Retired Employees Share Offer Manual and on the Annex 10 - B3 Manual of Procedures for Offer to Active and Retired Employees.

1.12 The Settlement of the Offer to Active and Retired Employees shall be subject to the actual transfer of the control of the respective Distributors under the provisions of this Public Notice.

1.13 If the transfer of the control of a given Distributor is not accomplished, the Settlement of the Offer to Active and Retired Employees of the corresponding Distributor will not take place. In this event, the right to purchase the shares will not be granted.

Section III – Accessing the Public Notice for Bid

1.14. The Public Notice for Bid relating to this bid, its Annexes and all information

about the privatization is available at the website www.bndes.gov.br/distribuidoras-eletobras.

1.15. The interested parties should obtain the Public Notice for Bid through the above-mentioned means to be sure of the authenticity of the texts and that all documents and Annexes of the Notice are in their possession.

1.16. The BNDES takes no responsibility for text and annexes of Public Notices obtained by any other means or from places other than those mentioned herein.

Section IV – Public Notice for Bid Explanation

1.17. The Bidding Commission may provide, *ex-officio* or by the request of any interested parties, explanation on the Public Notice for Bid and such explanations shall be binding upon the interpretation of its rules.

1.18. Requests for explanation must be submitted by the fifteenth (15th) day prior to the date of Delivery of Documents, by means of an e-mail sent to the following electronic address: leilao.distribuidoras@bndes.gov.br.

1.18.1. Requests for explanation shall be deemed delivered on the date of their receipt, unless received after 6:00 pm, in which case they shall be considered received on the subsequent business day.

1.19. All responses of the Bidding Committee to requests for explanation made pursuant to the previous item shall be compiled and made available until the second (2nd) day before the date for Delivery of Documents, and shall then become a part of the bidding procedure.

Section V – Objection to the Public Notice for Bid

1.20. Any objection shall be sent to the Privatization and Project Structuring Area (*Área de Desestatização e Estruturação de Projetos*) of the BNDES to the e-mail leilao.distribuidoras@bndes.gov.br or to the address Av. República do Chile n. 100, Área de Desestatização e Estruturação de Projetos, Centro, Rio de Janeiro - RJ, CEP 20.031-917, up to five (5) business days prior the Delivery of Documents.

1.20.1. The objection shall be accompanied by the copy of the identity document of its signatory, when made by an individual, or proof of powers of legal representation, when made by a legal entity.

1.20.2. The objections should be delivered at the address mentioned in the previous item between 10 am and 6 pm when filed with BNDES, provided that any objections sent by electronic mail shall be considered received at the date of their receipt, unless received after 6 pm, in which case they will be

considered received on the following business day.

1.21. Objection to the Public Notice for Bid shall be addressed to the president of the Bidding Commission.

1.21.1. The submission of an objection shall not restrain the interested party from participating in the Bids.

1.21.2. The objection shall specify which Distributor company it refers to or indicate that it refers to the Public Notice for Bid as a whole.

1.21.3. The objection related to specific matters of a Distributor will not prevent nor suspend the progress of the bid concerning the other bids.

1.22. The Bidding Commission shall review and respond any objections within three (3) business days, as provided in art. 41, § 1 of Law N. 8.666/1993.

1.22.1. The Bidding Commission's opinion favorable to the objection shall only change the date for receipt of the packets when the change made in the Public Notice for Bid substantially affects the conditions for posting the Bid Bond, preparing the economic bid or submitting the Qualification Documents required.

Section VI – Miscellaneous

1.23. All bidding documents as well as the correspondence exchanged between Bidders and the Bidding Commission shall be written in Portuguese, and all documentation shall be consulted and interpreted according to such language.

1.23.1. All documentation submitted by Bidders shall be in force on the date of submission of the packets shown in Chapter V, Section I of this Public Notice.

1.24. Documents written in a foreign language must be authenticated with the Consular Offices of the Ministry of Foreign Affairs (*Repartições Consulares do Ministério das Relações Exteriores*) ("MRE") and translated by a sworn translator.

1.24.1. The documentation of a foreign Bidder originating from a signatory country of the Convention on the Elimination of the Requirement of Legalization of Foreign Public Documents shall be exempted from the process of legalization provided for in clause 1.24, provided that it bears the apposition of the apostille referred to in the text of the convention enacted by Decree N. 8.660 of 01.29.2016 ("Decree N. 8.660/2016"), accompanied by a translation into Portuguese made by a sworn translator enrolled in any of the commercial boards of Brazil.

This is a free translation from the original draft of the Public Notice for Bid. In case of divergence between this version and the original version, in Portuguese language, the latter shall prevail.

1.25. The documents shall be submitted according to the samples attached hereto, if any.

1.26. The events provided for herein and in the schedule are directly subject to the successful completion of the several stages of the privatization process.

1.27. In the event of occurrence of supervening events prior to the publication of the Public Notice that may delay or otherwise impair the progress of the privatization process, the review will be authorized by BNDES.

1.28. Any change in the Public Notice for Bid shall be published in the Federal Official Gazette and at the website www.bndes.gov.br/distribuidoras-eletronbras.

1.29. Participating in the Bid implies full and unconditional acceptance of all terms, provisions and conditions of the Notice and Annexes, as well as other rules applicable to the Bid.

1.30. Access to the Data Room, technical visits and meetings shall be available to interested parties under the terms of the Diligence Procedure Manual.

Section VII – Privatization Justification

1.31. The privatization of the Distributors is justified because these companies need to be re-structured in order to provide an increase in investments, make improvements in operational management, expansion of distribution network, increase in the quality of the services rendered and improvement in their economic and financial performance, generating an increase in the financial return on the capital invested by the shareholders, improvement in the service to the population and expansion of economy by means of opening new businesses or expanding the existing enterprises in the regions served by the Distributors.

1.32. Additionally, the disposal of the stock of the Distributors shall result in the adoption by the Distributors of a legal regime similar to that of other non-state agents operating in the industry, allowing for relevant operational adjustments.

1.33. Moreover, the corporate restructuring of the Distributors, with the transfer of control of the companies to the private initiative, will allow Eletrobras to focus its investments and efforts on generation and transmission areas, which are the main activities of the company.

Section VIII – Information about the Distributors

(a) History

1.34. The Distributors act as designated distributors, responsible for providing the

public electricity distribution service, appointed to ensure continuity of service until the assumption of a new concessionaire or until 12.31.2018, whichever is earlier, under the terms and conditions established in Ordinance MME N. 468, of 12.04.2017, as well as in the Ordinances edited by the MME, which are: Ordinance MME N. 420/2016 for AMAZONAS ENERGIA, Ordinance MME N. 421/2016 for ELETROACRE, Ordinance MME N. 422/2016 for CERON, Ordinance MME N. 423/2016 CEPISA, Ordinance MME N. 424/2016 for CEAL, and Ordinance MME N. 425/2016 for BOA VISTA.

1.35. The Distributors held the concession for the exploitation of public electricity distribution services in the respective states of operation. Before expiration of the respective contracts, steps applicable to the extension of the term of the contracts were taken. However, Eletrobras, the majority shareholder of the Distributors, at its 165th Special General Meeting, rejected the extension of the Distributors' contracts and approved the transfer of the share control of said companies, under the conditions set forth.

BOA VISTA

1.36. In 1989, Eletronorte's Regional office was established in Boa Vista, with the expropriation of part of the Empresa Energética de Roraima – CERR, by the Centrais Elétricas do Norte do Brasil S.A. – ELETRONORTE. This regional was created with the purpose of an electric power distribution, commercialization and generation company, thus assuming the activities until then developed by the CERR in the Capital.

1.37. With the inclusion of Eletronorte in the National Privatization Program, by means of Decree N. 1.503/1995, after approval of Law N. 9.491/1997 and authorized by Provisional Measure N. 1.531-13, Boa Vista Energia S.A., a wholly-owned subsidiary of ELETRONORTE, with the inclusion in the National Privatization Plan by Decree N. 2.653, of 07.01.1998, started to operate in the municipality of Boa Vista from the signature, together with ELETRONORTE, of the "Heads of Agreement of Assumption of Rights and Obligations", on 02.03.1998.

1.38. On 08.03.2016, the MME issued Ordinance N. 425, among other provisions, to appoint BOA VISTA as responsible for the provision of public electricity distribution service in the area defined by MME Ordinance MME N. 920/1969, whose concession for the electricity distribution service was the responsibility of Companhia Energética de Roraima ("CERR"). On 09/23/2016, MME published an order establishing the effectiveness of the termination of the concession granted through Ordinance MME N. 920/1969 at zero hour of 01.01.2017, and defining that the provision of distribution services by BOA VISTA to the interior of the State of Roraima should start as of zero hour of the 01.01.2017.

1.39. BOA VISTA is a government-controlled publicly-held corporation and a designated distributor responsible for the provision of the public electricity distribution

service in the capital and in the municipalities of the State of Roraima, whose concession for the public electricity distribution service was the responsibility of CERR.

1.40. BOA VISTA is headquartered in the city of Boa Vista, at Avenida Capitão Ene Garcêz, 691 – Centro, enrolled at the CNPJ/MF under n. 02.341.470/0001-44. According to its bylaws, BOA VISTA may, by resolution of the Board of Directors, create branches and agencies in its respective concession area, and office and representation in the State of Rio de Janeiro and the Federal District.

CEAL

1.41. CEAL was created in 1983, under State Law N. 4.450 dated of 07.05.1983, originating from Companhia de Eletricidade de Alagoas (Ceal), constituted by State Law N. 2.137, dated of 04.08.1959, upon execution of the public deed of incorporation on 08.17.1960.

1.42. In June 1997, the Federal Government, through Eletrobras, began to control CEAL, at which time it took over the majority of the shares from the acquisition of 50% of the registered shares, which were under the control of the State of Alagoas. Law N. 9.619 dated of April 2nd, 1998 (“Law N. 9.619/1998”), authorized Eletrobras to purchase the latter’s shares.

1.43. CEAL is a government-controlled closed corporation headquartered in the city of Maceió, AL, at Avenida Fernandes Lima, 3349, enrolled at the CNPJ/MF under n. 12.272.084/0001-00. According to its bylaws, CEAL may, at the discretion of the Board of Directors, create branches and agencies in its respective concession area, and office and representation in the State of Rio de Janeiro and the Federal District.

CEPISA

1.44. CEPISA was incorporated on 12.01.1959 in the State of Piauí by means of State Law N. 1.948, later amended by State Law N. 4.126 of 07.30.1987. On 12.19.1996, authorized by State Law N. 4.868/97 and the Stock Purchase Agreement and other Covenants, the State of Piauí started the process for disposal of CEPISA’s shares held by the State on behalf of Eletrobras. In a first stage, Eletrobras acquired forty-eight integers and eighty-six hundredths percent (48.86%) of the common shares and on January 13th, 1997 it took over CEPISA’s management in a shared way with the Government of Piauí.

1.45. On October 20 of that same year, Eletrobras acquired CEPISA's shareholding control, with an interest of ninety-eight integers and eighty hundredths percent (98.80%), and undertook to prepare the company for privatization. The enactment of

Law N. 9.619/1998 authorized Eletrobras and the Federal Government to purchase CEPISA's shares for the purpose of their inclusion in the PND. On December of 2010, ELETROBRAS became the sole shareholder of CEPISA.

1.46. CEPISA is a government-controlled closed corporation headquartered in the city of Teresina, State of Piauí, at Av. Maranhão, 759, enrolled at the CNPJ under N. 06.840.748/0001-89. According to its bylaws, CEPISA may, at the discretion of the Board of Directors, create branches and agencies in its respective concession area, and office and representation in the State of Rio de Janeiro and the Federal District.

CERON

1.47. In 1968, as provided in Law N. 5.523, when Rondônia became a federal territory, the Federal Government authorized CERON's incorporation. In 1982, when Rondônia turned into a State, the share control was taken by the state government.

1.48. In 1997, the Federal Government regained, through Eletrobras and upon consent of the BNDES, an interest in the capital of the company and then held forty-eight integers and seventy hundredths percent (48.70%) of the registered shares which were previously under control of the State of Rondônia. In 1998 and upon a legislative authorization by the Government of Rondônia (State Law N. 740/1997), Eletrobras regained the share control with 99.96% of the shares.

1.49. In December, 2010, the payment of advancements of the capital made by Eletrobras was approved, when the company became fully controlled by Eletrobras. Law N. 9.619/1998 authorized Eletrobras to purchase CERON's shares.

1.50. CERON a government-controlled, publicly owned corporation headquartered in the city of Porto Velho, State of Rondônia, at Av. Imigrantes, 4137, enrolled at the CNPJ under N. 05.914.650/0001-66. According to its bylaws, CERON may, at the discretion of the Board of Directors, create branches and agencies in its respective concession area, and office and representation in the State of Rio de Janeiro and the Federal District.

ELETROACRE

1.51. In 1965, using resources from the Electrification Fund, the Government of the State of Acre established ELETROACRE through State Law N. 60/1965. Federal Decree N. 63.121 of 08.20.1968 ("Decree N. 63.121/1968") authorized ELETROACRE to operate as an electricity company under the provisions of the federal laws ruling the industry.

1.52. In September, 1997, ELETROACRE started to be managed in a shared way

through a Management Agreement executed by the State of Acre and Eletrobras. On January 30th, 1998, the company was federalized by means of a “Stock Purchase Agreement and Other Covenants” executed by such parts, as previously authorized by the Legislative Assembly of the State of Acre (Law N. 9.491 of 09.09.1997 (“Law N. 1.491/1997”)).

1.53. Currently, Eletrobras holds the share control of ELETROACRE with an interest of 96.70% in the total capital, acquired as authorized by Law 9.619/1998.

1.54. ELETROACRE is a government-controlled publicly-held corporation headquartered in the city of Rio Branco, State of Acre, at Rua Valério Magalhães, 226, enrolled at the CNPJ/MF under n. 04.065.033/0001-70. According to its bylaws, ELETROACRE may, at the discretion of the Board of Directors, create branches and agencies in its respective concession area, and office in the city of Rio de Janeiro.

AMAZONAS ENERGIA

1.55. The electricity distribution in the State of Amazonas started in a segregated way between the capital, Manaus, and the rest of the state. Companhia de Eletricidade de Manaus - CEM, responsible for the distribution in the capital, was created in 1952. Centrais Elétricas do Brasil – ELETRONORTE took over control of such company in 1980 only. In 1997 Manaus Energia S.A. was created as a fully-owned subsidiary of ELETRONORTE to operate in the capital of the State.

1.56. The electricity distribution in the interior of the State of Amazonas started in 1963 with the creation of the Centrais Elétricas do Amazonas S.A. The corporate name of the company changed to Companhia Energética do Amazonas – CEAM in 1983. In year 2000, CEAM was federalized by Eletrobras and later in 2008 its merger into Manaus Energia S.A occurred. In the same year Eletrobras took over full share control of the company.

1.57. In fact, after enactment of Decree N. 6.026 of January 22nd, 2007, the Federal Government re-structured Eletrobras and its subsidiaries, including ELETRONORTE, in order to obtain the privatization.

1.58. The corporate name of the company changed to Amazonas Distribuidora de Energia S.A. in 2009.

1.59. AMAZONAS ENERGIA is a government-controlled publicly-held corporation headquartered in the city of Manaus, at Avenida Sete de Setembro, 2.214, enrolled at the CNPJ/MF under n. 02.341.467/0001-20. According to its bylaws, AMAZONAS ENERGIA may, by resolution of the Board of Directors, create or extinguish branches and agencies in its respective concession area, and office in the city of Rio de Janeiro.

(b) Short- and long-term liabilities

BOA VISTA

1.60. Short- and long-term liabilities are BOA VISTA's liabilities with third parties. On December 31st, 2016, the valuation base date, short-term liabilities, that is, those maturing within less than 12 months, totaled R\$ 613.2 million, while long-term liabilities totaled R\$ 681.0 million. The amounts reported herein are available in the audited (non-completed) financial statements of the company. .

CEAL

1.61. Short- and long-term liabilities are CEAL's liabilities with third parties. On December 31st, 2016, the valuation base date, short-term liabilities, that is, those maturing within less than 12 months, totaled R\$ 516.4 million, while long-term liabilities totaled R\$ 1,883.0 million. The amounts reported herein are available in the audited (non-completed) financial statements of the company.

CEPISA

1.62. Short- and long-term liabilities are CEPISA's liabilities with third parties. On December 31, 2016, the valuation base date, short-term liabilities, that is, those maturing within less than 12 months, totaled R\$ 1,050.9 million, while long-term liabilities totaled R\$ 2,047.9 million. The amounts reported herein are available in the audited (non-completed) financial statements of the company.

CERON

1.63. Short- and long-term liabilities are CERON's liabilities with third parties. On December 31st, 2016, the valuation base date, short-term liabilities, that is, those maturing within less than 12 months, totaled R\$ 2,031.6 million, while long-term liabilities totaled R\$ 4,738.4 million. The amounts reported herein are available in the audited (non-completed) financial statements of the company.

ELETROACRE

1.64. Short- and long-term liabilities are ELETROACRE's liabilities with third parties. On December 31st, 2016, the valuation base date, short-term liabilities, that is, those maturing within less than 12 months, totaled R\$ 459.4 million, while long-term liabilities totaled R\$ 938.6 million. The amounts reported herein are available in the audited (non-completed) financial statements of the company.

AMAZONAS ENERGIA

1.65. Short- and long-term liabilities are AMAZONAS ENERGIA's liabilities with third

parties. On December 31st, 2016, the valuation base date, short-term liabilities, (those maturing within less than 12 months) totaled R\$ 6,256.2 million, while long-term liabilities totaled R\$ 14,116.8 million. The amounts reported herein are available in the audited (non-completed) financial statements of the company.

(c) Financial situation of the Distributors

BOA VISTA

1.66. The financial difficulties faced by BOA VISTA go beyond the recent economic-financial unbalances of the electricity distribution industry. BOA VISTA is in a challenging financial situation, especially because of its high indebtedness and the poor operational performance of the company in recent years. On the valuation base date (December 31st, 2016), the Company's shareholders' equity was negative (R\$ 609.3 million), with accumulated losses equivalent to R\$ 1,290.5 million and total indebtedness equal to R\$ 115.2 million. Namely, the evolution of BOA VISTA's total indebtedness over the last five years was as follows until reaching the balance reported for 2016: in 2012, R\$ 19.2 million; in 2013, R\$ 25.2 million; in 2014, R\$ 44.4 million; in 2015, R\$ 53.7 million. .

1.67. In terms of income obtained by the company, it should be highlighted the fact that BOA VISTA accumulated losses in the amount of R\$ 687.5 million in the past five years, which shows the recent poor performance of the company. Namely, BOA VISTA's net incomes over the last years were: loss of R\$ 149.0 million in 2012; profit of R\$ 53.3 million in 2013; loss of R\$ 51.7 million in 2014; loss of R\$ 270.1 million in 2015 and loss of R\$ 270.0 million in 2016.

CEAL

1.68. The financial difficulties faced by CEAL go beyond the recent economic-financial unbalances of the electricity distribution industry. CEAL is in a challenging financial situation specially because of its high indebtedness and the poor operational performance of the company in recent years. On the valuation base date (December 31st, 2016), the Company's shareholders' equity was negative (R\$ 573.8 million), with accumulated losses equivalent to R\$ 1,252.8 million and total indebtedness equal to R\$ 1,462.1 million. Namely, the evolution of CEAL's total indebtedness over the last five years was as follows until reaching the balance reported for 2016: in 2012, R\$ 447.7 million; in 2013, R\$ 629.8 million; in 2014, R\$ 958.3 million; in 2015, R\$ 1,174.4 million.

1.69. In terms of income obtained by the company, it should be highlighted the fact that CEAL accumulated losses in the amount of R\$ 923.6 million in the past five years, which shows the recent poor performance of the company. Namely, CEAL's net incomes over the last years were: loss of R\$ 116.9 million in 2012; loss of R\$ 137.1

million in 2013; loss of R\$ 95.4 million in 2014; loss of R\$ 252.6 million in 2015 and loss of R\$ 321.5 million in 2016.

CEPISA

1.70. The financial difficulties faced by CEPISA go beyond the recent economic-financial unbalances of the electricity distribution industry. CEPISA is in a challenging financial situation specially because of its high indebtedness and the poor operational performance of the company in recent years. On the valuation base date (December 31st, 2016), the Company's shareholders' equity was negative (R\$ 1,221.7 million), with accumulated losses equivalent to R\$ 2,473.3 million and total indebtedness equal to R\$ 1,681.2 million. Namely, the evolution of CEPISA's total indebtedness over the last five years was as follows until reaching the balance reported for 2016: in 2012, R\$ 587.4 million; in 2013, R\$ 794.6 million; in 2014, R\$ 1,058.6 million; in 2015, R\$ 1,281.5 million.

1.71. In terms of income obtained by the company, it should be highlighted the fact that CEPISA accumulated losses in the amount of R\$ 1,510.6 million in the past five years, which shows the recent poor performance of the company. Namely, CEPISA's net incomes over the last years were: loss of R\$ 50.9 million in 2012; loss of R\$ 427.9 million in 2013; profit of R\$ 37.9 million in 2014; loss of R\$ 563.0 million in 2015 and loss of R\$ 506.8 million in 2016.

CERON

1.72. The financial difficulties faced by CERON go beyond the recent economic-financial unbalances of the electricity distribution industry. CERON is in a challenging financial situation specially because of its high indebtedness and the poor operational performance of the company in recent years. On the valuation base date (December 31st, 2016), the Company's shareholders' equity was negative (R\$ 1,295.9 million), with accumulated losses equivalent to R\$ 2,617.2 million and total indebtedness equal to R\$ 964.0 million. Namely, the evolution of CERON's total indebtedness over the last five years was as follows until reaching the balance reported for 2016: in 2012, R\$ 271.4 million; in 2013, R\$ 481.1 million; in 2014, R\$ 691.5 million; in 2015, R\$ 734.7 million.

1.73. In terms of income obtained by the company, it should be highlighted the fact that CERON accumulated losses in the amount of R\$ 1,623.7 million in the past five years, which shows the recent poor performance of the company. Namely, CERON's net incomes over the last years were: loss of R\$ 206.4 million in 2012; loss of R\$ 313.9 million in 2013; profit of R\$ 292.7 million in 2014; loss of R\$ 560.8 million in 2015 and loss of R\$ 835.3 million in 2016.

ELETROACRE

1.74. The financial difficulties faced by ELETROACRE go beyond the recent economic-financial unbalances of the electricity distribution industry. ELETROACRE is in a challenging financial situation specially because of its high indebtedness and the poor operational performance of the company in recent years. On the valuation base date (December 31st, 2016), the Company's shareholders' equity was negative (R\$ 273.8 million), with accumulated losses equivalent to R\$ 749.2 million and total indebtedness equal to R\$ 369.4 million. Namely, the evolution of ELETROACRE's total indebtedness over the last five years was as follows until reaching the balance reported for 2016: in 2012, R\$ 142.1 million; in 2013, R\$ 156.3 million; in 2014, R\$ 233.6 million; in 2015, R\$ 283.2 million.

1.75. In terms of income obtained by the company, it should be highlighted the fact that ELETROACRE accumulated losses in the amount of R\$ 508.2 million in the past five years, which shows the recent poor performance of the company. Namely, ELETROACRE's net incomes over the last years were: loss of R\$ 50.7 million in 2012; loss of R\$ 154.7 million in 2013; profit of R\$ 25.9 million in 2014; loss of R\$ 184.8 million in 2015 and loss of R\$ 143.9 million in 2016.

AMAZONAS ENERGIA

1.76. The financial difficulties faced by AMAZONAS ENERGIA go beyond the recent economic-financial unbalances of the electricity distribution industry. AMAZONAS ENERGIA is in a challenging financial situation especially because of its high indebtedness and the poor operational performance of the company in recent years. On the valuation base date (December 31st, 2016), the Company's shareholders' equity was negative (R\$ 9,334.6 million), with accumulated losses equivalent to R\$ 13,939.2 million and total indebtedness equal to R\$ 3,156.7 million. Namely, the evolution of AMAZONAS ENERGIA's total indebtedness over the last five years was as follows until reaching the balance reported for 2016: in 2012, R\$ 3,052.4 million; in 2013, R\$ 3,261.0 million; in 2014, R\$ 3,491.1 million; in 2015, R\$ 2,579.3 million.

1.77. In terms of income obtained by the company, it should be highlighted the fact that AMAZONAS ENERGIA accumulated losses in the amount of R\$ 10,183.2 million in the past five years, which shows the recent poor performance of the company. Namely, AMAZONAS ENERGIA's net incomes over the last years were: loss of R\$ 1,064.4 million in 2012; loss of R\$ 1,464.2 million in 2013; loss of R\$ 342.7 million in 2014; loss of R\$ 2,344.0 million in 2015 and loss of R\$ 4,967.8 million in 2016.

(d) Payment of dividends and Capital Contributions

In addition to the following context, the information on dividends of the Distributors in the last fifteen years (15) can be consulted in the financial statements of the said Companies, which were disclosed to the public by legal means. In addition to such historic data, the information regarding the contribution of resources to the capital

account are described in the financial statements of ELETROBRAS and the financial legislation of the Federal Government, both disclosed to the public by legal means.

BOA VISTA

1.78. Given the company's difficulty economic and financial scenario, and the current equity situation (cumulative losses recorded on the base date), including negative net income in recent years, BOA VISTA did not distribute dividends in recent fiscal years.

CEAL

1.79. Given the company's difficulty economic and financial scenario, and the current equity situation (cumulative losses recorded on the base date), including negative net income in recent years, CEAL did not distribute dividends in recent fiscal years.

CEPISA

1.80. Given the company's difficulty economic and financial scenario, and the current equity situation (cumulative losses recorded on the base date), including negative net income in recent years, CEPISA did not distribute dividends in recent fiscal years.

CERON

1.81. Given the company's difficulty economic and financial scenario, and the current equity situation (cumulative losses recorded on the base date), including negative net income in recent years, CERON did not distribute dividends in recent fiscal years.

ELETROACRE

1.82. Given the company's difficulty economic and financial scenario, and the current equity situation (cumulative losses recorded on the base date), including negative net income in recent years, ELETROACRE did not distribute dividends in recent fiscal years.

AMAZONAS ENERGIA

1.83. Given the company's difficulty economic and financial scenario, and the current equity situation (cumulative losses recorded on the base date), including negative net income in recent years, AMAZONAS ENERGIA did not distribute

dividends in recent fiscal years.

(e) Valuation Study Summary

1.84. The cash flow projections of the Distributors present in the economic-financial valuations take the increase in the capital of the Distributors, by means of a partial or full capitalization of the credits held by Eletrobras against the Distributors, prior to the transfer of the shares to the winning bidder, according to values set forth in Resolution IPPC N. 20/2017.

1.85. The Discounted Cash Flow method based on the future profitability was used as general methodology in the studies. According to the discounted cash flow method the criteria of Free Cash Flow for the Firm (“FCFF”) was adopted, wherein cash flows resulting from operation and investment activities of the company are considered, without considering (in the cash flows) debt and financial result movement discounted of a rate equivalent to the average cost of the company’s capital resulting in the total operating value of the company (“Enterprise Value” or “EV”). Net debt and contingency amounts calculated through specific studies developed during the process are then deducted against the EV, thus resulting in a value of 100% of the company’s shares (“Equity Value”).

BOA VISTA

1.86. Valuation works were prepared according to Law N. 9.491/97 and Decree N. 2.594/98, and worldwide recognized and adopted theoretical financial concepts, the indebtedness of the electricity distributor as well as compliance with the efficiency criteria regarding the economic and financial management and loss targets were considered. Additionally, studies carried out for bidding purposes and its modeling took into account the provisions in Decree N. 9.192/2017: (i) the value of the shares disregarding the new concession contract, assigning them a symbolic value; (ii) the flexibilization necessary for the tariff parameters, in order to guarantee the economic and financial balance of the Concession Contract, to the extent necessary for the company's valuation value to be zero, considering the new concession contract; and (iii) adjustments of a corporate, regulatory, operational, accounting and legal nature for the purpose of promoting the financial reorganization of the company.

1.87. On the valuation base date, i.e. December 31st, 2016, the market value of the total shares of BOA VISTA was calculated based on two (2) economic-financial assessments carried out by independent consulting teams, i.e. Consórcio Mais Energia B and Ceres. The first calculated the Discounted Cash Flow for the company at six hundred eleven million, seven hundred and sixteen thousand, three hundred and seventeen Brazilian Reals and fifty-one cents (R\$ 611,716,317.51), while the second

calculated the Discounted Cash Flow of BOA VISTA at five hundred sixty-five million, six hundred and seventeen thousand, one hundred and twenty-four Brazilian Reais and ninety-eight cents (R\$ 565,617,124.98).

1.88. Discounted the net debt and the contingencies, the market values of 100% of the company's shares calculated by Consórcio Mais Energia B and Ceres are, respectively, minus two hundred eighty-two million, one hundred and seventy-two thousand, nine hundred and sixty-seven Brazilian Reais and eighteen cents (R\$ (282,172,967.18)) and minus three hundred twenty-eight million, two hundred and seventy two thousand, one hundred and fifty-nine Brazilian Reais and seventy-one cents (R\$ (328,272,159.71)).

1.89. The value established for the sale of the shares was equivalent to the average of the two (2) economic-financial assessments made by the two (2) above-mentioned consulting firms. Therefore, the average of the two (2) economic-financial assessments was minus three hundred and five million, two hundred twenty-two thousand, five hundred and sixty-three Brazilian Reais and forty-four cents (R\$ (305,222,563.44)). However, in the studies carried out by Consórcio Mais Energia B, the values were adjusted (i) updating the base date to June/2017; (ii) reversal of the debt with RGR with tariff coverage; (iii) addition of the debt related to Advance for Future Capital Increase ("AFAC"); (iv) updating the balances of Tax Loss ("PF") and Negative Base ("BN"); the adjusted value, the basis for the sale of the shares, was minus three hundred and forty-two million, seventy thousand, four hundred and eighty-six Brazilian Reais and twenty cents (R\$ (342,070,486.20)).

1.90. Because the above values are negative, the capital contribution by Eletrobras will be observed in order to make them positive, thus increasing the shares' disposal value of BOA VISTA to fifty thousand Brazilian Reais (R\$ 50,000.00), according to article 2, item VI, of Resolution N. 20/2017. Therefore, according to the same Resolution, article 3, V, Eletrobras authorized an increase in the capital stock in the order of three hundred and forty-two million, one hundred and twenty thousand, four hundred and eighty-six Brazilian Reais and twenty cents (R\$ 342,120,486.20).

1.90.1. In the end, the value for the shares offered to the Active and Retired Employees meets the provisions of Law N. 9.491/97, which aims to secure that at least ten percent (10%) of the shares owned by the Federal Government (by means of directly or indirectly controlled companies) are offered. The shares will be offered at a discount of approximately ten percent (10%) over the price per share, which shall be compensated by the Winning Bidder, pursuant to art. 11, Paragraph 2 of Resolution IPPC N. 20/2017.

CEAL

1.91. Valuation works were prepared according to Law N. 9.491/97 and Decree N.

2.594/98, and worldwide recognized and adopted theoretical financial concepts, the indebtedness of the electricity distributor as well as compliance with the efficiency criteria regarding the economic and financial management and loss targets were considered. Additionally, studies carried out for bidding purposes and its modeling took into account the following factors as per Decree N. 9.192/17: (i) the value of the shares disregarding the new concession contract, assigning them a symbolic value; (ii) the flexibilization necessary for the tariff parameters, in order to guarantee the economic and financial balance of the concession contract, to the extent necessary for the company's valuation value to be zero, considering the new concession contract; and (ii) adjustments of a corporate, regulatory, operational, accounting and legal nature for the purpose of promoting the financial reorganization of the company.

1.92. On the valuation base date, i.e. December 31st, 2016, the value of the total shares of CEAL was calculated based on two (2) economic-financial assessments carried out by independent consulting teams, i.e. Consórcio Mais Energia B and Ceres. The first calculated the Discounted Cash Flow for the company at two billion, four hundred and forty-six million, five hundred and sixty-two thousand, three hundred Brazilian Reais and forty-seven cents (R\$ 2,446,562,300.47), while the second calculated the Discounted Cash Flow of CEAL at one billion, nine hundred and ninety-four million, three hundred and seventy-three thousand, five hundred and fifty-one Brazilian Reais and forty-eight cents (R\$ 1,994,373,551.48).

1.93. Discounted the net debt and the contingencies, the market values of 100% of the company's shares calculated by Consórcio Mais Energia B and Ceres are, respectively, minus six hundred and sixty-four million, two thousand, nineteen Brazilian Reais and thirty-five cents (R\$ (664,002,019.35)) and minus one billion, one hundred and sixteen million, one hundred and ninety thousand, seven hundred and sixty-eight Brazilian Reais and thirty-four cents (R\$ (1,116,190,768.34)).

1.94. The value established for the sale of the shares was equivalent to the average of the two (2) economic-financial assessments made by the two (2) above-mentioned consulting firms. Therefore, the average of the two (2) economic-financial assessments was minus eight hundred and ninety million, ninety-six thousand, three hundred and ninety-three Brazilian Reais and eighty-four cents (R\$ (890,096,393.84)). However, in the studies carried out by Consórcio Mais Energia B, the values were adjusted (i) updating the base date to June/2017; (ii) reversal of the debt with RGR with tariff coverage; (iii) addition of the debt related to AFAC; (iv) updating the balances of PF and BN; (v) updating the contingency regarding Bresser Plan and (vi) Initial discount to zero the capital stock value of the distributor; so, the adjusted value, the basis for the sale of the shares, was zero (R\$ 0.00).

1.95. In order to achieve the value of fifty thousand Brazilian Reais (R\$ 50,000.00), according to article 2, item VI, of Resolution IPPC N. 20/2017 and article 3, IV, of the

same Resolution, Eletrobras authorized the capital increase in the amount of fifty thousand Brazilian Reais (R\$ 50,000.00).

1.95.1. In the end, the value of the shares offered to the Active and Retired Employees meets the provisions of Law N. 9.491/97, which aims to secure that at least ten percent (10%) of the shares owned by the Federal Government (by means of directly or indirectly controlled companies) are offered. The shares will be offered at a discount of approximately ten percent (10%) over the price per share, which shall be compensated by the Winning Bidder, pursuant to art. 11, Paragraph 2 of Resolution IPPC N. 20/2017.

CEPISA

1.96. Valuation works were prepared according to Law N. 9.491/97 and Decree N. 2.594/98, and worldwide recognized and adopted theoretical financial concepts, the indebtedness of the electricity distributor as well as compliance with the efficiency criteria regarding the economic and financial management and loss targets were considered. Additionally, studies carried out for bidding purposes and its modeling took into account the following factors as per Decree N. 9.192/17: (i) the value of the shares disregarding the new concession contract, assigning them a symbolic value; (ii) the flexibilization necessary for the tariff parameters, in order to guarantee the economic and financial balance of the concession contract, to the extent necessary for the company's valuation value to be zero, considering the new concession contract; and (ii) adjustments of a corporate, regulatory, operational, accounting and legal nature for the purpose of promoting the financial reorganization of the company.

1.97. On the valuation base date, i.e. December 31st, 2016, the value of the total shares of CEPISA was calculated based on two (2) economic-financial assessments carried out by independent consulting teams, i.e. Consórcio Mais Energia B and Ceres. The first calculated the Discounted Cash Flow for the company at two billion, eight hundred and eighty million, seven hundred and nineteen thousand, eight hundred and forty Brazilian Reais and ninety-eight cents (R\$ 2,880,719,840.98), while the second calculated the Discounted Cash Flow of CEPISA at two billion, four hundred and seventy-six million, one hundred and eighty-five thousand, two hundred and sixty-two Brazilian Reais and seventy-nine cents (R\$ 2,476,185,262.79).

1.98. Discounted the net debt and the contingencies, the market values of 100% of the company's shares calculated by Consórcio Mais Energia B and Ceres are, respectively, four hundred and ninety-five million, nine hundred and thirty-five thousand, four hundred and seventy-three Brazilian Reais and seventy-eight cents (R\$ 495,935,473.78) and ninety-one million, four hundred thousand, eight hundred and ninety-five Brazilian Reais and fifty-nine cents (R\$ 91,400,895.59).

1.99. The value established for the sale of the shares was equivalent to the average

of the two (2) economic-financial assessments made by the two (2) above-mentioned consulting firms. Therefore, the average of the two (2) economic-financial assessments was minus two hundred and ninety-three million, six hundred and sixty-eight thousand, one hundred and eighty-four Brazilian Reais and sixty-eight cents (R\$ 293,668,184.68). However, in the studies carried out by Consórcio Mais Energia B, the values were adjusted (i) updating the base date to June/2017; (ii) reversal of the debt with RGR with tariff coverage; (iii) addition of the debt related to AFAC; (iv) updating the balances of PF and BN; (v) Initial discount to zero the capital stock value of the distributor; so, the adjusted value, the basis for the sale of the shares, was zero (R\$ 0.00).

1.100. In order to achieve the value of fifty thousand Brazilian Reais (R\$ 50,000.00) provided in article 2, item III, of Resolution IPPC N. 20/2017 and article 3, III, of the same Resolution, ELETROBRAS has authorized the capital increase in the amount of fifty thousand Brazilian Reais (R\$ 50,000.00).

1.100.1. In the end, the value for the shares offered to the Active and Retired Employees meets the provisions of Law N. 9.491/97, which aims to secure that at least ten percent (10%) of the shares owned by the Federal Government (by means of directly or indirectly controlled companies) are offered. The shares will be offered at a discount of approximately ten percent (10%) over the price per share, which shall be compensated by the Winning Bidder, pursuant to art. 11, Paragraph 2 of Resolution IPPC N. 20/2017.

CERON

1.101. Valuation works were prepared according to Law N. 9.491/1997 and Decree N. 2.594/1998, and worldwide recognized and adopted theoretical financial concepts, the indebtedness of the electricity distributor as well as compliance with the efficiency criteria regarding the economic and financial management and loss targets were considered. Additionally, studies carried out for bidding purposes and its modeling took into account the following factors as per Decree N. 9.192/2017: (i) the value of the shares disregarding the new concession contract, assigning them a symbolic value; (ii) the flexibilization necessary for the tariff parameters, in order to guarantee the economic and financial balance of the concession contract, to the extent necessary for the company's valuation value to be zero, considering the new concession contract; and (ii) adjustments of a corporate, regulatory, operational, accounting and legal nature for the purpose of promoting the financial reorganization of the company.

1.102. On the valuation base date, i.e. December 31st, 2016, the value of the total shares of CERON was calculated based on two (2) economic-financial assessments carried out by independent consulting teams, i.e. Consórcio Mais Energia B and Ceres. The first calculated the Discounted Cash Flow for the company at one billion, three

hundred and forty-two million, five hundred and fifty-one thousand, seven hundred and seventy-seven Brazilian Reais and thirteen cents (R\$ 1,342,551,777.13), while the second calculated the Discounted Cash Flow of CERON at one billion, five hundred and twenty-five million, seven hundred and nineteen thousand, seven hundred and seven Brazilian Reais and eighty-five cents (R\$ 1,525,719,707.85).

1.103. Discounted the net debt and the contingencies, the market values of 100% of the company's shares calculated by Consórcio Mais Energia B and Ceres are, respectively, minus one billion, eight hundred and eighteen million, one hundred and sixty-nine thousand, seven hundred and forty-seven Brazilian Reais and sixty-three cents (R\$ (1,818,169,747.63)) and minus one billion six hundred and thirty-five million, one thousand, eight hundred and sixteen Brazilian Reais and ninety-one cents (R\$ (1,635,001,816.91)).

1.104. The value established for the sale of the shares was equivalent to the average of the two (2) economic-financial assessments made by the two (2) above-mentioned consulting firms. Therefore, the average of the two (2) economic-financial assessments was minus one billion, seven hundred and twenty-six million, five hundred and eighty-five thousand, seven hundred and eighty-two Brazilian Reais and twenty-seven cents (R\$ (1,726,585,782.27)). However, in the studies carried out by Consórcio Mais Energia B, the values were adjusted (i) updating the base date to June/2017; (ii) reversal of the debt with RGR with tariff coverage; (iii) updating the balances of PF and BN; the adjusted value, the basis for the sale of the shares, was minus one billion, eight hundred thirty-two million, eight hundred seventy-nine thousand, six hundred and sixty-eight Brazilian Reais and sixty-six cents (R\$ (1,832,879,668.66)).

1.105. Because the above values are negative, the capital contribution by Eletrobras will be observed in order to make them positive, thus increasing the economic value of CERON to the total minimum of fifty thousand Brazilian Reais (R\$ 50,000.00), according to article 2, item VI, of Resolution IPPC N. 20/2017. Therefore, according to the same Resolution, article 3, II, Eletrobras authorized the capital increase in the order of one billion, eight hundred and thirty-two million, nine hundred and twenty-nine thousand, six hundred and sixty-eight Brazilian Reais and sixty-six cents (R\$ 1,832,929,668.66).

1.105.1. In the end, the value for the shares offered to the Active and Retired Employees meets the provisions of Law N. 9.491/1997, which aims to secure that at least ten percent (10%) of the shares owned by the Federal Government (by means of directly or indirectly controlled companies) are offered. The shares will be offered at a discount of approximately ten percent (10%) over the price per share, which shall be compensated by the Winning Bidder, pursuant to art. 11, Paragraph 2 of Resolution IPPC N. 20/2017.

ELETROACRE

1.106. Valuation works were prepared according to Law N. 9.491/97 and Decree N. 2.594/98, and worldwide recognized and adopted theoretical financial concepts, the indebtedness of the electricity distributor as well as compliance with the efficiency criteria regarding the economic and financial management and loss targets were considered. Additionally, studies carried out for bidding purposes and its modeling took into account the following factors as per Decree N. 9.192/17: (i) the value of the shares disregarding the new concession contract, assigning them a symbolic value; (ii) the flexibilization necessary for the tariff parameters, in order to guarantee the economic and financial balance of the concession contract, to the extent necessary for the company's valuation value to be zero, considering the new concession contract; and (ii) adjustments of a corporate, regulatory, operational, accounting and legal nature for the purpose of promoting the financial reorganization of the company.

1.107. On the valuation base date, i.e. December 31st, 2016, the value of the total shares of ELETROACRE was calculated based on two (2) economic-financial assessments carried out by independent consulting teams, i.e. Consórcio Mais Energia B and Ceres. The first calculated the Discounted Cash Flow for the company at nine hundred and forty-four million, nine hundred and thirteen thousand, four hundred and eighteen Brazilian Reais and twenty-seven cents (R\$ 944,913,418.27), while the second calculated the Discounted Cash Flow of ELETROACRE at nine hundred and twenty-one million, one hundred and sixty-nine thousand, four hundred and nineteen Brazilian Reais and twenty-two cents (R\$ 921,169,419.22).

1.108. Discounted the net debt and the contingencies, the market values of 100% of the company's shares calculated by Consórcio Mais Energia B and Ceres are, respectively, minus one hundred and thirty-five million, three hundred and sixty-three thousand, six hundred and seventy-five Brazilian Reais and two cents (R\$ (135,363,675.02) and minus one hundred and fifty-nine million, one hundred and seven thousand, six hundred and seventy-four Brazilian Reais and seven cents (R\$ 159,107,674.07).

1.109. The value established for the sale of the shares was equivalent to the average of the two (2) economic-financial assessments made by the two (2) above-mentioned consulting firms. Therefore, the average of the two (2) economic-financial assessments was minus one hundred and forty-seven million, two hundred and thirty-five thousand, six hundred and seventy-four Brazilian Reais and fifty-five cents (R\$ (147,235,674.55)). However, in the studies carried out by Consórcio Mais Energia B, the values were adjusted (i) updating the base date to June/2017; (ii) reversal of the debt with RGR with tariff coverage; (iii) addition of the debt regarding AFAC; (iv) updating the balances of PF and BN; the adjusted value, the basis for the sale of the shares, was minus one hundred and thirteen million, seven hundred and twenty-nine thousand, eight hundred

and seventy-one Brazilian Reais and ninety-nine cents (R\$ (113,729,871.99)).

1.110. Because the above values are negative, the capital contribution by Eletrobras will be observed in order to make them positive, to achieve the total minimum of fifty thousand Brazilian Reais (R\$ 50,000.00), according to article 2, item I, of Resolution IPPC N. 20/2017. Therefore, according to the same Resolution, article 3, I, Eletrobras authorized the capital increase in the amount of one hundred and thirteen million, seven hundred and seventy-nine thousand, eight hundred and seventy-one Brazilian Reais and ninety-nine cents (R\$ 113,779,871.99).

1.110.1. In the end, the value for the shares offered to the Active and Retired Employees meets the provisions of Law N. 9.491/1997, which aims to secure that at least ten percent (10%) of the shares owned by the Federal Government (by means of directly or indirectly controlled companies) are offered. The shares will be offered at a discount of approximately ten percent (10%) over the price per share, which shall be compensated by the Winning Bidder, pursuant to art. 11, Paragraph 2 of Resolution IPPC N. 20/2017.

AMAZONAS ENERGIA

1.111. Valuation works were prepared according to Law N. 9.491/1997 and Decree N. 2.594/1998, and worldwide recognized and adopted theoretical financial concepts, the indebtedness of the electricity distributor as well as compliance with the efficiency criteria regarding the economic and financial management and loss targets were considered. Additionally, studies carried out for bidding purposes and its modeling took into account the following factors as per Decree N. 9.192/2017: (i) the value of the shares disregarding the new concession contract, assigning them a symbolic value; (ii) the flexibilization necessary for the tariff parameters, in order to guarantee the economic and financial balance of the concession contract, to the extent necessary for the company's valuation value to be zero, considering the new concession contract; and (ii) adjustments of a corporate, regulatory, operational, accounting and legal nature for the purpose of promoting the financial reorganization of the company.

1.112. On the valuation base date, i.e. December 31st, 2016, the value of the total shares of AMAZONAS ENERGIA was calculated based on two (2) economic-financial assessments carried out by independent consulting teams, i.e. Consórcio Mais Energia B and Ceres. The first calculated the Discounted Cash Flow for the company at two billion, two hundred and twenty-three million, seven hundred and thirty-four thousand, three hundred and ninety-five Brazilian Reais and forty-two cents (R\$ 2,223,734,395.42), while the second calculated the Discounted Cash Flow of AMAZONAS ENERGIA at two billion, six hundred and eighty-seven million, five hundred and sixty-three thousand, nine hundred and fifteen Brazilian Reais and forty-three cents (R\$ 2,687,563,915.43).

1.113. Discounted the net debt and the contingencies, the market values of 100% of the company's shares calculated by Consórcio Mais Energia B and Ceres are, respectively, minus eight billion, eight hundred and ninety-five million, six hundred seventy-seven thousand, two hundred and fifty-six Brazilian Reais and ninety-one cents (R\$ (8,895,677,256.91)) and minus eight billion, four hundred and thirty-one million, eight hundred and forty-seven thousand, seven hundred and thirty-six Brazilian Reais and ninety cents (R\$ (8,431,847,736.90)).

1.114. The value established for the sale of the shares was equivalent to the average of the two (2) economic-financial assessments made by the two (2) above-mentioned consulting firms. Therefore, the average of the two (2) economic-financial assessments was minus eight billion, six hundred and sixty-three million, seven hundred and sixty-two thousand, four hundred and ninety-six Brazilian Reais and ninety-one cents (R\$ (8,663,762,496.91)). However, in the studies carried out by Consórcio Mais Energia B, the values were adjusted (i) updating the base date to June/2017; (ii) addition of the debt with RGR with tariff coverage; (iii) reversal of the debt regarding AFAC; then the adjusted value, the basis for the sale of the shares, was minus eight billion, nine hundred and eleven million, eight hundred and sixteen thousand, and five hundred and fifty-eight Brazilian Reais and ninety-four cents (R\$ (8,911,816,558.94)).

1.115. Because the above values are negative, the capital contribution by Eletrobras will be observed in order to make them positive, to achieve the value of fifty thousand Brazilian Reais (R\$ 50,000.00), according to article 2, item VI, of Resolution IPPC N. 20/2017. Thus, according to the same Resolution, article 3, VI, Eletrobras authorized the capital increase in the amount of eight billion, nine hundred and eleven million, eight hundred and sixty-six thousand, five hundred and fifty-eight Brazilian Reais and ninety-four cents (R\$ 8,911,866,558.94).

1.115.1. In the end, the value for the shares offered to the Active and Retired Employees meets the provisions of Law N. 9.491/1997, which aims to secure that at least ten percent (10%) of the shares owned by the Federal Government (by means of directly or indirectly controlled companies) are offered. The shares will be offered at a discount of approximately ten percent (10%) over the price per share, which shall be compensated by the Winning Bidder, pursuant to art. 11, Paragraph 2 of Resolution IPPC N. 20/2017.

CHAPTER II - BIDDING COMMISSION

2.1. The Bid shall be judged by the Bidding Commission, which shall be responsible for conducting the work necessary for its accomplishment.

2.2. The Bidding Commission may request information from any agencies and

entities involved in this bidding, as well as from all those members of the Federal Public Administration.

2.3. In addition to the prerogatives implicitly derived from its legal function, the Bidding Committee may:

2.3.1. request the Bidders at any time to clarify the documents submitted by them, as well as to adopt criteria for the correction of formal failures in the course of the Bid, forbidding the subsequent inclusion of a document that originally should have been among the documents submitted by the Bidders;

2.3.2. carry out due diligence and ask complementary information to clarify the contents and confirm the authenticity of the information contained in the documents or complement the Bid instruction; and

2.3.3. extend any deadlines referred to in the Notice in the event of public interest, acts of God or force majeure, without any right to indemnification or reimbursement of costs and expenses for any reason whatsoever.

2.4. Refusal to provide clarifications and documents or to comply with the requirements requested by the Bidding Commission, within the deadlines determined by it and in accordance with the terms of this Notice, may lead to disqualification of the Bidder and the execution of the respective Bid Bond, as provided herein.

CHAPTER III – PARTICIPATION IN BIDS

3.1. According to this Public Notice for Bid, Brazilian or foreign legal entities, including financial institutions, as well as Participation Investment Funds (“FIP”) and supplementary pension entities may participate in the Bids, whether acting alone or in a Consortium.

3.2. Equivalent Qualification Documents of foreign Bidders shall be submitted to analysis of their validity and enforceability, observing the provision in sub-item 1.24.1 hereof.

3.2.1. If there are no documents or agency(ies) to certify them in the country of origin equivalent to those requested in this Public Notice for Bid, a declaration signed by the Bidder should be submitted according to the sample included in Annex 3 - Declaration of Non-Existence of Equivalent Foreign Document, under the penalties of the law.

3.2.1.1. The foreign Bidder either participating alone or in a Consortium, must also submit, together with the documents in Packet

1, a declaration stating that, in order to participate in this Bid, it will submit to the laws of the Federative Republic of Brazil and that it waives any right to claim through any diplomatic channels, as per Annex 11.

3.3. The participation of Bidders in a Consortium shall be allowed upon submission of an agreement for incorporation of the consortium according to the Brazilian law.

3.3.1. Bidders wishing to participate jointly shall submit an agreement for incorporation of a Consortium, accompanied by documents of Packet 1 for each Consortium member, as listed in Chapter V, Section 1 hereof.

3.3.2. The agreement for incorporation of a Consortium shall include:

- (i) name, organization and objective of the Consortium;
- (ii) data of the consortium companies;
- (iii) composition of the Consortium with the respective shares of its members;
- (iv) appointment of the leading company responsible for the acts aiming to accomplish the Consortium;
- (v) joint and several liability of the consortium members for the full and timely fulfillment of the obligations set forth in the Public Notice for Bid (which includes all its Annexes, including, without limitation, the Contracts).

3.3.2.1. The consortium Bidders shall submit the Bidding Commission documents proving effective incorporation and registration of the Consortium until fifteen (15) business days from the final announcement of the Bid's final result, on the following address: Av. República do Chile nº 100, Área de Desestatização e Estruturação de Projetos, Centro, Rio de Janeiro - RJ, CEP 20.031-917.

3.3.2.2. If any payment is not made, in whole or in part, even if due to a default of a single member of the Consortium, the Bid Settlement shall not be performed, the Consortium shall be disqualified and the Bid Bond shall be enforced according to the provisions of item 4.42 of this Public Notice for Bid.

3.3.3. Each consortium member must individually meet the requirements related to legal, tax, labor law, and the economic and financial qualification contained in Chapter IV, Section V of this Public Notice for Bid.

3.3.4. No Bidder can participate in more than one Consortium, even if through its controlling companies, subsidiaries, affiliates or legal entities subject to common control, even with shares or members different from each other.

3.3.5. The disqualification of any consortium member shall result in the automatic disqualification of the other Bidders that are members of the same Consortium.

3.3.6. There is no limit for the number of participants for the incorporation of the Consortium.

3.3.7. .In case of a Consortium with both foreign and national members, the leadership shall necessarily be held by the national company.

3.4. Bidders shall necessarily be represented in the Bid by Accredited Representatives and Accredited Brokers.

3.5. The following Bidders cannot participate in the Bid. Bidders that:

3.5.1. have been disqualified by an act of the Public Power;

3.5.2. are prevented or suspended from bidding or contracting with the Public Administration;

3.5.3. have been sentenced, by a final judgment, to the penalty of prohibition of rights due to the practice of environmental crimes, as ruled in art. 10 of Federal Law 9.605, dated of 02.12.1998 (“Law N. 9.605/1998”);

3.5.4. have directors or technical officers who hold or have held a commissioned or effective position or employment in the MME, ANEEL, BNDES, Eletrobras or the Distributors, or occupants of management position, superior advice or intermediate assistance of the Federal Government, within 180 (one hundred and eighty) days prior to the date of publication of the Notice;

3.5.5. are prohibited by Federal Law 9.074, dated of 7.7.1995;

3.5.6. are in judicial reorganization, except where there is a judicial decision that allows participating in bids.

3.5.7. subject to adjudication of bankruptcy or dissolution;

3.5.8. have in their contract or bylaws a purpose or objective that is incompatible with the purpose of the Bid;

3.5.9. a legal entity whose directors, managers, shareholders or holders of more than 5% (five percent) of the voting capital, controller, technical officer or subcontractor having participated in the preparation of the studies that served as basis for this Bid; base;

3.6. The participation of Bidders or Consortium members acting in their own or in behalf of their economic group in the electricity sector shall occur in accordance with the applicable law and sectorial regulations in force.

3.7. The practice of acts by the Bidders in each stage of the Bid is subject to estoppels, and the exercise of faculties referring to already consummated steps of the Bid, unless admitted in the Public Notice for Bid, are prohibited.

CHAPTER IV – DOCUMENTATION

4.1. Bidders are required to submit documentation relating to the Bid of each Distributor, considering that will be six (6) separate Bids. All documents shall be physically submitted in two (2) identical and separately bound counterparts, in their original form or certified copy, and all pages shall be numbered sequentially and initialed by the respective Accredited Representatives.

4.1.1. Bidders shall also deliver one (1) digitalized copy of the documents initialed, stored on a CD or pen drive, without restrictions of copy or printing.

4.1.2. The original counterparts of the Bid Bond in the modalities of bank collateral or insurance policy shall be submitted, subject to digital authenticity, in the case of insurance.

4.1.3. Certificates delivered for purposes of meeting the requirements of the Public Notice for Bid shall be accepted, unless stated otherwise in the Public Notice for Bid and if there is no expiration date, if issued within ninety (90) days prior to the date of Delivery of the Documents.

4.2. A copy of the documents submitted by the Bidders shall be retained by B3 and another one retained by the Bidding Committee for a period of fifteen (15) days from the date of signature of the corresponding Concession Contract.

4.3. The documents of the non-winning Bidders may be withdrawn at B3 or BNDES after completion of all inspection steps carried out by the Federal Audit Court ("TCU"), pursuant to Chapter II of TCU Normative Instruction N. 27 of 2.12.1998.

4.3.1. After thirty (30) days from completion of the inspection referred to in item [•] and if the Bidders fail to claim the copies, BNDES shall dispose of the

documents not recovered. .

Section I - Declarations

4.4. Bidders shall submit the following declarations, where applicable, according to samples included in the Annexes hereof:

4.4.1. Annex 3 – Template of Declaration of Nonexistence of an Equivalent Foreign Document;

4.4.2. Annex 6 – Template of Acknowledgment of the Terms of the Public Notice for Bid and Nonexistence of Obstacle to Participating in the Bid;

4.4.3. Annex 7 – Template of Declaration of Compliance with art. 7, XXXIII of the Federal Constitution;

4.4.4. Annex 8 – Bid Ratification Template; and

4.4.5. Annex 11 – Template of Declaration of Submission to the Brazilian Legislation.

Section II – Representatives

Subsection I - Accredited Representative

4.5. Each Bidder participating alone can have up to two (2) Accredited Representatives. In the event of participating through a Consortium, the participation of up two (2) Representatives Accredited by the Consortium shall be acceptable.

4.6. A power of attorney should be granted to the Accredited Representatives:

4.6.1. In case of Brazilian Bidders or subsidiaries of foreign legal entities authorized to operate in Brazil, by means of a public power of attorney granting powers to perform, on behalf of the Bidder, all acts related to the Bid (including powers to represent the Bidder out of the court, make deals and waive rights, such as right to appeal) with notarized signature together with documents proving powers of the grantor(s) (as per the last amendment to the incorporation agreement filed with the competent business or civil registry)

4.6.2. In case of a foreign Bidder not operating in Brazil, by submitting:

4.6.2.1. a power of attorney granted to a representative residing or domiciled in Brazil, with the signature(s) duly recognized by a notary or other entity according to the legislation applicable to documents, legalized by the Brazilian consular representation, observing the provisions in sub-item 1.24.1, which proves powers to:

- (i) perform, on behalf of the Bidder, all acts related to the Bids, except those referred to in item 4.9 of the Public Notice for Bid;
- (ii) receive summons and represent the Bidder in court and out of the court, pursuant to art. 32, paragraph 4, of Law 8.666/1993; and
- (iii) make deals and waive rights;

4.6.2.2. documents proving the powers of the grantors, legalized by the Brazilian consular representation, observing the provisions in sub-item 1.24.1, whereby in any case, documents must be accompanied by a sworn translation into the Portuguese Language, performed by a sworn translator registered in any of the Commercial Boards of Brazil, as per the last amended to the incorporation agreement filed with the competent business register or equivalent in the country of origin.

4.6.3. In case of a settlement of incorporation of a Consortium, the proof of powers of the signatories shall be submitted by means of showing the respective corporate documents of the consortium members and/or power of attorney with notarized signature, or, if the document is foreign, according to the formalities of item 1.24. accompanied by:

- (i) powers of attorney granted by the other consortium members to the leading company, granting express, irreversible and irrevocable powers to agree to conditions, compromise, execute or sign any papers, documents and contracting instruments related to the object of the Bid;
- (ii) documents proving the powers of all the grantors (as per the last amendment to the incorporation agreement filed with the competent business or civil registry); and
- (iii) agreement for incorporation of a Consortium.

4.7. The Accredited Representatives shall not be allowed to intervene or perform acts during the Bids' Public Session, since such representation will be exercised exclusively by the Accredited Brokers.

4.8. Each Accredited Representative can only represent a single Bidder participating alone or one single Consortium.

Subsection II - Accredited Brokers

This is a free translation from the original draft of the Public Notice for Bid. In case of divergence between this version and the original version, in Portuguese language, the latter shall prevail.

4.9. The Accredited Brokerage Firms shall represent the Bidders before B3 in the delivery of all documents required in this Public Notice for Bid, especially the Bid Bond, the economic bid and the Qualification Documents, and in the Acts of the Public Bid Session.

4.10. The brokerage agreement between the Accredited Broker and the Bidder shall have the minimum content specified in Annex 2 - B3 Manual of Bid Procedures.

4.11. Each Accredited Brokerage Firm may only represent a single Bidder and each Bidder may only be represented and participate in the Bids through a single Accredited Brokerage Firm.

4.12. In case of a Consortium, it is mandatory the execution of a contract between the leading company of the Consortium, acting on behalf of the Consortium, with the Accredited Brokerage Firm.

Section III – Bid

4.13. The Economic Bid shall present the Combined Discount Index in the Tariff Flexibilization and Grant (“Index”), upon completion of Annex 4 - Template of Economic Bid.

4.14. The Index value shall have 2 decimal places, starting at zero (0.00) and shall have no upper limit.

4.15. The Index will be divided in two intervals, as follows:

4.15.1. the values offered in the first interval - from 0.00 (zero) to 100.00 (one hundred) shall indicate how much the tariff flexibilization, authorized by ANEEL and adjusted by the parameters of Decree N. 9.192/2017, will be reduced due the execution of new Concession Contract in flexibilization of regulatory parameters and tariff acknowledgment related to the RGR [Global Reversion Reserve] loans, as indicated in Annex 13.

4.15.2. The values offered in the second interval – from 100.01 (one hundred integers and a tenth) – shall determine the value offered by the Bidder for payment as Bonus for Granting right to explore the public electricity service, pursuant to Annex 13.

4.16. The discount offered shall apply linearly to the values of the parameters flexibilized by ANEEL and on the tariff acknowledgment related to RGR loans, as indicated in Annex 13.

4.17. The Bonus for Grant shall be paid in accordance with the conditions set forth in Chapter VII hereof.

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4.18. Bidders shall fill in the document contained in Annex 4 - Template of Economic Bid, which shall convey the Bid for the acquisition of each of the Bid Purpose, thus totaling six (6) Economic Bids, subject to the provisions of item 4.19

4.19. If Bidders have no interest in one or more Distributors, instead of the Template of Economic Bid provided for in Annex 4, Bidders shall, under penalty of disqualification of subsequent Bids or enforcement of a fine, complete the declaration in Annex 5 - Template of Statement of Lack of Interest, for each of the Distributors that Bidders wish to express their non-interest.

4.20. If any Bidder shows no interest in a particular Distributor, the Bidder shall not exercise the eventual Right of Participation provided for in item 5.13.

4.21. The values shall be offered in the form of a sole Index, under this Public Notice for Bid, numerically and extensively written, and shall also contain the identification of the respective Bidder(s), upon completion of Annex 4 - Template of Economic Bid.

4.22. In the event of a discrepancy between the numerical and extended forms of the proposed value, the full form shall prevail.

4.23. The economic bid shall be valid for one hundred and eighty (180) days, counted from the date of its presentation.

4.24. In case the Bid of some or all of the Distributor(s) is deferred or extended, the corresponding economic bid shall be renewed for the same period up to the fifth business day prior to its expiration, under penalty of disqualification.

4.25. Economic bids, as well as bids made in the live stage of the Bids, shall be unconditional, irreversible and irrevocable.

4.26. If all bids are disqualified or all Bidders are disqualified, the Bidding Commission may give them an opportunity to submit new documentation within eight (8) business days from the date of the respective disqualification or disqualification decision, as the case may be.

Section IV – Bid Bond

4.27. The Bid Bond shall be specific and provided for each Bid Purpose that the Bidder intends to submit an economic bid for.

4.28. The Bid Bond shall be posted in cash, federal government securities, surety bond or bank surety, as instructed in Annex 2 - B3 Manual of Bid Procedures, in the following minimum amounts:

This a free translation from the original draft of the Public Notice for Bid. In case of divergence between this version and the original version, in Portuguese language, the latter shall prevail.

- (i) seventeen million, seven hundred and ninety-two thousand, nine hundred and eighty Brazilian reais and sixty-two cents (R\$ 17,792,980.62) to CEAL;
- (ii) twenty-six million, six hundred and fifty-eight thousand, six hundred and thirty-three Brazilian reais and fifty-two cents (R\$ 26,658,632.98) to CEPISA;
- (iii) three million, eight hundred and eighty-two thousand, six hundred and twenty Brazilian reais and forty-eight cents (R\$ 3,882,620.48) to BOA VISTA;
- (iv) fourteen million, five hundred and ninety thousand, two hundred and ninety-one Brazilian reais and thirty-two cents (R\$ 14,590,291.32) to CERON;
- (v) thirty-nine million, four hundred and sixty-five thousand, nine hundred and fifty-nine Brazilian reais and eighty-two cents (39,465,959.82) to AMAZONAS; and
- (vi) ten million, seven hundred and twelve thousand, one hundred and ninety-nine Brazilian Reais and five cents (R\$ 10,712,199.05) to ELETROACRE.

4.29. The Bid Bond shall have a minimum term of one hundred and eighty (180) days from the date of submission of the sealed packets by the Bidders, as provided in Chapter V, Section I of this Public Notice for Bid.

4.29.1. The Bid Bond instrument shall not contain any clause or condition exempting the Bidder from any of the obligations assumed in respect of its participation in the Bids.

4.30. The terms of the Bid Bond cannot be changed, except in cases expressly allowed by the Bidding Commission.

4.31. In case of a Bid Bond posted in the form of a performance bond:

- (i) the policy shall name the Bidder as borrower and the BNDES as beneficiary and shall also comply with the applicable laws and regulations, including, without limitation, SUSEP's [Superintendence of Private Insurance] normative acts applicable to performance bonds;
- (ii) the policy shall be issued by an insurer duly organized and authorized to operate by the SUSEP and that has a registration in B3;
- (iii) the authenticity of the performance bonds with digital certification shall be

subject to verification on the website of the insurer or SUSEP.

4.32. If the Bid Bond expires before the corresponding Concession Contract is signed, Bidders shall, by the thirtieth (30th) day prior to the expiration date, renew the Bid Bond for an equal period, under penalty of disqualification.

4.33. In case of renewal and if one year has elapsed from the date of submission of the economic bid, the index used for monetary updating of the Bid Bond shall be the IPCA/IBGE – Broad Consumer Price Index of the Brazilian Institute of Geography and Statistics Foundation - or an index that replaces it, calculated on the basis of the positive variation between the month of delivery of the sealed packets and the month immediately preceding the renewal of the Bid Bond.

4.34. If the Bidder participates alone, the Bid Bond shall be posted in its own name.

4.35. In case of participation in a Consortium, both the total contribution of the Bid Bond by only one of the consortium bidders (for the benefit of all the remaining consortium members) and the joint contribution by two or more consortium members shall be admissible, provided that the total bonds reach the amount required as provided in item 4.28.

4.35.1. In the event of joint contribution for the Bid Bond, each consortium member may choose one of the guarantee modalities admitted in this Public Notice for Bid, without prejudice to the choice by the other consortium members of different types.

4.36. If the Bidder participates in a Consortium, Bid Bonds using the name of the Consortium as borrower/surety holder/depositary as guarantor shall not be accepted. In this case, the Bid Bond may be posted:

- (i) through only one instrument on behalf of only one of the duly constituted legal entities belonging to the Consortium; or
- (ii) through separate instruments each in the name of a consortium member.

4.36.1. In all cases:

- (i) the Bid Bond must secure the responsibility of the Consortium, and an instrument that secures only the participation of the consortium member shall not be allowed;
- (ii) the name of the Consortium, the corporate name of all of its members as well as the indication of their respective participation percentage shall be included in the Bid Bond.

4.37. In the case of a Bid Bond provided in the form of a guarantee:

- (i) the guarantee shall appoint the Bidder as secured and that the obligations of the guarantee shall be before the BNDES;
- (ii) the guarantor chosen must be registered at B3;
- (iii) the guarantor shall be a commercial, investment and/or multiple bank authorized to operate in Brazil, in accordance with the Brazilian laws and the regulation of the financial sector, and shall observe the prohibitions of the National Monetary Council regarding limits of indebtedness and risk diversification;
- (iv) the guarantor must be a financial institution ranked between the first and the second floors, that is, between "A" and "B" on the long-term rating scale of at least one of the following risk rating agencies Fitch Ratings, Moody's or Standard & Poor's;
- (v) the financial institution must have the EMVIA system in order for B3 to verify the authenticity of the letter of guarantee.

4.38. The Bid Bond packet should be included in Packet 1, and contain, as the case may be: (i) the bank guarantee instrument, in favor of the BNDES (ii) the performance bond having the BNDES as insured; or (iii) proof of the cash deposit made at a branch of the Caixa Econômica Federal ("CEF").

4.39. In the Bid Bond provided under the:

4.39.1. Modality of guarantee of federal public securities:

- (i) the Bidder(s) holding a proper portfolio of federal government securities shall make a Contribution Guarantee through the transfer of these securities in the Special Settlement and Custody System (SELIC) to the account held by B3 in the system;
- (ii) The Public Securities will be valued daily for their economic value, as defined by the Ministry of Finance and determined by B3;
- (iii) Only the following federal public securities shall be accepted: Treasury Bonds (National Treasury Bills - LTN), SELIC Treasury Bills (Treasury Bills - LFT), IGPM+ Treasury Bills with Semiannual Interest (National Treasury Notes - series C - NTN-C) or Treasury Bond with Semiannual Interest (National Treasury

Bills - series F - NTN-F);

4.39.2. Bid Bonds given in the form of surety-guarantee and bank guarantee shall have:

- (i) their value expressed in Brazilian Reais (R\$);
- (ii) the signature of the administrators of the issuing company (it may be a digital certificate signature, in the case of policy issued in this way), with proof of their powers of representation;

4.40. The withdrawal of the Bid Bond is authorized after fifteen (15) of the signature of the corresponding Concession Contract or fifteen (15) days after publication of the decision informing te Bid failure of the respective Distributor, if applicable.

4.41. B3 shall analyze the regularity and effectiveness of the Bid Bonds submitted informing the Bidding Committee of the result of such analysis. The Bidding Commission shall be responsible for the final decision on acceptance of the Bid Bonds submitted.

4.42. The Bid Bonds posted in favor of the BNDES may be enforced, after a prior adversary proceeding in an administrative case, without prejudice to the other penalties set forth in Chapter IX of this Public Notice for Bid and the applicable legislation, in the following cases:

4.42.1. total or partial default on the party of the Bidders in respect of the obligations assumed by them as a result of their participation in the Bids;

4.42.2. if the Bidder delivers documents not in agreement with the provisions of this Public Notice for Bid;

4.42.3. if the Bidder fails to ratify its tender or bid, as the case may be;

4.42.4. if the Bidder withdraws its bid within the period of validity;

4.42.5. if the Bidder fails to submit economic bid or statement of lack of interest to any Distributor;

4.42.6. if the Bidder fails to comply with the obligations prior to the Settlement of the Bid;

4.42.7. delay in the submission of documents and information to CADE and ANEEL to approve the results of the Bids, as well as in case of delay to prove the effective incorporation of the Consortium;

4.42.8. ANEEL and/or CADE fails to give their approval, if applicable, for

reasons attributable to the Bidder;

4.42.9. refusal by the Contractor to execute its Concession Contract, Purchase and Sale Agreement, Shareholders' Agreement and/or ELETROACRE's Minority Shareholders Purchase and Sale Agreement, as applicable;

4.42.10. refusal to make full and timely payment of the values provided for in this Public Notice for Bid (even if the refusal is only by one member of the Bidding Consortium).

4.42.11. refusal to perform the acts necessary for the effective and timely transfer of shares due to fact attributable to the Winning Bidder;

4.42.12. refusal to increase the minimum capital stock as defined in this Public Notice for Bid, due to fact attributable to the Winning Bidder;

4.42.13. refusal by the Winning Bidder to pay the Bonus for Grant, as the case may be;

4.42.14. practice of acts aiming to cheat the Bid or frustrate its objectives;

4.42.15. in order to cover fines, penalties, compensation of B3 and any damages due to BNDES without prejudice to any other consequences, as applicable in each case, such as specific execution, application of other penalties, and/or liability of the Bidder(s) for amounts due or indemnifiable exceeding the Bid Bond; and

4.42.16. refusal to provide clarifications and documents or to comply with the requirements made by the Bidding Commission, within the deadlines determined by it and in accordance with the terms of item [•] of this Public Notice for Bid.

Section V – Qualification

4.43. The Qualification Documents shall consist of documents that prove regular legal, fiscal, labor and economic-financial status.

4.44. Foreign Bidders shall provide documents equivalent to those required in this Public Notice for Bid, as per instructions in item 1.24, *et seq.*

4.45. If any of the certificates listed in Chapter IV, Section V, is positive, and the current situation of the case is not recorded, it must be accompanied by proof of quittance and / or certificates that reflect the updated situation of the action or administrative procedures that prove the tax regularity, with a maximum term of ninety

(90) days prior to date of Public Bid Session.

Subsection I - Legal Qualification

4.46. Bidders shall submit hard and electronic copies of the following documents:

4.46.1. If a company: memorandum of association or articles of incorporation, accompanied by proof of the directors in office, with the last acts of election of the directors and of the board of directors that elected the last board of executive officers, as well as respective terms of tenure, as the case may be, duly registered with the competent board of trade or registry office and certificate issued by the competent commercial registry or registry office together with updated information on the company registration;

4.46.1.1. In case of a financial institution, proof of operating authorization granted by the Central Bank of Brazil, in addition to the other applicable documents set forth in this Public Notice for Bid;

4.46.1.2. In case of an Equity Investment Fund (FIP), in addition to the other applicable documents provided for in this Public Notice for Bid:

- (i) certified copy of the articles of incorporation and the entire content of the Regulation in force, duly accompanied by a certificate attesting to its registration in the Registry of Deeds and Documents;
- (ii) certified copy of the proof of registration of operation of the FIP with the CVM;
- (iii) proof of hiring manager, if any, as well as the election of the acting administrator;
- (iv) proof of registration of the administrator and, if any, of the investment fund manager, before the CVM; and
- (v) evidence that the investment fund is duly authorized to participate in the Bids and that its administrator may represent it in all acts and for all purposes of the Bids, assuming on behalf of the investment fund all the obligations and rights arising from the Bids.

4.46.1.3. In case of an open or closed supplementary pension entity, proof of specific authorization as to its incorporation and

functioning, issued by the respective supervisory body and statement issued by the National Superintendence of Complementary Pensions (PREVIC), of the Ministry of Social Security (MPS) certifying that the plans and benefits administered by it are not under liquidation or intervention, in addition to the other applicable documents provided for in this Public Notice for Bid;

4.47. In case of foreign Bidders operating in Brazil, an act of authorization and an act of registration or authorization for operation issued by the competent bodies, when the activity so requires, shall be required.

Subsection II - Economic-financial Qualification

4.48. Bidder shall submit the following documents:

4.48.1. for any type of company: Negative Certificate of Request for Bankruptcy, judicial and extrajudicial recovery, issued by the District Court Judicial Distributor (Civil Courts) of the city where the company is domiciled, no later than thirty (30) days prior to the date of the Public Bid Session;

4.48.2. for general partnerships: Certificate issued by the Judicial Distributor of the Civil Courts in general (Patrimonial Execution) of the Region where the company is domiciled, dated not later than thirty (30) days prior to the date of the Public Bid Session, as well as a certificate listing all offices of the Clerk of Court of the Bidder's domicile;

4.48.3. if the registered office is not the principal place of business of the Bidder, judicial certificates relating to the principal business office must be provided, in addition to the registered office's certificates.

Subsection III - Tax and Labor Regular Status

4.49. Bidder shall submit the following documents:

4.49.1. proof of registration with the Corporate Taxpayer's Registry of the Ministry of Finance - CNPJ/MF;

4.49.2. a plain copy of the registration card of the State taxpayer's register relative to the domicile or registered office of the Bidder, or non-taxpayer certificate, as the case may be;

4.49.3. a plain copy of the registration card of the municipal taxpayer's register relative to the Bidder's domicile or registered office, or non-taxpayer

certificate, as the case may be;

4.49.4. valid certificate of regularity before the Guarantee Fund for Length of Service (FGTS);

4.49.5. proof of fiscal regularity before the National Treasury, by means of a joint certificate issued by the Federal Revenue Service of Brazil (RFB) and by the Attorney General of the National Treasury (PGFN), regarding taxes administered by the RFB and overdue federal tax liability administered by PGFN.

4.49.6. proof of fiscal regularity before the State and Municipal Revenue Services in connection with securities and real estate taxes, or non-taxpayer certificate, if applicable, all of them relating to the respective domicile or registered office of the Bidder within no more than one hundred and eighty (180) days prior to the date of the Public Bid Session, provided that the expiration date appearing thereon shall prevail; and

4.49.7. Labor Certificate of Good Standing under Title VII-A of the Consolidation of Labor Laws, approved by Decree-Law N. 5.452, dated of 05.01.1943; and

Subsection IV - Certificate of Compliance with art. 7, XXXIII, of the Federal Constitution

4.50. Certificate of Compliance with art. 7, XXXIII, of the Federal Constitution, according to sample included in Annex 7 of this Public Notice for Bid.

CHAPTER V – BID STAGES

Section I – Delivery of Documents

5.1. Bidders shall deliver at B3, under the penalty of being disqualified, on the day indicated in the Schedule provided for in the Chapter IX of this Public Notice for Bid, by means of the representative of the Accredited Brokerage Firms, 2 (two) distinct sealed counterparts of the 1st and 3rd Packets for each Bidder and 2 (two) distinct sealed counterparts of the 2nd Packet for each of the six (6) (thus totaling eight (8) packets in two (2) counterparts each per Bidder), distinguished and identified in its cover, as follows:

1ST PACKET:

“BID N. 2/2018-PPI/PND – CONCESSION OF PUBLIC ELECTRIC POWER DISTRIBUTION SERVICE ASSOCIATED WITH THE DISPOSAL OF SHARES OF THE DISTRIBUTORS

CORPORATE NAME OF THE BIDDER OR CONSORTIUM INCLUDING THEIR MEMBERS AND THE RESPECTIVE LEADING COMPANY

ACCREDITED BROKERAGE FIRM

NAME, PHONE AND E-MAIL OF THE REPRESENTATIVES OF THE BIDDER AND BROKERAGE FIRM

PACKET 1 – DECLARATIONS, POWERS OF ATTORNEY AND BID BONDS”

2ND PACKET:

“BID N. 2/2018-PPI/PND – CONCESSION OF PUBLIC ELECTRIC POWER DISTRIBUTION SERVICE ASSOCIATED WITH THE DISPOSAL OF SHARES OF [DISTRIBUTOR’S NAME]

CORPORATE NAME OF THE BIDDER OR CONSORTIUM INCLUDING THEIR MEMBERS AND THE RESPECTIVE LEADING COMPANY

ACCREDITED BROKERAGE FIRM

NAME, PHONE AND E-MAIL OF THE REPRESENTATIVES OF THE BIDDER AND BROKERAGE FIRM

PACKET 2 – ECONOMIC BID”

3RD PACKET:

“BID N. 2/2018-PPI/PND – CONCESSION OF PUBLIC ELECTRICITY DISTRIBUTION SERVICE ASSOCIATED WITH THE DISPOSAL OF SHARES OF THE DISTRIBUTORS

CORPORATE NAME OF THE BIDDER OR CONSORTIUM INCLUDING THEIR MEMBERS AND THE RESPECTIVE LEADING COMPANY

ACCREDITED BROKERAGE FIRM

NAME, PHONE AND E-MAIL OF THE REPRESENTATIVES OF THE BIDDER AND BROKERAGE FIRM

PACKET 3 - QUALIFICATION DOCUMENTS”

5.1.1. The gaps in the document templates shall be filled out by the Bidders, including in the 2nd Packet counterparts, where there reference is made to the “[Distributor]”, with the acronyms indicated in the definitions on sub item 1.1 of this Public Notice, which are AMAZONAS ENERGIA, BOA VISTA, CEAL, CEPISA, CERON e ELETROACRE.

5.2. One of the Accredited Representatives shall initial the sealing of each of the envelopes provided for in item 5.1.;

5.3. Each of the packets provided for in item 5.1 above shall contain a completion note specifying the total number of pages of the copy, including the cover.

Section II – Content and Analysis of Statements, Representation Documents and Bid Bond in Packet 1

5.4. The participation of Bidders in the Bids shall be subject to submission of the following documents to be included in Packet 1:

5.4.1. Declarations referred to in sub items 4.4.2, 4.4.3 and 4.4.5 of the Public Notice for Bid;

5.4.1.1. The declarations set forth in sub item 5.4.1 shall be delivered in one (1) single original counterpart for the Bid of all Distributors.

5.4.2. Powers of Attorney referred to in Chapter IV, Section II of the Public Notice for Bid; and

5.4.3. Bid Bond meeting the provisions of this Public Notice for Bid and in the Annex 2 - B3 Manual of Bid Procedures, for each of the Distributors, to which the Bidders intend to present the respective Economic Bid.

5.4.4. Intermediation Agreement entered between the Accredited Broker

and the Bidder (accompanied by the powers of attorney), as per the template in the B3 Manual of Bid Procedures, to be published on the electronic address www.bndes.gov.br/distribuidoras-eletobras.

5.5. B3 shall analyze the completeness of the declarations, representation documents and Bid Bonds, and shall the Bidding Committee of the result of such analysis. It will be up to the Commission to decide on the acceptability of such documents.

Section III – Public Bid Session

5.6. The Bids of each Distributor shall be held in the same public session at B3, which comprises sequentially for each Distributor the stages of: (i) opening of economic bids; (ii) public bids, as the case may be; and (ii) Bidders' classification.

5.6.1. The Distributor Bids shall be held in sequence, so that after the end of an Bid, the next Bid shall start according to the following order: (i) 1st Bid: ELETROACRE; (ii) 2nd Bid: BOA VISTA (iii) 3rd Bid: CERON; (iv) 4th Bid: CEAL; (v) 5th Bid: CEPISA; (vi) 6th and last Bid: AMAZONAS ENERGIA.

5.6.2. The opening of the packet containing the economic bid and the beginning of the public bids of each Distributor shall only start after the conclusion of all stages of the public session of the Distributor Bid immediately precedent, according to the order provided for in the previous sub item.

5.7. In the event of a possible suspension of one or more Bids, the others may occur in the order provided for in this Public Notice for Bid, and the Preemptive Right referred to in sub-item 5.13 will not be prejudiced, and may be exercised by its holder after the resumption of the suspended Bid.

5.7.1. The Bid of AMAZONAS DISTRIBUIDORA DE ENERGIA S.A. shall be conditioned to a order or equivalent act of ANEEL that approves and/or certifies compliance with the requirements of the operation approved by the ANEEL Authorization Resolution No. 4,244 / 2013, related to the de-verticalization process of the activities of generation and transmission of the distribution activities of Amazonas Distribuidora de Energia S.A. If the aforementioned act does not occur until the day immediately preceding the deadline for the delivery of the documents mentioned in sub-item 5.1, the Bidding Commission shall issue a Notice regarding the progress of the Bid in relation to the Distributor.

5.8. The Public Bid Session of each Distributor shall begin with the opening of the respective Economic Bids, and the rules contained in this Section shall apply individually for each of the six (6) Distributor Bids.

5.8.1. The economic bid that fails to comply with the provisions of this Public Notice for Bid shall be disqualified, in particular the one that:

- (i) fails to meet the sample included in Annex 4;
- (ii) contains erasure, blur, interline or language that precludes the exact understanding of the statement;
- (iii) contains amendments, exceptions or omissions; or
- (iv) subject to a condition or term not provided in this Public Notice for Bid.

5.9. The Bidder that fails to show interest in the Bid of a certain Distributor, according to the declaration sample contained in Annex 5, shall be automatically excluded from the Bid regarding that Distributor.

5.10. Once the envelopes are opened, the bids shall be ranked in a decreasing order from the highest to the lowest Index value offered, and the respective Bidder(s) shall be identified and the value(s) offered shall be disclosed.

5.11. Bidders whose Index bids are within the ranking interval shall be qualified for the live bidding stage as per the table below:

Bid	1º	2º	3º	4º	5º	6º
Distributor	ELETROACRE	BOA VISTA	CERON	CEAL	CEPISA	AMAZONAS ENERGIA
Classification Interval	30	30	20	30	20	10

5.11.1. In order to qualify for the offered discount rate that enables the bidder to move to the live bidding stage of the Bids, the corresponding Distributor Classification Interval should be subtracted from the offer with the highest Discount Rate in a given Bid, as per table in clause 5.11 of this Public Notice for Bid.

5.11.2. The result of this subtraction should be the minimum value of the Discount Rate that the Bidders should have offered to participate in the live bidding stage.

5.12. The final bid presenting the greater Combined Discount Index in Tariff Flexibility and Granting will be the Bid winner.

5.13. For each of the winners of ELETROACRE's and BOA VISTA's Bids, an additional Right of Participation shall be granted, given the following criteria:

- (i) the enforcement of the Right of Participation entitles its holder to participate in the live bidding stage even if the economic bid made by the Bidder is not within the classification interval.
- (ii) the Right of Participation may only be used once for Bids of CERON, CEAL, CEPISA, and AMAZONAS ENERGIA;
- (iii) if the same Bidder is declared winner of Bids of ELETROACRE and BOA VISTA, the enforcement of the Right of Participation will be ensured in two (2) of the Bids mentioned in the previous item, at its criteria;
- (iv) the Right of Participation set forth now may be used in Bids whose Public Sessions are held in days other than the day that originated such right.

5.14. The Right of Participation may only be used if the Bidder has submitted a valid economic bid for the respective distributor, in accordance with this Public Notice for Bid.

5.15. Prior to the start of live bidding stage of each Distributor, the Session Director shall ask the Bidders if they want to enforce the Right of Participation, so that the Bidder uses it only if it deems necessary.

5.16. Bidders who win a particular Bid shall have the right to withdraw their offers from any subsequent Bids, and such right may be exercised for one or more Bids subsequent to the Bid in which the respective Bidder was declared the winner.

5.16.1. Bidders' bidding withdrawal interest shall occur prior to the commencement of each Bid, just prior to the opening of the sealed envelopes of Packet 2 - Economic Bid.

5.16.2. Under the following circumstances there will be no living bidding stage:

- (i) there are no valid economic bids;
- (ii) only one Bidder submits a valid bid;
- (iii) there is more than one valid economic bid, but no bid in the classification interval related to the highest bid and no Bidder enforcing a Right of Participation;

5.16.3. The Session Director may set a maximum time and/or minimum

interval between live bids.

5.17. Each bid must exceed the value offered by the Bidder itself, considering that the bid:

5.17.1. shall respect the minimum interval between bids to be determined by the Session Director;

5.17.2. shall alter the Bidder's ranking position in the provisional result of the Bid; and

5.17.3. shall not be less than or equal to the bid of another Bidder.

5.17.4. If no Bidder manifests itself within the deadline indicated by the Session Director for making new bids, a Bidder who has offered the highest Combined Discount Rate in Tax Flexibility and Granting shall be declared the winner of the Bid.

5.17.5. If two (2) or more Bidders present Economic Bids of the same amount, considering the two (2) decimal positions, having not be presented an offer on the Public Bid stage, the tiebreak criteria shall will be a draw held by the Session Director on behalf of the Bidding Committee, with the first Bidder drawn being the best ranked Bidder.

5.18. Immediately upon termination of the live bidding stage of each Distributor's Bid, Bidders shall ratify their respective bids upon submission of a letter conforming to the sample contained in Annex 8 – Bid Ratification Template.

5.19. After ratification of the bids of the Public Bid Session, the provisional result of the respective Bid shall be disclosed, and the Bidding Commission shall open the qualification envelope of the first ranked Bidder.

Section IV – Analysis of the Qualification Documents

5.20. After the live bidding stage, or in the absence thereof, after the opening of the Economic Bids, the Bidding Commission shall open the packet containing the Qualification Documents only for the Bidder who has made the best bid at the Public Session.

5.21. Any delivery failures or formal defects in documents may be remedied, at the discretion of the Bidding Committee.

5.21.1. The Commission may take steps to clarify any information contained in the Qualification Documents.

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5.22. The Bidder that submits Qualification Documents not in agreement with the requirements of this Public Notice for Bid and its Annexes shall be disqualified.

5.23. In the event that the Bidder ranked in first in the Public Session is disqualified, the Bidding Commission shall open the packet of Qualification Documents of the second-ranked Bidder, and so on until a Bidder is deemed qualified, observing the bid ranking order set forth in the Public Session.

5.24. The Bidding Commission shall review and respond any objections within seven (7) business days after the Public Bid Session disclosing the preliminary result of the Bids.

5.25. The definitive result of the Bids shall be published, as the case may be, after examination of any appeals, expiration of the term for appeals or waiver by the Bidders to the right to appeal against the preliminary result.

5.26. In case the Bidders declared to be the winners have participated in a Consortium, it will be necessary to provide documents proving incorporation and registration of the Consortium within fifteen (15) business days after the announcement of the final results of the Bids by the Bidding Commission.

5.27. The delivery of proof of incorporation and registration of the Consortium shall be a prerequisite to the execution of the Purchase and Sale Agreements.

Section V - General Instructions for Filing Administrative Appeals

5.28. Any potential appeal that may be brought by a Bidder against the preliminary result of the Public Bid Session may relate to: (i) the bid classification; and (ii) a joint examination of the documents contained in Packet 1 and Packet 3.

5.29. The Bids of the six (6) Distributors shall be considered as independent from each other for the purpose of filing appeals.

5.30. The appeals referred to in this section should be filed within five (5) business days from the publication of the respective decision in the Federal Official Gazette, and shall expressly indicate the Distributor whose Bid it refers to.

5.31. Bidders may waive the right to appeal during the appeal period, by means of a petition addressed to the Bidding Commission and attached to the record of the administrative procedure of the bidding process.

5.32. The filing of appeal shall be informed to the remaining Bidders, which may contest it within five (5) business days, as of the notification of the act in Federal Official Gazette.

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5.33. Appeals contesting a decision made in the context of this bidding procedure shall be initially examined by the Bidding Commission which, when analyzing the grounds of the appeal, shall: (i) keep the challenged decision on the matter within 5 (five) business days, event in which it will determine the forwarding of bidding records to the higher competent authority of BNDES, in order to appreciation of appeal; or (ii) reconsider the decision within five (5) business days.

5.34. In the event that there are appeals in connection with the qualification of the Bidders or the Preliminary result of the Bids, a new Schedule may be published by the Bidding Commission, meeting all legal deadlines for setting a new date.

5.35. The result of the examination of any appeals that may be filed shall be published in the Federal Official Gazette and at the electronic website www.bndes.gov.br/distribuidoras-eletobras.

Section VI – Approval and Adjudication of the Bid Purpose

5.36. The bidding process shall be forwarded for approval and adjudication of its purpose by BNDES after disclosure of final result of the corresponding Bid.

Section VII - Submitting documents to CADE, ANEEL and the Bidding Commission

5.37. Within no more than two (2) business days after publication of the final result of the Bid of each Distributor, the successful Bidder of the respective Bid shall deliver:

- (a) to CADE, as provided in Law N. 12.529/2011 and CADE's Internal Regulation, all the necessary information and documents essential for the establishment of an administrative proceeding for analysis of economic concentration act; and
- (b) to ANEEL, pursuant to applicable regulation, all information and documents necessary for the analysis of the transfer of control of the Distributor;

5.38. If the winner of the Bid fails to submit the documents mentioned in clauses above and under the deadline provided for in the Public Notice for Bid, the Bidder ranked in second place in the Bid shall be notified by the Bidding Commission to do so, if it so wishes, within five (5) business days from such notification, applying, where applicable, the provisions of Chapter, Sessions IV, V, VI, and VII of this Public Notice for Bid, I which case the Bidding Commission may disclose a new schedule, , without prejudice to the execution of the Bid Bond of the original winner of the Bid.

5.39. If the same occurs with the Bidder ranked in second in the Bid, the third Bidder shall be notified by the Bidding Commission to do so, if it so wishes, and so on, within 5

(five) business days from receipt of the notification, and subsequently.

5.40. Bidders called pursuant to the above items shall have the Bid Purpose awarded in the technical and economic conditions offered by it, pursuant to art. 4, Paragraph 4, IV of Law 9.491/1997.

Section VIII – Bid Settlement

5.41. Settlement of the Bid shall be subject to; (i) CADE's approval and ANEEL's prior consent to the transfer of the share control of the Distributors, where applicable; and (ii) completion by Eletrobras of the adjustments in the Distributors by converting the debt into capital stock or assumption of debts of the Distributors with Eletrobras and/or third parties, under Resolution IPPC N. 20/17, and further amendments.

5.42. Simultaneously with the Bid Settlement, B3 shall have confirmed receipt of the payment of the success fee and the asset distribution fee, indicated below, and as defined in accordance with the provisions of B3 Manual of Bid Procedures.

5.43. In the event the Winning Bidder(s) refuses or fails to pay in full and a consequence prevents the Bid Settlement, the second (or subsequently) Bidder(s) will be called, and so on, without prejudice to the execution the respective Bid Bond and the enforcement of applicable penalties.

5.44. In the event provided for in clause 5.43, the Qualification Document(s) of the Bidder(s) ranked in second place (and so on, as the case may be) shall be analyzed, applying, where applicable, the provisions of Chapter V, Sessions IV, V, VI, and VII of this Public Notice for Bid. In these cases, a new schedule by the Bidding Commission may be disclosed.

5.45. The Bid Settlement shall take place on the same date as the signing of the Purchase and Sale Agreements and Shareholders Agreement with the Bidder(s) of the Bids, as indicated in the Schedule in Chapter VIII.

5.46. B3 shall operate the Bid Settlement as described in the Annex 2 - B3 Manual of Bid Procedures.

5.47. For the operationalization of the Settlement by B3, the Transferor shall have deposited the shares of the Bid at the Central Depository of B3.

5.48. In the event of non-payment, in whole or in part, even if in case of only one member of the Consortium is defaulting, the Bid Settlement shall not be completed and the Consortium shall be disqualified and the Bid Bond shall be executed, without prejudice to applicable penalties.

5.49. B3 shall not act as the central counterpart, nor as a substitute or co-member

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of the defaulting party within the scope of the Bid, so that, in the event that any of the successful Bidder(s) fails to make the payments due, B3 shall not be obligated to make such payments, and shall not make any payments in lieu of the Winning Bidder(s).

Section IX – Disposal Formalization

5.50. The formalization of disposal of the shares of Distributors is subject to the provisions set forth in this Public Notice for Bid, in the order below:

- (a) prior approval by CADE and prior consent of ANEEL to the transfer of the control of the Distributors, pursuant to applicable laws;
- (b) completion by Eletrobras of the adjustments in the Distributors by converting debt into equity capital or assumption of debts of the Distributors to Eletrobras and/or third parties, pursuant to Resolution IPPC N. 20/2017, and further amendments;
- (c) financial settlement of the purchase of shares by the Winning Bidder(s), as per the table below

DISTRIBUTOR	AMOUNT OF COMMON SHARES*	AMOUNT OF PREFERRED SHARES*	SETTLEMENT VALUE (**)
ELETROACRE	86.020.249.480	31.518.111.400	45,500.01
BOA VISTA	433.010.605	0	45,503.52
CERON	2.599.666.099	0	45,500.74
CEAL	609.842.801	10.323.535	45,522.26
CEPISA	669.369.950	31.510.813	45,521.52
AMAZONAS	16.569.012.655	0	45,500.97

(*) The number of shares may change, without altering the percentage of the Distributors' capital stock subjected to this Bid, as per item 1.1.47 of this Public Notice.
(**) Including the compensation for the ten percent (10%) discount upon the Offer of Active and Retired Employees.

- (d) full payment by the Winning Bidder of the compensation due to B3 corresponding to:
 - (d.1) success fee paid by the Winning Bidder, on the amount of four hundred and ninety-nine thousand, two hundred and fifty-four Brazilian reais and nine cents (R\$ 489,254.09) for each Distributor, except for the discounts provided in sub item 5.53, in case of being the winner in the Bid of more than one Distributor; and
 - (d.2) asset distribution fee consisting of 0.035% of the Bid Settlement.

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5.51. Jointly with the full and timely settlement of the Bid by the Winning Bidder, the transfer by B3 of the Bid Purpose Shares to the escrow account of the Bid winner and the execution of the Contract shall be made.

5.52. Between the publication of the final result of the Bid and the Settlement of the Bid, the Winning Bidder(s) shall gather the applicable documentation and start, with the cooperation of the respective Distributors and Eletrobras, the negotiations with creditors for replacement of Eletrobras in the financing contracts and other obligations, financial or otherwise, of the Distributors, in which Eletrobras or its parent companies are guarantors, co-guarantors, jointly or severally, and/or provide any other form of financial guarantee to them in favor of third parties, seeking replacement and release of Eletrobras and/or its parent companies, as the case may be, from such obligations in a timely manner.

5.53. In the event that the same Bidder becomes the winner of the Bid of more than one Distributor, it will be granted the following discount rates upon the success fee owed to B3:

REFERENCE	DISCOUNT	VALUE OF DISCOUNT
WINNING BIDDER of a single batch, individually	-	489,254.09
WINNING BIDDER of 2 batches	20%	782,806.54
WINNING BIDDER of 3 batches	25%	1,100,821.70
WINNING BIDDER of 4 batches	30%	1,369,911.45
WINNING BIDDER of 5 batches	35%	1,509,075.79
WINNING BIDDER of 6 batches	40%	1,761,314.73

Section X – Transfer to Eletrobras of the amount collected in the Bids to transfer the control of the Distributors

5.54. B3, as the responsible for the operation of the Settlement of Bids, as per the contract entered into with BNDES, will transfer to the BNDES, as it is under the share's custody, the entire amount received by the Settlement of the Bids, as the Settling Bank of the Transferor, and BNDES, as the manager of the *Fundo Nacional de Desestatização* ("FND"), will receive the amount on behalf of Eletrobras, and Eletrobras, in turn will transfer said amount, as follows: applicable discounts will be deducted pursuant to the terms of the PND legislation and other applicable rules and regulations of CND and CPPI, as the case may be, including discounts related to remuneration and reimbursement of costs due to BNDES and other applicable deductions.

Section XI - Distributor Capital Increase

5.55. Thereafter the Bid Settlement, the Winning Bidder shall proceed with a new increase in the capital of the Distributors, upon subscription and payment, directly in the company or by a registrar, in the act, of shares, according to the following minimum values:

I - ELETROACRE: two hundred thirty-eight million, eight hundred and five thousand, seven hundred twenty-nine Brazilian Reais and thirty cents (R\$ 238,805,729.30);

II - CERON: two hundred and fifty-three million, eight hundred and forty-four thousand, one hundred and fifty-seven Brazilian Reais and six cents (R\$ 253,844,157.06).

III - CEPISA: seven hundred and twenty million, nine hundred and fifteen thousand, five hundred and ninety-five Brazilian Reais and fifty-one cents (R\$ 720,915,595.51).

IV - CEAL: five hundred and forty-five million, seven hundred and seventy thousand, four hundred and eighty-five Brazilian Reais and thirty-three cents (R\$ 545,770,485.33).

V - BOA VISTA: one hundred and seventy-five million, nine hundred and ninety-nine thousand, one hundred and eighty-five Brazilian Reais and seventy-one cents (R\$ 175,999,185.71); and

VI - AMAZONAS ENERGIA: four hundred and ninety-one million, three hundred and seventy thousand, seven hundred and eighty-seven Brazilian Reais and eighty-four cents (R\$ 491,370,787.84).

5.56. The subscription and payment of the minimum capital increase referred to in this Section shall be a condition precedent to the execution of the respective Concession Contract, observing the following minimum conditions:

- (i) the deadline to exercise the preemptive right of subscription of increase in the capital provided for in this Section, to be granted by Eletrobras to the Active and Retired Employees, under the terms and conditions set forth in Annex 9 hereof – Active and Retired Employees Share Offer Manual;
- (ii) to admit the possibility of Eletrobras to grant to the Active and Retired Employees the preemptive right to accompany the new controller in the increase in the capital referred to in this Section.
- (iii) to comply with all the terms and conditions set forth in Annex 9 – Active and Retired Employees Share Offer Manual.

CHAPTER VI – EXECUTION OF THE CONCESSION CONTRACT AND PAYMENT OF BONUS FOR GRANT

6.1. Under the terms of Paragraph 1-A of art. 8 of Law N. 12.783, dated of 01.11.2013, the Winning Bidders shall execute their Concession Contracts with the Granting Authority, in the form of Annex 12 - Draft Concession Contract, within thirty (30) days after signature of the respective contracts, provided that the following conditions are fulfilled:

I- Settlement of the respective Bids, pursuant to Section VIII of this Notice; and

II- Increase in the capital of the Distributors by the Winning Bidders, pursuant to Section X of this Public Notice for Bid.

6.2. The Bonus for the Grand will be paid in cash and in national currency, at the execution of the Concession Contract.

6.2.1 The Granting Authority, by means of the Ministry of Finance, shall disclose complementary instructions on the performance of the effective payment by the Winning Bidders.

6.3. In case of non-compliance with the payment conditions set forth above, the Winning Bidder shall be subject to the penalties provide for in Chapter IX hereof.

CHAPTER VII – REIMBURSABLE FIXED ASSETS IN PROGRESS

7.1 The Distributors will reimburse Eletrobras for their respective Fixed Assets in Progress, subject to the rules set forth in the respective Purchase and Sale Agreements.

CHAPTER VIII – ACQUISITION OF REVERSIBLE ASSETS OF COMPANHIA ENERGÉTICA DE RORAIMA (“CERR”)

8.1. The acquisition of the Reversible Assets held by CERR shall be made according to the conditions below:

(i) payment to CERR in the amount of two hundred ninety-six million, eight hundred seventy-four thousand and six hundred seventy-seven Brazilian Reais (R\$ 296.874.677,00), pursuant to the Administrative Order N. 4.195, dated of 12.12.2017-ANEEL;

(ii) payment to the Union in the amount of three hundred and twenty

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thousand, one hundred and seventy-nine Brazilian Reais and thirty cents (R\$ 320.179,30), upon a “GRU” - *Guia de Recolhimento à União* (Union Payment Receipt), as per ANEEL Order n. 4,195 of 12.12.2017.

8.2. Acquisition of Reversible Asset shall be performed directly with CERR, assuming the new utility all the rights and duties arising, including the payment of taxes, costs and fees, if applicable.

8.3. The payment to be performed to CERR shall be done in cash, within sixty (60) days from the execution of the Concession Contract, adjusted by the IPCA/IBGE, calculated based on the positive variation calculated between the month of issuance of the appraisal report of the Reversible Assets by ANEEL until the month immediately preceding the actual payment.

8.4. The utility is hereby authorized, upon adjustment carried out directly with CERR, to agree on the amendment of the conditions of payment provided for in this Chapter.

8.4.1. Any judicial or administrative discussion related to the Reversible Assets shall be the responsibility of CERR and the utility, without prejudice to the competencies of the sector bodies.

8.5. The monetary adjustment rules provided in item 8.3 of this Public Notice shall apply to the payment envisaged in the Union's favor.

CHAPTER IX – SCHEDULE OF EVENTS

9.1. The Bid stages shall be carried out according to the order of events and schedule provided in the following table.

9.2. The Bidding Committee shall have the right to change any dates mentioned throughout this Public Notice for Bid and the schedule below.

Date	Event
06/15/2018	Public Notice for Bid and Annexes are published
	Opening of the deadline for challenging the Public Notice for Bid
	Opening of the deadline for requesting clarifications on the Public Notice for Bid
06/22/2018	Disclosure of B3 Manual of Bid Procedures and B3 Manual of Offer Procedures to Active and Retired Employees
07/04/2018	Deadline for submission of a request for clarification of the Public Notice for Bid
07/11/2018	Deadline for sending inquiries and questions in the data room, under the terms of the Diligence Procedures Manual
07/12/2018	Deadline for challenging the Public Notice for Bid

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Date	Event
07/17/2018	Disclosure of the answers to the requests for clarification
07/19/2018 from 9 a.m. to 12 p.m.	Delivery of the following packets by the Bidders at B3 and for each of the Distributors: 1) Declarations, Representation Documents and Bid Bond; 2) Economic Bid; and 3) Qualification Documents
07/21/2018 at 5 p.m.	Data Room closure, as per the Diligence Procedures Manual.
07/25/2018	Disclosure of the result of the analysis of Packet 1, Preliminary Declarations, Representation Documents and Bid Bond not accepted and reasons therefore.
07/26/2018 at 10 a.m.	Beginning of the Public Session of Bids with the opening of the Economic Bid, conducting live bids and later opening of the qualification envelope of the Bidder ranked in first.
Until 08/07/2018	Disclosure of the Minutes of Examination of Packets 2 and 3 and preliminary result of Bids and beginning of the term for any appeals against the preliminary result of Bids.
Until 08/14/2018	Deadline for filing any appeals against the preliminary result of Bids
Until 08/29/2018	Publication of the definitive result of Bids.
Until 08/31/2018	Term for the submission of documents to CADE and ANEEL
Until 09/20/2018	Approval of the Bid result and award of its purpose.
Until 09/20/2018	Deadline for Bidder to deliver the articles of incorporation of the Consortium to the Bidding Commission.
Between 09/17/2018 and 10/30/2018	Execution by Eletrobras of the adjustments provided in art. 3, caput, and art. 3, paragraph 1, of Resolution IPPC N. 20/17, and further amendments
Between 09/18/2018 and 10/31/2018	Settlement of the Bid and execution of the Share Purchase and Sale Agreement and Shareholders' Agreement
Between 09/18/2018 and 10/31/2018	Increase in the capital of the Distributors by the respective Winning Bidders, pursuant to this Public Notice for Bid. .
Between 09/18/2018 and 10/31/2018	Execution of the Concession Contract
Between 10/03/2018 and 12/14/2018	Settlement of Offers to Active and Retired Employees, pursuant to B3 Manual of Procedures for Offer to Active and Retired Employees.
Between 11/07/2018 and 12/14/2018	Disclosure of the remaining shares from the 2 nd Offer to Active and Retired Employees, pursuant to the Manual for Offer to Active and Retired Employees.
Between 01/07/2019 and 02/14/2019	Acquisition and settlement by the Winning Bidder of the final remaining stock of the Offer to Active and Retired Employees.
To be defined by the Winning Bidder(s)	Holding of a Distributor's Extraordinary General Meeting in order to ratify the capital increase carried out by the Winning Bidders

9.3. Any change in dates shall be disclosed on the website www.bndes.gov.br/distribuidoras-elektrobras.

CHAPTER X - PENALTIES

10.1. The Bidder or Winning Bidder that, called upon within the validity term of its Bid, fails to proceed with the Bid Settlement, in accordance with the respective conditions; fails to submit the documents and information to ANEEL and CADE within the period of time set; fails to sign the Agreement; fails to deliver any documentation required in this Public Notice for Bid; provides a false documentation; delays bidding; fails to keep the Bid; behaves inadequately; practices unlawful acts, among which those provided for in section III, art. 89 et seq. of Law 8666/1993; fails to subscribe and paid in the minimum capital increase of respective Distributor; fails to submit a Statement of Lack of Interest or Economic Bid to one or more Distributors; provides false declarations or commits tax frauds shall be subject to the following sanctions enforceable by the BNDES in the exercise of the powers conferred upon it by Decree N. 8.893/2016:

10.1.1. warning;

10.1.2. fine, to be calculated in an administrative proceeding, in which the adversary proceeding and ample defense shall be assured, and to be set at up to one percent (1%) of the respective Economic Transaction Value, provided that there must be a proportion between the severity of the infraction and the fine amount; and

10.1.3. temporary suspension of the right to contract or participate in bids for up to two (2) years.

10.2. Without prejudice to the application of the penalties provided for in item 9.1 and any enforcement of a Bid Bond, the Bidder or Winning Bidder may be declared unfit to contract with the Public Administration for as long as the grounds for the punishment last or until such party recovers its position before the authority.

10.3. If in view of its seriousness, the damage caused exceeds the value of the Bid Bond provided, the Bidder or Winning Bidder shall be responsible for an additional indemnity.

CHAPTER XI - FINAL PROVISIONS

11.1. The Bid can only be revoked by the BNDES, by using the powers conferred

upon it by Decree N. 8.893/2016, for reasons of public interest resulting from duly proven, pertinent and sufficient supervening fact to justify such revocation.

11.2. In the event any illegality that cannot be solved shall be found, the BNDES may, ex-officio or upon claim by any third party, cancel the Bid.

11.3. The Bid cancellation implies cancellation of the respective Contract, as well as the respective Concession Contract, but it shall not cause any indemnification obligation on the party of the Granting Authority, except in the event provided for in art. 59, sole paragraph, of Law N. 8.666/1993.

11.4. Bidders are responsible for verifying all data and information concerning the Bids, and they shall also bear all costs and expenses associated with the preparation of their Economic Bid and also for their participation in the Bids.

11.5. The Bidder undertakes to communicate to the BNDES, at any time, any supervening fact or circumstance that may prevent qualification immediately after its occurrence.

11.6. The information and documents provided by the Bidders in connection with this bid shall be kept confidential according to the legal provisions.