

ENERGY CO OF MINAS GERAIS

Form 6-K

March 10, 2011

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## **FORM 6-K**

# **SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

### **REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of March 2011**

**Commission File Number 1-15224**

## **Energy Company of Minas Gerais**

(Translation of Registrant's Name Into English)

**Avenida Barbacena, 1200**

**30190-131 Belo Horizonte, Minas Gerais, Brazil**

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

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Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): **N/A**

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2.	<u>Summary of Minutes of the 504th Meeting of Board of Directors, Companhia Energética de Minas Gerais CEMIG, January 27, 2011</u>
3.	<u>Summary of Minutes of the 502nd Meeting of Board of Directors, Companhia Energética de Minas Gerais CEMIG, January 3, 2011</u>
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8.	<u>Summary of Minutes of the 503rd Meeting of the Board of Directors, Companhia Energética de Minas Gerais CEMIG, January 20, 2011</u>

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMPANHIA ENERGETICA DE MINAS GERAIS CEMIG

By: /s/ Luiz Fernando Rolla  
Name: Luiz Fernando Rolla  
Title: Chief Financial Officer, Investor Relations  
Officer and Control of Holdings Officer

Date: March 10, 2011

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1. Summary of Minutes of the 505th Meeting of the Board of Directors, Companhia Energética de Minas Gerais CEMIG, February 17, 2011

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ 17.155.730/0001-64 NIRE 31300040127

**BOARD OF DIRECTORS**

**SUMMARY OF MINUTES OF THE 505TH MEETING**

**Date, time and place:** February 17, 2011 at 1.30 p.m. at the company's head office,  
Av. Barbacena 1200, 21th Floor, Belo Horizonte, Minas Gerais, Brazil.

**Meeting Committee:** Chair: Dorothea Fonseca Furquim Werneck;  
Secretary: Anamaria Pugedo Frade Barros

**Summary of proceedings:**

**I** **The Chairman asked** the Board Members present whether any of them had **conflict of interest** in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest.

**II** **The Chairman stated** that all the matters on the agenda had been examined by the Committees of the Board of Directors, and their approval recommended.

**III** **The Board approved:**

a) The proposal, by Board Member Lauro Sérgio Vasconcelos David, that the members of the Board of Directors should authorize their Chair to call an **Extraordinary General Meeting** of Stockholders to be held on March 24, 2011, at 10.30 a.m. to deal with the grant of an option to **FIP Redentor** to sell shares in the specific-purpose company **Parati** to **Cemig**; and in the event of there not being a quorum, to make second convocation within the legal period.

b) Exceptionally, the amount for Personnel, Materials Services and Other items (PMSO), for the first quarter of 2011, also authorizing the other transactions of the Company necessary for their functioning.

c) The minutes of this meeting.

**IV The Board authorized:**

a) Signature, as consenting party, of the contract with **Cemig Capim Branco Energia S.A.** and **Cemig GT**, for execution by **Cemig GT**, of services of operation and maintenance of: the *Amador Aguiar I and II* Hydroelectric Plants; the equipment associated with the entries of the *Capim Branco 1 and 2* transmission lines into the **Emborcação** 138kV

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substation; and the *Cruzeiro dos Peixotos* Telecommunications Station; with period of validity of 48 months, conditional upon prior consent by Aneel.

b) Bringing forward of the repurchase of the preferred shares owned by Centrais Elétricas Brasileiras S.A. (**Eletrobrás**) in Empresa **Amazonense de Transmissão** de Energia S.A. and Empresa **Paraense de Transmissão** de Energia S.A., in proportion to their 49.98% holding in the registered capital of each of the companies referred to, which should take place on a date prior to the next annual general meeting of the said companies to be held by April 2011.

**V**                                **The Board complemented** Board Spending Decision (CRCA) 074/2010, with a view to alteration of the Stockholders Agreement of the specific-purpose company **Parati S.A. Participações em Ativos** de Energia Elétrica ( **SPE Parati** ), to be entered into between **Cemig** and Redentor Fundo de Investimento em Participações ( **FIP Redentor** ), having as consenting parties **SPE Parati**, Banco Santander (Brasil) S. A. (**Santander**), Banco Votorantim S. A. (**Votorantim**), BB Banco de Investimento S. A. (**BB**) and Banco BTG Pactual S. A. (**BTG**); and the subscription agreement to be signed between **Cemig** and **FIP Redentor**, having as consenting parties **SPE Parati**, **Santander**, **Votorantim**, **BB** and **BTG**.

**VI**                                **The Board proposed to the EGM**, under and for the purposes of Article 256 of Law 6404/1976:

1) **Authorization** of the grant by the Company, to Fundo de Investimento em Participações Redentor ( **FIP Redentor** ), of an unconditional and irrevocable Sell Option under which **FIP Redentor** shall have the right, at the end of the 60th month from the date of subscription of the shares in **Parati S.A. Participações em Ativos** de Energia Elétrica ( **the Exercise Date** ), to sell the totality of the shares belonging to **FIP Redentor** and **Cemig** shall have the obligation to buy them, or to indicate a third party which shall buy them, on payment of the Exercise Amount, equivalent to the amount paid at the time of the subscription of the shares of **Parati S.A. Participações em Ativos** de Energia Elétrica, plus the expenses (all expenses provenly incurred by **FIP Redentor** and/or by the Administrator of FIP Redentor, for its constitution and after its constitution, including expenses of auditing, and management and administration fees), less such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received shall be multiplied by 0.5721 for the purposes of calculation), all updated by the average rate for Interbank Certificates of Deposit published by Cetip (the Custody and Settlement Chamber) ( **the CDI Rate** ) plus a rate of 0.9% per year, *pro rata tempore*, from the date of its actual disbursement/payment to the Exercise Date of the Sell Option.

- In the event of the Exercise Amount being higher than the amount paid-up by **FIP Redentor** at the time of the subscription of the shares of **Parati S.A. Participações em Ativos** de Energia Elétrica, an adjustment factor of  $(1/(1 - 0.4279)) - 1$  shall be applied to the difference, to be added to the Exercise Amount.

- The Option Exercise Date may be brought forward in any one of the following situations:

a) non-compliance, by **Cemig**, with any obligations contained in the Definitive Documents (Subscription Agreement, Stockholders Agreement and Secondary Stockholders Agreement), if not cured within 30 (thirty) calendar days from receipt of the notice of non-compliance sent by FIP Redentor;





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- b) disposal, transfer or assignment to third parties by **Cemig** of the Shares owned by it in **Parati** or of the rights and obligations arising therefrom, without prior written authorization from **FIP Redentor**, except (provided that **Cemig**'s co-obligation in relation to the obligations originally assumed is preserved) between wholly-owned or other subsidiaries of **Cemig**;
  
- c) decision, by any authority, ordering the carrying out of a public offering of shares for change of the control of **Light S.A.** ( **Light** ), unless **Cemig** bears all the costs and expenses arising from such decision;
  
- d) any termination of concession contracts of **Cemig**, or of its subsidiaries, that represents an amount of 40% (forty per cent) or more of the consolidated Ebitda generated by **Cemig** in the 12 (twelve) months prior to the date of this condition being found;
  
- e) termination of **Light**'s concession contract for distribution services;
  
- f) any stockholding reorganization, privatization or merger of **Cemig** that causes significant reduction of **Cemig**'s capacity to comply with any obligations assumed in the Definitive Documents, as judged by **FIP Redentor**, provided that such judgment is made with due grounds;
  
- g) liquidation of, intervention in, or dissolution or extinction of **Cemig**;
  
- h) application of new taxes on any transactions, payments owed or dividends, in the terms of the Definitive Documents, increase of such rates of taxes, or increases of the taxes themselves, as are already applicable to any transactions specified in the Definitive Documents, or identification of a tax liability not identified on today's date, such as make or makes any transactions specified in the Definitive Documents unviable or inadvisable, in the judgment of **FIP Redentor**, provided that such judgment is made with due grounds;
  
- i) if the ratio between Net Financial Indebtedness and Ebitda, measured six-monthly, in relation to the prior 12 (twelve) months, based on the revised or audited consolidated balance sheet (as applicable) of **Cemig**, is greater than 3.50x (three point five times);
  
- j) non-approval of the Investment by the Administrative Economic Defense Council - CADE;
  
- k) occurrence of any of the following events:

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(k.1) if, by December 31, 2011, 100% (one hundred per cent) of the unit shares of Luce Investment Fund ( **LIF** ) have not been acquired, or if such acquisition has been carried out without the following prior conditions all having been met:

(i) that **LIF** shall hold a minimum of 75% (seventy five per cent) of the unit shares in Luce Brasil Fundo de Investimento em Participações ( **FIP Luce** );

(ii) that **FIP Luce** shall have a stockholding interest of not less than 100% in the registered capital of Luce Empreendimentos e Participações S.A. ( **Lepsa** ) and that the latter shall have a stockholding of not less than 13.03% (thirteen point zero three per cent) in the registered capital of **Light**; and

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(iii) that Fundação de Seguridade Social Braslight ( **Braslight** ) shall not have signed any agreement for sale nor offered the right of purchase of its units of **FIP Luce**, except in the event of **Braslight** having given to **SPC Parati**, through **LIF**, the right of preference for acquisition of the said units, while **Cemig** does not indicate a third party to acquire the interest held by BB Banco de Investimento S.A. ( **BB** ) and by Votorantim S. A. ( **Votorantim** ), in **FIP Redentor** for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or such indicated third party not being accepted by BTG Alpha Participações Ltda. ( **BTG Alpha** ) or Santander (Brasil) S. A. ( **Santander** );

(k.2) in the event that **Cemig** sells, by the date of the Notification of the Sell Option, the direct stockholding interest of shares that are part of the controlling stockholding block of **Light** and the parties acquiring such interest are persons that have an interest, on the date of signature of the Stockholders Agreement, greater than 21.1% in the units of Fundo de Investimento em Participações PCP ( **FIP PCP** ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, or have an interest, on the date of signature of the Stockholders Agreement, greater than 88.0% in the unit shares of Enlighted Partners Venture Capital ( **Enlighted** ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, and **Cemig** does not appoint a third party to acquire the interest held by **BB** and by **Votorantim** in **FIP Redentor** for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or if such third party is not accepted by **BTG** or by **Santander**; Payment of the Exercise Amount and the transfer of the shares owned by Parati shall be conditional upon prior approval of the transaction by the National Electricity Agency, Aneel. If authorization by Aneel is not obtained by the date of transfer of the shares or, at any moment, Aneel expressly refuses to authorize the transfers of the shares, except in the event of negligence or action with malicious intent on the part of FIP Redentor, the latter shall have the right to dispose of the shares either in or outside the securities market, and in the event of disposal outside a securities exchange environment it is agreed that the said sale may take place only if the price set is greater than or equal to the lowest of the prices found in a securities market, by the following three criteria:

- i) average price of the shares of **Light** in the last trading session prior to the closing of the sale;
- ii) daily average of closing prices of the shares of **Light** for the last 30 (thirty) days; and
- iii) daily average of closing prices of the shares of **Light** for the last 90 (ninety) days.

If the amount calculated for the said disposal:

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i) is less than the Exercise Amount, **Cemig** shall continue to be obliged to pay the difference;

(ii) or if it is greater than the Exercise Amount, and only in the event of omission of the consent by Aneel or an express negative by Aneel to the transfer of the Acquisition Shares to Cemig, and if Cemig has complied with its contractual obligations, **Cemig** shall have the right to receive the positive

In any of the events, the expenses incurred by FIP Redentor arising from the process of sale shall be deducted from the financial amount of the disposal, and the penalties specified in Clause 6.5 of the Stockholders Agreement shall not be applicable.

The decision by the Extraordinary General Meeting of Stockholders that authorizes the grant to FIP Redentor of the Sell Option shall give rise to the possibility of exercise, by such holders of the Company's common shares as dissent from the said decision, of the right to withdraw. The right to withdraw shall be held only in relation to the shares that the holders of the Company's common shares provenly held on February 18, 2011.

2) Appointment of **Banco Bradesco BBI S.A.** to prepare the Evaluation Opinion on **Parati**.

3) Approval of the Economic and Financial Valuation Opinion on Parati, prepared by Bradesco BBI, in January 2011.

**VII The following spoke** on general matters and business of interest to the Company:

The Board Members;

Chief Officer:

Manager:

Luiz Fernando Rolla;

João José Magalhães Soares.

**The following were present:**

Board members:

Dorothea Fonseca Furquim Werneck,  
Antônio Adriano Silva,  
Eduardo Borges de Andrade,  
Guy Maria Villela Paschoal,  
Luiz Carlos Costeira Urquiza,  
Paulo Roberto Reckziegel Guedes,  
Saulo Alves Pereira Junior,  
Cezar Manoel de Medeiros,  
Lauro Sérgio Vasconcelos David,

Djalma Bastos de Morais,  
Arcângelo Eustáquio Torres Queiroz,  
Francelino Pereira dos Santos,  
João Camilo Penna,  
Maria Estela Kubitschek Lopes,  
Ricardo Coutinho de Sena,  
Renato Torres de Faria,  
Franklin Moreira Gonçalves,  
Marco Antonio Rodrigues da Cunha,

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Chief Officer:	Paulo Sérgio Machado Ribeiro,	Tarcísio Augusto Carneiro;
Audit Board:	Luiz Fernando Rolla;	
	Aristóteles Luiz Menezes,	Vicente de Paulo Barros Pegoraro.
	Vasconcellos Drummond,	
Manager:	João José Magalhães Soares;	
Secretary:	Anamaria Pugedo Frade Barros.	

Anamaria Pugedo Frade Barros

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2. Summary of Minutes of the 504th Meeting of Board of Directors, Companhia Energética de Minas Gerais CEMIG, January 27, 2011

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**LISTED COMPANY**

**CNPJ 17.155.730/0001-64 NIRE 31300040127**

**BOARD OF DIRECTORS**

**SUMMARY OF MINUTES OF THE 504TH MEETING**

**Date, time and place:** January 27, 2011, at 9.30 a.m., at the Company's head office,  
Av. Barbacena 1200, 21st Floor, Belo Horizonte, Minas Gerais, Brazil.

**Meeting Committee:** Chair: Dorothea Fonseca Furquim Werneck  
Secretary: Anamaria Pugedo Frade Barros.

**Summary of proceedings:**

**I**            **The Chairman** asked the Board Members present whether they had any conflict of interest in the matters on the agenda of this meeting, and all said there was no such conflict of interest.

**II**            **The Board approved:**

a)            The proposal made by the Chairman, to alter the composition of the following Committees of the Board of Directors:

- The Board of Directors Support Committee; The Corporate Governance and Sustainability Committee; The Human Resources Committee; The Strategy Committee; and The Committee for Business Development and Corporate Control of Subsidiaries and Affiliates.



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b) The minutes of this meeting.

**III The board authorized** signature, as consenting party, of Finance Facility Contract No. 10.2.1862.1 between the Brazilian Development Bank (**BNDES**) and Companhia de Transmissão **Centroeste** de Minas, with Furnas Centrais Elétricas S.A. (**Furnas**) and Centrais Elétricas Brasileiras S.A. (**Eletrobrás**) also as consenting parties; and acceptance, jointly with Eletrobrás, of the Financing Contract, as guarantors and principal payers, accepting responsibility until the final settlement of the Contract, for faithful and exact compliance with all the obligations assumed by Centroeste, the responsibility of each guarantor being limited to the proportions of the debt.

**IV The Board oriented** the representatives of Cemig at the Extraordinary General Meeting of Stockholders of **Centroeste** that decides on the matter described in Item III above, to vote in favor of that item on the agenda; and authorized the management of that Company to carry out all the acts necessary for implementation and formalization of the said Financing Contract.

**V The following spoke** on general matters and business of interest to the Company

**The Chairman;**

**Board members:**

Paulo Roberto Reckziegel Guedes,

Franklin Moreira Gonçalves,

Luiz Carlos Costeira Urquiza,  
Luiz Fernando Rolla.

Otávio Marques de Azevedo;

**Chief Officer:**

**The following were present:**

**Board members:**

Paulo Roberto Reckziegel Guedes,

Luiz Carlos Costeira Urquiza,

Paulo Márcio de Oliveira Monteiro,

Otávio Marques de Azevedo,

Dorothea Fonseca Furquim Werneck,

Adriano Magalhães Chaves,

Saulo Alves Pereira Junior,

Antônio Adriano Silva,

Franklin Moreira Gonçalves,

Ricardo Antônio Mello Castanheira,

Francelino Pereira dos Santos,

Marco Antonio Rodrigues da Cunha;

Cezar Manoel de Medeiros,

João Camilo Penna,

Arcângelo Eustáquio Torres Queiroz,

Lauro Sérgio Vasconcelos David,

Maria Estela Kubitschek Lopes,

Guy Maria Villela Paschoal,

Paulo Sérgio Machado Ribeiro;

**Chief Officer:**

Luiz Fernando Rolla;

**Secretary:**

Anamaria Pugedo Frade Barros.

Anamaria Pugedo Frade Barros

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3. Summary of Minutes of the 502nd Meeting of Board of Directors, Companhia Energética de Minas Gerais CEMIG, January 3, 2011

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ 17.155.730/0001-64 NIRE 31300040127

**BOARD OF DIRECTORS**

**SUMMARY OF MINUTES OF THE 502ND MEETING**

**Date, time and place:** January 3, 2011 at 8.30 a.m. at the company's head office,  
Av. Barbacena 1200, 21st Floor, Belo Horizonte, Minas Gerais, Brazil.

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

**Summary of proceedings:**

**I**           **The Chairman asked** the Board Members present whether any of them had **conflict of interest** in relation to the matters on the agenda of the meeting; all stated there was no such conflict of interest.

**II**           **The Board approved:**

**A.**       **The proposal**, by the Chairman, that Márcio Augusto Vasconcelos Nunes should cease to be the Chief Officer for the Gas Division,

•           **and for election of:**

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- **Mr. Fuad Jorge Noman Filho** Brazilian, married, economist, resident and domiciled in Nova Lima, Minas Gerais, at Alameda Antibes 157, Condomínio Riviera, CEP 34000.000, bearer of Identity Card 458339-SSPDF and of CPF 009880816-87, as **Chief Officer for the Gas Division**;
- **Mr. Luiz Fernando Rolla** Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Ney Lambert 112, Belvedere, CEP 30320-440, bearer of Identity Card MG-1389219-SSPMG and CPF 195805686-34, as **Chief Officer for Finance, Investor Relations and Financial Control of Holdings**;
- **Mr. Fernando Henrique Schüffner Neto** Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Martim de Carvalho 395/700, Santo Agostinho, CEP 30190-090, bearer of Identity Card M-1311632-SSP/MG and CPF 320008396-49, as **Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates**; and
- **Ms. Maria Celeste Morais Guimarães** Brazilian, married, lawyer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Washington 660/101, Sion, CEP 30315-540, bearer of identity card 37745-OABMG and CPF 374076436-87, as **Chief Counsel**
- the above changes to be for the same period of office as that of the other serving members of the Executive Board, that is to say until the first meeting of the Board of Directors to be held after the Annual General Meeting of Stockholders of 2012.

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**B.**      **The proposal** by Board Member Lauro Sérgio Vasconcelos David that the members of the Board of Directors should authorize their Vice-Chairman to **call an Extraordinary General Meeting of Stockholders** to be held on January 20, 2011, at 11 a.m., to deal with the changes to the bylaws and the orientation of vote mentioned below; and in the event of there not being a quorum, to make second convocation within the legal period.

**C.**      The minutes of this meeting.

**III**           **Appointment:** The Board appointed Mr. **Fuad Jorge Noman Filho** as a sitting member of the Board of Directors and as **Chief Executive Officer of Gasmig**, to complete the present period of office or until his duly elected successor is sworn in.

**IV**           **Proposal to EGM:** After suggestions from the Board Member Lauro Sérgio Vasconcelos David, the Board made the following proposal to the Extraordinary General Meeting of Stockholders:

**A.**      **To change the Bylaws**, as follows:

1-          Creation of the **Institutional Relations and Communication Office** and, consequently, change in the drafting of the head paragraph of Clause 18 of the Bylaws, to the following:

Clause 18:           The Executive Board shall be made up of 11 (eleven) Executive Officers, who may be stockholders, resident in Brazil, elected by the Board of Directors, comprising:

Chief Executive Officer;

Deputy Chief Executive Officer;

Chief Officer for Finance, Investor Relations and Financial Control of Holdings;

Chief Corporate Management Officer;

Chief Distribution and Sales Officer;

Chief Generation and Transmission Officer;

Chief Trading Officer;

Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates;

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Chief Officer for the Gas Division;

Chief Counsel; and

Chief Institutional Relations and Communication Officer.

2- Change to the drafting of the following parts of the head paragraph of Article 22: Subclauses b and g of Item I, Subclause b of Item III, and Subclause d of Item VIII, to transfer the activity of strategic planning from the Chief Officer for Finance, Investor Relations and Financial Control of Holdings to the Chief Executive Officer; and inclusion of Item XI, for definition of the attributions of the Chief Institutional Relations and Communication Officer to the following drafting:

Clause 22: Subject to the provisions of the previous clauses, the following are the functions and powers attributed to the members of the Executive Board:

I To the Chief Executive Officer:

b) to coordinate the preparation, consolidation and implementation of the Company's Multi-year Strategic Implementation Plan; in the case of the

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affiliated companies and jointly-controlled subsidiaries, jointly with the Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates; and in all cases with the participation of the other Chief Officers of the Company;

g) to manage and direct the activities of internal auditing, the function of the Company's Ombudsman, the Corporate Executive Office, and strategic planning;

III To the Chief Officer for Finance, Investor Relations and Financial Control of Holdings:

b) to coordinate the preparation and consolidation of the Company's Annual Budget, in the case of the affiliated companies and jointly-controlled subsidiaries, jointly with the Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates; and in all cases with the participation of the other Chief Officers of the Company;

VIII To the Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates:

d) to coordinate, jointly with the Chief Executive Officer, the preparation and consolidation of the Company's Multi-Year Strategic Implementation Plan; and with the Chief Officer for Finance, Investor Relations and Financial Control of Holdings, of the Annual Budget in relation to the affiliated companies and subsidiaries;

XI To the Chief Institutional Relations and Communication Officer:

a) to coordinate the representation of the Company's wholly-owned subsidiaries in relations with the regulatory agencies, in all institutional questions associated with the electricity sector;

b) to coordinate the relationship of the Company's wholly-owned subsidiaries with the institutions and agents of the energy sector, concession holders and sector associations;



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- c) to coordinate the process involving sending of notifications to the regulatory agencies, jointly with the Chief Officers' Departments involved;
- d) to coordinate preparation of the Institutional Policy of the Company's wholly-owned subsidiaries, based on the Company's Strategic Planning;
- e) to coordinate the accompaniment of proposals for regulatory acts that are published, through public hearings or consultations by the regulatory agencies and the Mining and Energy Ministry, and, jointly with the Chief Officers' Departments involved, the statement of the Company's position;
- f) to coordinate preparation and analysis of regulatory scenarios, ensuring that the impacts on the Company's wholly-owned subsidiaries is evaluated, so as to provide supporting input for the Company's strategic corporate planning;
- g) to coordinate the preparation of the Corporate Planning Policy of the Company's wholly-owned subsidiaries;

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- h) to coordinate actions for maintaining and strengthening of the credibility of the brand and reputation of the Company's wholly-owned subsidiaries;
- i) to coordinate actions in relation to preservation of the Memory Project of the Company's wholly-owned subsidiaries, making continuous efforts on behalf of these Companies' physical collections; and
- j) to coordinate the planning, control and disclosure of the Company's Institutional and administrative information.

3- Change in Paragraph 3 of Clause 21, as a result of the transfer of the activity of strategic planning from the Chief Officer for Finance, Investor Relations and Financial Control of Holdings to the Chief Executive Officer, the new drafting to be as follows:

Clause 21-

...

§ 3 The Company's Multi-year Strategic Implementation Plan, and the Annual Budget, shall be prepared and updated annually, by the end of each business year, to be in effect in the following business year. They shall be prepared under coordination of the Chief Executive Officer, and the Chief Officer for Finance, Investor Relations and Financial Control of Holdings, respectively; and, in relation to the affiliates and subsidiaries, jointly with the Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates, and at all times, in all aspects, with the participation of all the Chief Officers' Departments. The Multi-Year Strategic Implementation Plan and the Annual Budget shall be submitted to examination by the Executive Board and, subsequently, to approval by the Board of Directors.

**B. Vote:** That the representatives of Cemig in the Extraordinary General Meetings of Stockholders of **Cemig D** (Cemig Distribuição S.A.) and of **Cemig GT** (Cemig Geração e Transmissão S.A.) for changes in the Bylaws, to be held on the same day as that on which the EGM of Cemig for changes in the Bylaws is to be called, should vote in favor of the agenda.

**V The Chairman reported that the members of the Executive Board are now as follows:**

**CEO:**  
**Deputy CEO:**  
**Chief Trading Officer:**  
**Chief Officer for New Business Development and Corporate Control of Subsidiaries and Affiliates:**  
**Chief Officer for the Gas Division:**  
**Chief Distribution and Sales Officer:**  
**Chief Officer for Finance, Investor Relations and Financial Control of Holdings:**  
**Chief Generation and Transmission Officer:**  
**Chief Corporate Management Officer:**

**Djalma Bastos de Moraes;**  
**Arlindo Porto Neto;**  
**Bernardo Afonso Salomão de Alvarenga;**  
**Fernando Henrique Schüffner Neto,**  
  
**Fuad Jorge Noman Filho;**  
**José Carlos de Mattos;**  
**Luiz Fernando Rolla;**  
  
**Luiz Henrique de Castro Carvalho;**  
**Marco Antonio Rodrigues da Cunha; and**

**Chief Counsel:**

**Maria Celeste Morais Guimarães.**

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**VI The Board Members elected declared** in advance that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which may be considered a competitor of the Company, and that they do not have nor represent any interest conflicting with that of Cemig, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

**VII The Chairman stated** that the Board Member Sérgio Alair Barroso, so as to facilitate re-composition of the Board of Directors of the Company, had presented his resignation from the posts of sitting Member and of Chairman of this Board, as per a letter in the Company's possession, continuing to hold those posts until the Extraordinary General Meeting that decides on the re-composition of this Board of Directors, the official date of the resignation to be the date of that meeting.

**VIII Discussion:** The Board Members made comments on general business and matters of interest to the Company.

**The following were present:**

Board members:	Djalma Bastos de Morais, Antonio Adriano Silva, Arcângelo Eustáquio Torres Queiroz, Eduardo Borges de Andrade, Francelino Pereira dos Santos, Guy Maria Villela Paschoal, João Camilo Penna, Maria Estela Kubitschek Lopes, Paulo Roberto Reckziegel Guedes, Ricardo Coutinho de Sena,	Saulo Alves Pereira Junior, Adriano Magalhães Chaves, Renato Torres Faria, Cezar Manoel de Medeiros, Fernando Henrique Schüffner Neto, Franklin Moreira Gonçalves, Lauro Sérgio Vasconcelos David, Marco Antonio Rodrigues da Cunha, Newton Brandão Ferraz Ramos, Ricardo Antônio Mello Castanheira, Tarcísio Augusto Carneiro.
Secretary:	Anamaria Pugedo Frade Barros.	

Anamaria Pugedo Frade Barros

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4. Summary of Minutes of the 501st Meeting of Board of Directors, Companhia Energética de Minas Gerais CEMIG, December 22, 2010

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ 17.155.730/0001-64 NIRE 31300040127

**BOARD OF DIRECTORS**

**SUMMARY OF MINUTES OF THE 501TH MEETING**

**Date, time and place:** December 22, 2010 at 2.30 p.m. at the company's head office,  
Av. Barbacena 1200, 21th Floor, Belo Horizonte, Minas Gerais, Brazil.

**Meeting Committee:** Chairman: Sergio Alair Barroso;  
Secretary: Anamaria Pugedo Frade Barros

**Summary of proceedings:**

**I**                    **The Chairman asked** the Board Members present whether any of them had **conflict of interest** in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest.

**II**                    **The Board approved:**

a.                    **Increase in the capital of Transchile Charrúa Transmisión S.A.**, in the amount of US\$10,460,005.00, of which US\$5,125,402.45 is the amount under the responsibility of Cemig, from US\$47,233,672.00 to US\$57,693,677.00. This increase in capital is to be submitted to the next Annual General Meeting of Stockholders of Cemig;

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b. Exceptionally, the amount for Personnel, Materials Services and Other items (**PMSO**), for the first two months of 2011, also authorizing the other transactions of the Company necessary for their functioning.

c. The minutes of this meeting.

**III**            **The board authorized** constitution of a special-purpose company, by Light Esco Prestação de Serviços S.A. (**Light Esco**), in partnership with the company Gás Natural Serviços (**GNS**), respectively holding 80% and 20% other shares, the object of which will be provision of services construction, operation and maintenance of a co-generation facility the supply utilities to the client **Coca-Cola/Rio de Janeiro Refrescos (RJR)**.

**IV**            The Board granted **annual paid leave**, in the period December 24, 2010 to January 12, 2011, to the CEO, Mr. Djalma Bastos de Moraes.

**V**            The board oriented **vote in favor** of the agenda by the representative of Cemig at the Extraordinary General Meeting of Stockholders (*Junta de Accionistas*) of **Transchile Charrúa** Transmisión S.A. that will decide on the following:

Av. Barbacena 1200 Santo Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025

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- Approval of the above-mentioned capital increase.
- Approval of the price for placement of the shares to be issued at the time of the capital increase.
- Changes to the Bylaws to reflect the above alterations.
- The pronouncement on the rights and option for subscription of the new shares.
- Granting of powers to the Board of Directors (*Directorio*) for issuance and placement of the new shares.

**VI**            **The Board ratified** the vote in favor, by the representatives of Cemig in the Meeting of the Board of Directors of **Light S.A.**, in relation to the creation of the special-purpose company mentioned in item III above; and signature, by this special-purpose company, of the contract with the client **RJR**.

**VII**            **Meetings calendar:** The Board decided the calendar for probable dates of Board meetings in 2011.

**VIII**           **Discussion:** The Board Members and the Chief Officer Luiz Fernando Rolla made comments on general matters and business of interest to the Company.

**The following were present:**

Board members:	Sergio Alair Barroso, Djalma Bastos de Morais, Antonio Adriano Silva, Arcângelo Eustáquio Torres Queiroz, Eduardo Borges de Andrade, Francelino Pereira dos Santos, Guy Maria Villela Paschoal, João Camilo Penna, Paulo Roberto Reckziegel Guedes, Saulo Alves Pereira Junior, Ricardo Coutinho de Sena,	Adriano Magalhães Chaves, Fernando Henrique Schuffner Neto, Cezar Manoel de Medeiros, Franklin Moreira Gonçalves, Lauro Sérgio Vasconcelos David, Newton Brandão Ferraz Ramos, Marco Antonio Rodrigues da Cunha, Paulo Sérgio Machado Ribeiro, Paulo Márcio de Oliveira Monteiro, Ricardo Antônio Mello Castanheira, Tarcisio Augusto Carneiro;
Chief Officer:	Luiz Fernando Rolla;	
Secretary:	Anamaria Pugedo Frade Barros.	

Anamaria Pugedo Frade Barros





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5. Summary of Minutes of the 500th Meeting of Board of Directors, Companhia Energética de Minas Gerais CEMIG, December 20, 2010

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ 17.155.730/0001-64 NIRE 31300040127

**BOARD OF DIRECTORS**

**SUMMARY OF MINUTES OF THE 500TH MEETING**

**Date, time and place:** December 20, 2010 at 2.30 p.m. at the company's head office,  
Av. Barbacena 1200, 21st Floor, Belo Horizonte, Minas Gerais, Brazil.

**Meeting Committee:** Chairman: Sergio Alair Barroso;  
Secretary: Anamaria Pugedo Frade Barros

**Summary of proceedings:**

- I The Chairman asked** the Board Members present whether any of them had **conflict of interest** in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest.
- II The Board approved:**
- a) incentive-bearing donations to the *Vita Vida* project, of the Voluntary Social Assistance Service (*Servas*), and to Parque Escola Cariúnas, of the *Sociedade Artística Mirim* of Belo Horizonte (the *Cariúnas Project*), both duly approved by the Minas Gerais State Council for Children and Adolescents.
  - b) The minutes of this meeting.
- III The Board re-ratified** CRCA-061/2005, changing the estimated value for the contracting of services of supply of temporary manpower, the difference being prorated between **Cemig**, **Cemig D** and **Cemig GT**, the other terms of that CRCA being unchanged.
- IV Withdrawal from the agenda:** The item relating to signing of a contract with **Gasmig** for non-remunerated use of part of a real estate property at Quarteirão 18 of Cidade Industrial, Contagem, Minas Gerais, was withdrawn from the agenda.

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V **Comments:** The Board Member João Camilo Penna made comments on general business and matters of interest to the Company.

**The following were present:**

Board members:	Sérgio Alair Barroso,	Ricardo Coutinho de Sena,
	Djalma Bastos de Morais,	Saulo Alves Pereira Junior,
	Antônio Adriano Silva,	Adriano Magalhães Chaves,
	Arcângelo Eustáquio Torres Queiroz,	Ricardo Antônio Mello Castanheira,
	Francelino Pereira dos Santos,	Cezar Manoel de Medeiros,
	Guy Maria Villela Paschoal,	Lauro Sérgio Vasconcelos David,
	João Camilo Penna,	Marco Antonio Rodrigues da Cunha,
	Maria Estela Kubitschek Lopes,	Newton Brandão Ferraz Ramos,
	Paulo Roberto Reckziegel Guedes,	Tarcísio Augusto Carneiro;
Secretary:	Anamaria Pugedo Frade Barros.	

Anamaria Pugedo Frade Barros

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6. Convocation and Proposal Extraordinary General Shareholders Meeting, Companhia Energética de Minas Gerais CEMIG, February 17, 2011

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

LISTED COMPANY

CNPJ 17.155.730/0001-64 NIRE 31300040127

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**CONVOCATION**

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on March 24, 2011 at 10.30 a.m. at the company's head office, Av. Barbacena 1200, 21st floor, in the city of Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- 1) **Authorization** of the grant, by the Company, to Fundo de Investimento em Participações Redentor **FIP Redentor**, of an option to sell to **Cemig**, at the end of the 60th month from the date of subscription of the shares of **Parati S.A. Participações em Ativos de Energia Elétrica (Parati S.A.)**, the totality of the shares owned by **FIP Redentor** in **Parati S.A.**, with **Cemig** having the obligation to buy such shares, or to appoint a third party that shall buy them.
  
- 2) **Appointment** of **Banco Bradesco BBI S.A.** to prepare the Valuation Opinion valuing **Parati S.A. Participações em Ativos de Energia Elétrica**, in accordance with Paragraphs 1 and 6 of Article 8 of Law 6404/1976.
  
- 3) **Approval** of the Economic-Financial Valuation Opinion on **Parati S.A. Participações em Ativos de Energia Elétrica**, prepared by Bradesco BBI S.A. in January 2011, in accordance with the terms of Paragraphs 1 and 6 of Article 8 of Law 6404/1976.

Any stockholder who wishes to be represented by proxy at the said General Meeting of Stockholders should obey the terms of Article 126 of Law 6406/1976, as amended, and the sole paragraph of Clause 9 of the Company's Bylaws, depositing, preferably by August 22, 2011, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with specific powers, at Cemig's Corporate Executive Secretariat Office at Av. Barbacena, 19th floor, B1 Wing, Belo Horizonte, Minas Gerais, or showing them at the time of the meeting.

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Belo Horizonte, February 17, 2011,

Dorothea Fonseca Furquim Werneck

Chairman of the Board of Directors

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**PROPOSAL**  
**BY THE**  
**BOARD OF DIRECTORS**  
**TO THE**  
**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**  
  
**TO BE HELD ON MARCH 24, 2011.**

Dear Stockholders:

We, the Board of Directors of Companhia Energética de Minas Gerais - Cemig,

• **WHEREAS:**

1) under the **Share Purchase Agreement** signed on December 30, 2009 between **Cemig** and Fundo de Investimento em Participações PCP ( **FIP PCP** ), in which Equatorial Energia S.A. ( **Equatorial** ) is consenting party, it is agreed that **Cemig** or a company in which Cemig holds a minimum equity interest of 20% will acquire 55.41% of the voting and total stock held by **FIP PCP** in Redentor Energia S.A. ( **Redentor** ), a company listed on the *Novo Mercado* of the BM&FBovespa, which holds 100% of **Rio Minas Energia** Participações S.A. ( **RME** ), which in turn holds 13.03% of the shares of **Light S.A.** ( **Light** ), signing of this contract having been authorized by the Board of Directors through CRCA 080/2009, of December 30, 2009;

2) the minority stockholders of **Redentor** (44.59% of the registered capital) will have the right to sell their shares to the purchaser for the same amount paid for the shares that are in the controlling stockholding block, through a Public Offering for Acquisition of Shares in a Sale of Control ( the **Public Offering** ), in the terms of Article 254-A of Law 6404/1976;

3) in view of the financial obligations involved in the acquisitions, the analyses made by **Cemig** have indicated that, as the best alternative, the acquisitions should be made in partnership with a financial partner which would acquire part of the shares and receive, in consideration, an option to sell those shares to **Cemig**, with a minimum guaranteed remuneration and this financial partner would be an Equity



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Investment Fund (FIP), the unit holders of which would be financial institutions interested in participating in projects of low performance risk, that are already being operated by a company with proven operational excellence, and in earning an attractive return;

4) the alternative of acquisition of assets in partnership with an FIP was recently used by Cemig in the acquisition of **Terna Participações S.A.**, which showed itself to be an attractive investment opportunity for the market and, for Cemig, an efficient instrument of partnership with the private sector;

5) on February 25, 2010, through CRCA 004/2010, the Board of Directors of Cemig decided to authorize the partnership of **Cemig** with **BTG Alpha Participações Ltda. ( BTG Alpha )**, and, subsequently, with its successor, **Fundo de Investimento em Participações Redentor ( FIP Redentor )**, for acquisition of the equity interest owned by **FIP PCP in Light**, through the company named **Parati S.A. Participações em Ativos de Energia Elétrica ( Parati )**;

6) on March 24, 2010, Cemig signed a Share Purchase Agreement with **Enlighted Partners Venture Capital ( Enlighted )**, a limited liability company established in Delaware, USA, granting an Option to Sell 100% of the rights of participation in **Luce Investment Fund**, which holds 75% of the units of **Luce Brasil Fundo de Investimento em Participações ( FIP Luce )**, which, in turn, is the indirect owner of 13.03% (thirteen point zero three per cent) of the registered capital of **Light S.A.** and this Option to Sell could be exercised between October 1 and 6, 2010, and signature of this contract was authorized by the Board of Directors through CRCA 007/2010, of March 19, 2010;

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- 7) the remaining 25% of the equity in **FIP Luce** is held by Fundação de Seguridade Social Braslight ( **Braslight** ), and, with **Enlighted** exercising the Option to Sell, **Braslight** will have the right to exercise joint sale of the totality of its holding, as specified in an existing Unit Holders Agreement governing **FIP Luce**;
- 8) on October 6, 2010, **Enlighted** exercised the said Option to Sell and, consequently, **Braslight** also stated its desire to exercise its right of joint sale, so that **Cemig** or a third party indicated by it will have to acquire 100% of the units of **FIP Luce**, which will represent the acquisition of a further 13.03% of the registered and voting capital of **Light**;
- 9) **Cemig** intends to assign all the rights and obligations specified in the contracts referred to above to **Parati**, the purpose of this being to enable continuation of its policy of expansion through other acquisitions, maintaining its indebtedness capacity, and also allowing maintenance of the debts contracted by **Light**, since that company would not become a company subject to state control and, in addition, neither would it be subject to the rules governing containment of credit to the public sector;
- 10) the objects of **Parati** will be to acquire the shares that represent up to 26.06% of equity participation in the voting and total capital of **Light**, held, indirectly, by the **FIP PCP**, and by **Enlighted**;
- 11) **FIP Redentor** has as its unit holders Banco Santander (Brasil) S.A. ( **Santander** ), Banco Votorantim S.A. ( **Votorantim** ), BB Banco de Investimento S.A. ( **Banco do Brasil** ) and Banco BTG Pactual S.A. ( **BTG Pactual** ), the latter being the administrator of the Fund;
- 12) paying-up by **FIP Redentor** and by **Cemig** of their respective holdings in the registered capital of **Parati** will take place exclusively in Brazilian currency and will be in such a way as results in final ownership by **Cemig** of up to 25%, and by **FIP Redentor** of at least 75%, of the total registered capital of **Parati**, distributed as follows:
- (i) Common shares: up to 50% held by **Cemig**, and 50% or more held by **FIP Redentor**; and
- (ii) Preferred shares: 100% held by **FIP Redentor**;
- 13) the estimated amounts of the disbursements necessary for finalization of the transaction, including for the settlement of the **Public Offering** of shares in **Redentor**, in proportion to the stockholdings of the respective stockholders in **Parati**, are R\$ 379 million for **Cemig**, and R\$ 1.136 billion for **FIP Redentor**, at January 2011 prices;

14) as part of the negotiation the Parties agreed that **Cemig** shall grant an unconditional and irrevocable option, exclusively to **FIP Redentor** (and not to any of its unit holders) ( the **Option to Sell** ), under which **FIP Redentor** will have the right, at the end of the 60th month from the date of subscription of the shares in **Parati** ( the **Exercise Date** ), to sell the totality of the shares in Parati belonging to **FIP Redentor** ( the **Acquisition Shares** ), and **Cemig** shall have the obligation to buy them, or to indicate a third party which shall buy them, on payment of the exercise amount ( the **Exercise Amount** ), equivalent to the amount paid at the time of paying-up of the shares, plus expenses (all expenses that are provenly incurred by **FIP Redentor** and/or by the Administrator of FIP Redentor, for its constitution and after its constitution, including expenses of auditing, and management and administration fees), less such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received shall be multiplied by 0.5721 for the purposes of calculation), all updated by the average rate for Interbank Certificates of Deposit published by Cetip (the Custody and Settlement Chamber) ( the **CDI Rate** ) plus a rate of 0.9% per year, *pro rata tempore*, from the date of its actual disbursement / payment to the Exercise Date of the Option to Sell;

15) the Option Exercise Date may be brought forward in any one of the following situations:

a) non-compliance, by **Cemig**, with any obligations contained in the Definitive Documents (Subscription Agreement, Stockholders Agreement and Secondary Stockholders Agreement), if the said non-

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compliance is not cured within 30 (thirty) calendar days from receipt of the notice of non-compliance sent by **FIP Redentor**;

b) disposal, transfer or assignment to third parties by **Cemig** of the Shares owned by it in **Parati** or of the rights and obligations arising therefrom, without prior written authorization from **FIP Redentor**, except (provided that **Cemig**'s co-obligation in relation to the obligations originally assumed is preserved) between wholly-owned or other subsidiaries of **Cemig**;

c) decision, by any authority, ordering the carrying out of a public offering of shares for change of the control of **Light**, unless **Cemig** bears all the costs and expenses arising from such decision;

d) any termination of concession contracts of **Cemig**, or of its subsidiaries, that represents an amount of 40% (forty per cent) or more of the consolidated Ebitda generated by **Cemig** in the 12 (twelve) months prior to the date of this condition being found;

e) termination of **Light**'s distribution services concession contract;

f) any stockholding reorganization, privatization or merger of **Cemig** that causes significant reduction of **Cemig**'s capacity to comply with any obligations assumed in the Definitive Documents, as judged by **FIP Redentor**, provided that such judgment is made with due grounds;

g) liquidation, intervention, dissolution or extinction of **Cemig**;

h) application of new taxes on any transactions, payments payable and dividends, in the terms of the Definitive Documents, increase of rates of taxes or of the taxes themselves that already are applicable to any transactions specified in the Definitive Documents, or identification of a tax liability not identified on today's date, such as make or makes any transactions specified in the Definitive Documents unviable or inadvisable, in the judgment of **FIP Redentor**, provided that such judgment is made with due grounds;

i) if the ratio between Net Financial Indebtedness and Ebitda, measured six-monthly, in relation to the prior 12 (twelve) months, based on the revised or audited consolidated balance sheet (as applicable) of **Cemig**, is greater than 3.50x (three point five times);

j) non-approval of the Investment by CADE;

k) any of the following events:

(k.1) if, by December 31, 2011, 100% (one hundred per cent) of the unit shares of **Luce Investment Fund ( LIF )** have not been acquired, or if such acquisition has been carried out without the following prior conditions all having been met:

(i) that **LIF** shall hold a minimum of 75% (seventy five per cent) of the unit shares in Luce Brasil Fundo de Investimento em Participações ( **FIP Luce** );

(ii) that **FIP Luce** shall have a stockholding of not less than 100% (one hundred per cent) in the registered capital of Luce Empreendimentos e Participações S.A. ( **LEPSA** ) and that the latter shall have a stockholding of not less than 13.03% (thirteen point zero three per cent) in the registered capital of **Light**; and

(iii) that Fundação de Seguridade Social Braslight ( **Braslight** ) shall not have signed any agreement for sale nor offered the right of purchase of its unit shares of **FIP Luce**, except in the event of **Braslight** having given to **Parati**, through **LIF**, the right of preference for acquisition of the said unit shares, and of **Cemig** not indicating a third party to acquire the interest held by **BB** and by **Votorantim** in **FIP Redentor** for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or such indicated third party not being accepted by **BTG** or **Santander**;

(k.2) in the event that **Cemig** sells, by the date of the Notice of the Option to Sell, the direct stockholding interest of shares that comprise the controlling stockholding block of **Light** and the parties acquiring such interest are persons that have an interest, on the date of signature of the Stockholders Agreement, greater than 21.1% in the units of Fundo de Investimento em Participações PCP ( **FIP PCP** ) and have had administrative judgment given against them

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against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, or have an interest, on the date of signature of the Stockholders Agreement, greater than 88.0% in the unit shares of Enlighted Partners Venture Capital ( **Enlighted** ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, and **Cemig** does not appoint a third party to acquire the interest held by **BB** and by **Votorantim** in **FIP Redentor** for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or if such third party is not accepted by **BTG** or **Santander**;

16) a further item of the negotiation agreed is that, in the event of the Exercise Amount being higher than the amount paid-up by **FIP Redentor** at the time of the subscription of the shares of **Parati**, an adjustment factor of  $(1/(1 - 0.4279) - 1)$  shall be applied to the difference, to be added to the Exercise Amount;

17) the Option to Sell shall be exercised by **FIP Redentor**, upon written notice to Cemig of its intention to exercise the Option to Sell, given with minimum prior notice of 240 (two hundred and forty) days prior to the last day of the sixtieth month counted from the first injection of capital by **FIP Redentor** in **Parati** ( the **Exercise Date** );

18) if **Cemig** wishes to indicate a third party to acquire the shares of **Parati**,

(i) such indication must be made by written notice to **FIP Redentor** and to the **Unit Holders**, given at least 210 (two hundred and ten) calendar days prior to the Exercise Date, and

(ii) **Cemig** shall continue to have joint liability with this third party, for the acquisition of the Acquisition Shares;

19) if the Option to Sell is exercised, the payment of the Exercise Amount and the transfer of the shares of **Parati** are conditional upon prior approval of the transaction by the National Electricity Agency, Aneel;

20) if the Consent of Aneel is not obtained by the date of transfer of the shares or, at any moment, Aneel expressly refuses to authorize the transfer of the shares, except in the event of negligence or action with malicious intent on the part of **FIP Redentor**, the latter shall have the right to dispose of the shares either on or outside the securities market, and in the event of disposal outside a securities exchange environment it is agreed that the said sale may take place only if the price set is greater than or equal to the lowest of the prices found in a securities market, by the following three criteria:

(i) average price of the shares of **Light** in the last trading session prior to the closing of the sale;

(ii) daily average of closing prices of the shares of **Light** for the last 30 (thirty) days; and

(iii) daily average of closing prices of the shares of **Light** for the last 90 (ninety) days; and

- if the amount specified for the said disposal:

(i) is less than the Exercise Amount, **Cemig** shall continue to be obliged to pay the difference; or

(ii) if it is greater than the Exercise Amount, and only in cases of omission of the consent by Aneel or an express negative by Aneel to the transfer of the Acquisition Shares to **Cemig**, and if **Cemig** has complied with its contractual obligations, **Cemig** shall have the right to receive the positive excess difference, multiplied by 1 (the number One) less the Adjustment Factor;

- and in any of these events, the expenses incurred by **FIP Redentor** arising from the process of sale shall be deducted from the financial amount of the disposal, and the penalties specified in Clause 6.5 of the Stockholders Agreement shall not be applicable;

21) grant of the Option to Sell is in line with the Long-term Strategic Plan, which specifies growth of Cemig in all the market segments in which it operates, signaling a positive outlook for the Company's cash position, with the possibility, also, of increase of the value of dividends distributed, within the terms of its Bylaws;

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- 22) on October 20, 2010, the Corporate Governance Committee of the State of Minas Gerais issued an opinion in favor of the transaction, as per Official Letter CCGPGF N° 240/2010, attached;
- 23) under Paragraph 1 of Clause 1 of the Bylaws of **Cemig** it is a competency of Cemig's Board of Directors to authorize acquisition of interests in the capital of other companies;
- 24) it is the competency of the Extraordinary General Meeting to authorize the grant by the Company of the Option to Sell, in view of the provisions of Article 256 of Law 6404/1976, since, in the event that the Option to Sell is exercised by **FIP Redentor** and if **Cemig** does not indicate a third party to acquire the shares, **Cemig** will be obliged to acquire control of **Parati**, it not being possible to state at the present moment whether in 60 months' time the acquisition referred to will constitute a significant investment for Cemig, nor indeed to calculate whether the shares will exceed one and a half times any of the amounts specified in Item II of Article 256 of Law 6404/1976;
- 25) on December 6, 2010, the Board of Directors of **Cemig** decided to propose, to the Extraordinary General Meeting of Stockholders, under and for the purposes of Article 256 of Law 6404/1976, authorization of the grant of the Option to Sell;
- 26) the grant of the Option to Sell was contained in item C of the agenda of the Extraordinary General Meeting of Stockholders scheduled for December 22, 2010, at 11 a.m., as per the Convocation Notice published on December 6, 2010;
- 27) on December 21, 2010, the Company received CVM Official Letter CVM/SEP/GEA-3/N° 1211/10, advising of the decision by the Council of the Securities Commission ( **CVM** ) to postpone the General Meeting, due to its recognition that, by reason of its complexity, the matter contained in Item C of the agenda would require a greater period to be ascertained and analyzed by the stockholders, as per a request filed with the CVM on December 13, 2010, by the stockholder **Tempo Capital Principal Fundo de Investimento de Ações**, for interruption of the period of prior notice for convocation of the Company's Extraordinary General Meeting of Stockholders;
- 28) in view of the said Official Letter from the CVM, **Cemig** informed its stockholders and the market in general that, in relation to the Extraordinary General Meeting of Stockholders scheduled for December 22, 2010 at 11 a.m., item C of the Convocation Notice published on December 6, 2010 had been withdrawn from the agenda;
- 29) a new convocation of the General Meeting of Stockholders, to decide on the grant of the Option to Sell, now becomes necessary;
- 30) the General Meeting of Stockholders will be called to decide on possible acquisition of control of another company, and it is necessary that **Cemig** should present the information required in Appendix 19 of CVM Instruction 481/2009, specified in the attached document;



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31) approval by the General Meeting of Stockholders is necessary for appointment of a specialized company to prepare the Valuation Opinion on the assets of Parati ( **the Opinion** ), and for the opinion itself, under Paragraphs 1 and 6 of Clause 8 of Law 6404/1976;

32) Banco Bradesco BBI S.A. ( **Bradesco BBI** ), because it has wide experience in operating as financial adviser in mergers and acquisitions, being certified by Anbima (the Brazilian Association of Financial and Capital Market Entities) and because it has presented the best work proposal, has been contracted to prepare the said Opinion;

33) in accordance with this Opinion, the value of the shares of **Parati**, when assessed by the Discounted Cash Flow method, is between R\$ 0.92 and R\$ 1.03 per share, and when assessed by valuation of Stockholders Equity at Market Price is R\$ 0.89 per share;

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34) if the amount to be paid for the shares of **Parati** exceeds one and a half times the largest of the three amounts specified in Item II of Article 256 of Law 6404/1976, any stockholder not agreeing with the decision of the stockholders' meeting that approves it shall have the right to withdraw from the company, for reimbursement of the value of its shares, in accordance with Article 137, subject to the provisions of its Sub-item II, as specified by Paragraph 2 of the said Article 256;

35) since it is not possible to state whether in 60 months' time the acquisition price referred to will exceed one and a half times any of the amounts specified in Sub-item II of Article 256 of Law 6404/1976, the management of Cemig should, for the purposes of caution, decide to grant the right to withdraw to dissident holders of common shares;

36) any holders of common shares that disagree with the decision of the General Meeting of Stockholders of Cemig shall have a period of 30 (thirty) calendar days from publication of the respective minutes of the said meeting, to claim from the Company, by notice, reimbursement of their shares (Article 137, IV);

37) since the Bylaws of Cemig do not establish the amount of reimbursement, their calculation shall be based on the stockholders' equity of Cemig stated in the last previous balance sheet approved by the Annual General Meeting of Stockholders;

38) the stockholders' equity contained in the last balance sheet approved by Cemig, raised on December 31, 2009, is R\$ 16.57 per share and represents the value of the stockholders' equity divided by the number of shares (excluding the shares held in Treasury);

39) the General Meeting of Stockholders is scheduled for March 2011, and it is possible that dissident stockholders may request the raising of a balance sheet at December 31, 2010 for calculation of the amount of the reimbursement, as specified in Paragraph 2 of Article 45 of Law 6404/1976;

40) the financial statements of Cemig at December 31, 2010 are being prepared in accordance with the new accounting rules issued by the Accounting Statements Committee, and an increase in the equity value of the shares is expected, resulting in an amount estimated between R\$ 18.00 and R\$ 19.00 per share, due to the new valuation of the Company's fixed assets and other effects arising from the harmonization of accounting with international standards;

41) since the matter to be decided in general meeting of stockholders will give rise to the right to withdraw, Cemig should provide the information indicated in Appendix 20 to CVM Instruction 481/2009, and this document is attached;

42) the matter was analyzed by the office of Cemig's Chief Counsel, as per Legal Opinion JR/SC N° 15,718, of February 10, 2011;



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• *do now propose to you*, under and for the purposes of Article 256 of Law 6404/1976:

1) **Authorization of the grant** by Cemig, to Fundo de Investimento em Participações Redentor ( **FIP Redentor**), of an unconditional and irrevocable option ( the **Option to Sell** ), under which **FIP Redentor** shall have the right, at the end of the 60th month from the date of subscription of the shares in **Parati S.A. Participações em Ativos de Energia Elétrica** ( the **Exercise Date** ), to sell the totality of the shares belonging to **FIP Redentor**, and Companhia Energética de Minas Gerais (**Cemig**) shall have the obligation to buy them, or to indicate a third party which shall buy them, on payment of the exercise amount ( the **Exercise Amount** ), equivalent to the amount paid at the time of paying-up of the shares of Parati S. A. Participações em Ativos de Energia Elétrica ( **Parati** ), plus expenses (all expenses provenly incurred by **FIP Redentor** and/or by the Administrator of **FIP Redentor**, for its constitution and after its constitution, including expenses of auditing, and management and administration fees), less such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received shall be multiplied by 0.5721 for the purposes of calculation), all updated by the average rate for Interbank Certificates of Deposit published by Cetip (the Custody and Settlement Chamber) ( the **CDI Rate** ) plus a rate of 0.9% per year, *pro rata tempore*, from the date of its actual disbursement/payment to the Exercise Date of the Option to Sell;

and the Option Exercise Date may be brought forward in any one of the following situations:

a) non-compliance, by **Cemig**, with any obligations contained in the Definitive Documents (Subscription Agreement, Stockholders Agreement and Secondary Stockholders Agreement), if the said non-compliance is not cured within 30 (thirty) calendar days from receipt of the notice of non-compliance sent by **FIP Redentor**;

b) disposal, transfer or assignment to third parties by **Cemig** of the Shares owned by it in **Parati** or of the rights and obligations arising therefrom, without prior written authorization from **FIP Redentor**, except (provided that Cemig's co-obligation in relation to the obligations originally assumed is preserved) between wholly-owned or other subsidiaries of **Cemig**;

c) decision, by any authority, ordering the carrying out of a public offering of shares due to change of the control of Light S.A. ( **Light** ), unless **Cemig** bears all the costs and expenses arising from this decision;

d) any termination of concession contracts of **Cemig**, or of its subsidiaries, that represents an amount of 40% (forty per cent) or more of the consolidated Ebitda generated by Cemig in the 12 (twelve) months prior to the date of this condition being found;

e) termination of Light's concession contract for distribution services;

f) any stockholding reorganization, privatization or merger of **Cemig** that causes significant reduction of **Cemig**'s capacity to comply with any obligations assumed in the Definitive Documents, as judged by **FIP Redentor**, provided that such judgment is made with due grounds;

- g) liquidation, intervention, dissolution or extinction of **Cemig**;
  
- h) application of new taxes on any transactions, payments payable and dividends, in the terms of the Definitive Documents, increase of rates of taxes or of the taxes themselves that already are applicable to any transactions specified in the Definitive Documents, or identification of a tax liability not identified on today's date, such as make or makes any transactions specified in the Definitive Documents unviable or inadvisable, in the judgment of **FIP Redentor**, provided that such judgment is made with due grounds;
  
- i) if the ratio between Net Financial Indebtedness and Ebitda, measured six-monthly, in relation to the prior 12 (twelve) months, based on the revised or audited consolidated balance sheet (as applicable) of Cemig, is greater than 3.50x (three point five times);
  
- j) non-approval of the Investment by the Administrative Economic Defense Council - CADE;
  
- k) occurrence of any of the following events:
  - (k.1) if, by December 31, 2011, 100% (one hundred per cent) of the unit shares of Luce Investment Fund ( **LIF** ) has not been acquired, or if such acquisition has been carried out without the following prior conditions all having been met:

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(i) that **LIF** shall hold a minimum of 75% (seventy five per cent) of the unit shares in Luce Brasil Fundo de Investimento em Participações ( **FIP Luce** );

(ii) that **FIP Luce** shall have a stockholding of not less than 100% (one hundred per cent) in the registered capital of Luce Empreendimentos e Participações S.A. ( **LEPSA** ) and that the latter shall have a stockholding of not less than 13.03% (thirteen point zero three per cent) in the registered capital of **Light**; and

(iii) that Fundação de Seguridade Social Braslight ( **Braslight** ) shall not have signed any agreement for sale nor offered the right of purchase of its unit shares of **FIP Luce**, except in the event of **Braslight** having given to the SPC **Parati**, through **LIF**, the right of preference for acquisition of the said unit shares, and of **Cemig** not indicating a third party to acquire the interest held by **BB Banco de Investimento S.A.** ( **Banco do Brasil** ) and by **Votorantim S. A.** ( **Votorantim** ) in **FIP Redentor** for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or such indicated third party not being accepted by **BTG Alpha Participações Ltda.** ( **BTG Alpha** ) or **Santander (Brasil) S.A.** ( **Santander** );

(k.2) in the event that **Cemig** sells, by the date of the Notice of the Option to Sell, the direct stockholding interest of shares that comprise the controlling stockholding block of **Light** and the parties acquiring such interest are persons that have an interest, on the date of signature of the Stockholders Agreement, greater than 21.1% in the units of Fundo de Investimento em Participações PCP ( **FIP PCP** ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, or have an interest, on the date of signature of the Stockholders Agreement, greater than 88.0% in the unit shares of Enlighted Partners Venture Capital ( **Enlighted** ) and have had administrative judgment given against them against which there is no further appeal for infringements against the National Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission, and **Cemig** does not appoint a third party to acquire the interest held by **BB** and by **Votorantim** in **FIP Redentor** for an amount equivalent to the Exercise Amount on the date of the actual acquisition, or if such third party is not accepted by **BTG** or **Santander**;

The payment of the Exercise Amount and the transfer of the shares of **Parati** are conditional upon prior approval of the transaction by the National Electricity Agency, Aneel.

If the Consent of Aneel is not obtained by the date of transfer of the shares or, at any moment, Aneel expressly refuses to authorize the transfer of the shares, except in the event of negligence or action with malicious intent on the part of **FIP Redentor**, the latter shall have the right to dispose of the shares either in or outside the securities market, and in the event of disposal outside a securities exchange environment it is agreed that the said sale may take place only if the price set is greater than or equal to the lowest of the prices found in a securities market, by the following three criteria:

(i) average price of the shares of **Light** in the last trading session prior to the closing of the sale;

(ii) daily average of closing prices of the shares of **Light** for the last 30 (thirty) days; and

(ii) daily average of closing prices of the shares of **Light** for the last 90 (ninety) days; and

- if the amount specified for the said disposal:

(iii) is less than the Exercise Amount, **Cemig** shall continue to be obliged to pay the difference; or

(iv) if it is greater than the Exercise Amount, and only in cases of omission of the consent by Aneel or an express negative by Aneel to the transfer of the Acquisition Shares to **Cemig**, and if **Cemig** has complied with its contractual obligations, **Cemig** shall have the right to receive the positive excess difference, multiplied by 1 (the number One) less the Adjustment Factor;

- and in any of these events, the expenses incurred by **FIP Redentor** arising from the process of sale shall be deducted from the financial amount of the disposal, and the penalties specified in Clause 6.5 of the Stockholders Agreement shall not be applicable;

The decision by the Extraordinary General Meeting of Stockholders that authorizes the grant to **FIP Redentor** of the Option to Sell shall give rise to the possibility of exercise, by such holders of the Company's common

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shares as dissent from the said decision, of the right to withdraw. The right to withdraw shall apply in relation only to shares held by holders of common shares in the Company provenly held on February 18, 2011.

2) **Appointment** of Banco Bradesco BBI S.A. ( **Bradesco BBI** ) to prepare the Valuation Opinion on **Parati**, in accordance with Paragraphs 1 and 6 of Article 8 of Law 6404/1976.;

3) **Approval** of the Economic-Financial Valuation Opinion on **Parati**, prepared by **Bradesco BBI** S.A. in January 2011, in accordance with the terms of Paragraphs 1 and 6 of Article 8 of Law 6404/1976.

As can be seen, the objective of this proposal is to meet the legitimate interests of the stockholders and of the Company, for which reason it is the hope of the Board of Directors that you, the stockholders, will approve it.

Belo Horizonte, February 17, 2011

Dorothea Fonseca Furquim Werneck  
Chairman  
Djalma Bastos de Morais  
Deputy Chairman  
Arcângelo Eustáquio Torres Queiroz  
Member  
Antônio Adriano Silva  
Member  
Francelino Pereira dos Santos  
Member  
João Camilo Penna  
Member  
Luiz Carlos Costeira Urquiza  
Member

Maria Estela Kubitschek Lopes  
Member  
Guy Maria Villela Paschoal  
Member  
Eduardo Borges de Andrade  
Member  
Renato Torres de Faria  
Member  
Paulo Roberto Reckziegel Guedes  
Member  
Ricardo Coutinho de Sena  
Member  
Saulo Alves Pereira Junior  
Member



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**STATEMENT**

For the purposes of Item 10 of Appendix 19 to CVM Instruction 481/09, and in compliance with the recommendation of the Board of Directors at a meeting held on December 6, 2010, the Executive Board of Companhia Energética de Minas Gerais - Cemig recommends to stockholders approval of the grant by Cemig, to Redentor Fundo de Investimentos em Participações ( FIP Redentor ), unconditionally and irrevocably, of an option ( the Option to Sell ) by which FIP Redentor will have the right, at the end of the 60th month from the date of subscription of the shares of Parati S.A. Participações em Ativos de Energia Elétrica, to sell the totality of the shares owned by FIP Redentor in Parati, and Cemig shall have the obligation to buy them, or to indicate a third party which shall buy them.

The participation of Cemig in the process of consolidation of the electricity sector, sustained by its Long-Term Strategic Plan, has made use of minority and majority stockholding partnerships with the public and private sectors, to leverage new investments, in such a way as to ally growth with maintenance of indebtedness capacity.

The grant of Option to Sell is within the context of the Long-Term Strategic Plan, which specifies the growth of Cemig in all the segments in which it operates, indicating a positive outlook for Cemig's cash position, with the possibility, also, of increase in the amount of dividends distributed, within the policy established by its Bylaws.

Belo Horizonte, February 17, 2011

**Djalma Bastos de Moraes**

Chief Executive Officer

**José Raimundo Dias Fonseca**

Chief Trading Officer

**Fernando Henrique Schüffner Neto**

Chief Officer for New Business Development and Corporate Control of Subsidiaries and Affiliates

**Fuad Jorge Noman Filho**

Chief Officer for the Gas Division

**Luiz Henrique de Castro Carvalho**

Chief Generation and Transmission Officer

**Arlindo Porto Neto**

Deputy Chief Executive Officer

**José Carlos de Mattos**

Chief Distribution and Sales Officer

**Luiz Fernando Rolla**

Chief Officer for Finance, Investor Relations and Financial Control of Holdings

**Frederico Pacheco de Medeiros**

Chief Corporate Management Officer

**Maria Celeste Moraes Guimarães**

Chief Counsel

**Luiz Henrique Michalick**

Chief Institutional Relations and Communication Officer

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**APPENDIX 19 CVM Instruction 481**

**1. Describe the transaction**

The grant, by Companhia Energética de Minas Gerais - Cemig to Redentor Fundo de Investimentos em Participações ( FIP Redentor ), unconditionally and irrevocably, of an option ( the Option to Sell ) under which FIP Redentor will have the right, at the end of the 60th month from the date of subscription of the shares of Parati S.A. Participações em Ativos de Energia Elétrica ( Parati ) ( the Exercise Date ), to sell the totality of the shares belonging to FIP Redentor in Parati ( the Acquisition Shares ) to Cemig, and Cemig shall have the obligation to buy them, or to appoint a third party which shall buy them ( the Transaction ).

**2. Give the reason, either under Bylaws or under Law, why the transaction has been submitted to approval by the General Meeting of Stockholders**

The grant of the Option to Sell has been submitted for approval by the General Meeting of Stockholders because, if FIP Redentor exercises the Option to Sell, and if Cemig does not indicate a third party to acquire the shares, Cemig will be obliged to acquire the control of Parati.

Although it is not possible to state that the acquisition of the shares of Parati will constitute a significant investment, or not, for Cemig, as specified in Article 247 of the Corporate Law, or whether the price of each share will, individually, exceed one and a half times the highest of the three values the criteria for calculation of which are given in Sub-Item II of Article 256 of that Law, Cemig's management, in accordance with its commitment to implement best corporate governance practices, has decided, as a matter of caution, to obtain prior consent from the General Meeting of Stockholders for the grant of the Option to Sell. Within this same commitment, Cemig's management has decided to grant to dissenting holders of the common shares the right to withdraw, as stated in detail in Appendix 20 presented under CVM Instruction 481.

**3. In relation to the company the control of which has been or will be acquired:**

**a. State the name and description:**

Parati S.A. Participações em Ativos de Energia Elétrica, a company registered in the CNPJ/MF under number 10.478.616/0001-26, with Head Office in the city of Rio de Janeiro, Rio de Janeiro state, at Praia de Botafogo 501, Torre Corcovado, 5th Floor.

**b. Number of shares or unit shares of each class or type issued:**

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On today's date Parati has 800 (eight hundred) common shares, all nominal and with par value of R\$ 1.00 (one Real). However, the Bylaws provide for issuance of preferred shares and authorized capital up to the limit of R\$ 1.6 billion.

**c. List all the controlling stockholders or members of the controlling stockholder group, direct or indirect, and their ownership of the registered capital, if they are related parties, as defined by the accounting rules that deal with this subject:**

The members of the controlling stockholding group of Parati will be:

Cemig 25% of the registered capital;

FIP Redentor 75% of the registered capital.

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**d. For each class or type of shares or unit share of the company the control of which will be acquired, please state:**

**i. Minimum, average and maximum share price of each year, in the markets in which they are traded, in the last 3 (three) years**

Non-listed company, without market quotation.

**ii. Minimum, average and maximum share price of each quarter, in the markets in which they are traded, in the last 2 (two) years**

Non-listed company, without market quotation.

**iii. Minimum, average and maximum share price of each month, in the markets in which they are traded, in the last 6 (six) months**

Non-listed company, without market quotation.

**iv. Average market price, in the markets in which it is traded, in the last 90 days.**

Non-listed company, without market quotation.

**v. Value of stockholders' equity at market prices, if the information is available**

The Company was created in 2008 and is not yet operational, thus it is not yet possible to value its stockholders' equity at market prices.

**vi. Amount of annual net profit in the last 2 (two) business years, updated in monetary terms**

The Company was created in 2008 and is not yet operational, and thus has presented no results nor profit.

**4. Principal terms and conditions of the transaction, including:**

**a. Identification of the vendors**

If the Option of Sell is exercised, the vendor will be FIP Redentor, an equity investment fund, registered in the CNPJ/MF under number 11.547.888/0001-0.

**b. Total number of shares or unit shares acquired or to be acquired**

The totality of the shares of Parati owned by FIP Redentor on the Exercise Date of the Option to Sell will be acquired.

**c. Total price**

Equivalent to the amount paid at the time of the subscription of the shares of Parati, estimated at R\$ 1.13 billion, plus expenses (all expenses that are provenly incurred by **FIP Redentor** and/or by the Administrator of FIP Redentor, for its constitution and after its constitution, including expenses of auditing, and management and administration fees), less such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received shall be multiplied by 0.5721 for the purposes of calculation), all updated by the average rate for Interbank Certificates of Deposit published by Cetip (the Custody and Settlement Chamber) ( the **CDI Rate** ) plus a rate of 0.9% per year, *pro rata tempore*, from the date of its actual disbursement / payment to the Exercise Date of the Option to Sell (the **Exercise Amount** ). In the event of the Exercise Amount being higher than the

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amount paid-up by FIP Redentor at the time of the subscription of the shares of Parati, an adjustment factor of  $(1/(1 - 0.4279) - 1)$  shall be applied to the difference, to be added to the Exercise Amount.

**d. Price per share or unit share of each type or class**

In accordance with the total amount described in item c above, the price of the share shall be the amount calculated on the Exercise Date, divided by the number of shares of Parati belonging to FIP Redentor.

**e. Form of payment**

The full payment of the Exercise Amount and the transfer of the Acquisition Shares, to Cemig or to a third party indicated by it, as the case may be, will occur simultaneously and within 30 (thirty) days from the Exercise Date and on this date the Acquisition Shares shall be in fact transferred to the acquiring party in the Company's appropriate records.

**f. Conditions of suspension or cancellation to which the transaction is subject**

The payment of the Exercise Amount and the transfer of the Acquisition Shares on the date of transfer are conditional upon prior approval of the transaction by the Brazilian National Electricity Agency, Aneel.

**g. Summary of the vendor's warranties and guarantees**

Under the terms of the Transaction, the Vendor has warranted that it has the power and the authority to carry out the Transaction, to comply with the obligations assumed by it and to consummate the transactions included in it. Realization of and compliance with the terms of the Transaction by the Vendor, and also compliance with its respective obligations, have been duly authorized by all the bodies and acts (including but not limited to the corporate bodies and acts) necessary for the same.

The Transaction constitutes a legal, valid and binding obligation of the Vendor, enforceable in accordance with its terms.

The realization of the Transaction by the Vendor, and also compliance with the obligations assumed and the implementation of the transactions established in the Transaction:

- i. shall not violate or conflict with any of the provisions of the Acts of Constitution of the Vendor;
- ii. shall not violate or conflict with any statute, order, law, rule, regulation, judgment or order of any court of law or Governmental or regulatory authority to which the Vendor is subject; and
- iii. shall not require consent, approval or authorization of, or the giving of notice to, or filing or registry with, any person, entity, court or governmental or regulatory authority, other than expressly specified in the terms of the Transaction.

**h. Rules on indemnity of the purchasers**

None.

**i. Government approvals necessary**

Aneel, on the date of exercise of the option, if it takes place.

**j. Guarantees given**

None.

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**5. Describe the purpose of the transaction**

The participation of Cemig in the process of consolidation of the electricity sector, sustained by its Long-Term Strategic Plan, has made use of minority and majority stockholding partnerships with the public and private sectors, to leverage new investments, in such a way as to ally growth with maintenance of indebtedness capacity.

**6. Give an analysis of the benefits, cost and risks of the transaction:**

**I The benefits are:**

**For Cemig:**

- Expansion of the company's strategic activities in the electricity sector via acquisitions.
- Inclusion in its portfolio of investments in the segments of generation, transmission and distribution, with returns that are interesting to its stockholders.
- Utilizations of the company's financial capacity for development of a larger number of transactions, taking advantage of the opportunities that exist.
- Management supported by instruments of corporate governance.
- Efficiency of the instrument of partnership of Cemig with the private sector, as already experienced in the case of the acquisition of Terna Participações S.A.

**II Risks of the Transaction.**

Potential depreciation of the shares of Parati and/or reduction of the distributable profit.

**III Costs of the Transaction:**

Equal to the Exercise Amount, as described in item 4, sub-item c .



**7. State what costs will be incurred by the company if the transaction is not approved**

No cost directly related to non-approval.

**8. Describe the sources of funding for the transaction**

The funds necessary for completion of the transaction will be provided from the company's own funds or from funds of third parties.

**9. Describe the managers' plans for the company the control of which has been or will be acquired**

Cemig intends to use Parati as a platform for leveraging new investments in the electricity sector, contributing to the execution of its Long-Term Strategic Plan.

**10. Provide a statement, with grounds, by the managers, recommending approval of the transaction**

The recommendation of the managers is in the minutes of the meeting of the Board of Directors held on December 6th, 2010, and in the statement by the Executive Board attached.

**11. Describe any existing stockholding relationship, even if indirect, between:**

- a. **Any of the vendors or the company the control of which has been or will be sold; and**

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**b. Parties related to the company, as defined by the accounting rules governing this subject.**

Parati will be a stockholder of Light S.A. ( Light ), which is an affiliated company of Cemig.

**12. State details of any transaction carried out in the last 2 (two) years by parties related to the company, as defined in the accounting rules that govern that subject, involving stockholding interests, or other securities, or debt securities, of the company the control of which has been or will be acquired.**

There has been no such transaction.

**13. Supply a copy of all the studies and valuation opinions prepared by the company or by third parties that have supported the negotiation of the acquisition price.**

The Transaction was based on the attached opinion.

**14. In relation to third parties that prepared studies or valuation opinions**

**a. Give the name:**

Banco Bradesco BBI S.A.

**b. Describe their qualifications:**

The Valuing Bank has a certificate from ANBIMA the Brazilian Association of Financial and Capital Market Entities, which is the reason why it took part in the process of contracting, and among other characteristics necessary for participation, proof of technical capacity was required, with presentation of testimonial certificates of valuation of companies, showing it to have major technical capacity for preparing a valuation opinion.

**c. Describe how they were selected**

Parati consulted two experienced financial institutions that are associates of ANBIMA – the Brazilian Association of Financial and Capital Market Entities, and the one that presented the best conditions of deadline and cost was Banco Bradesco BBI S.A.

**d. State whether they are related parties of the company, as defined by the accounting rules governing that subject**

They are not parties related to the company, as informed by the Valuing Bank.

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**APPENDIX 20 CVM Instruction 481/2009**

**1. Describe the event which has given rise to or will give rise to the right to withdraw and its legal basis.**

Grant, by Companhia Energética de Minas Gerais – Cemig, to Redentor Fundo de Investimento em Participações Redentor ( FIP Redentor ), of an unconditional and irrevocable option ( the Option to Sell ), under which FIP Redentor shall have the right, at the end of the 60th month from the date of subscription of the shares in Parati S.A. Participações em Ativos de Energia Elétrica ( Parati ), to sell the totality of the shares in Parati belonging to FIP Redentor, and Cemig shall have the obligation to buy them, or to indicate a third party which shall buy them.

Although it is not possible to state whether, if the Option to Sell is exercised, the price of each share of Parati will, individually, exceed one and one half times the highest of the three amounts the criteria for calculation of which are established in sub-item II of Article 256 of the Corporate Law, Cemig's management, in compliance with its commitment to implement best corporate governance practices, has decided, as a matter of caution, to grant the right to withdraw to any dissenting holders of common shares.

**2. State the shares and types of shares to which the right to withdraw applies**

Only the common shares of Cemig will confer upon their holders the right to withdraw. Cemig's preferred shares will not confer a right to withdraw on their holders, since these shares have liquidity and dispersal, as specified by Article 137, II, of the Corporate Law.

**3. State the date of the first publication of the notice of convocation of the General Meeting of Stockholders and also the date of publication of the Material Announcement relating to the decision which has given or will give rise to the right to withdraw.**

The notice of convocation to the Extraordinary General Meeting of Stockholders of Cemig that will decide on the grant of the Option to Sell will be published for the first time on February 18th, 2011.

There has been no publication of a specific Material Announcement in the relation to the Option to Sell.

**4. State the period for exercise of the right to withdraw and the date that will be considered as the base for the purposes of determination of which owners of shares will be able to exercise the right to withdraw.**

The right to withdraw shall apply in relation only to shares held by holders of common shares in the Company provenly held on February 18, 2011.

The period for exercise of the right to withdraw will be 30 calendar days from the date of publication of the minutes of such General Meeting of Stockholders of Cemig as approves the Option to Sell.

**5. State the value of the reimbursement per share or, if it is not possible to determine it in advance, management's estimate of this value**

R\$ 16.57 per share.

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**6. State the form of calculation of the reimbursement value**

The reimbursement value was determined based on the stockholders' equity of Cemig contained in the most recent balance sheet approved by the General Meeting of Stockholders (December 31, 2009), divided by the number of shares (excluding the shares held in treasury).

**7. State whether the stockholders will have the right to request raising of a special balance sheet**

Stockholders will have the right to request raising of a special balance sheet, in the terms of Article 45, Paragraph 2, of Law 6404/1976.

**8. If the amount of the reimbursement is determined through valuation, list the experts or specialized companies recommended by management.**

Not applicable.

**9. In the event of absorption, absorption of shares or merger involving a parent and subsidiary company or company(ies) under common control**

**a. Calculate the exchange ratios for these shares based on the value of stockholders' equity at market prices or other criterion accepted by the CVM**

Not applicable.

**b. State whether the exchange ratios for shares specified in the protocol of the transaction are less advantageous than those calculated in accordance with item 9 (a) above**

Not applicable

**c. State the reimbursement value calculated based on the value of stockholders' equity at market prices or other criterion accepted by the CVM**

Not applicable

**10. State the equity value of each share calculated in accordance with the last balance sheet approved**

R\$ 16.57 per share.

**11. State the market price of each class or type of shares to which the right to withdraw applies, in the markets in which they are traded, identifying:**

**i. Minimum, average and maximum price of each year, in the last 3 (three) years**

<b>Year</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>
2008	12.58	17.12	20.93
2009	13.41	16.50	21.38
2010	16.94	19.11	21.46

Table of Contents**ii. Minimum, average and maximum price of each quarter, in the last 2 (two) years**

<b>Quarter</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>
1st Quarter 2009	13.41	14.28	15.61
2nd Quarter 2009	15.28	16.15	17.26
3rd Quarter 2009	15.99	16.89	17.89
4th Quarter 2009	16.91	18.69	21.38
1st Quarter 2010	17.72	18.74	19.99
2nd Quarter 2010	16.94	18.65	20.58
3rd Quarter 2010	17.53	18.55	20.24
4th Quarter 2010	18.68	20.54	21.46

**iii. Minimum, average and maximum price of each month, in the last 6 (six) months**

<b>Month</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>
August 2010	17.53	18.31	20.00
September 2010	18.46	19.18	20.24
October 2010	18.68	20.14	21.37
November 2010	19.80	20.65	21.41
December 2010	20.11	20.80	21.46
January 2011	20.86	21.52	22.50

**iv. Average price in the last 90 (ninety) days**

(11/11/2010 to 10/02/2011): 20.96





























































































































































7. Presentation Assessment of the new accounting rules for the electricity sector, Companhia Energética de Minas Gerais CEMIG, February 24, 2011

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8. Summary of Minutes of the 503rd Meeting of Board of Directors, Companhia Energética de Minas Gerais CEMIG, January 20, 2011
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**COMPANHIA ENERGÉTICA DE MINAS GERAIS - CEMIG**

LISTED COMPANY  
CNPJ 17.155.730/0001-64 NIRE 31300040127

**BOARD OF DIRECTORS**

**SUMMARY OF MINUTES OF THE 503RD MEETING**

**Date, time and place:** January 20, 2011 at 2.00 p.m. at the company's head office,  
Av. Barbacena 1200, 21th Floor, Belo Horizonte, Minas Gerais, Brazil.

**Meeting Committee:** Chairman: Dorothea Fonseca Furquim Werneck;  
Secretary: Anamaria Pugedo Frade Barros

**Summary of proceedings:**

**I Election of new members and Chair:**

Anamaria Pugedo Frade Barros, head of Cemig's Corporate Executive Office, stated that there was a quorum for this meeting, and that on today's date an Extraordinary General Meeting of stockholders had been held in which new members had been elected to the Company's Board of Directors, replacing the former Board Member **Sergio Alair Barroso**, who **resigned** his position, as per a letter in the Company's possession, and for the seat left vacant by the Board Member **Aécio Ferreira da Cunha**, who **passed away** in October, 2010.

It was thus necessary to elect a **new Chair** for this Board to complete the present period of office, that is to say up to the first meeting of the Board of Directors held after the Ordinary General Meeting of 2012.

**II The Chairman asked** the Board Members present whether any of them had **conflict of interest** in relation to the matters on the agenda of this meeting, and all stated there was no such conflict of interest.

**III**            **The chairman reported** the creation, at the Extraordinary General Meeting of Stockholders held on today's date, of the **Office of Institutional Relations and Communication**.

She also stated the need to appoint a new Chief Corporate Management Officer and a new Chief Trading Officer, altering the composition of the Executive Board so that its members shall serve the same period of office that remains for the other sitting members, that is to say, up to the first meeting of the Board of Directors held after the Annual General Meeting of 2012.

Av. Barbacena 1200 Santo Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025

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**IV The Board approved:**

a) The proposal by the Board Member Lauro Sérgio Vasconcelos David, to elect, as **Chair of the Board of Directors**, the Board Member:

**Dorothea Fonseca Furquim Werneck**

Brazilian, divorced, economist, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Adauto Lúcio Cardoso 633, Belvedere, CEP 30320-290, Bearer of Identity Card 3758423-2, issued by the Public Safety Department of the State of Rio de Janeiro, and CPF 261863817-49.

to complete the present period of office, that is to say, up to the first meeting of the Board of Directors held after the Annual General Meeting of 2012,

maintaining the present **Vice-Chairman**,

**Djalma Bastos de Moraes**

Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, ay Av. Bandeirantes 665/401, Sion, CEP 30315-000, bearer of identity card 1966100268-CREA-RJ and CPF 006633526-49.

b) The proposal by the Chairman, that Mr. Marco Antonio Rodrigues da Cunha should cease to be Chief Corporate Management Officer, and that Mr. Bernardo Afonso Salomão de Alvarenga should cease to be Chief Trading Officer,

and that the following should be elected to serve the same period of office that remains to the other Chief Officers, that is to say, up to the first meeting of the Board of Directors held after the Annual General Meeting of 2012:

as Chief institutional Relations and Communication Officer:

**Luiz Henrique Michalick**

Brazilian, married, journalist, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Ernani Doyle 184, Belvedere, CEP 30320-270, bearer of Identity Card M-270172-SSPMG and CPF No. 177342826-87;

as Chief Corporate Management Officer:

**Frederico Pacheco de Medeiros**

- Brazilian, married, lawyer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Serranos 131/501, Serra, CEP 30315-340, bearer of Identity Card M-3473053-SSPMG and CPF 666838586-91;

and as Chief Trading Officer:

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**José Raimundo Dias Fonseca**

- Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Av. Barbacena 1330/1402, Bloco 01, Santo Agostinho, CEP 30190-131, Identity Card 9407119-SSPSP and CPF 261986576-04.

c) The minutes of this meeting.

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V **The Chairman stated** that the members of the Executive Board are now as follows:

<b>CEO:</b>	<b>Djalma Bastos de Morais;</b>
<b>Deputy CEO:</b>	<b>Arlindo Porto Neto;</b>
<b>Chief Trading Officer:</b>	<b>José Raimundo Dias Fonseca;</b>
<b>Chief Distribution and Sales Officer:</b>	<b>José Carlos de Mattos;</b>
<b>Chief Officer for Finance, Investor Relations and Financial Control of Holdings:</b>	<b>Luiz Fernando Rolla;</b>
<b>Chief Generation and Transmission Officer:</b>	<b>Luiz Henrique de Castro Carvalho;</b>
<b>Chief Corporate Management Officer:</b>	<b>Frederico Pacheco de Medeiros</b>
<b>Chief Officer for New Business Development and Corporate Control of Subsidiaries and Affiliates:</b>	<b>Fernando Henrique Schüffner Neto,</b>
<b>Chief Officer for the Gas Division:</b>	<b>Fuad Jorge Noman Filho;</b>
<b>Chief Counsel:</b>	<b>Maria Celeste Morais Guimarães;</b>
<b>Chief Institutional Relations and Communication Officer:</b>	<b>Luiz Henrique Michalick.</b>

VI **The Chair and Vice-chair of the Board declared** that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which may be considered a competitor of the Company, and that they do not have nor represent any interest conflicting with that of Cemig, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of the Government Workers and of the Senior Administration of the State of Minas Gerais.

VII **The Chief Officers elected declared** in advance that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which may be considered a competitor of the Company, and that they do not have nor represent any interest conflicting with that of Cemig, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

VIII **Discussion:** The Board Members made comments on general business and matters of interest to the Company.

**The following were present:**

Board members:	Dorothea Fonseca Furquim Werneck,	Ricardo Antônio Mello Castanheira,
	Djalma Bastos de Morais,	Adriano Magalhães Chaves,
	Antônio Adriano Silva,	Fernando Henrique Schüffner Neto,
	Arcângelo Eustáquio Torres Queiroz,	Franklin Moreira Gonçalves,
	Francelino Pereira dos Santos,	Lauro Sérgio Vasconcelos David,
	Guy Maria Villela Paschoal,	Paulo Sérgio Machado Ribeiro,
	João Camilo Penna,	Tarcísio Augusto Carneiro,
	Luiz Carlos Costeira Urquiza,	Maria Estela Kubitschek Lopes,
	Saulo Alves Pereira Junior,	Paulo Roberto Reckziegel Guedes;
Secretary:	Anamaria Pugedo Frade Barros.	

Anamaria Pugedo Frade Barros.