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**A Publicly Listed Company - CVM Registration 1732-9**

**MINUTES OF THE ONE HUNDRED AND FIFTY-EIGHTH MEETING OF THE BOARD OF DIRECTORS OF ENGIE BRASIL ENERGIA S.A.**

On December 23, 2016 at 11 a.m. at Av. Almirante Barroso, 52, 14th floor, room 1401 in the city and state of Rio de Janeiro, following its regular convening, a meeting of the Board of Directors of ENGIE Brasil Energia S.A. was held, the following effective Members being present: Maurício Stolle Bähr, Manoel Arlindo Zaroni Torres, José Pais Rangel, Luiz Leonardo Cantidiano Varnieri Ribeiro, Roberto Henrique Tejada Vencato and in the light of the justified absences of the directors Dirk Achiel Marc Beeuwsaert, Paulo Jorge Tavares Almirante and Pierre Jean Bernard Guiollot, their respective alternates Gil de Methodio Maranhão Neto, Gustavo Henrique Labanca Novo and Marcelo Fernandes Soares. Eduardo Antonio Gori Sattamini, Chief Executive, Financial and Investor Relations Officer was also present. The meeting was presided by the Director, Maurício Stolle Bähr, who proposed that I, Osmar Osmarino Bento should act as the meeting's secretary, the proposal being duly seconded by the other Directors. Welcoming those present, the Chair called the meeting to order, placing the matters on the Agenda of the Day in discussion as itemized in the Convening Notice CA-0010/2016 of November 19, 2016, as follows: 1 – Matters for Resolution: 1.1 – To approve the sale of assets; 1.2 – To approve the engagement of a company for the modernization of the hydroelectric plants of Itá, Machadinho and Ponte de Pedra; 1.3 – To evaluate the dissolving of the Special Independent Committee for Transactions with Related Parties due to the cancellation of the 2nd Reserve Energy Auction for 2016; and 2 – General Matters. RESOLUTIONS: After discussion of the aforementioned matters, the Chair put the items on the Agenda to the vote, the directors resolving as follows: 1. Matters for Deliberation – Item 1.1 – Pursuant to DD-642-0002, of December 19, 2016 and the presentation effected, documents for which are filed with the Company, after providing the clarifications to questions put to the Meeting and the Chair having previously informed that the operation is part of the strategy for optimizing the Company's generator complex allowing expansion in assets which offer a greater degree of synergy one with the other, the directors approved unanimously the sale of the corporate stakes held by the Company and by its subsidiary, ENGIE Brasil Energias Complementares Participações Ltda., in the following corporations: *i)* Eólica Beberibe S.A., holder of the authorization granted by the National Electric Energy Agency ("Aneel") to operate the Beberibe Wind Farm with an installed capacity of 25.6 MW; *ii)* Eólica Pedra do Sal S.A., holder of the authorization granted by Aneel to operate the Pedra do Sal Wind Farm with an installed capacity of 18.0 MW; and *iii)* Hidrelétrica Areia Branca S.A, holder of the authorization granted by Aneel to operate the Areia Branca Small Hydroelectric Plant with an installed capacity of 19.8 MW, the conclusion of the said operation being subject to the fulfillment of certain conditions precedent enshrined in the agreement, the Chief Executive Officer of the Company and of ENGIE Brasil Energias Complementares Participações Ltda. being authorized to practice all acts and sign all documents necessary for the execution of this resolution; Item 1.2 – Pursuant to DD-642-0001 of December 19, 2016 and the presentation proffered, documents for which are filed with the Company and following the rendering of clarifications requested, the Directors approved unanimously the engagement of the company Andritz Hydro S.A. for: *i)* the modernization of the digital system for control and supervision SDSC, the digital system for regulation of velocity and power and the excitation and voltage regulation system of the five Generator Units of the Itá Hydroelectric Power Plant – UHIT, Agreement UHIT.NARU.16.152307; *ii)* modernization of the digital system for the control and

supervision - SDSC, the digital system for velocity and power regulation and the voltage regulation and the excitation and voltage regulation system of the three Generator Units of the Machadinho Hydroelectric Plant – UHMA, Agreement UHMA.NARU.16.152308; and *iii)* the substitution of excitation and voltage regulation system and the interfaces with the remaining systems, with respect to the 03 (three) Generator Units of the Ponte de Pedra Hydroelectric Power Plants – UHPP, Agreement UHPP.UHPP.16.152353, the Executive Board being authorized to practice all acts and sign all documents necessary for the execution of this resolution, particularly, but not limited to, obtaining the "benefit for tax reinvestment" from SUDAM with respect to the investment in UHPP; Item 1.3 – In spite of the cancellation of the 2nd Reserve Energy Auction, the Directors unanimously decided to maintain the Special Independent Committee for Transactions with Related Parties, installed on the occasion of the 157th Meeting of this Board of Directors, held on December 13, 2016, now with the purpose of examining the terms of the memorandum of understanding to be signed with SolaireDirect with a view to a future partnership in Photovoltaic Projects. The Committee must present the results of the work executed at the meeting of this Board of Directors set for February 2017; and Item 2 – General Matters – No other matters were raised for resolution. **Conclusion**: The floor being given to the Directors present, no issues were raised beyond discussion of the matters on the Agenda, the time and themes discussed at the meeting having been monitored by me, the Secretary, pursuant to the Times and Themes Report, this document being initialed by the members of the chair and placed on record at the registered offices of the Company, the Chair proceeded to declare the work of the meeting concluded, requesting that I, as Secretary, draft these minutes. The said minutes, having been subsequently read and found correct, were duly signed by the members of the Board of Directors present including the Chair and myself. City and State of Rio de Janeiro, December 23, 2016.

Maurício Stolle Bähr
Director and Chair

Osmar Osmarino Bento
Secretary

Luiz Leonardo Cantidiano Varnieri Ribeiro
Director

José Pais Rangel
Director

Manoel Arlindo Zaroni Torres
Director

Roberto Henrique Tejada Vencato
Director

Gil de Methodio Maranhão Neto
Alternate Director

Marcelo Fernandes Soares
Alternate Director

Gustavo Henrique Labanca Novo
Alternate Director

Eduardo Antonio Gori Sattamini
Chief Executive, Financial and Investor Relations Officer