

# CEMIG GERAÇÃO E TRANSMISSÃO S.A.

CNPJ 06.981.176/0001-58 – NIRE 31300020550

## MINUTES

### OF THE

## EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS

### HELD ON DECEMBER 29, 2014

At 4 p.m. on December 29, 2014, the stockholder Companhia Energética de Minas Gerais (**Cemig**), holder of 100% of the company's stock, attended in Extraordinary General Meeting, on first convocation, at the Company's head office, Av. Barbacena 1200, 12th Floor, B1 Wing, Belo Horizonte, Minas Gerais, Brazil, represented by its acting Chief Executive Officer, Arlindo Porto Neto, and by the Chief Business Development Officer Ricardo José Charbel, as verified in the Stockholders' Attendance Book.

Initially and in accordance with Clause 6 of the Bylaws, the representatives of the stockholder **Companhia Energética de Minas Gerais (Cemig)** put forward the name of the Chief Officer Luiz Henrique de Castro Carvalho to chair the meeting. The proposal by the representatives of the stockholder **Cemig** was put to debate, and subsequently to a vote, and approved.

The Chair then declared the Meeting open, and invited me, **Anamaria Pugedo Frade Barros**, General Manager of Cemig's Corporate Executive Office, to be Secretary of the meeting, asking me to read the convocation notice, published in the newspaper *Minas Gerais*, official publication of the Powers of the State, on December 13, 16 and 17 this year, on pages 39, 37 and 28, respectively, and in the newspaper *O Tempo* on December 13, 14 and 15, on pages 34, 32 and 22, respectively, the content of which is as follows:

### “ CEMIG GERAÇÃO E TRANSMISSÃO S.A.

CNPJ 06.981.176/0001-58 - NIRE 31300020550

## EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS

### CONVOCATION

The stockholder Companhia Energética de Minas Gerais is hereby called to an Extraordinary General Meeting of Stockholders to be held on **December 29, 2014** at 4 p.m., at the company's head office, Av. Barbacena 1200, 12<sup>th</sup> floor, B1 Wing, Belo Horizonte, Minas Gerais, Brazil, to decide on the following:

- a) Authorization to sign a Protocol of Absorption and Justification, with Cemig GT and Cemig Capim Branco Energia S.A. (**Capim Branco**), to specify the terms and conditions that will govern the absorption of Capim Branco by this Company.
- b) Ratification of the appointment of 3 (three) experts for evaluation, for the purposes of Article 8 of Law 6404/1976, of the Stockholders' equity of Capim Branco.
- c) Approval of the Opinion of Valuation of the Stockholders' equity of Capim Branco, at book value, prepared in accordance with sub-item 'b', above.
- d) Authorization, verification and approval of an increase in the share capital of Cemig GT:

- from: R\$ 1,700,000,000.00 (one billion seven hundred million Reais), comprising:  
2,896,785,358 (two billion eight hundred ninety six million seven hundred eighty five thousand three hundred fifty eight) nominal common shares without par value
- to: R\$ 1,862,845,041.33 (one billion eight hundred sixty two million eight hundred forty five thousand forty one Reais and thirty three centavos),  
without issuance of new shares, thus comprising:  
2,896,785,358 (two billion eight hundred ninety six million seven hundred eighty five thousand three hundred fifty eight) nominal common shares without par value;  
with consequent alteration of Clause 5 of the Company's by-laws.
- e) Authorization for Capim Branco to be absorbed by Cemig GT, and subsequently dissolved.
- f) Authorization for Cemig GT to become successor of Capim Branco in all its rights and obligations, for all and any purposes of law or otherwise.
- g) Authorization for the transfer to Cemig GT, by absorption, of all the establishments, tangible and intangible assets and goods, inventories, real estate property, credits, assets, rights, stockholdings, contracts, obligations, liabilities, tax books and tax invoices, controls, records, accounting, documents, systems and information of Capim Branco.

Belo Horizonte, December 11, 2014.

Djalma Bastos de Morais

Vice-Chair of the Board of Directors ”

The Chair then asked the Secretary to read the Proposal by the Board of Directors, which deals with the agenda, and also to read the Opinion of the Audit Board thereon. The contents of these documents are as follows:

**“ PROPOSAL  
BY THE BOARD OF DIRECTORS  
TO THE  
EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS  
TO BE HELD ON  
DECEMBER 29, 2014**

To the Stockholder Companhia Energética de Minas Gerais:

The Board of Directors of Cemig Geração e Transmissão S.A.:

- *Whereas:*

- a) on December 19, 2013, Cemig Geração e Transmissão S.A. (**Cemig GT**) and Vale S.A. (**Vale**) entered into the following legal instruments:
  - 1) the Share purchase and sale agreement (‘the Share Purchase Agreement’) between Vale, as vendor, and Cemig GT, as purchaser, with Vale Geração Norte S.A. as consenting party, the purpose of which is the acquisition by Cemig GT of up to 49% of the total and voting capital of Vale Geração Norte S.A., now named Aliança Geração Norte S.A. (‘the Acquisition’); and,
  - 2) the Preliminary Association Agreement (the ‘Preliminary Agreement’), between Vale and Cemig GT with Companhia Energética de Minas Gerais - Cemig and Vale Geração de Energia S.A. as consenting parties, providing for contribution to Vale Geração de Energia S.A. of certain Assets of Vale (the ‘Vale Assets’), valued at R\$ 2,481 million, in currency of January 1, 2014, and certain assets of Cemig GT (‘the Cemig GT Assets’), with value of R\$ 2,030 million, also in currency of January 1, 2014, both valuations being in accordance with an economic/financial valuation prepared by Bradesco BBI, corresponding to final share ownerships, in Vale Geração Energia S.A., of 55% by

Vale and 45% by Cemig GT ('the Association'), the transaction having been authorized by the Board of Directors of Cemig and Cemig GT;

- b) the formal company name of Vale Geração de Energia S.A. has been changed to Aliança Geração de Energia S.A. – **Aliança**, an unlisted company held by shares constituted in accordance with the laws of the Federal Republic of Brazil, with head office at Rua Sapucaí 383, 4<sup>th</sup> Floor, Suite 405, Bairro Floresta, 30150-904 Belo Horizonte, Minas Gerais, registered in the CNPJ/MF under No. 12.009.135/0001-05;
- c) under Clause 16.1 of the Preliminary Agreement, the Parties agreed to sign the Final Association Agreement ('the Final Agreement') within 90 (ninety) calendar days from the signature of the Preliminary Agreement;
- d) on March 17, 2014, the Parties signed the First Amendment to the Preliminary Agreement, changing the period for signature of the Final Agreement from 90 (ninety) to 180 (one hundred and eighty) days;
- e) on June 17, 2014 the Parties signed the Second Amendment to the Preliminary Agreement, changing the period for signature of the Final Agreement from 180 (one hundred and eighty) days to 240 (two hundred and forty) days, that is to say until August 16, 2014;
- f) on August 5, 2014, Cemig GT and Vale signed a Final Association Agreement, governing, among other matters, the entry of Cemig GT into the Share Capital of Aliança, by subscription of 98,029 (ninety eight thousand, and twenty nine) nominal common shares without par value;
- g) following this step, Cemig GT holds a 45% interest in the voting and total stock of Aliança, and Vale holds 55%;
- h) the Final Agreement states that the total incorporation of Cemig Capim Branco Energia S.A. (Capim Branco) by Cemig GT is a prior condition for the closing of the association transaction, since the direct and indirect equity interest held by Cemig in the Capim Branco Consortium is one of the assets to be subscribed by Cemig GT into Aliança;
- i) by the Closing Date, Capim Branco will be totally absorbed by Cemig GT, resulting from the transfer to Cemig GT of the direct and indirect equity interests held, on today's date, by Capim Branco, equivalent to 26.4752% of the Amador Aguiar I and II Hydroelectric Projects (previously the Capim Branco I and II Hydroelectric Projects), and, of this total, (a) Capim Branco holds 21.05% of the Amador Aguiar I and II projects, and (b) Capim Branco holds 30.3030% of the share capital of Epícares which, in turn, holds 17.8947% of the Amador Aguiar I and II hydroelectric plants;
- j) the National Electricity Agency (Aneel) has approved the transfer to Aliança of the interests held by Capim Branco, by Vale and by Epícares in the shared concession of the Amador Aguiar I and Amador Aguiar II hydroelectric projects (the Capim Branco Consortium), through Aneel Authorizing Resolution 4954/2014 of November 25, 2014, published in the federal Official Gazette of December 5, 2014;
- k) by the absorption, Capim Branco will be absorbed by Cemig GT and Cemig GT will succeed it in all its rights and obligations;
- l) Cemig GT and Capim Branco will sign the Protocol of Absorption and Justification, as specified by Law 6404/1976, specifying the terms and conditions that will govern the incorporation of Capim Branco by Cemig GT;
- m) for execution of the absorption of Capim Branco by Cemig GT, Cemig, Cemig GT and Capim Branco will hold Extraordinary General Meetings of Stockholders (EGMs), for, among others, the following purposes:
  - 1) authorization of signature, by Cemig GT and Capim Branco, of the Protocol of Absorption and Justification, in the manner specified by Law 6404/1976, to specify the terms and conditions that will govern the absorption of Capim Branco by Cemig GT;
  - 2) ratification of the appointment of 3 (three) technical experts to value the Stockholders' equity of Capim Branco, for the purposes of Article 8 of Law 6404.1976;
  - 3) approval of the Opinion of Valuation of the Stockholders' equity of Capim Branco, at book value, prepared by the three experts, in accordance with Article 8 of Law 6404/1976;
  - 4) authorization of the absorption of Capim Branco by Cemig GT;
  - 5) authorization, verification and approval of the increase in the share capital of Cemig GT;
  - 6) authorization of the absorption of Capim Branco by Cemig GT, and subsequent dissolution of Capim Branco;

- 7) authorization for Cemig GT to succeed Capim Branco in all its rights and obligations, for all purposes of law and otherwise; and
- 8) transfer to Cemig GT, by absorption, of all the establishments, tangible and intangible assets and goods, inventories, real estate property, credits, assets, rights, stockholdings, contracts, obligations, liabilities, tax books and tax invoices, controls, records, accounting, documents, systems and information of Capim Branco;
- n) it is the responsibility of the Board of Directors to submit their proposals to the General Meetings of Stockholders, to be decided by stockholders; and
- o) the matter has been analyzed by the Legal Department of the Company;
- *now proposes to you as follows:*
- a) Authorization to sign the Protocol of Absorption and Justification, between Cemig GT and Capim Branco, to specify the terms and conditions that will govern the absorption of Capim Branco by Cemig GT.
- b) Ratification of the nomination of the 3 (three) technical experts for valuation, for the purposes of Article 8 of Law 6404/1976, of the Stockholders' equity of Capim Branco.
- c) Approval of the Opinion of Valuation of the Stockholders' equity of Capim Branco, at book value, prepared in accordance with sub-item 'b' above.
- d) Authorization, verification and approval of increase in the share capital of Cemig GT:
- from: R\$ 1,700,000,000.00 (one billion seven hundred million Reais), comprising:  
2,896,785,358 (two billion eight hundred ninety six million seven hundred eighty five thousand three hundred fifty eight) nominal common shares without par value
- to: R\$ 1,862,845,041.33 (one billion eight hundred sixty two million eight hundred forty five thousand forty one Reais and thirty three centavos),  
without issuance of new shares, thus comprising:  
2,896,785,358 (two billion eight hundred ninety six million seven hundred eighty five thousand three hundred fifty eight) nominal common shares without par value;  
with consequent alteration of Clause 5 of the Company's by-laws;
- e) Authorization for Capim Branco to be absorbed by Cemig GT, and subsequently dissolved.
- f) Authorization for Cemig GT to become successor of Capim Branco in all its rights and obligations, for all and any purposes of law or otherwise.
- g) Authorization for the transfer to Cemig GT, by absorption, of all the establishments, tangible and intangible assets and goods, inventories, real estate property, credits, assets, rights, stockholdings, contracts, obligations, liabilities, tax books and tax invoices, controls, records, accounting, documents, systems and information of Capim Branco.

As can be seen, the objective of this proposal is to meet legitimate interests of the Company, and as a result it is the hope of the Board of Directors that it will be approved by the Stockholder.

Belo Horizonte, December 11, 2014.

Djalma Bastos de Moraes  
Barreto Guimarães  
Guy Maria Villela Paschoal  
Luiz Augusto de Barros  
Otávio Marques de Azevedo

Saulo Alves Pereira Junior  
Eduardo Borges de Andrade  
Custódio Antonio de Mattos  
José Pais Rangel  
Newton Brandão Ferraz Ramos

Arcângelo Eustáquio Torres Queiroz Tadeu  
Wando Pereira Borges  
João Camilo Penna  
Marina Rosenthal Rocha  
”

### “OPINION OF THE AUDIT BOARD

The undersigned members of the Audit Board of Companhia Energética de Minas Gerais – Cemig, in performance of their functions under the law and under the by-laws, have examined the Proposal made by the Board of Directors to the Extraordinary General Meeting of Stockholders to be held on December 29, 2014, which is for the following:

- 1) Authorization to sign the Protocol of Absorption and Justification, between Cemig GT and Capim Branco, to specify the terms and conditions that will govern the absorption of Capim Branco by Cemig GT.
- 2) Ratification of the nomination of the 3 (three) technical experts for valuation, for the purposes of Article 8 of Law 6404/1976, of the Stockholders’ equity of Capim Branco.
- 3) Approval of the Opinion of Valuation of the Stockholders’ equity of Capim Branco, at book value, prepared in accordance with sub-item ‘b’ above.
- 4) Authorization, verification and approval of increase in the share capital of Cemig GT:
  - from: R\$ 1,700,000,000.00 (one billion seven hundred million Reais), comprising:  
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without issuance of new shares, thus comprising:  
2,896,785,358 (two billion eight hundred ninety six million seven hundred eighty five thousand three hundred fifty eight) nominal common shares without par value;
  - with consequent alteration of Clause 5 of the Company’s by-laws;
- 5) Authorization for Capim Branco to be absorbed by Cemig GT, and subsequently dissolved.
- 6) Authorization for Cemig GT to become successor of Capim Branco in all its rights and obligations, for all and any purposes of law or otherwise.
- 7) Authorization for the transfer to Cemig GT, by absorption, of all the establishments, tangible and intangible assets and goods, inventories, real estate property, credits, assets, rights, stockholdings, contracts, obligations, liabilities, tax books and tax invoices, controls, records, accounting, documents, systems and information of Capim Branco.

After carefully analyzing the said proposal and further taking into account that the applicable rules governing the subject have been complied with, it is the opinion of the members of the Audit Board that the proposal should be approved by the said General Meeting of Stockholders.

Belo Horizonte, December 18, 2014.

( Signed by: )

Bruno Gonçalves Siqueira,	Lauro Sander,	Luiz Guaritá Neto,
Thales de Souza Ramos Filho,	Aliomar Silva Lima,	Rafael Pinto Queiroz Neto,
Salvador José Cardoso de Siqueira ”		

The Chair then made the said Opinion on Valuation of Capim Branco available to the meeting, and stated that the original would be attached to these Minutes as an integral part of them.

The Secretary then informed the meeting that it would not be possible to capitalize Aliança Geração de Energia S.A. – Aliança on December 31, 2014, in the manner originally planned, since at that moment consent had not been obtained from the creditor banks of Norte Energia S.A. for the participation of Cemig GT in the Share capital of Aliança Geração Norte S.A., which is a condition precedent for that transaction.

Thus the absorption of Capim Branco by Cemig GT in the current year, without the immediate subscription of those assets into Aliança, would necessarily require assignment of the current contracts in effect in Capim Branco to Cemig GT, which would be in line with the consent of the National Electricity Agency (Aneel) which deals with the direct transfer of the contracts of Capim Branco to Aliança.

The Chair thus proposed withdrawing all the matters in the Convocation from the agenda, for a further convocation of stockholders at a later date, with an updated Valuation Opinion.

The proposal by the Chair was put to debate, and subsequently to votes, and was approved.

There being no further business, the Chair opened the meeting to the floor, and since no-one wished to make any statement, ordered the meeting suspended for the time necessary for writing of the minutes.

The session being reopened, the Chair, after putting the said minutes to debate and to the vote and confirming that they had been approved and signed, closed the meeting.

For the record, I, Anamaria Pugedo Frade Barros, Secretary, wrote these minutes and sign them together with all those present.