

## BYLAWS OF AES TIETÊ S.A.

NIRE N.º 35.300.170.555

CNPJ N.º 02.998.609/0001-27

### Chapter I – The Name, Head office, Purpose and Duration of the Company

Article 1 - AES TIETÊ S.A. will be ruled by these Bylaws and the applicable legislation.

Article 2 – It is the purpose of the Corporation

I – to study, plan, project, build and operate production, transmission, distribution and commercialization systems resulting from the use of rivers and other energy sources;

II – study, plan, project, build and operate accumulation dams, gate bridges, and other works destined to the multiple use of waters and river beds and reservoirs;

III – study, project and carry out plans and programs for the research and development of new sources and vectors of energy, directly or in cooperation with other entities;

IV – supply all and every service, observing the provisions of the Concession Contract and pursuant to the provisions of Article 13, II of these Bylaws; and

V – participate in other companies as partner, shareholder or quota holder.

Article 3 – The Company has an undetermined term of duration, and has as its principal place of business and domicile the City of Barueri, State of São Paulo and by resolution of the Executive Board the Company may open and close branches, offices and other facilities in any part of Brazil. The opening and maintenance of branches, offices and other facilities abroad shall be subject to resolution by the Board of Directors.

Sole Paragraph – The Corporate headquarters cannot be transferred to another state of the federation, and should be maintained at all times in the State of São Paulo.

### Chapter II – Capital, Shares and Shareholders

Article 4 – The authorized capital is R\$4,600,000,000.00 (four billion and six hundred thousand reais) being R\$2,383,260,000 (two billion, three hundred and eighty three million two hundred and sixty reais) in ordinary shares and R\$2,216,740,000 (two billion, two hundred and sixteen million, seven hundred and forty thousand reais) in preferred shares, all nominative book shares with no par value.

Paragraph 1 - The subscribed and paid-up capital is R\$ R\$207,227,038.81 (two hundred and seven million, two hundred and twenty-seven thousand, thirty-eight reais and eighty one cents) divided into 381,253,493 (three hundred eighty one billion two hundred fifty three million four hundred ninety three thousand) shares, being 197,461,212 (one hundred ninety seven million four hundred sixty one thousand two hundred twelve) ordinary and 183,792,281 (one hundred eighty three million seven hundred ninety two two hundred eighty one) preferred, all book entry shares with no par value.

Paragraph 2 – The Corporation, upon a decision by the Board of Directors, regardless of any statutory reform, is authorized to increase its capital to the limit referred to in the caption hereof, issuing shares corresponding to each type, respecting the proportion of the existing shares.

Paragraph 3 – At the issue of shares within the capital limit, the following will be set forth:

a) number, type and class of shares: b) price and issue; c) other subscription and payment conditions in compliance with the provisions of Law n.º 6,404/76 and its alterations.

Paragraph 4 – The provisions of Paragraph 2 hereof does not apply in the case of a capital increase upon the payment of assets, which will depend on the approval by the General Meeting, as provided for by Law nº 6.404/76 and its alterations.

Paragraph 5 – The Corporation will also be able to issue subscription bonuses, observing the limit of the authorized capital, upon a decision by the Board of Directors.

Paragraph 6 - Shareholders who fail to make payments as per conditions set forth shall lawfully be considered in arrears and subject to the payment of interest of 1% (one percent) a month, monetary correction according to an index to be defined by the Board of Directors and a 10% (ten percent) fine, calculated on the values in arrears, without prejudice of the other legal applicable measures.

Paragraph 7 – By decision of the Board of Directors, the Corporation can acquire shares of its own issue for the purpose of annulment or maintenance in treasury, determine the resale of same or flotation on the market, observing the legal standards and other applicable provisions, including those issued by the Securities Commission – CVM.

Article 5 – The preferred shares will have characteristics as follows:

I – priority in the reimbursement of capital, without right to premium, in case of liquidation of the Company;

II – non-cumulative priority dividends, 10% (ten percent) higher than those given to ordinary shares;

III – the right to participate in the capital increase arising from the capitalization of reserves and profits in conditions equal to ordinary shares; and

IV – will not have voting right and will be irredeemable.

Sole Paragraph – the conversion of beneficiary parties that may be attributed to special social security or charity foundation, if existing, will only be allowed in the case of preferred shares, without voting rights, upon the capitalization of a reserve that has been created for that purpose, in any case, upon a decision by the General Meeting.

Article 6 – Each nominative ordinary shares will have the right to 1 (one) vote at the decisions of the General Meeting.

Article 7 – The Company will be able to authorize the depository institution in charge of the registration of book entry shares to collect from the shareholder the cost of services related to the transfer of book shares ownership, observing the limits set forth by the Securities Commission.

Article 8 – In case of a capital increase, the shareholders are granted the right of preference for the subscription of shares corresponding to the increase, at the proportion of the number of shares owned, observing the provisions of Article 171 of Law n.º 6.404/76 and its alterations.

Article 9 – The shares that are a part of the shareholding control of the Company cannot be transferred, granted or, in any way disposed, direct or indirectly, for free or with onus, without the prior and express consent of Agência Nacional de Energia Elétrica – ANEEL.

Sole Paragraph – In case of full or partial transfer of shares that are a part of the shareholding control, the new controlling shareholder(s) should sign a term of agreement and submission to the clauses of the Concession Contract for the Use of a Public Asset for the Generation of Electric Energy signed between the Company and the Granting Power and to the legal and regulating standards of the concession.

Article 10 – The Company is a public corporation and should maintain such characteristics for the full duration of the concession for the use of a of a public assets for the generation of electric

energy that was granted to it by the Granting Power, except in the occurrence of a legal requirement, and its shares should be negotiated in Stock Exchanges.

### Chapter III – The Company's Bodies

Article 11 – The following are the Company's bodies:

- I – The General Meeting;
- II – The Board of Directors ;
- III – The Management Committee;
- IV – The Management;
- V – The Fiscal Council.

#### Section I – The General Meeting

Article 12 – The General Meeting will meet ordinarily until the 30th of April of each year, as provided for by law, in order to examine the management accounts relating to the last fiscal year; examine, discuss and vote the financial statements; decide on the use of the net profits for the year and the dividend distribution; and elect, when it is the case, the members of the Board of Directors, setting forth their respective fees.

Article 13 – The General Meeting will extraordinarily meet, every time the interest of the company so requires and to adopt the resolutions deemed convenient to its protection and development within the private jurisdictions that are granted to it by law and of all faculties that the Bylaws have not expressly conferred to other bodies of the Management, in special, to deliberate on the following:

- I – the capital reduction or increase, spin-off, merger, transformation or incorporation of the Society, as well as its subsidiary companies and the liquidation, dissolution and extinguishment of same or any corporate reorganization act provided for by law;
- II – a change to the purpose of the Company pursuant to the law and upon prior and express authorization by Agência Nacional de Energia Elétrica – ANEEL;
- III – the waiver to share subscription rights;
- IV – the exchange of shares for any other securities issued by the Company or its subsidiary companies; and
- V – the instating of the Fiscal Council, pursuant to these Bylaws.

Article 14 – The General Meeting, except when otherwise provided for by the legislation in force and these Bylaws, will be called for by the Board of Directors or shareholders, pursuant to the law.

Sole Paragraph – within the authorized capital limit, the General Meeting can approve the grant of share purchase option, as provided for by Lei n.º 6,404/76 and its alterations.

Article 15 – The General Meeting will be chaired by the Chairman of the Board of Directors or its substitute who will choose the Secretary.

Sole Paragraph – The exercise of the voting right in General Meetings, will be subject, when it is the case, to the conditions set forth in the Companhia Brasileira Energia Shareholders' Agreement entered into on December 22, 2003, as changed by its first and second amendments, and filed at the Company's headquarters.

#### Section II – The Board of Directors

Article 16 – The Board of Directors shall be made up of at least five (5) and at most eleven (11) regular members and the same number of substitute members, always maintaining an odd

number of officers, who shall be elected by the Shareholders' Meeting”.

Paragraph 1 – The Board of Directors will have 1 (one) Chairman and 1 (one) Vice- Chairman elected by the Board of Directors.

Paragraph 2 – The fees and other advantages of the Board of Directors will be set forth by the General Meeting.

Article 17 – The mandate of the members of the Board of Directors will be 3 (three) years, reelection permitted.

Sole Paragraph – At the conclusion of the term of the mandate, the members of the Board of Directors will remain in their position until their successors take office.

Article 18 – The members of the Board of Directors will be take office upon the signing of the office taking term, transcribed to the book of minutes of the Board of Directors.

Article 19 – In case of vacancy of the position of any effective or substitute Board of Directors member, his/her substitute will be appointed by the General Meeting and will remain in that position until the end of the remaining period of his/her mandate. A General Meeting should be held within a maximum period of 30 (thirty) days counting from the event, to elect his/her substitute, being that the substitute members of the Board of Directors should replace the respective effective members who left the position until a new member is elected to tale the position.

Paragraph 1 - The Chairman of the Board of Directors will be replaced when temporarily unable, by the Vice-Chairman, or if he/she is unavailable, by another Board Member indicated by same, and in the lack of an indication, by choice of the other Board members.

Paragraph 2 – In case of vacancy of the position of Chairman of the Board, the Vice- Chairman will take over and will remain in that position until the Board of Directors chooses the new title holder, being that the substitute members will remain in office until the end of the mandate.

Article 20 – It if the Board of Directors' Responsibility

- I – set forth the general guidelines for the businesses of the Corporation;
- II – elect and remove from office the members of the Company's Management, setting forth their responsibilities;
- III – inspect the management of the directors, examine, at any time, the books and paperwork of the Corporation, request information on agreements entered into or about to be entered into and carry out any other actions;
- IV – call for General Meetings in the cases provided for by law or when deemed necessary;
- V – give an opinion in regards to the Management Report, Financial Statements and directors' accounts;
- VI – approve, at the beginning of each year, the annual and 5-year Business Plans, which will comprise the annual and multi-annual budgets, all capital investment plans, the strategic plans and programs for the maintenance of the Company's facilities, as well as to review of same;
- VII – select or dismiss Independent Accountants;
- VIII – submit to the General Meeting, any proposals for changes to the Bylaws;
- IX – deliberate on the issue, placement, price and conditions for the payment of shares and subscription bonuses, as well as carry out capital increases, within the limits of the authorized capital;
- X – decide on the capital increase, issue, purchase and voiding of shares, pursuant to Paragraphs 2, 5, 6 and 7 of Article 4 hereof;
- XI – authorize the commercialization of energy generated by the corporation by way of authorized agents in the electric market;
- XII – decide on the issue of promissory notes carrying a security value (commercial papers), setting forth the conditions for each operation;
- XIII – decide on the granting, upon an authorization by the General Meeting, of the purchase option of shares to its administrators and employees, or to natural persons that render services

to the Corporation reserving the right to preference to shareholders;

XIV – decide on the opening of company's subsidiaries abroad, object of which should not contemplate activities or businesses other than those of the Corporation;

XV – decide on the proposal of plans that provide for management, career, access, advantages and disciplinary regime regarding the company's employees;

XVI – decide on the acquisition of assets included in the company's permanent assets, value of which exceeds 5% (five percent) of the value of said asset, as determined on the balance sheet referring to last year ended;

XVII – decide on cases not mentioned hereunder that may be submitted to it by the Management or determined during a General Meeting;

XVIII – decide on the likeliness of payment of interest on the company's net equity, at the Long Term Interest Rates – TJLP;

XIX – decide on the recording of interim dividends, on the accumulated profits account or profit reserve existing in the latest annual or half-yearly balance sheet;

XX – decide on the recording of interim dividends for periods smaller than 1 (one) semester, provided that total dividends paid on each semester of the year does not exceed the total capital reserves as provided for in § 1 of Article 182 of Law n.º 6,404/76;

XXI – decide on the prepayment, at any time, of dividends, to the debit of the capital reserve account, as provided for in Article 17, § 5 and 200, clause V of the Corporate Law; and

XXII – decide on the sale of treasury stock.

XXIII – decide on the entering into any agreements, documents, bonds, capital instruments or investments, financings, loans, barter, the granting of guarantees of any sort and taking of obligations on behalf of third parties in an annual value higher than, jointly or separately, R\$20,000,000.00 (twenty million reais), except in the following cases: (i) if the energy purchase and sale agreements entered into with third parties who are not directly or indirectly controlled by the Company and its affiliated companies and (ii) same are specified in the Annual Business Plan;

XXIV – decide on the sale, lease, grant, transfer, liquidation or other provision, of any assets or share of the Company by a price exceeding, jointly, or separately, R\$20,000,000.00 (twenty million reais), except in the following cases: (i) same are specified in the Annual Business Plan; and (ii) if the energy purchase and sale agreements entered into with third parties who are not directly or indirectly controlled by the Company and its affiliated companies;

XXV – decide on the liquidation, sale, transfer or disposal of assets included in the company's permanent assets, total annual value of which is higher than R\$20,000,000.00 (twenty million reais), as well as mortgages, encumbrances or any burdens on such assets provided that same are not specified in the Company's Annual Business Plan;

XXVI – decide on the entering into any commercial agreements, operations or associations or arrangements of any sort, as well as changes to same, with directly or indirectly controlled or colligated companies or any other related parties, except when approved in the Company's Annual Business Plan;

XXVII – decide on the entering into any technical assistance agreements, operations or contracts or service supply with foreign companies;

XXVIII – approve the internal rules for the Board of Directors and Fiscal Council;

XXIX – approve the issue of any documents, bonds, shares or other securities by the Company, public or private, as well as the entering into agreements by the Company or granting of any rights to third parties (or any subsequent changes to same), that might give the holder or beneficiary the right to subscribe or acquire documents, bonds, shares and other securities included in the Company's equity or of its own issue;

Article 21 - The Board of Directors will meet whenever call for by the Chairman or its members, being that such call can be requested, when justifiable, by any member of the Board. The Board of Directors' meetings can only be considered as validly carried out if they count with the attendance of the majority of the effective Board Members or their substitutes.

Paragraph 1 - The Board of Directors will meet upon the attendance of the majority of its members and will deliberate by the vote of the majority attending the meeting, having the Chairman, further to his own vote, the right to the quality vote. However, the exercise of the right to vote in Board of Directors' Meetings is subject, when it is the case, to the conditions set forth in the Shareholders' Agreement of Companhia Brasileira Energia, entered into on December, 22, 2003, as changed by its first and second amendments, and filed ant the Company's

headquarters.

Paragraph 2 - The Board of Directors' Meetings will be called for upon the call in writing, with a minimum of 08 (eight) days in advance, for the first call, and 03 (three) days, for the second call, with the specification of the date, time, and place of the meeting, as well as the subjects to be discussed.

### Section III – The Management Committee

Article 22 – The Management Committee for Investments and Operating Policies (Management Committee) that will act jointly with the Board of Directors and the Company's Management, will perform as consultants for the Board of Directors.

Paragraph One – The Management Committee will run permanently and will comprise 06 (six) members, appointed as per the Shareholders' Agreement of Companhia Brasileira Energia entered into on December 22, 2003, as changed by its first and second amendments, and filed at the Company's headquarters.

Paragraph Two – It is the responsibility of the Management Committee to:

- (i) analyze the proposals for the Annual Business Plan;
- (ii) analyze the proposals for investment plans in the expansion, replacement and improvements to the facilities, programming and budget of Company's operation and maintenance;
- (iii) follow up the development of the Company's performance indexes;
- (iv) check the adequate service supply of the Company, in compliance with the standards demanded by the regulatory body; and
- (v) follow up the execution of the Annual Business Plan, as well as the analysis of all issues involving technical-operating, legal, administrative, economic-financial, environmental and social strategic and relevant aspects.

### Section IV – The Management

Article 23 – The Company shall be managed by an Executive Board comprising of up to 8 (eight) officers, who shall have the designations that follows and who may accumulate more than one position: 1 (one) Chief Executive Officer, 1 (one) Vice-President and Generation Officer, 1 (one) Financial and Investor Relations Officer, 1 (one) Legal Affairs Officer, 1 (one) Regulatory Affairs officer, 1 (one) People and Management Officer, 1 (one) Business Development Officer and 1 (one) Institutional Relations, Communication and Sustainability Officer. The members of the Executive Board shall perform their roles as provided for in these Bylaws as provided for in these Bylaws. Company will be managed by a Management comprising up to 7 (seven) member directors, being 1 (one) President Director, 1 (one) Vice-President Director and the others without a specific denomination, amongst which one who will carry out the job of Director for Relations with Investors. The members of the Management will carry out their jobs according to the responsibilities set forth in these Bylaws.

Sole Paragraph – The fees and other advantages of the members of the Management will be set forth by the General Meeting.

Article 24 – The mandate of the members of the Management will be 3 (three) years, their reelection being permitted.

Sole Paragraph – When the term of their mandates is over, the members of the Management will remain at their position until their successors take office.

Article 25 – The members of the management will take office upon the signing of the empowerment term, transcribed to the book of minutes of the Management meetings.

Article 26 – In case of vacancy of the position of any member of the Management, for any reason, except for that of Company's President Director the substitute member that will carry out that job until the end of his/her mandate will be appointed by same, "ad referendum" by the

Board of Directors.

Article 27 – It is the responsibility of the Management, in a meeting and by a decision by the majority to:

- I – practice all acts necessary for the regular running of the Company;
- II – approve the internal rules and regulations of the Company;
- III – propose to the Board of Directors the basic guidelines that should be appreciated by same;
- IV – submit to the Board of Directors proposals for capital increase and reform of the Company's Bylaws;
- V – draw up the plans for the issue of securities to be submitted to the Board of Directors;
- VI – draw up the estimates of revenues, general expenses and forecast of investments by the Corporation at each year, to be submitted to the Board of Directors;
- VII – authorize the disposal or acquisitions of assets included in the permanent assets, value of which is lower than 5% (five percent) of the value of the same asset, as determined in the Balance Sheet relative to the last year ended;
- VIII – present to the Board of Directors the financial statements for the year and annual and multi-annual economic-financial plans and budgets as well as the execution of works;
- IX – decide on the opening of subsidiaries of the Corporation, in the Country, purpose of which does not contemplate activities or businesses strange to the object of the Corporation;
- X – decide on the participation of the Corporation in bidding processes.
- XI – decide on the selection, hiring and dismissal of administrators of subsidiaries.

Sole Paragraph – the Management should make available all information requested by the members of the Management Committee and the Board of Directors.

Article 28 – In the exercise of the Management jobs, it is the responsibility of;

I – the Company's President Director to:

- a) Preside all the businesses carried out at his/her level of decision;
- b) Supervise the Company's general policy set forth by the Board of Directors;
- c) Call for and preside all the work of the Management meetings;
- d) Coordinate the Management activities;
- e) Grant temporary leaves to the member of the Management, appointing a substitute to carry out the substituted member in his/her absence;
- f) Approve the definitions and alterations to the organizational structure;
- g) guide the drawing up of the Company's budgets as to limits and internal and external conditions of same;
- h) Guide the sector performance plans by the Management;
- i) Coordinate the legal and the relations activities of the Company; and
- j) Coordinate the meeting and the relations with the governmental bodies, the Board of Directors and the Fiscal Council, when called for.

II – the Director for Relations with Investors:

- a) Represent the Company at the relations with the financial and capital markets, internal and external, being accountable for the supply of information to the Securities Commission - CVM and the Stock Exchanges.

Article 29 – The Management will meet upon a call by the Company's President Director with the attendance of the majority of its members.

Paragraph 1 – The decisions by the Management will be made by majority of votes by the members attending the meeting, being that the Company's President Director has both his own vote and the quality vote.

Paragraph 2 - It will be the responsibility of any member of the Management, except for legal and statutory jurisdictions, to represent the Company Judicially and extra-judicially.

Paragraph 3 – The documents involving the Company's financial responsibility or that exempt third parties for any responsibilities will include the signature of 2 (two) members of the Management, 1 (one) member and 1 (one) attorney-in-fact, or 2 (two) attorneys-in-fact with special powers, within the limits and conditions set forth by the Management.

Paragraph 4 – The Management can also appoint one or more attorneys-in-fact, "ad judicia", or for the specific purpose of endorsing checks for deposits in the Company's bank account; issue payment orders within the limits and conditions set forth by the Management; sign labor contracts and receive on behalf of the Company summons, notices and legal notices.

Article 30 – It is the responsibility of any member of the Management to carry out the tasks that will be set forth for that purpose by the Board of Directors, in addition to exercising the powers granted to same by these Bylaws.

Article 31 – During a period of temporary impediment of Chief Executive Officer, he/ she shall be substituted by the Vice-President and Generation Officer, or in the absence of the latter, by another member of the Executive Board, appointed by the CEO, and in the event of having no appointment, by choice of the other Executive Board members..

#### Section V – The Fiscal Council

Article 32 – The Company will have a non-permanent Fiscal Council, who will carry out the tasks imposed by law and that will only meet upon the request of shareholders representing at least 10% (ten percent) of the shares with voting rights or 5% (five percent) of the shares without voting rights.

Sole Paragraph - The Fiscal Council will comprise at least 3 (three) and at the most 5 (five) effective members and the same number of substitutes, with a 1 (one) year mandate, elected at the General Meeting which will also set forth their respective remuneration, being their reelection permitted.

Article 33 – In case of vacancy of an effective member position or unavailability of same, the respective substitute shall be called.

#### Chapter IV – The Fiscal Year

Article 34 – The Fiscal Year will start on January 1st and will end on December 31 of each year. On June 30 and at the end of the year, a Company's balance sheet will be drawn as well as the other Financial Statements provided for by Law n.º 6.404/76 and other standards applicable.

Sole Paragraph – The distribution of income determine don June 30 and December 31 of each year will be made half early or in periods shorter than six months, in case the Board of Directors decides on the distribution of interim dividends, as provided for in these Bylaws, base don a special balance sheet drawn up for that purpose.

Article 35 – As to results, in addition to the specific legal standards, the following rules will be complied with:

I – of the income for the year, the accumulated losses and the provision for income tax will be deducted, resources of which will be used as follows:

- a) 5% (five percent) for the creation of a legal reserve, up to the maximum amount provided for by law;
- b) 25% (twenty five per cent) for the payment of the mandatory dividend as provided for in Article 202 of Law n.º 6.404/76, and
- c) Upon the proposal by the Management, being the Board of Directors' opinion heard, the remaining balance will be distributed to shareholders as approved by the Shareholders' General Meeting.

II – the remaining balance of profits will be fully used as proposed in the financial statements,



assuming that same are approved by the General Meeting.

Paragraph 1 – The dividend referred to in clause (b) hereof will not be mandatory in the year where the Management informs to the General Meeting that same is not compatible with the Company's financial situation.

Paragraph 2 – The payment of interest on own capital can be deduced from the amount of dividends to be paid.

#### Chapter V – The Liquidation

Article 36 – The Company will be liquidated in the cases provided for by law, and it is the responsibility of the General Meeting to decide the liquidation mode, appoint the liquidating agent, and elect the Fiscal Council that should be in place during the liquidation period.

#### Chapter VI – Shareholders' Agreement

Article 37 – The Company should comply with all the shareholders' agreements filed in its headquarters, and the Chairmen of General Meeting should deny the recording of votes contrary to the terms of same. The Shareholders' Agreement of Companhia Brasileira de Energia, entered on December 22, 2003, as changed by its first and second amendments, and filed in the Company's headquarters.

#### Chapter VII – The General Provisions

Article 38 – The Company will maintain a private Social Security Plan for its employees.

Article 39 – The holders of the Company's shareholding control will ensure that 1 (one) member of the Company's Board of Directors be elected by its employees, in case the shares same hold are not sufficient to assure such election pursuant to the corporate law, without prejudice to the representation that, in accordance with the same legislation, may be held by the other Company's shareholders, being certain that, once that representation ensured by the corporate law is gained on the part of employees, that obligation should lose effect.

Article 40 – The holders of the Company's shareholding control commit to loyally comply with all the special determinations and obligations provided for by Notice n.º SF/002/99 and the Concession Contract for the Use of a Public Asset for the Generation of Electric Energy signed between the Granting Power and the Company, with the intervening of its controllers.

Article 41 – The Company will be regulated by these Bylaws and by the applicable legislation in force.