

# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY – CNPJ 17.155.730/0001-64 – NIRE 31300040127

## BOARD OF DIRECTORS

### SUMMARY OF MINUTES OF THE 614<sup>TH</sup> MEETING

**Date, time and place:** November 17, 2014 at 9 a.m. at the company's head office,  
Av. Barbacena 1200, 21<sup>st</sup> Floor, Belo Horizonte, Minas Gerais, Brazil.

**Meeting Committee:** Chair: Djalma Bastos de Moraes;  
Secretary: Anamaria Pugedo Frade Barros

#### **Summary of proceedings:**

**I Conflict of interest:** The board members listed below said they had no conflict of interest in the matter on the agenda of this meeting.

**II The Board approved** the minutes of this meeting.

#### **III The Board Authorized:**

- A) Provision of a surety guarantee,** with waiver of all benefits of order, rights and options for exoneration specified in Articles 333, sole sub-paragraph; 366, 821, 827, 830, 834, 835, 837, 838 and 839, of Law 10406/2002 as amended, and Articles 77 and 595 of Law 5869/1973 as amended, in the Fifth Issue of non-convertible debentures by Cemig Geração e Transmissão S.A. ('Cemig GT'), unsecured, with surety guarantee, in a single series ('the Debentures'), to be the object of a public offering, with restricted placement efforts as per Instruction 476 issued by the Brazilian Securities Commission (*Comissão de Valores Mobiliários – CVM*) on January 16, 2009, as amended ('CVM Instruction 476'), to have the following characteristics:

Issuer:	Cemig GT.
Managers:	BB – Banco de Investimento S.A. ('BB-BI' or 'the Lead Manager'); Banco Bradesco BBI S.A. ('Bradesco BBI'); Banco Itaú Unibanco S.A. ('Itaú'); and Caixa Econômica Federal ('Caixa') (all, when referred to jointly, 'the Managers'), and such other financial institutions as are indicated by the Lead Manager and approved by Cemig GT as a result of any process of syndication;
Guarantee:	The debentures and the obligations arising from them shall have the irrevocable surety guarantee of Companhia Energética de Minas Gerais – Cemig ('the Guarantor') as principal payer jointly responsible with the Issuer for all obligations arising from the Issue, namely the principal debt and all accessory obligations under the Debentures, including arrears interest, contractual penalty payments and any other additions.
Fiduciary Agent:	Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários.
Use of proceeds:	Payment of debts, investments in equity interests, and replenishment of cash, following investments made in equity interests in 2014.

Volume of the Issue:	Up to one billion four hundred million Reais, on the Issue Date (as defined below).
Nominal Unit Value:	Ten thousand Reais, on the Issue Date.
Debentures / Series:	Up to one hundred forty thousand Debentures, to be distributed in a single Series.
Distribution, and placement regime:	Public distribution, with limited efforts, as per CVM Instruction 476, under the regime of firm guarantee of placement of the totality of the Debentures by the Managers, offered to a target public of Qualified Investors, as defined in Article 4 of CVM Instruction 476.
Form:	Nominal, book-entry debentures, without issuance of deposits or certificates. For all purposes of law, ownership of the Debentures shall be proven by the statement issued by the Bookkeeping Institution, and additionally, in relation to the Debentures held in custody electronically at Cetip S.A. – Mercados Organizados (Cetip) this statement shall be issued in the name of each holder of the Debentures, and shall serve as proof of ownership of the Debentures.
Type:	Unsecured, with additional surety guarantee.
Convertibility:	Not convertible into shares in the Issuer.
Issue Date:	December 10, 2014;
Tenor and Maturity Date:	Four years from the Issue Date, thus maturing on December 10, 2018; except in the event of early maturity of the Debentures due to occurrence of a Default Event (as defined below) ('the Maturity Date').
Updating of Nominal Unit Value:	The Nominal Unit Value of the Debentures will not be updated in monetary terms.
Remuneration:	Remuneratory interest shall accrue to the Nominal Unit Value of the Debentures at a rate corresponding to 100% of the accumulated variation resulting from the average rates for one-day interbank deposits – the <i>over extra grupo</i> DI rate – expressed in the form of a percentage per year, on the 252 business days basis, calculated and published daily by Cetip, in its daily bulletin on its website ( <a href="http://www.cetip.com.br">http://www.cetip.com.br</a> ) ('the DI Rate') capitalized by a spread to be decided by a Bookbuilding Procedure (as defined below) to be carried out by the Managers, in any event limited to one point seven per cent per year, on the 252 business days basis ('the Remuneration'). The Remuneration shall be calculated by compound capitalization, <i>pro rata temporis</i> by business days elapsed, from the Subscription Date (or from the immediately prior Date of Payment of the Remuneration, as the case may be) up to the date of its actual payment.
The Bookbuilding Procedure:	The Managers may organize a procedure of collection of investment intentions so as to decide, in common agreement with the Issuer, the final rate of the Remuneration of the Debentures. At the end of the bookbuilding procedure, the Issuer shall ratify the Remuneration, through an amendment to the Private Instrument of Deed of the Fifth Issue by Cemig Geração e Transmissão S.A., of Unsecured Non-convertible Debentures, with Additional Surety Guarantee, in a Single Series, for Public Distribution and with Restricted Placement Efforts ('the Issue Deed'), which shall be filed with the Commercial Board ( <i>Junta Comercial</i> ) of the State of Minas Gerais, and registered at the Notaries' Offices for Registry of Title and Documents in the locations of the head offices of the Issuer, the Guarantor and the Fiduciary Agent, without the need for further corporate approval by the Issuer.
Amortization of the Nominal Unit Value:	In two equal consecutive installments, the first, of fifty per cent of the Nominal Unit Value, payable on December 10, 2017, and the second, of the balance of the Nominal Unit Value, payable on December 10, 2018.
Payment of the Remuneration:	Annually, as from the Issue Date, on the tenth day of December of each year, the first payment being due on December 10, 2015 and the last on the Maturity Date.
Registry for distribution and trading:	(a) distribution in the primary market: through the Assets Distribution Module (MDA – <i>Módulo de Distribuição de Ativos</i> ), managed and operated by Cetip, with financial settlement of the distribution through Cetip; and (b) trading in the secondary market: through Cetip21–Securities, managed and operated by Cetip, with financial settlement of trades and electronic custody of the debentures carried out in Cetip.  The debentures may be traded only after ninety days from the date of each subscription or acquisition by the qualified investor, under Articles 13 and 15 of CVM Instruction 476, and only provided that the Issuer has complied with the obligations stated in Article 17 of Instruction 476. The Debentures may be traded only between qualified investors, unless the Issuer obtains the registry referred to in Article 21 of Law 6385/1976 ('the Securities Market Law').
Minimum rating:	AA, Brazilian scale, by Fitch Ratings or Standard & Poor's; or Aa2, by Moody's.
Renegotiation:	None.
Optional early redemption:	The debentures are not subject to optional early redemption.

Optional acquisition:	The Issuer may, at its own exclusive option, acquire Debentures in circulation at any time, provided it obeys Paragraph 3 of Article 55 of Law 6404/1976, as amended. The Debentures acquired may be canceled, remain in the Issuer's treasury, or be once again placed in the market, in accordance with the rules issued by the CVM, and such fact must be contained in the Issuer's Report of Management and Financial Statements. The Debentures acquired by the Issuer for holding in treasury, if and when placed again in the market, shall carry the right to the same Remuneration as the other Debentures in circulation.
Early maturity:	<p>All the following events shall be considered to be 'Default Events', resulting in early maturity of the Debentures, and immediate demandability of payment by the Issuer of the Nominal Unit Value of the debentures, augmented by the Remuneration, calculated <i>pro rata temporis</i> from the Subscription Payment Date, or from the immediately prior date of payment of the Remuneration, as the case may be, up to the date of its actual payment:</p> <ul style="list-style-type: none"> <li>(a) Liquidation, dissolution or declaration of bankruptcy of the Issuer and/or of the Guarantor; application for bankruptcy by the Issuer; application for bankruptcy of the Issuer and/or the Guarantor made by a third party and not duly cured by deposit in court nor contested within the legal period; proposal to any creditor or class of creditors by the Issuer and/or by the Guarantor for a plan of out-of-court reorganization, whether or not court ratification of such plan is sought or obtained; or application to the Court by the Issuer and/or the Guarantor for judicial recovery, whether or not granted by the competent judge.</li> <li>(b) Non-compliance, within the stated period, by the Issuer and/or the Guarantor with any pecuniary obligation related to the Debentures.</li> <li>(c) Early maturity of any pecuniary obligation of the Issuer and/or of the Guarantor arising from default on an obligation to pay any individual or aggregate amount greater than fifty million Reais or its equivalent in other currencies, whether or not due to contractual non-compliance.</li> <li>(d) Direct or indirect change, transfer or assignment of stockholding control of the Issuer and/or of the Guarantor, unless this takes place by order of a court or by force of regulation, without the prior consent of holders of Notes representing at least two-thirds of the Notes in Circulation.</li> <li>(e) Termination, for any reason, of any of the concession contracts held by the Issuer and/or by the Guarantor such as represents an adverse material impact on the Issuer's and/or the Guarantor's payment capacity, except for the <i>São Simão</i>, <i>Jaguara</i> or <i>Miranda</i> Plants.</li> <li>(f) Legitimate protest of receivables against the Issuer and/or against the Guarantor the individual or global value of which exceeds fifty million Reais or its equivalent in other currencies, unless, within a maximum of thirty calendar days from the date of receipt of a written notice sent by the Fiduciary Agent to the Issuer: either (1) the protest has been validly proven by the Issuer and/or the Guarantor (as the case may be) to have been filed in error or due to bad faith by a third party; or (2) the protest is suspended or canceled; or (3) guarantees are given in court.</li> <li>(g) Non-compliance by the Issuer and/or by the Guarantor, as the case may be, with any non-pecuniary obligation specified in the Issue Deed, not cured within 30 (thirty) calendar days from the date on which a written notice sent by the Fiduciary Agent to the Issuer is received.</li> <li>(h) If the Issuer and/or the Guarantor, as the case may be, omits to pay by the maturity date, or does not take the legal or judicial measures required for non-payment, any debt or any other obligation payable by the Issuer and/or the Guarantor, as the case may be, under any agreement or contract to which it is a party as a borrower or guarantor, individually or in aggregate involving an amount of fifty million Reais or more or its equivalent in other currencies.</li> <li>(i) Privatization, merger, liquidation, dissolution, extinction, split or any other form of stockholding reorganization (including absorption and/or absorption of shares) that results in reduction of the registered capital of the Issuer and/or of the Guarantor, unless it is by reason of an order of a Court or a regulatory order, or does not cause a change in the rating of the Issue to a rating lower than: that of AA supplied by Fitch Ratings or Standard &amp; Poor's; or that of Aa2, by Moody's.</li> <li>(j) Assignment, promise of transfer, or any form of transfer or promise of transfer to third parties, in whole or in part, by the Issuer and/or by the Guarantor, of any of its/their obligations under the Issue Deed, without prior written consent of holders of Debentures representing at least two-thirds of the Debentures in Circulation.</li> <li>(k) Invalidity, nullity or unenforceability of the Debentures or of the Issue Deed.</li> <li>(l) Use by the Issuer of the proceeds of the Issue for any purpose not strictly as specified in the Issue Deed.</li> <li>(m) Existence of any false, misleading, incorrect, incomplete or insufficient statement made by the Issuer and/or by the Guarantor in any of the documents.</li> </ul>

(n) Non-compliance with any court judgment against which there is no further appeal against the Issuer, of which the individual or aggregate value is fifty million Reais or more, or its equivalent in other currencies.

(o) Transformation of the Issuer into a different type of company.

For the purposes of (i) above, privatization is defined as an event in which: the Guarantor, the present direct controlling stockholder of the Issuer, ceases directly or indirectly to hold the equivalent of, at least, 50% plus one share of the total of the Issuer's voting stock; and/or the Government of the State of Minas Gerais, currently controlling stockholder of the Guarantor, ceases directly or indirectly to hold the equivalent of, at least, 50% (fifty per cent) plus one of the voting shares in the Guarantor.

If any of the Default Events specified in Sub-items (a), (b), (c), (d), (e), (j) or (k) above occurs, maturity of the Debentures shall take place automatically, independently of advice or notification, in the courts or otherwise, and the Fiduciary Agent must immediately send written notice to the Issuer informing it of such event and of the early maturity of the debentures.

If any of the other Default Events occur, the Fiduciary Agent shall, within forty-eight hours of the date on which it becomes aware of the occurrence of any of the said events, call a General Meeting of Debenture Holders to decide on non-declaration of early maturity of the Debentures, obeying the convocation procedure specified in the Issue Deed and the specific quorum established below. The Fiduciary Agent must immediately send the Issuer a notice in writing informing it of the decisions taken in the said General Meeting. The said General Meeting may also be called by the Issuer, in the form specified in the Issue Deed. If, in the General Meeting, Holders of at least two thirds of the Debentures in Circulation decide that the Fiduciary Agent shall not declare early maturity of the Debentures, the Fiduciary Agent shall not declare early maturity of the Debentures. Additionally, in the event that the General Meeting of Debenture Holders does not come into session, for lack of quorum, including at second convocation, the Fiduciary Agent shall declare immediate early maturity of all the obligations arising from the Debentures, and shall immediately send the Issuer a communication in writing informing it of such event. In any event of early maturity of the Debentures, the Issuer undertakes to make the payments and pay the charges specified in the Issue Deed, within 3 (three) business days from receipt, by the Issuer, of the related written communication sent by the Fiduciary Agent.

Subscription price and payment:	The Debentures will be subscribed at their Nominal Unit Value and paid at sight upon subscription, in Brazilian currency, at the subscription price, in accordance with the rules of settlement and procedures applicable to Cetip.
Payment conditions:	The payments shall be made by the Issuer on the related due dates, using, as the case may be: a) the procedures adopted by Cetip, for the Debentures registered electronically in the Cetip-21; and/or b) the procedures of the Settlement Bank, for the Debentures that are not linked to Cetip.
Extension of periods:	If the date of maturity of an obligation coincides with a day that is not a business or banking business day at the location of payment, the date of payment of any obligation shall be deemed postponed to the next business day, without any addition to the amount to be paid, except in cases where the payment is to be made through Cetip, in which case the extension will take place only when the date of the payment coincides with a Saturday, Sunday or declared national public holiday.
Arrears charges:	If the Issuer omits to make any payments payable to the Debenture holders in the stipulated periods, the amounts shall be subject to: (a) a contractual penalty payment, irreducible and of a non-compensatory nature, of two per cent on the amount due and unpaid; and (b) arrears interest, calculated at one per cent per month on the amount due and unpaid.

**B) Signature, as guarantor**, of the documents indispensable to the Issue referred to in Item III, Subclause 'A', above, including:

- the *Contract for Issue Management, Placement and Public Distribution, with Restricted Efforts, under the Regime of Firm Guarantee, of Unsecured Non-convertible Debentures with Additional Surety Guarantee, in a single series, of the Fifth Issue by Cemig Geração e Transmissão S.A.*, to be entered into by the Issuer, the Guarantor and the Managers.
  - the *Issue Deed* and respective subsequent amendments;
- and others once they have been analyzed by the Company's Legal Department and provided they cause no further cost to the transaction.

**C) The Executive Board** to take all action necessary to put the above decisions into effect.

**IV The Board ratified:**

- Orientation of vote by the representatives of the Company in the Extraordinary General Meeting of Stockholders and the meeting of the Board of Directors of Transmissora Aliança de Energia Elétrica S.A. (Taesa), in favor of:
  - participation by that company, directly, or indirectly through one of the companies in which it holds an interest, in Aneel Auction 04/2014; and
  - constitution of a special-purpose company to receive the grant of the concession for electricity transmission and concession including construction, operation and maintenance of the transmission facilities, in the event that Taesa, or any company in which it has an equity holding, wins a concession at the auction.

**V Withdrawn from the agenda:** The items relating to grant of a guarantee for the issue of Notes by CemigTelecom was withdrawn from the agenda.

**VI Comment:** The Chair spoke on a subject of interest to the Company.

**The following were present:**

Board members:	Djalma Bastos de Moraes, Arcângelo Eustáquio Torres Queiroz, Guy Maria Villela Paschoal, João Camilo Penna, José Pais Rangel, Paulo Roberto Reckziegel Guedes, Tadeu Barreto Guimarães,	Wando Pereira Borges, Bruno Magalhães Menicucci, Luiz Augusto de Barros, Newton Brandão Ferraz Ramos, Tarcísio Augusto Carneiro, Flávio Miarelli Piedade, Franklin Moreira Gonçalves, Marina Rosenthal Rocha;
Secretary:	Anamaria Pugedo Frade Barros.	

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