

CODE OF ETHICS

CTEEP's history is marked by excellence, innovation and social responsibility. These values serve as the foundation for our daily activities and thanks to them, we are recognized as one of the leading companies in the energy transmission segment in Brazil. And there is another value which we cherish greatly and equally at the core of our organization: ethics.

This code of ethics formally lays out our ethical characteristics as well as being the principal source of guidance in the relationship with our stakeholders. It establishes clear benchmarks for a transparent, coherent and correct relationship with shareholders and investors, employees, clients, suppliers and governments as well as society as a whole.

This document also includes information on the Ethics Line, our channel for clarifying doubts and for contact on ethical issues.

We hope that the content of CTEEP's Code of Ethics will help you better understand the guidelines for our ethical conduct and contribute to your relationship with the Company.

Best wishes

Reynaldo Passanezi

Chief Executive Officer of CTEEP

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Introduction

Since its constitution, **CTEEP** has sustained its identity in ethical principles based on honest, constructive, reputable and socially responsible conduct, promoting the continuity of the business and contributing to the sustainable development of the regions in which the Company operates.

With a view to fulfilling its mission, **CTEEP** maintains relationships with shareholders and investors, employees, suppliers, clients, society and government based on its values, policies and commitments, thereby strengthening corporate identity and institutional coherence.

By launching its **Code of Ethics**, **CTEEP** advances further towards transparency and corporate governance in the direction of perfecting the relationship with its stakeholders.

The **Code of Ethics** is a document which applies to **CTEEP** as a whole and represents a reference encapsulating the philosophy and the corporate values of the organization through key guidelines for the activities of all the employees and members of the Board.

This document has been constituted based on the Corporate Law, Law 6404/76 and its amendments, regulations published by the Brazilian Securities and Exchange Commission - CVM and B3 S.A. – Brasil, Bolsa, Balcão as well as being aligned to the ethical principles inherent to ISA and its companies.

Values

CTEEP is working to build an organizational culture in which values are pillars sustaining the organization's results.

Clearly defined corporate values promote trust and credibility and guide company's conduct and the way it wishes to be recognized. These values are:

Ethics, Social Responsibility, Excellence, Innovation.

The corporate values go hand in hand with the attributes which support, strengthen and sustain activities related to ethics and facilitate compliance and coexistence in the organization.

Ethical Attributes

Transparency

To act in a trustworthy, accessible, clear and honest manner.

Reciprocity

Respect for the dignity of others with whom the company relates in an atmosphere of mutual recognition of the duties and rights of the parties involved.

Responsibility

Commitment to execute what is promised and comply with the parameters, policies and standards of the organization.

Diversity

Recognition that the difference between people contributes to an atmosphere of respect and enriches the organization in the locations and cultures in which it operates.

Commitment

The duty of the employees to fulfill their responsibilities for reaching the objectives in the organization's mission. This implies execution of the work and duties which the company proposes with care and dedication.

Ethics at CTEEP

CTEEP understands Ethics as a set of principles which guide the actions of its employees, permitting the coherence between its declarations, the adoption of decisions and the relationship with stakeholder groups, inspiring compliance with the business objectives, transparency and the common good.

Ethical Guidance

The **Code of Ethics** is a reference document drawn up with the aim of showing how **CTEEP's** employees should act in their relationship with stakeholder groups by providing general criteria for guiding actions and decisions in accordance with corporate values. Consequently, it is of paramount importance that stakeholders should be aware of the company's guidelines, impacting as they do the relationship between parties.

Shareholders and Investors

Equal Treatment

Irrespective of the amount of their investment or the number of shares held, every shareholder and investor shall receive the same treatment guaranteeing their rights to express doubts or submit requests or furnish their points of view.

CTEEP employs good governance practices for developing the best management processes guided both for the creation of value of the investments as well as for corporate ethical integrity.

Disclosure of information

CTEEP is committed the practice of good governance for adding value to the business. For this reason, the company keeps the market informed on its performance and accounts for its actions in an adequate and transparent manner. Disclosed information should not affect the rights of third parties nor should it represent risks for the investments or for the continuity of the business.

Employees

Relations Based on Equal Treatment

CTEEP promotes access to employment and adequate working conditions on an egalitarian basis.

Discriminatory treatment is not tolerated whether in relation to gender, ethnicity, color, nationality, social origin, age, civil status, sexual orientation, ideology, political opinion, religion or any other personal physical or social condition.

Working conditions

CTEEP fosters an organizational climate based on respect and offers employees an environment in which risks that threaten their safety and health are suitably managed and known to each one. The requirement that the company's suppliers should comply with all the legal working conditions is testimony to this demand.

Additionally, the company fosters among its employees the balance between professional responsibilities and personal and family life.

Employees

Right of Association

CTEEP recognizes the right of free association of its employees with labor unions or similar entities, respects their participation in any type of collective bargaining and does not practice any type of discrimination in relation to its employees holding official positions in these institutions.

Intolerance of fraud

CTEEP does not tolerate any type of fraud committed by its employees.

Use of the Company's Plant, Property and Equipment.

CTEEP provides its employees with the resources and the means to execute their professional activities in accordance with each function.

The employees are committed to using the company's plant, property and equipment and resources to fulfill with their professional objectives, however avoiding direct or indirect use for their own private purposes or that of third parties, or for aiding actions which may cause losses to the company.

These commitments also cover:

- The protection and care of assets which the company provides or to which it has access.
- The protection of the IT systems, maximizing the use of their data security features.
- The rational use of natural resources and protection of the environment.

Employees

Conflict of Interests

A conflict of interests arises when there is an act which fails to consider the legal, contractual, statutory or ethical duties of the employee and is present when a private interest directly or indirectly overrides the interest of the company.

A conflict of interests exists when in the light of their functions, an employee, on taking a decision, executing or omitting an action, makes a choice between their own private interest and that of their company, client or supplier, creating through their decision, action or omission, an improper benefit and one which would not have otherwise been received.

A private interest is also understood when the conflict of interest benefits a person with whom the individual is bound by family ties. Consequently, no employee shall participate in agreements or negotiations in which there is some conflict of interests or when negotiations, involve family relationships up to four times removed in a collateral or transverse line, twice removed by affinity and once removed in the case of a civil relationship, in the case of latter two situations, mothers- and fathers-in-law, brothers- and sisters-in-law, spouses and adopted children being considered.

Loyalty

To act at all times with loyalty to **CTEEP** and its shareholders, irrespective of their own interests or those of others.

Abstention

To abstain from intervening or influencing in the adopting of decisions which may affect the company, people or entities with which a conflict exists.

Confidentiality

Not to have access or disclose information classified as confidential which can affect the conflict of interests.

Information

To inform in writing their immediate superior when a situation of conflict of interests arises.

Clients

Impartiality in Relationships

At **CTEEP**, respectful and fair relationships are promoted with clients based on the recognition of their rights and requirements.

Information Management

The services which **CTEEP** renders are delivered in an honest and transparent manner to avoid the transmission of misleading information in agreements and corporate announcements.

CTEEP is committed to maintaining clear, transparent and balanced communication with its clients.

Confidentiality

CTEEP seeks to maintain the privacy of its clients' information, committing not to reveal it to third parties, other than with the consent of the client or in the light of a mandatory legal order.

Service Provision

CTEEP undertakes to guarantee and maintain standards of quality of its services. In addition, the company provides clients with relationship channels and mechanisms permitting them to voice their needs as well as perceptions on services rendered.

Suppliers

Integral and Independent Relations

CTEEP maintains relations with the suppliers based on respect, equality and mutual transparency, avoiding any kind of fraudulent treatment.

In this way, the company stimulates its suppliers to know and to share its ethical principles, requiring from its suppliers and its value chain, actions based on the current legislation and promoting compliance with environmental norms, respect for human rights and socially responsible practices.

Gifts and Favors

As a rule, **CTEEP's** employees may not accept gifts, favors, courses or invitations from clients, competitors or suppliers of goods and services, including financial services, of a personal nature which result in a functional relationship and which may affect decisions, facilitate business or benefit third parties.

Suppliers

Treatment of Information

CTEEP's employees provide suppliers with the information necessary for contractual relations in an egalitarian manner. And undertake to maintain the confidentiality of any suppliers' information, except in the case of legal determination or judicial order, including data relating to their businesses and operations, products and services, brands, methods, systems, business plans or market methods and strategies, costs and financial information, as well as any document deemed confidential by the supplier.

Information in the public domain or included in the evaluation report on the supplier and delivered as part of the supplier selection process is excluded from these conditions.

Government

Compliance with the Laws, Rules and Regulations

CTEEP complies with all current laws, rules and regulations in the regions where it carries on operations, respecting the instances of jurisdictional order.

Relations of Cooperation and Transparency

CTEEP maintains relations based on the principles of cooperation and transparency with the authorities, regulators and other government institutions.

Intolerance of Corruption

CTEEP does not tolerate practices which can be understood as corruption on the part of its employees. In this context, under no circumstances does the company accept that its employees promote any form of payment or benefit to persuade a third party, public or private, to take a decision benefiting the company or an employee or which would accelerate an action of a routine administrative nature.

Information and Relationship with Government

CTEEP has stable channels of communication with local, regional and national government authorities for responding to formal requests for information. In addition, it is accountable to these institutions when appropriate.

CTEEP presents its legitimate interests and adopts a posture of a transparent, rigorous and coherent organization in its dealings with government authorities.

Society

Relations Based on Respect and Recognition

CTEEP adopts a posture of respectful behavior and an attitude of dialog with society, especially the communities surrounding its infrastructure, the purpose being to reach common objectives, presenting corporate positions and preventing possible situations of conflict and risk.

In the management of community relations, the company identifies specific initiatives with representative groups which foster dialog at chosen locations and through the established channels.

Respect for Human Rights.

CTEEP performs all its operations based on respect. Its actions are all oriented to human rights recognized by Brazilian legislation and by global initiatives such as the Global Compact.

CTEEP will not tolerate any of its stakeholder groups practicing, whether directly or indirectly, acts which violate human rights. Neither will it countenance any type of payment for sponsoring illicit activities including the financing of terrorism and money laundering.

The company will also emphatically not tolerate, child labor or any type of forced labor and is committed to bringing this position to the awareness of its stakeholder groups, especially suppliers and third parties.

Society

Sponsorship of Political Organizations

CTEEP does not finance or promote political parties or their representatives or candidates. Neither does it sponsor congresses or activities for the purposes of political propaganda. For this reason, employees may not use the company's plant and equipment or its resources (information systems, internal or external meetings, among others) to this end.

Thus, **CTEEP** exercises no pressure, directly or indirectly over political representatives, also encouraging its employees to adopt the same attitude.

In countries where political activism is permitted, the employee may conduct actions of this nature outside the workplace in accordance with the foregoing caveats.

Participation in External Events

For an employee to participate at conferences, events or other similar public actions in the name of **CTEEP**, they must receive authorization from their immediate superior, who shall evaluate whether participation is pertinent or otherwise.

Society

Environmental Protection

CTEEP is committed to a corporate management style which allows it to conduct its operations as part of its commitment to sustainable development.

Relationship with Civil Society Entities

The support and eventual contributions to civil society entities is conditioned to compliance with local laws and compliance with corporate guidelines.

Relations with the Competition

CTEEP maintains honest, constructive and reputable relations with its competitors. This implies among other commitments:

- To compete in the markets on a loyal basis without issuing misleading publicity or denigrating its competitors or third parties.
- To obtain information on the competition always in a legal manner.
- Comply with anti-trust rules, avoiding any conduct which constitutes or may constitute a cartel, abuse or restriction of competition.

Code Management

Compliance with the **Code of Ethics** will be monitored by the Chief Executive Officer, who may delegate this responsibility to the Ethics Committee, the latter appointed by him. The committee is made up of an odd number of people, one of whom shall be held accountable for the company's ethical management.

In the event of non-compliance with the **Code of Ethics**, the Committee, through its representative, shall notify the fact in writing to the appropriate monitoring authority which shall adopt the necessary procedures for corrective measures to be adopted.

Code Management

Duration

CTEEP's Code of Ethics was approved at the meeting of the Board of Directors held on December 17, 2010, entering into force on that date for all the company's employees.

The **Code of Ethics** shall be revised and updated periodically when necessary and upon the company's due consideration.

Obligation

All employees and members of the Board of Directors are committed to comply with the **Code of Ethics**. Hence, this document applies to all the directors, officers, managers, employees, service providers, temporary employees, interns and apprentices, irrespective of hierarchy, geographic location or position in **CTEEP**.

The **Code of Ethics** sets out general criteria and guidance on the conduct of **CTEEP's** employees although each person is responsible for their own actions or omissions.

Irrespective of position or post, no one is authorized to request that an individual subject to this code commit an ethical violation or infringe the provisions of this document. In turn, no professional of **CTEEP** may explain improper/illegal behavior or behavior which violates the **Code of Ethics** by justifying their action as complying with an order from a superior in the hierarchy or corporate body of which they are part.

Code Management

Application

This Code does not include all the rules or regulations which apply to each routine situation of the company. For this reason, its content must be considered together with **CTEEP's** policies, instructions and procedures and with the respective legal requirements.

However, when a situation demands specific guidance, the professional is expected to apply ethic principles.

The activities based on this **Code of Ethics** do not restrict compliance with **CTEEP's** internal regulations and rules. As regulations and/or internal rules are issued establishing criteria which is stricter than those pursuant to this Code, then such regulations and/or internal rules shall prevail over the definitions in this document.

Ethics Line

The **Code of Ethics** is a document which guides the activities of **CTEEP's** employees in their relationship with stakeholder groups and should be respected and followed by all.

Should doubts arise or violation of the precepts of this document be detected, **CTEEP** provides a code support channel:

www.canalconfidencial.com.br/linhaeticactEEP

This channel is exclusively for responding to doubts, criticism and whistleblowing which affect **CTEEP's** ethics, or which imply non-compliance with the code or failure to understand its content.

The channel is an electronic medium which receives internal and external demands and provides suitable treatment accordingly. This system was especially developed for monitoring complaints or doubts and to guarantee confidentiality and an obligatory reply.

The **ethical line** provides anonymity (of information and complainants) and investigates issues raised through the channel. Its management will be monitored by the Chief Executive Officer through the medium of the Ethics Committee.

For **CTEEP**, the characteristic of trust also translates in the day-to-day relationships. For this reason, the orientation to be followed is for employees to first seek out their immediate superiors to clarify their doubts and to discuss any ethical issues. Should such doubts and issues persist, use of the **ethics line** should then be made.

Ethics Line

CTEEP does not accept vague complaints. Anonymous whistleblowing is also not encouraged although it is up to the employee whether they identify themselves or not.

IMPORTANT: whistleblowing with respect to violations of the **Code of Ethics** shall neither imply retaliation nor valorization or recognition of the professionals making the complaints.