

# CEMIG GERAÇÃO E TRANSMISSÃO S.A.

This document is: the original Public Deed of Constitution, approved on September 8, 2004, filed at the Minas Gerais Commercial Board (JuCEMG) on Sep. 15, 2004, under N°. 3130002055-0, with all changes subsequently made by General Meetings of Stockholders held for the purpose of changes in the by-laws, up to and including the most recent EGM held on June 3rd, 2014, the minutes of which were filed with JuCEMG on June 27th, 2014, under N°. 532751.

## BYLAWS

### CHAPTER I

#### **Name, constitution, objects, head office and duration**

- Clause 1 Cemig Geração e Transmissão S.A. is a corporation with mixed private and public sector stockholdings, constituted as a wholly-owned subsidiary of Companhia Energética de Minas Gerais – CEMIG, and is governed by these by-laws and by the applicable legislation.
- Clause 2 The objects of the Company are:
- a) to study, plan, project, build and commercially operate systems of generation, transmission and sale of electricity and related services for which concessions are granted to it, or to any company of which it holds stockholding control, under any form of law.
  - b) to operate in the various fields of energy, from whatever source, with a view to economic and commercial operation;
  - c) to provide consultancy services, within its field of operation, to companies in and outside Brazil; and
  - d) to carry out activities directly or indirectly related to its objects.
- § 1 The activities specified in this clause may be operated directly by the Company or, as intermediary, by companies constituted by it or in which it may hold a majority or minority stockholding interest, upon decision by the Board of Directors of the sole stockholder, Cemig, under Article 2 of State Law 8655 of September 18, 1984, as amended by Law 15290 of August 4, 2004, and prior authorization by the National Electricity Agency, Aneel.
- Clause 3 The Company shall have its head office and management in the City of Belo Horizonte, Minas Gerais State, Brazil, at Av. Barbacena 1200, 12th Floor, B1 Wing, in the District of Santo Agostinho, and may open offices, representations and any other establishments in or outside Brazil on authorization by the Executive Board.
- Clause 4 The Company shall have indeterminate duration.

**CHAPTER II**  
**Capital and shares**

- Clause 5      The Company's registered capital is R\$ 893,192,096.76 (eight hundred ninety three million, one hundred ninety two thousand, ninety six Reais and seventy six centavos), represented by 2,896.785.358 (two billion, eight hundred ninety six million, seven hundred eighty five thousand, three hundred fifty eight) nominal common shares without par value.
- § 1            Each common share carries the right to a vote in decisions of General Meetings of Stockholders.

**CHAPTER III**  
**The General Meeting of Stockholders**

- Clause 6      Companhia Energética de Minas Gerais – Cemig, as sole stockholder of the Company, has full powers to make all the business decisions in relation to the Company's objects and to adopt what resolutions it deems necessary for the defense of its interests and its development, and shall meet, ordinarily, within the first 4 (four) months of the year, for the purposes specified in law and, extraordinarily, whenever necessary, subject to the relevant legal provisions being obeyed in its convocation, opening and decisions.

**CHAPTER IV**  
**Management of the Company**

- Clause 7      The Company shall be managed by a Board of Directors and an Executive Board, which shall act in conformity with the Corporate Law and with these by-laws.
- § 1            Appointments to positions on the Boards of Directors of the Company's subsidiary or affiliated companies, the filling of which is the competency of the Company, shall be made as determined by the Board of Directors.
- § 2            Positions on the support committees to the Boards of Directors of the subsidiaries and affiliated companies, the filling of which is the competency of the Company, shall be filled by Members of the Boards of the respective subsidiaries or affiliated companies. The Chief Business Development Officer shall always be appointed as one of the members of such committees, who shall always act in shared activity with the Chief Finance and Investor Relations Officer or any other Chief Officer.
- § 3            Members of the Company's Executive Board or Board of Directors who are also members of the management bodies of the sole stockholder, Cemig, may not receive remuneration.

**Section I**  
**The Board of Directors**

- Clause 8      The Company's Board of Directors shall be made up of 15 (fifteen) members and an equal number of substitute members. One of the members shall be its Chair and another its Vice-Chair, and all shall be elected and able to be dismissed at any time by the General Meeting of Stockholders, for a period of office of 3 (three) years, and may be reelected.

- § 1 The members of the Board of Directors must, obligatorily, be the same members of the Board of Directors of the sole stockholder, Cemig.
- Clause 9 The Board of Directors shall meet, ordinarily, once a month, to analyze the results of the Company and its subsidiaries and affiliated companies, and to decide on other matters included on the agenda in accordance with its internal regulations, and, extraordinarily, on convocation by its Chair, or its Vice-Chair, or one-third of its members, or when requested by the Executive Board.
- § 1 The meetings of the Board of Directors shall be called by its Chair or its Vice-Chair, by written notice sent with 5 (five) business days' prior notice, containing the agenda of matters to be discussed. Meetings of the Board of Directors may be called by its Chair on the basis of urgency without obedience to the requirement for the above-mentioned period of notice, provided that the other members of the Board are unequivocally aware of the convocation.
- § 2 Decisions of the Board of Directors shall be taken by the majority of the votes of the Board Members present, and in the event of a tie the Chair shall have the casting vote.
- Clause 10 The Chair of the Board of Directors has the competency to grant leave to the Board's members, and the other members of the Board have the competency to grant leave to the Chair.
- Clause 11 The Chair and Vice-Chair of the Board of Directors of the sole stockholder, Cemig, shall, obligatorily, be the Chair and Vice-Chair of the Board of Directors of the Company, and the Vice-Chair shall take the place of the Chair when the Chair is absent or impeded from exercising his functions.
- Clause 12 The Board of Directors shall have the following attributions, as well as others ascribed to it by law:
- a) to establish the general orientation of the Company's business;
  - b) to elect or dismiss the Executive Officers of the Company, subject to these by-laws;
  - c) to decide, prior to the Company entering into them, on contracts between the Company and any of its stockholders, or any company that exercises control or joint control of such stockholder;
  - d) to decide, upon a proposal put forward by the Executive Board, on the disposal or placement of a charge upon any of the Company's permanent assets, and on the giving by the Company of any guarantee to any third party of which the individual amount is greater than or equal to R\$ 14,000,000.00 (fourteen million Reais);
  - e) to decide, upon a proposal put forward by the Executive Board, on the Company's investment projects, on entering into contracts and other legal transactions, on contracting of any loans or financings, or on constitution of any obligations in the name of the Company which, individually or jointly, have value of R\$ 14,000,000.00 (fourteen million Reais) or more, including injections of capital into wholly-owned or other subsidiaries or affiliated companies or the consortia in which the Company participates;
  - f) to call the General Meeting of Stockholders;
  - g) to monitor and inspect the management by the Executive Board: the Board of Directors may, at any time, examine the books and papers of the Company,

and request information on contracts entered into or in the process of being entered into, and on any other administrative facts or acts which it deems to be of interest to it;

- h) to give a prior opinion on the report of management and the accounts of the Executive Board of the Company;
- i) to choose and to dismiss the Company's auditors, from among companies with international reputation authorized by the Securities Commission (CVM) to audit companies registered with the CVM;
- j) to authorize, upon a proposal by the Executive Board, commencement of administrative tender proceedings, and proceedings for dispensation from or non-requirement of tender, and the corresponding contracts, for amounts of R\$ 14,000,000.00 (fourteen million Reais) or more;
- k) to authorize, upon a proposal put forward by the Executive Board, filing of legal actions, or administrative proceedings, or entering into court or out-of-court settlements, for amounts of R\$ 14,000,000.00 (fourteen million Reais) or more;
- l) to authorize the issuance of securities, in the domestic or external markets, for the raising of funding, in the form of debentures, promissory notes, medium-term notes and other instruments;
- m) to approve the Company's Long-Term Strategic Plan, the Multi-year Strategic Implementation Plan, and the Annual Budget, and alterations and revisions to them;
- n) annually, to set the directives and establish the limits, including financial limits, for spending on personnel, including concession of benefits and collective work agreements, subject to the competency of the General Meeting of Stockholders and the Annual Budget approved;
- o) to authorize the exercise of the right of preference and rights under stockholders' agreements or voting agreements in wholly-owned or other subsidiaries, affiliated companies and the consortia in which the Company participates;
- p) to approve the declarations of vote in the General Meetings of Stockholders and the orientations for voting in the meetings of the boards of directors of the wholly-owned and other subsidiaries, affiliated companies and the consortia in which the Company participates, when participation in the capital of other companies or consortia is involved, and the decisions must, in any event and not only in matters relating to participation in the capital of other companies or consortia, obey the provisions of these by-laws, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan;
- q) to approve the constitution of, and participation in the equity capital of, any company, undertaking or consortium;
- r) to approve the institution of committees, in accordance with its Internal Regulations, and each committee shall, prior to the decision by the Board of Directors, give its opinion, which shall not be binding: (i) on the matters over which competence is attributed to it by the Internal Regulations; and (ii) in relation to any matter whenever requested by at least 2/3 (two thirds) of the members of the Board of Directors, or the whole number of Members of the Board immediately below the number resulting from that quotient in the event that it is not a whole number; and

s) to authorize provisions in the Company's accounts, in amounts of R\$ 14,000,000.00 (fourteen million Reais) or more, upon proposal by the Executive Board.

§ 1 The Long-Term Strategic Plan shall contain the long-term strategic planning, fundamentals, targets, objectives and results to be pursued and attained by the Company, and its dividend policy, and shall be the basis of the plans, forecasts, activities, strategies, capital expenditure and expenses to be included in the Company's Multi-year Strategic Implementation Plan and Annual Budget, which shall be prepared and approved in accordance with these by-laws.

§ 2 The Board of Directors, by specific resolutions, may delegate to the Executive Board the power to authorize making of contracts for sales of electricity or for provision of transmission services, in accordance with the legislation.

§ 3 The financial limits for decision by the Board of Directors shall be adjusted, in January of each year, by the IGP-M (General Market Price) inflation index, published by the Getúlio Vargas Foundation.

## **Section II The Executive Board**

Clause 13 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 Finance and Investor Relations Officer;  
Chief Corporate Management Officer;  
Chief Generation and Transmission Officer;  
Chief Trading Officer,  
Chief Business Development Officer;  
Chief Officer Without Portfolio;  
Chief Officer for the Gas Division;  
Chief Counsel, and  
Chief Institutional Relations and Communication Officer,

all with period of office of 3 (three) years, re-election being permitted. The period of office of the Chief Officers shall extend until their elected successors take are sworn in.

§ 1 The members of the Executive Board shall, obligatorily, be the respective members of the Executive Board of the sole stockholder, Cemig, and the post of Executive Officer Without Portfolio shall be occupied, also obligatorily, by the Chief Distribution and Sales Officer of the sole stockholder, Cemig.

Clause 14 In the event of absence, leave, resignation or vacancy of the post of Chief Executive Officer, this post shall be exercised by the Deputy Chief Executive Officer, for whatever period the absence or leave may last, and, in the case of the post being vacant, of prevention of its exercise, or of resignation, until the post is filled by the Board of Directors.

- § 1 In the event of absence, leave, resignation or vacancy of the post of any of the other members of the Executive Board, the Executive Board may, by approval of a majority of its members, attribute the exercise of the respective functions to another Executive Officer, for as long as the period of absence or leave – or, in the event of vacancy, the impediment or resignation – lasts, until the post is filled by the Board of Directors.
- § 2 The Chief Executive Officer or a member of the Executive Board elected in the way described in this clause shall hold the position for the time which remains of the period of office of the Executive Officer who is substituted.
- Clause 15 The Executive Board shall meet, ordinarily, at least 2 (two) times per month and, extraordinarily, whenever called by the Chief Executive Officer or by 2 (two) Executive Officers with prior notice of at least 2 (two) days, but this notice shall not be necessary if all the Executive Officers are present. The decisions of the Executive Board shall be taken by a vote of the majority of its members, and in the event of a tie the Chief Executive Officer shall have a casting vote.
- Clause 16 The Executive Board is responsible for the ongoing management of the Company's business, subject to the Multi-year Strategic Implementation Plan and the Annual Budget, prepared and approved in accordance with these by-laws.
- § 1 The Company's Multi-year Strategic Implementation Plan shall contain the plans and projections for a period of 5 (five) business years, and must be updated at least once a year. Among others, subjects, it must deal in detail with the following:
- a) the Company's strategies and actions, including any project related to its objects;
  - b) new investments and business opportunities, including those of the Company's wholly-owned and other subsidiaries, and affiliated companies, and of the consortia in which it participates;
  - c) the amounts to be invested or in any other way contributed from the Company's own funds or funds of third parties; and
  - d) the rates of return and profits to be obtained or generated by the Company.
- § 2 The Annual Budget shall reflect the Company's Multi-year Strategic Implementation Plan and must give details of operational revenue and expenses, costs and capital expenditure, cash flow, the amount to be allocated to payment of dividends, investments from the Company's own funds or funds of third parties, and any other data that the Executive Board considers to be necessary.
- § 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 in coordination with the Chief Executive Officer and the Chief Finance and Investor Relations Officer, respectively; and in relation to the affiliates and subsidiaries, jointly with the Chief Business Development Officer; and at all times, in all aspects, with the participation of all 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.
- §4 The following subjects shall require a decision by the Executive Board:

- a) approval of the plan of organization of the Company and issuance of the corresponding rules and any changes to them;
- b) examination, and submission to the Board of Directors, for approval, of the Company's Multi-year Strategic Implementation Plan, and revisions of it, including timetables, amount and allocation of investments specified in it;
- c) examination, and submission to the Board of Directors, for approval, of the Annual Budget, which must reflect the Multi-year Strategic Implementation Plan at the time in force, and revisions of it;
- d) decision on re-allocation of investments or expenditure specified in the Annual Budget which amount, individually or in aggregate, in a single financial year, to less than R\$ 14,000,000.00 (fourteen million Reais), with consequent adaptation of the targets approved, obeying the multi-year Strategic Implementation Plan and the Annual Budget;
- e) approval of disposal of or placement of a charge upon any of the Company's property, plant or equipment, and the giving of guarantees to third parties, in amounts less than R\$ 14,000,000.00 (fourteen million Reais);
- f) authorization of the Company's investment projects, signing of agreements and other legal transactions, contracting of loans and financings and the creation of any obligation in the name of the Company, based on the Annual Budget approved, which individually or in aggregate have values less than R\$ 14,000,000.00 (fourteen million Reais), including injection of capital into wholly-owned or other subsidiaries, affiliated companies, or the consortia in which the Company participates, subject to the provisions of Sub-clause 'o' of Sub-item IV of Clause 17;
- g) approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, and decisions must obey the provisions of these by-laws, the decisions of the Board of Directors, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan;
- h) authorization to open administrative tender proceedings and proceedings for exemption from or non-requirement for tender, and the corresponding contracts, in amounts greater than or equal to R\$ 2,800,000.00 (two million eight hundred thousand Reais) and less than R\$ 14,000,000.00 (fourteen million Reais);
- i) authorization to file legal actions and administrative proceedings, and to enter into Court and out-of-court settlements, for amounts less than R\$ 14,000,000.00 (fourteen million Reais);
- j) authorization of provisions in the Company's accounts of less than R\$ 14,000,000 (fourteen million Reais), upon proposal from the Chief Finance and Investor Relations Officer;
- k) approval of the nominations of employees to hold management posts in the Company, upon proposal by the Chief Officer concerned, subject to the provisions of Sub-clause "h" of Sub-item I of Clause 17;
- l) authorization of expenditure on personnel expenses and collective employment agreements, subject to the competency of the General Meeting of

Stockholders, the directives and limits approved by the Board of Directors and the Annual Budget approved; and

m) examination and decision on the contracting of external consultants, when requested by the office of any Chief Officer, subject to the provisions of Clause 12, Sub-clause “j”, and Clause 16, §4, Sub-clause “h”.

§ 5 Actions necessary for the regular functioning of the Company, entering into contracts, and other legal transactions shall be carried out by the Chief Executive Officer, jointly with one Executive Officer, or by a person holding a valid power of attorney.

§ 6 Powers of attorney must be granted by the Chief Executive Officer, jointly with a Chief Officer, except for the power described in Sub-clause “c” of Sub-item I of Clause 17, for which only the signature of the Chief Executive Officer is required.

§ 7 The financial limits for decision by the Executive Board shall be adjusted, in January of each year, by the IGP-M (General Market Price) inflation index, published by the Getúlio Vargas Foundation.

Clause 17 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:**

- a) to oversee and direct the work of the Company;
- b) to coordinate the preparation, consolidation and implementation of the Company’s Multi-Year Strategic Implementation Plan; in the case of the affiliated companies and jointly-controlled subsidiaries jointly with the Chief Business Development Officer; and in all cases with the participation of the other Chief Officers of the Company;
- c) to represent the Company in the Courts, on the plaintiff or defendant side;
- d) to sign, jointly with one Chief Officer, documents that bind the Company;
- e) to present the annual report on the Company’s business to the Board of Directors and to the Ordinary General Meeting of Stockholders;
- f) to hire and dismiss employees of the Company;
- g) to manage and direct the activities of internal auditing, the Corporate Executive Office, and strategic planning;
- h) to propose to the Executive Board, for approval, jointly with the Chief Officer to whom the employee is linked, nominations for management positions in the Company; and
- i) to propose the appointments to positions of management, and positions on the Audit Boards, of the wholly-owned subsidiaries, and of *Fundação Forluminas de Seguridade Social* – Forluz, after hearing the Chief Finance and Investor Relations Officer; and of the Company’s subsidiaries and affiliated companies and of the consortia in which the Company participates, after hearing the Chief Business Development Officer.

**II To the Deputy Chief Executive Officer:**

- a) to substitute the Chief Executive Officer if he is absent, on leave, temporarily impeded from exercising his functions, or has resigned or his post is vacant;
- b) to propose improvements to the Company’s social responsibility and sustainability policies;
- c) to set the policies and guidelines for the environment, technological development, alternative energy sources and technical standardization;



- d) to co-ordinate the Company's strategy in relation to the environment, the technological process and strategic management of technology;
- e) to coordinate the putting in place and maintenance of the Company's quality systems;
- f) to promote implementation of programs for technological development of the Company; and
- g) to monitor the management of plans for compliance with the guidelines for the environment, technology and improvement of quality.

### **III To the Chief Finance and Investor Relations Officer:**

- a) to make available the financial resources necessary for the operation and expansion of the Company, in accordance with an Annual Budget, conducting the processes of contracting of loans and financing, and the related services;
- 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 Business Development Officer, and in all cases with the participation of the other Chief Officers of the Company;
- c) to arrange for economic and financial valuation of the Company's investment projects, except those that are the responsibility of the Chief Business Development Officer;
- d) to accompany the economic and financial performance of the investment projects, according to targets and results approved by the Executive Board and the Board of Directors;
- e) to carry out the accounting of, monitor and control the economic and financial transactions of the Company, including its wholly-owned and other subsidiaries;
- f) to determine the cost of the service and to establish a policy on insurance, as set out in the Company's Multi-year Strategic Implementation Plan;
- g) to prepare the short-, medium- and long-term financial programming in detail, as specified in the Company's Multi-year Strategic Implementation Plan and Annual Budget;
- h) to monitor and control the Company's registered capital, and to propose to the Executive Board, for decision or for submission to the Board of Directors or the General Meeting of Stockholders, in accordance with the provisions of these by-laws, the governance policy in relation to the market, and the dividend policy, of the Company and its wholly-owned and other subsidiaries, and to suggest the same for the affiliated companies
- i) to coordinate the preparation and negotiation of transmission revenues with the National Electricity Agency, Aneel;
- j) to be responsible for the provision of information to the investing public, to the Securities Commission (CVM) and to the Brazilian and international stock exchanges and over-the-counter markets, and the corresponding regulation and inspection entities, and to keep the Company's registrations with these institutions updated;
- k) to represent the Company to the CVM, the stock exchanges and other entities of the capital markets;
- l) to arrange for the financial management of the Company and of its wholly-owned and other subsidiaries, and affiliated companies, and of the consortia in which the Company participates, within the criteria of good corporate governance and making continual efforts for compliance with their business plans, subject to the provisions of these by-laws;

- m) to monitor the economic and financial results of the Company's holdings in the wholly-owned and other subsidiaries, and affiliated companies;
- n) to propose to the Executive Board, for approval or submission to the Board of Directors or to the General Meeting of Stockholders, depending on the competency specified in these by-laws:
  - (i) injections of capital into the wholly-owned subsidiaries; and
  - (ii) jointly with the Chief Business Development Officer, injections of capital, exercise of the right of preference, and signing of voting agreements, in the subsidiaries, in the affiliated companies and in the consortia in which the Company participates;
- o) to take part in any negotiations that involve constitution or alteration of corporate documents of any of the companies in which the Company has any equity holding; and
- p) to coordinate, jointly with the Chief Business Development Officer, the processes of disposal of stockholding interests held by the Company, subject to the provisions of the legislation and regulations from time to time in force; and
- q) to monitor and evaluate the financial performance of the subsidiaries and affiliates, and of the consortia in which the company participates, and to disseminate this information within the Executive Board.

**IV To the Chief Corporate Management Officer:**

- a) to ensure the provision of appropriate personnel to the Company;
- b) to decide the Company's human resources policy and to orient and promote its application;
- c) to orient and conduct the activities related to organizational studies and their documentation;
- d) to decide, conduct and supervise the Company's telecommunications and information technology policy;
- e) to plan, put in place and maintain the Company's telecommunications and information technology systems;
- f) to decide policies and rules on support services such as transport, administrative communication, and security guards, and on provision of adequate quality in the workplace for the Company's personnel;
- g) to provide the Company with infrastructure and administrative support resources and services;
- h) to coordinate the policies, processes and means of property security, work safety and security guarding approved by the Company;
- i) to carry out the negotiations of collective work agreements, in accordance with the guidelines and limits approved by the Board of Directors, submitting the proposals negotiated for approval by the Executive Board;
- j) to administer the process of contracting of works and services and of acquisition and disposal of materials and real estate property;
- k) to carry out quality control of the material acquired and of the qualification of contracted service providers;
- l) to administer and control the stock of material, to arrange for separation and recovery of used material, and to carry out sales of excess and unusable material, and scrap;
- m) to arrange for and implement programs to increase, develop, perfect and continually improve suppliers of materials and services of interest to the Company, alone or in cooperation with other Chief Officer's Departments or

- development agencies or industry associations, in the ambit of the State of Minas Gerais;
- n) to carry out corporate management and environmental action programs within the scope of the Chief Corporate Management Officer's Department;
  - o) to authorize opening of administrative tender proceedings and proceedings for exemption from or non-requirement for tender, and the corresponding contracts, in amounts up to R\$ 2,800,000.00 (two million eight hundred thousand Reais);
  - p) to propose to the Chief Executive Officer, for submission to the Executive Board, for approval, from among the employees of the Company, appointments for the positions of sitting and substitute members of the Integrated Pro-Health Administration Committee;
  - q) to propose to the Chief Executive Officer, for submission to the Executive Board, for approval, from among the employees of the Company, appointments of employees to the Union Negotiation Committee, and also the appointment of its coordinator; and
  - r) to present to the Executive Board the assessments received from a leadership succession development program, put in place by the Company, for the purpose of giving the Executive Board input for its decisions on appointments of employees to management posts.

**V To the Chief Generation and Transmission Officer:**

- a) to make continuous efforts on behalf of the quality of supply of electricity to consumers that are directly linked to the transmission system;
- b) to prepare the planning of Generation and Transmission;
- c) to operate and maintain the generation and transmission systems and the associated systems of supervision and remote control;
- d) to carry out environmental programs and actions within the scope of this Chief Officer's Department;
- e) to develop and conduct hydro-meteorological activities of interest to the Company;
- f) to manage the operations arising from interconnection of the Company's electricity transmission system with those of other companies, and the connection of agents to the Company's basic network;
- g) to represent the Company in relations with the National System Operator (ONS), and the Brazilian Electricity Generators' Association (Abrage) and other entities representing the electricity generation and transmission sector;
- h) to manage the Company's Central laboratories and workshops;
- i) to coordinate and put in place projects for refurbishment, modernization, improvement, reactivation and de-activation in the generation and transmission facilities;
- j) to propose and implement measures that aim to ensure the connectivity of the various agents of the electricity sector, linked to the Company's transmission system;
- k) to propose and implement the policies and guidelines that aim to ensure the physical security of the generation and transmission facilities, and to manage the industrial security of those facilities;
- l) to manage and promote the Company's work safety policy within the scope of his/her activities;
- m) to manage and put in place the undertakings for expansion of generation, transmission and co-generation, arranging for planning, construction and

assembly, and ensuring the proper physical and financial performance of those undertakings;

- n) to supply technical support to negotiations for making possible the projects for expansion of generation, transmission and co-generation, and to take part in the negotiation of documents of consortia of entrepreneurs and of special-purpose companies; and
- o) to monitor and evaluate the technical and operational performance of the Company's wholly-owned subsidiaries, and disseminate this information within the Executive Board.

#### **VI To the Chief Trading Officer:**

- a) to carry out research, studies and projections on the markets of interest to the Company;
- b) to coordinate the planning and execution of the purchase of electricity to serve the Company's market, and the sale of energy from its own generation sources;
- c) to coordinate the purchase and sale of electricity in its different forms and modalities, including importation, exportation and participation in all the segments of markets specialized in energy;
- d) to coordinate the provision of services of intermediation of business transactions related to the sale of electricity to any authorized agent;
- e) to represent the Company in the Electricity Trading Chamber (CCEE), taking responsibility for the transactions carried out in the ambit of that chamber, and to represent the Company in relations with the other electricity trading entities;
- f) to coordinate the establishment of the prices for purchase and sale of electricity, and to propose them to the Executive Board for approval;
- g) to establish commercial relations with and coordinate the sale of electricity and services to individual consumers, or groups of consumers, served at voltages of 2.3kV or more and contracted demand of 500kW or more, and also business groups;
- h) to identify, measure and manage the risks associated with the trading of electricity;
- i) to negotiate and manage the Contracts for Use of the Transmission System with the National System Operator (ONS) and for connection to the Distribution System with transmission companies;
- j) to manage the trading of the Company's carbon credits, in coordination with the Office of the Chief Business Development Officer; and
- k) to monitor and evaluate the technical and operational performance of the Company's wholly-owned subsidiaries, and disseminate this information within the Executive Board.

#### **VII To the Chief Business Development Officer:**

- a) to promote search for, analysis and development of new business of the Company in the areas of generation, transmission and distribution of electricity, and oil and gas, and in other activities directly or indirectly related to the Company's objects;
- b) to arrange for technical, economic-financial, and environmental feasibility studies of new business for the Company, in coordination with the Chief Officer's Departments related to those businesses;
- c) to coordinate negotiations and implement partnerships, consortia, special-purpose companies and other forms of association with public- or private-

- sector companies necessary for the development of new business, and also the negotiation of contracts and corporate documents of those projects;
- 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 Finance and Investor Relations Officer, of the Annual Budget in relation to the affiliated companies and subsidiaries;
  - e) to coordinate the participation of the Company in tender proceedings for obtaining grant of concessions in all the areas of its activity;
  - f) to seek, coordinate, evaluate and structure the opportunities for acquisition of new assets in all the sectors and activities directly or indirectly related to the Company's objects;
  - g) to coordinate the Company's participation in the auctions of new business opportunities held by any person or legal entity, under public or private law, including regulatory agencies;
  - h) within the ambit of the Company, to promote the search for, and analysis of, business opportunities related to the use of carbon credits;
  - i) to prepare the planning and the Capital Expenditure Program of new business in all the sectors and activities directly or indirectly related to the Company's objects;
  - j) to represent the Company in relations with the entities for planning of expansion of the electricity sector in its areas of operation;
  - k) to accompany Brazil's energy planning, within the Company;
  - l) to propose to the Executive Board, for approval or submission to the Board of Directors, assumptions for new investments to be made by the Company (IRR, payback, cost of capital, and any other indicators of risk/return that may be necessary);
  - m) to propose, jointly with the Chief Finance and Investor Relations Officer, to the Executive Board, for approval or for submission to the Board of Directors or to the General Meeting of Stockholders, depending on the competency specified in these by-laws, matters relating to injections of capital, exercise of the right of preference and entering into voting agreements in the subsidiaries and affiliates and in the consortia in which the company participates;
  - n) to coordinate, within the ambit of the Company, negotiations that involve constitution and alteration of documents relating to equity interests in the subsidiaries and affiliates, and in the consortia in which the Company participates;
  - o) to monitor and supervise the management and development of the subsidiaries and affiliates, within the criteria of good governance and making efforts at all times for compliance with their business plans, subject to the provisions of these by-laws;
  - p) to coordinate, jointly with the Chief Finance and Investor Relations Officer, processes of disposal of equity interests held by the Company, subject to the provisions of the legislation and regulations from time to time in force;
  - q) to monitor and evaluate the technical and operational performance of the subsidiaries and affiliates and of the consortia in which the company participates, and to disseminate this information within the Executive Board;
  - r) to represent the Company, in the terms of §3 of Clause 11 of these by-laws, in the support committees to the Boards of Directors of its subsidiaries and affiliates; and
  - s) to coordinate matters relating to new business and the management of the equity holdings of the Company and of its subsidiaries and affiliates, and of

the consortia in which the Company participates, in interaction with the offices of the other Chief Officers of the Company.

**VIII To the Chief Officer Without Portfolio:**

- a) to carry out all the acts specifically provided for in the legislation and these by-laws, and such activities as are attributed to him/her by the Board of Directors.

**IX To the Chief Officer for the Gas Division:**

- a) to coordinate, in the name of the Company and its wholly-owned and other subsidiaries, all the activities related to exploration, acquisition, storage, transport, distribution and sale of oil and gas or oil products and by-products, directly or through third parties;
- b) to propose to the Executive Board guidelines and general rules and plans for operation, prospecting, exploration, acquisition, storage, transport, distribution and sale of activities of the oil and gas business;
- c) to carry out research, analyses and studies of investments and new technologies related to oil and gas and, jointly with the Chief Business Development Officer, studies and development of business in that sector;
- d) to develop standardization for projects in the field of oil and gas;
- e) to propose to the Executive Board a multi-year plan for investments and expenses of Gasmig;
- f) to propose to the Executive Board, jointly with the Chief Finance and Investor Relations Officer and the Chief Business Development Officer, the multi-year plan for investments and expenses of other special-purpose companies associated with the activities of oil and gas;
- g) to consolidate the management of the work safety policies of Gasmig and of other special-purpose companies, in the ambit of the oil and gas activities, in accordance with the general guidelines laid down by the Company, through the Office of the Chief Corporate Management Officer;
- h) to carry out research, studies, analyses and market projections of interest to the Company in the ambit of the oil and gas activities;
- i) to carry out environmental programs and actions within the scope of this Chief Officer's Department; and
- j) to represent the Company in the various entities that bring together the companies of the oil and gas sector.

**X To the Chief Counsel:**

- a) to coordinate the legal activities of the Company, and of its wholly-owned and other subsidiaries, in accordance with Article 116, sub-Clauses "a" and "b", of Law 6404/1976, comprising:
  - organization and supervision of the legal services of the companies in the areas of litigation and consultation, in all the areas of law;
  - establishment of directive guidelines, issuance of legal orientations and preventive activity in legal matters in the interests of the Companies;
  - adoption of measures aiming for integration and synergy of the legal areas of the Companies;
  - promotion of the defense of the interests of the companies in the Courts and in the administrative sphere; and

- decision on strategies in law and in case procedure to be adopted by the companies;
- b) to support the other areas of the Company, and of its wholly-owned and other subsidiaries, in accordance with Article 116, sub-Clauses “a” and “b”, of Law 6404/1976, in legal and juridical matters;
- c) to propose and implement the directive guidelines for contracting of external legal services, coordinating and supervising their execution; and
- d) to coordinate the information relating to the Company’s legal actions, proceedings in the administrative sphere and services of legal consultancy; and of those of the Company’s wholly-owned and other subsidiaries, in accordance with Article 116, Sub-clauses “a” and “b”, of Law 6404/1976; and periodically or when requested, to inform the Executive Board and the Board of Directors on the strategy adopted in terms of proceedings and law, and the progress and development of such proceedings.

**XI To the Chief Institutional Relations and Communication Officer:**

- a) to coordinate the representation of the Company and of its wholly-owned subsidiaries within the scope of its regulatory attributions in relations with the regulatory agencies, the Mining and Energy Ministry, and forums and associations of the sector;
- b) to coordinate the institutional relationships of the Company and of its wholly-owned subsidiaries, including the principal forums of legislation and development of public policies associated with the electricity sector;
- c) to coordinate the processes of inspection, and notices, originating from the regulatory agencies related to the Company and its wholly-owned subsidiaries, jointly with the Chief Officers’ Departments involved;
- d) to coordinate, based on the Company’s Strategic Planning, the disclosure of institutional and corporate information about the Company and its wholly-owned subsidiaries;
- e) to coordinate the accompaniment of proposals for legislation and regulations, and statements of position made by the Company and its wholly-owned subsidiaries, jointly with the Chief Officer’s Departments involved;
- f) to coordinate analysis and arrangements made for preparation of regulatory scenarios, ensuring that the impacts on the business of the Company’s wholly-owned subsidiaries are evaluated, to provide supporting input for corporate strategic planning;
- g) to coordinate and align the corporate communication actions of the Company and of its wholly-owned subsidiaries to preserve the Company’s culture and values in relations with stockholders, employees, communities, clients, suppliers, government and opinion-formers, also ensuring alignment with the Company’s Strategic Plan;
- h) to coordinate the corporate communication efforts and actions of the Company and of its wholly-owned subsidiaries, aiming to maintain and strengthen the brand and sustain the addition of value in the relationships with the Company’s significant publics in such a way as to ensure a strong and positive reputation;

- i) to coordinate actions on defining and implementing the use of the brands of the Company and of its wholly-owned subsidiaries, to guarantee the value and strengthening of the Company;
  - j) to coordinate actions in relation to preservation of the *Memory Project* of the Company and of its wholly-owned subsidiaries, making continuous efforts on behalf of the physical collections of the Company and of its wholly-owned subsidiaries;
  - k) to coordinate the monitoring, control and disclosure of institutional and corporate information;
  - l) to coordinate, in accordance with the directives established by the Board of Directors, the use of funds for cultural projects, especially those of social responsibility, including use of funds under incentive laws; and
  - m) to coordinate the disclosure of programs for energy efficiency and other programs directed to needy communities; and
  - n) to carry out the function and activities of the Company's Ombudsman.
- §1 The competencies assigned to the Chief Officers under this Clause for representation before technical and administrative bodies and associations do not exclude the Chief Executive Officer's competency of representation, nor the need for obedience to the provisions in these by-laws in relation to prior obtaining of authorizations from the management bodies to contract obligations in the name of the Company.
- § 2 The competencies assigned to the Chief Officers under this Clause to enter into contracts and other legal transactions and for constitution of any obligation in the name of the Company do not exclude the competency of the Executive Board and of the Board of Directors, as the case may be, nor the need for obedience to the provisions in these by-laws in relation to financial limits and/or to prior obtaining of authorizations from the management bodies.
- § 3 As well as the exercise of the attributions set for them in these by-laws, each Chief Officer's Department may and should engage the cooperation, assistance and support of the other Chief Officer's Departments in the areas of their respective competencies, with the aim of success in the greater objectives and interests of the Company.
- § 4 As soon as a project developed by the Company in the area of the Office of the Chief Business Development Officer has been structured and constituted, it should be assumed by the related Chief Officer's Department, which will be responsible for its construction, execution, operation and commercialization, as specified in these by-laws.
- § 5 It is the responsibility of each Chief Officer, within his/her area of activity, to arrange for the actions necessary for compliance with and effective implementation of the work safety policies approved by the Company.
- § 6 The financial limit set by Sub-clause "o" of Item IV of this clause shall be adjusted, in January of each year, by the IGP-M (General Market Price) inflation index, produced by the Getúlio Vargas Foundation.



**CHAPTER V**  
**The Audit Board**

- Clause 18 The Audit Board, the inspection body of the Company, shall function permanently, and shall be chaired by the Chair of the Audit Board of the sole stockholder, Cemig, and shall have a total of between 2 (two) and 4 (four) further sitting members, and their respective substitute members, all members of the Audit Board of the sole stockholder, Cemig, elected annually by the sole stockholder, Cemig, and able to be re-elected.
- § 1 The Chair of the Audit Board shall call and conduct the meetings.
- § 2 In the event of resignation of the position, death or impediment, a member of the Audit Board shall be replaced by his respective substitute, until the new member is elected, and such member shall be chosen by the same party that appointed the substitute.
- § 3 Remuneration of members of the Company's Audit Board who are also members of the management bodies of the sole stockholder, Cemig, is not allowed.
- Clause 19 The responsibilities and powers of the Audit Board are those set by the Corporate Law.

**CHAPTER VI**  
**The business year**

- Clause 20 The business year shall coincide with the calendar year, closing on December 31 of each year, when the Financial Statements shall be prepared, in accordance with the relevant legislation. Financial statements may, at the option of the Board of Directors, be prepared for periods of six months or shorter periods.
- Clause 21 Retained losses, the provision for income tax, the Social Contribution tax on Net Profit, and the profit shares of the employees and the managers shall be deducted from the result for the business year, in that order, before calculation of any other participation in profits.
- § 1 The net profit ascertained in each business year shall be allocated as follows:
- a) 5% (five percent) to the legal reserve, up to the limit specified by law;
  - b) at least 50% (fifty percent) shall be distributed as obligatory dividends to the sole stockholder, Cemig, subject to the other terms of these by-laws and the applicable legislation; and
  - c) the balance, after retention of the amounts allocated to the investments specified in a capital expenditure and/or investment budget prepared in compliance with the Company's Long-Term Strategic Plan and approved by the Board of Directors of the sole stockholder, Cemig, shall be distributed to the sole stockholder, Cemig, as dividends and/or Interest on Equity, subject to the availability of free cash.
- Clause 22 Without prejudice to the obligatory dividend, the Company may, subject to the relevant legislation and at the option of the Board of Directors, declare extraordinary, additional, or interim or current-year interim dividends, including dividends paid totally or partially on account of the obligatory dividend for the current year.

- Clause 23 The Board of Directors may decide to pay Interest on Equity, in accordance with the legislation, in total or partial substitution of the dividends referred to in the previous clause, or in addition to them, and the amounts paid or credited as such shall be imputed to the amounts of the dividends distributed by the Company, for all legal purposes.
- Clause 24 The dividends declared, obligatory or extraordinary, shall be paid in 2 (two) equal installments, the first by June 30 and the second by December 30 of each year, and the Executive Board shall decide the location and processes of payment, subject to these periods.
- § 1 Dividends not claimed within a period of 3 (three) years from the date on which they are placed at the disposal of the stockholder shall revert to the benefit of the Company.
- Clause 25 The employees have the right to a share in the profits or results of the Company, upon criteria authorized by the Executive Board based on the guidelines approved by the Board of Directors and limits established by the General Meeting of Stockholders, in accordance with the specific legislation.
- Clause 26 It is the competency of the General Meeting of Stockholders to set, annually, the limits to sharing by the managers in the profits of the Company, subject to the provisions of §1 of Article 190 of Law 6404 of December 15, 1976.

## **CHAPTER VII**

### **Liabilities of the management officers**

- Clause 27 The management officers are liable to the Company and to third parties for the actions which they take in the exercise of their functions, as specified by the law and by these by-laws.
- Clause 28 The Company guarantees to provide defense of members of the Board of Directors, the Audit Board and the Executive Board in Court and/or administrative proceedings, on the plaintiff or defendant side, during or after their periods of office, occasioned by events or acts related to the exercise of their specific functions which do not violate the provisions of law or of these by-laws.
- § 1 The guarantee given in the head paragraph of this clause extends to employees who legally carry out actions by delegation from the Company's management officers.
- § 2 The Company may contract third-party liability insurance to cover the expenses of proceedings, fees of counsel and indemnities arising from the legal or administrative proceedings referred to in the head paragraph of this Clause, upon decision by the Board of Directors.