



**COPEL**  
**Companhia Paranaense de Energia**

## **MANUAL FOR PARTICIPATION IN THE ANNUAL GENERAL MEETING**

**54<sup>th</sup> Annual General Meeting**  
**April 23, 2009**





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## **1. Message from the Chairman of the Board of Directors**

Dear Shareholder:

It is with immense pleasure that I present to you this Manual for Participation in the Annual General Meeting of the Companhia Paranaense de Energia – Copel, with general guidance for an effective participation and exercise of the vote.

This manual has been prepared based on Copel's Corporate Governance policy, which is founded on transparency and equity.

The manual aims to present, in a clear and brief fashion, the information related to the Company's Annual General Meeting, seeking thereby to contribute for the understanding of the proposals for resolution and to encourage the participation of shareholders in the events of the annual corporate agenda of the Company.

Copel's 54<sup>th</sup> Annual General Meeting (AGM) was called for April 23, 2009, at 2:30 pm, at the Company's headquarters at Rua Coronel Dulcídio nº 800, in the city of Curitiba.

The matters to be presented in the AGM for resolution of shareholders are described in the Call Notice and in this manual.

Your participation is very important, considering that issues relevant to the Company are dealt with in the meetings.

The CEO, one representative of the Fiscal Council and one representative of the independent auditors will attend the 54<sup>th</sup> AGM, who will be able to provide further clarification required on any matter included in the AGM's agenda.

Sincerely,

João Bonifácio Cabral Júnior  
Chairman of the Board of Directors

## **2. Message from the Chief Executive Officer**

Dear Shareholder:

We are pleased to present to you the Manual for Participation of Shareholders in the Annual General Meeting of Companhia Paranaense de Energia – Copel. In this manual you will find information on the date, time and place of the Annual General Meeting and on the matters comprising the agenda, in addition to guidelines to ensure your voting right is fully exercised.

The quorum for the instatement of General Meetings is established depending on the matters to be examined.

For the Annual General Meeting, in which the Company accounts and the proposals for allocation of net income will be examined, the members of the Board of Directors and of the Fiscal Council will be elected, the compensation of the Board members and of the Fiscal Council members will be established, and the newspapers in which Copel will make publications required by Federal Law 6,404/1976 will be ratified, the attendance of one quarter of holders of common shares is required.

In item 5 of this manual, the types of shares granting voting right in each item of the agenda are specified. Given the current number of Company shareholders, this manual seeks to encourage and enable their participation in the General Meetings.

Confident of your presence at the 54<sup>th</sup> AGM, we take this opportunity to thank the trust placed in Copel and its managers, renewing, in the name of the Board of Executive Officers, our purpose to continue acting so as to fully observe the Company's Corporate Governance guidelines, based on the principles of ethics, transparency, management excellence and responsibility in conducting our business. These factors are essential for the Company to grow and promote sustainable development, maintaining a fair balance between the interests of the shareholders and those of the Company.

I am at your disposal for any clarifications you might need.

Sincerely,

Rubens Ghilardi  
Chief Executive Officer

### **3. Guidance For Participation In the Annual General Meeting**

Copel's shareholders may take part in the General Meeting by attending the meeting at the Company's headquarters and voting, or by appointing a proxy to represent them, as described below.

#### **3.1. Attending Shareholder**

The shareholder wishing to take part in the AGM shall arrive a few minutes before the time indicated in the Call Notice and bear the following documents:

Identity card (RG), or Alien's Identity Card (RNE), or Brazilian Driver's License (CNH), or an accreditation card issued by an official professional organization.

Proof as Company shareholder issued by a depository financial institution or a custodian agent or through the shareholding position issued by Copel.

#### **3.2. Shareholder Represented by Proxy**

The shareholder who is not able to attend the meeting and wishes to take part in the AGM may appoint a proxy with powers to represent him/her.

Pursuant Article 126, paragraph 1, of the Brazilian Corporation Law 6,404/1976, the proxy shall be a shareholder, lawyer or manager of the Company or of a financial institution/investment fund. The proxy shall have been appointed not more than one year before the date of the AGM.

The documents required are the following:

- Power of attorney with special powers for representation at Copel's General Meeting, bearing a notarized signature of the grantee (shareholder);
- Bylaws or Articles of Incorporation and instrument of election/appointment of the managers in the event the grantee is a legal entity; and
- Proof of ownership of the shares issued by the Company, conferred by the depository financial institution and/or custodian.

Note: the documents mentioned in the first and second items above shall be forwarded to Copel's headquarters, *Diretoria de Finanças, Relações com Investidores e de Controle de Participações*, at Rua Coronel Dulcício nº 800 – 3<sup>rd</sup> floor, preferably 48 hours prior to the Meeting.

#### **3.3. Holders of ADRs**

The financial depository institution of American Depositary Receipts (ADRs) in the United States, The Bank of New York Mellon, will send the powers of attorney to the holders of ADRs, so that they exercise their voting right at the AGM.

The participation shall take place through Banco Itaú, representative of The Bank of New York Mellon in Brazil.

Should there be any doubt concerning the AGM procedures and deadlines, please contact the Shareholders and Custody Department (*Departamento de Acionistas e Custódia*) at the telephone number (55 41) 3331-4269 or through the e-mail address [acionistas@copel.com](mailto:acionistas@copel.com)

#### 4. Call Notice

The Shareholders of Companhia Paranaense de Energia - Copel are summoned to attend the Annual General Meeting to be held on April 23, 2009, at 2:30 pm, at the Company's headquarters at Rua Coronel Dulcídio nº 800, in the city of Curitiba, to resolve on the following agenda:

1. Examination, discussion and voting on the 2008 Annual Management and Sustainability Report, balance sheet and other financial statements referring to the 2008 fiscal year;
2. Resolution on the Board of Executive Officers' proposal for allocation of net income for the fiscal year of 2008 in the amount of R\$1,078.7 million, including Profit Sharing payment, and consequent distribution of proceeds in the amount of R\$261.8 million, in the following way:
  - a) dividends in the gross amount of R\$33,833,991.11, to be allocated as follows: R\$0.11796 per common share (ON); R\$0.21060 per class A preferred share (PNA); and R\$0.12979 class B preferred share (PNB); and
  - b) Interest on Own Capital replacing dividends, in the gross amount of R\$228.0 million to be distributed as follows: R\$0.79493 per common share (ON); R\$1.41919 per class A preferred share (PNA); and R\$0.87459 class B preferred share (PNB);
3. Election of the members of the Board of Directors due to the end of term in office;
4. Election of the members of the Fiscal Council due to the end of term in office;
5. Determination of compensation of the members of the Board of Directors and the Fiscal Council; and
6. Ratification of the newspapers in which the Company will make the publications required by the Federal Law 6,404/1976 and by the Brazilian Securities Commission (CVM) Instruction 207/1994.

**Notes:**

- a) *Documents related to the matters to be discussed at the General Meeting along with the Manual for Participation in the Meeting are at the shareholders' disposal at the Company's headquarters.*
- b) *Powers of attorneys for representation at the General Meeting shall be deposited at Copel's headquarters, "Diretoria de Finanças, Relações com Investidores e de Controle de Participações, Departamento de Acionistas", at Rua Coronel Dulcídio, 800, 3<sup>rd</sup> floor, in the city of Curitiba, at, up to 48 hours prior to the meeting.*
- c) *As provided for by CVM Instruction 282, of June 26, 1998, the minimum stake in the voting capital needed for requesting the adoption of the multiple vote to elect the members of the Board of Directors is five percent (5%).*

Curitiba, March 19, 2009

João Bonifácio Cabral Júnior  
Chairman of the Board of Directors

**Publication**

This Call Notice was published, pursuant to the Brazilian Corporation Law, in the Official Gazette of the State of Paraná and in the newspapers O Estado do Paraná and Diário de São Paulo, on the March 24 - 25 -26, 2009 editions, being also available on the Company's website ([www.copel.com/ir](http://www.copel.com/ir)).

## **5. Information on the matters to be examined and discussed at the Annual General Meeting**

Below, the Company's Management presents some clarifications related to each item for resolution at the AGM for the exercise of a conscious vote.

### **5.1. Examination, discussion and voting on the 2008 Annual Management and Sustainability Report, balance sheet and other financial statements referring to the 2008 fiscal year**

#### **5.1.1. Clarifications**

The Management accounts are prepared through the Annual Management and Sustainability Report as well as the Financial Statements prepared by Copel's Board of Executive Officers.

The Annual Management and Sustainability Report has information on the macroeconomic scenario and the Company's financial performance and operations, with comments on the year's income statement main accounts, as well as information related to employees, social responsibility, capital market and corporate governance, among others.

On the other hand, the Financial Statements express the Company's financial-economic situation and equity changes in the fiscal year. By analyzing the Financial Statements, it is possible to measure the equity situation, liquidity indexes, profitability level and the degree of indebtedness of the Company.

It is worth mentioning that the Company's financial statements have been prepared pursuant to the accounting practices set forth by the corporate laws and the supplementary rules issued by the Brazilian Securities Commission (CVM). Copel's Financial Statements mainly consolidate electric power companies and, accordingly, are presented in compliance with the recommendations of the specific legislation applied to the electric power public utility concessionaires.

The Annual Management and Sustainability Report and the Financial Statements have been approved by the Board of Executive Officers, the Audit Committee and the Board of Directors, and were subject to the opinion of the Fiscal Council, having thus been deemed adequate for submission to the shareholders.

Furthermore, the Company's Financial Statements were audited and received a favorable opinion by the Company's independent auditors, namely, Deloitte Touche Tohmatsu Auditores Independentes.

The analysis of the Audit Committee and the opinions of the Fiscal Council and of the External Audit are attached to the Financial Statements.

#### **5.1.2. Making information available**

The Annual Management and Sustainability Report and the Financial Statements shall be published in the Official Gazette of the State of Paraná, in the newspaper O Estado do Paraná and the newspaper Diário de São Paulo, on April 14, 2009, pursuant to the applicable laws, being also available at the Company's headquarters, at BM&F Bovespa (Securities, Commodities and Futures Exchange), as well on Copel's website ([www.copel.com/ir](http://www.copel.com/ir)).



### **5.1.3. Voting right**

In item 1 of the agenda, only holders of common shares are entitled to vote.

## **5.2. Resolution on the Board of Executive Officers' proposal for allocation of net income for the fiscal year of 2008 in the amount of R\$1,078.7 million, including Profit Sharing payment, and consequent distribution of proceeds.**

### **5.2.1. Clarifications**

The allocation of net income consists in determining the portions of net income to be appropriated to the legal and statutory revenue reserves, or to be distributed.

The Company has been maintaining its policy for distribution of the minimum mandatory dividend set forth in the Bylaws (25% of net adjusted income), part of which as interest on own capital, based in annual proposals of the Board of Executive Officers, approved by the Board of Directors and the Annual General Meeting.

### **5.2.2. Allocation**

#### **5.2.2.1. Appropriation**

From the 2008 fiscal year net income, calculated according to the Brazilian corporate law, in the amount of one billion, seventy-eight million, seven hundred and forty-three thousand, two hundred and ninety-two reais and thirty-three centavos (R\$1,078,743,292.33) - corresponding to three reais and ninety-four centavos (R\$3.9420) per share of the paid-in capital stock - the Board of Executive Officers proposes the following appropriations:

Fifty-three million, nine hundred and thirty-seven thousand, one hundred and sixty-four reais and sixty-two centavos (R\$53,937,164.62), equivalent to 5% of the net income, for creating the Legal Reserve, in accordance with Article 38, item II, of the Bylaws;

- a) two hundred and twenty-eight million reais (R\$228,000,000.00) for payment of interest on own capital, partially replacing the minimum mandatory dividends, pursuant to provision of Articles 192 and 202 of Law 6,404/1976; Article 9, paragraph 7, of Law 9,249, of December 26, 1995; and Article 6 of the Bylaws and its paragraphs;
- b) thirty-three million, eight hundred and thirty-three thousand, nine hundred and ninety-one reais and eleven centavos (R\$33,833,991.11) for complementation of the minimum mandatory dividend amount, pursuant to provision of Articles 192 and 202 of Law 6,404/1976; Article 9, paragraph 7, of Law 9,249, of December 26, 1995; and Article 6 of the Bylaws and its paragraphs;
- c) seven hundred and sixty-two million, nine hundred and seventy-two thousand, one hundred and thirty-six reais and sixty centavos (R\$762,972,136.60), corresponding to the





outstanding balance of 2008's net income, as Profit Retention Reserve, so as to ensure the investment program of the Company;

- The profit retention reserve seeks to meet the needs of the Company's permanent assets funding program, pursuant to Article 196 of the Brazilian Corporation Law, and this reserve is established by retaining the remaining balance of the year's net income after deduction of the legal reserve, interest on own capital and dividends.

Below, there is a breakdown of the appropriations proposed herein:

Net income for the year	1,078,743,292.33
Legal reserve (5%)	(53,937,164.62)
Interest on own capital	(228,000,000.00)
Dividends	(33,833,991.11)
Profit retention reserve for investments	(762,972,136.60)

**5.2.2.2. Profit sharing as an instrument for capital and labor integration and as incentive to productivity:**

Law 10,101, of December 19, 2000, regulates profit sharing, as an instrument for integration of capital and labor and as an incentive to productivity, pursuant to Article 7, item XI, of the Brazilian Constitution.

In order to comply with the referred to law and the specific Collective Bargaining Agreement, the Board of Executive Officers proposes the distribution, as profit sharing, of sixty-five million, four hundred and three thousand, five hundred and fourteen reais and three centavos (R\$65,403,514.03), to be paid to the employees of the wholly-owned subsidiaries. This amount is recorded in the Financial Statements under caption Personnel Expenses, according to item 26.2 of the CVM/SNC/SEP directive release no. 1, of February 14, 2007.

**5.2.3. Management's opinion**

The Management of the Company considers that the propositions addressed herein are in compliance with the laws in force and the Bylaws and they fulfill the interests of the Company. For this reason, said propositions should be fully approved by the General Meeting.

**5.2.4. Approvals**

This matter was examined and approved by the Board of Executive Officers in its 1834<sup>th</sup> Meeting held on March 16, 2009, by the Board of Directors in its 124<sup>th</sup> Ordinary Meeting held on March 19, 2009 and, also, it received a favorable opinion from the Fiscal Council in its 332<sup>nd</sup> Meeting held on March 18, 2009.

**5.2.5. Voting right**

In this item 2, only holders of common shares are entitled to vote.



### **5.3. Election of Board of Directors' members due to the end of term in office**

#### **5.3.1. Clarifications**

In accordance with Article 11 of the Company's Bylaws, the members of the Board of Directors shall be elected for the term of 2009-2011.

Pursuant to the Bylaws, the Board of Directors shall comprise seven or nine members, to serve a unified term of two (2) years, with re-election authorized, and the Chairman of the Board shall be appointed by the majority shareholder.

Pursuant to Brazilian Corporation Law 6,404/1976, all members of the Board of Directors shall necessarily be Company shareholders. For assuming office, elected members shall sign a statement that they are not impeded by any crimes provided for by law from performing business activities, and they shall also execute the Investiture Instrument, the Instrument of Adhesion to the Level 1 Listing Rules of Bovespa's Special Listing Segment signed by the Company, and the Instruments of Adhesion to the Policies for Disclosure of Material Information and Maintenance of Confidentiality and for Trading of Securities issued by Copel itself, set forth by CVM Instruction 358/2002, through which they undertake to comply with the rules therein.

#### **5.3.2. Vacancies and voting right**

Currently, Copel's Board of Directors comprises nine members, and vacant positions, considering the end of the term in office, are filled as follows:

- a)** one, by the Chief Executive Officer of the Company, who acts as Executive Secretary of the body, as set forth in Article 21, item VII, of the Bylaws (only holders of common shares have voting rights);
- b)** four, by the State of Paraná, majority shareholder of the Company (only holders of common shares have voting rights);
- c)** two, by BNDES Participações S.A., as provided for in the shareholders' agreement entered into with the State of Paraná (only holders of common shares have voting rights);
- d)** one, by the employees, whose nomination is made pursuant to the applicable state law (only holders of common shares have voting rights);
- e)** one, by minority holders, pursuant to Article 239 of the Brazilian Corporation Law - the election is carried out separately (controlling shareholders may not vote), and only the holders of common and preferred shares are entitled to vote. The candidate elected shall be the one who obtains the highest representative percentage of the capital stock of the Company, with no minimum limit.

#### **5.3.3. Nominations and multiple vote**

As the law does not make mandatory the early nomination of candidates for the election, the shareholder may, at the AGM, nominate his/her candidate as the matter is being examined, if he/she is entitled to do so, according to the criteria specified in item 3.2.

Pursuant to CVM Instruction 282, of June 26, 1998, the minimum stake in the voting capital needed for requesting the adoption of the multiple vote to elect the members of the Board of Directors is five percent (5%).



#### **5.4. Election of the members of the Fiscal Council due to the end of term in office**

##### **5.4.1. Clarifications**

Copel's Fiscal Council operates on a permanent basis and its main duties are overseeing the managers' acts, examining and giving an opinion on the Financial Statements and reporting its conclusions to the Company's shareholders.

Pursuant to Article 31 of the Company's Bylaws, the shareholders elect the members of the Fiscal Council for a unified term of office of one year, which, in the case of this Council, expires at the AGM of April 2009.

According to Brazilian Corporation Law 6,404/1976, for taking office, all members of the Fiscal Council shall sign a statement that they are not impeded by any crimes provided for by law from performing business activities, and they shall also execute the Investiture Instrument and the Instruments of Adhesion to the Policies for Disclosure of Material Information and Maintenance of Confidentiality and for Trading of Securities issued by Copel itself, set forth by CVM Instruction 358/2002, through which they undertake to comply with the rules therein.

##### **5.4.2. Vacancies and voting right**

Copel's Fiscal Council comprises five sitting members and an equal number of alternate members, with re-election authorized, as follows:

- a)** three members and respective alternate members nominated by the State of Paraná (only holders of common shares have voting rights);
- b)** one member and respective alternate nominated by the minority holders of common shares - the election is carried out separately (controlling shareholders may not vote), and only the minority holders of common shares are entitled to vote. The candidate elected shall be the one who obtains the highest representative percentage of the capital stock of the Company, with no minimum limit; and
- c)** one member and respective alternate nominated by the holders of preferred shares - the election is carried out separately (controlling shareholders may not vote), and only the holders of preferred shares are entitled to vote. The candidate elected shall be the one who obtains the highest representative percentage of the capital stock of the Company, with no minimum limit.

##### **5.4.3. Nominations**

As the law does not make mandatory the early nomination of candidates for the election, the shareholder may, at the AGM, nominate his/her candidate as the matter is being examined, if he/she is entitled to do so, according to the criteria specified in item 4.2.

#### **5.5. Determination of compensation of members of the Board of Directors and Fiscal Council**

##### **5.5.1. Clarifications**

Annually, the General Meeting shall determine the annual compensation of the Members of the Board of Directors and of the Fiscal Council of the Company.



Traditionally, the policy and the percentages of compensation are set forth at the General Meeting, in accordance with the proposal presented by the majority shareholder, which include:

- a) the maintenance, for the Executive Officers, of the same type of compensation already adopted by the Company;
- b) to each of the sitting members of the Board of Directors and of the Fiscal Council, the monthly compensation of fifteen percent (15%) of the compensation which, on average, is assigned to each Executive Officer, including the 13<sup>th</sup> salary;
- c) pursuant to the terms of Article 11 of the Regulation approved by State Decree 6,343, of September 18, 1985, the employees' representative elected for the Board of Directors shall not receive compensation for this position;
- d) if a sitting member of the Fiscal Council is at times replaced by his/her respective alternate member, said alternate member shall receive, in each month when the replacement occurs, the same compensation of the sitting member, without affecting the compensation of the latter.

Based on these criteria, the annual overall amount for the Board of Executive Officers, the Board of Directors and the Fiscal Council shall be presented, with charges and respective percentages.

#### **5.5.2. Voting right**

In this item 5, only holders of common shares are entitled to vote.

### **5.6. Ratification of the newspapers in which the Company will make the publications required by Federal Law 6,404/1976 and by CVM Instruction 207/1994**

#### **5.6.1. Clarifications**

Pursuant to the provision of Article 289 of Federal Law 6,404/1976 and of CVM Instruction 207/1994, the newspapers in which the Company will make publications, required by the referred to law, must be defined at the Annual General Meeting.

As Copel is a mixed corporation, subject therefore to the Brazilian Corporation Law, a bidding process is under way for contracting the newspapers (for publication in the locality of the Company's headquarters and the locality of BM&F Bovespa's headquarters).

It shall be the shareholders' responsibility to ratify, at the AGM, the outcome of the bidding herein mentioned, which shall be presented along with the respective process.

#### **5.6.2. Voting right**

In this item 5, only holders of common shares are entitled to vote.