

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS

CONVOCATION

Stockholders are hereby called to Ordinary and Extraordinary General Meetings of Stockholders to be held, concurrently, on April 30, 2015 at 11 a.m., at the company's head office, Av. Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- 1 Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2014, and the related complementary documents.
- 2 Allocation of the Net profit for 2014, in the amount of R\$ 3,136,639,000 and of the balance of Retained earnings in the amount of R\$ 70,508,000.
- 3 Decision on the form and payment of the minimum obligatory dividend, which may include payment in the form of Interest on Equity, in the amount of R\$ 797,317,000.
- 4 Election of the sitting and substitute members of the Audit Board, due to completion of their period of office, and setting of their remuneration.
- 5 Change in the composition of the Board of Directors, due to resignation.
- 6 Setting of the remuneration of the Company's Management.
- 7 Orientation of vote by the representatives of the Company in the Extraordinary and Ordinary General Meetings of Stockholders of Cemig Distribuição S.A., to be held, concurrently, by April 30, 2015, as to the following matters:
 - a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2014, and the related complementary documents.
 - b) Allocation of the net profit for 2014, in the amount of R\$ 429,909,000.
 - c) Decision on the form and date of payment of the minimum obligatory dividend, in the form of Interest on Equity, in the amount of R\$ 131,610,000.

- d) Increase in the share capital of Cemig D, from R\$ 2,261,997,787.64 to R\$ 2,361,997,787.64, with issuance of 97,115,665 nominal common shares without par value, at the issue price of R\$ 1.0297 per share, and consequent redrafting of the head paragraph of Article 5 of the by-laws of Cemig D.
 - e) Election of the sitting and substitute members of the Audit Board, due to completion of their period of office.
 - f) Change in the composition of the Board of Directors, if there has been any change in the composition of the Board of Directors of Cemig.
- 8 Orientation of vote of the representative(s) of the Company in the Ordinary and Extraordinary General Meetings of Stockholders of Cemig Geração e Transmissão S.A., to be held, concurrently, by April 30, 2015, on the following matters:
- a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2014, and the related complementary documents.
 - b) Allocation of the Net profit for the year ended December 31, 2014, in the amount of R\$ 2,088,965,000, and of the balance of Retained earnings in the amount of R\$ 59,797,000.
 - c) Decision on the form and date of payment of an interim dividend and of Interest on Equity, in the amount of R\$ 1,170,367,000.
 - d) Election of the sitting and substitute members of the Audit Board, due to completion of their period of office.
 - e) Change in the composition of the Board of Directors, if there has been any change in the composition of the Board of Directors of Cemig.

Under Article 3 of CVM Instruction 165 of December 11, 1991, as amended by CVM Instruction 282 of June 26, 1998 and subsequent amendments, adoption of the multiple voting system for election of members of the Company's Board of Directors requires the vote of stockholders representing a minimum of 5% (five per cent) of the voting stock.

Any stockholder who wishes to be represented by proxy at the said General Meeting of Stockholders should obey the precepts of Article 126 of Law 6406 of 1976, as amended, and of the sole paragraph of Clause 9 of the Company's by-laws, by exhibiting at the time, or depositing, preferably by April 28, 2014, 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 Office (*Superintendência da Secretaria Geral*) at Av. Barbacena, 1200 – 19th Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, March 26, 2015.

José Afonso Bicalho Beltrão da Silva
Chair of the Board of Directors

PROPOSAL
BY THE BOARD OF DIRECTORS
TO THE
ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS
TO BE HELD, CONCURRENTLY, BY
APRIL 30, 2015

Dear Stockholders:

The Board of Directors of Companhia Energética de Minas Gerais – Cemig

– *whereas:*

- a) Article 192 of Law 6404 of December 15, 1976, as amended, and Clauses 27 to 31 of the by-laws, govern the holding of an annual meeting;
- b) the Financial Statements for 2014 present net profit of R\$ 3,136,639,000, and a balance of retained earnings of R\$ 70,508,000 arising from realization of the Stockholders' equity valuation reserve;
- c) it is the competency of the Board of Directors to make a proposal to the Annual General Meeting for allocation of the Company's net profit;
- d) Paragraph 4 of Article 202 of Law 6404/1976 specifies, in relation to the dividend specified in the by-laws, that it
“shall not be obligatory in a business year in which the Company's management bodies inform the Annual Ordinary General Meeting of Stockholders that it would be incompatible with the company's financial situation. The Audit Board, if constituted, must give an opinion on this information and, in a listed company, its managers must submit a statement to the CVM within five days from the General Meeting of Stockholders, justifying the information transmitted to the General Meeting of Stockholders”;
- e) Paragraph 5 of Article 202 of Law 6404/1976 specifies that
“profits that are, under Paragraph 4 of this Article, not distributed, shall be held and reported in a special Reserve and, if not absorbed by losses in subsequent business years, must be paid as a dividend as soon as the company's financial situation permits”;
- f) the forecasts of cash flow for 2015 indicate the limitation of the Company's funds in terms of payment in 2015 of the minimum obligatory dividends for 2014 specified in the by-laws;
- g) CVM Decision 207/1996 establishes that Interest on Equity paid or credited may only be imputed against the minimum obligatory dividend at its value net of withholding income tax;

- h) there is urgency in meeting the cash needs of Cemig Distribuição S.A. to honor its operational commitments in the short term, arising, principally, from the following factors:
- (I) non-transfer by Centrais Elétricas Brasileiras S.A. (Eletrobras) of the support payment for subsidies given on electricity invoices;
 - (II) the significant increase in 2015 in the quota charge for the Energy Development Account (*Conta de Desenvolvimento Energético*, or CDE), set by the regulator, Aneel (*Agência Nacional de Energia Elétrica*);
 - (III) the increase in the cost of purchase of electricity due to the exposure of Cemig D in the wholesale Electricity Trading Chamber (CCEE);
- i) there is not enough time for the Company to raise funds in the financial market through a debt instrument, for settlement of the obligations specified in the budget;
- j) the most practical alternative for additional entry of funds into Cemig D, for settlement of its obligations specified in the budget, is an increase in its share capital through issuance of nominal common shares without par value, to be subscribed in their entirety by Cemig;
- k) the issue price is R\$ 1.0297 per share, calculated by dividing Stockholders' equity on September 30, 2014 (R\$ 2,329,263,000) by the number of existing shares (2,261,997,787);
- l) the share capital may be increased by, among other means, decision of an Extraordinary General Meeting of Stockholders called and held to decide on a change to the by-laws, under Article 166 of Law 6404/1976;
- m) it is the function of the Board of Directors of Cemig D to call a General Meeting of Stockholders of that company, as specified in Subclause 'f' of Article 12 of its by-laws;
- n) it is the function of the Board of Directors of Cemig:
- i) to authorize the exercise of the right of first refusal and of making stockholders' agreements or voting agreements in wholly-owned subsidiaries, subsidiaries, affiliated companies and in the consortia in which the Company participates, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters resides with the General Meeting of Stockholders, and
 - ii) to approve declarations of vote in the General Meetings of Stockholders, and orientations of vote in the meetings of the boards of directors, of the wholly-owned subsidiaries, subsidiaries, affiliated companies and of the consortia in which this company participates, when they involve ownership in the share capital of other companies or consortia, and such decisions must, in any event and not only in matters relating to ownership of an interest 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, as specified, respectively, in subclauses 'e' and 'p' of Article 17 of the by-laws of Cemig.
- o) under Article 163, III of Law 6404/1976, the Audit Board should give opinion on any proposals by the management bodies that are submitted to the General Meeting of Stockholders in relation to change of the share capital;

- p) it is not possible to wait for a General Meeting of Stockholders of Cemig D to be held, since it is essential that Cemig should immediately transfer to Cemig D the R\$ 100,000,000.00 (one hundred million Reais), by means of Advance against Future Capital Increase (AFAC);
- q) under Article 17, Subclause ‘e’ of the by-laws it is the competency of the Board of Directors, upon proposal by the Executive Board, to decide on constitution of any obligation in the name of the Company the value of which individually or jointly is equal to or greater than R\$ 14,000,000.00 (fourteen million Reais), including injections of funds into wholly-owned subsidiaries, subsidiaries or affiliated companies or consortia in which it participates;
- r) the limit value referred to in the above item has been adjusted:
- to R\$ 14,713,440.00 (fourteen million seven hundred thirteen thousand four hundred forty Reais), in accordance with Circular DPR-H-01/2012, of January 4, 2012;
 - to R\$ 15,864,031.01 (fifteen million eight hundred sixty four thousand thirty one Reais and one centavo), in accordance with Circular DPR-H-01/2013 of January 2, 2013;
 - to R\$ 16,738,139.12 (sixteen million seven hundred thirty eight thousand one hundred thirty nine Reais and twelve centavos) in accordance with Circular DPR-H-02/2014 of January 3, 2014;
 - and to R\$ 17,355,065.94 (seventeen million three hundred fifty five thousand sixty five Reais ninety four centavos) in accordance with Circular DPR-H-01/2015 of January 5, 2015;
- s) the matter relating to the increase of the share capital of Cemig D has been analyzed by the company’s Legal Department;
- t) Clause 21, Paragraph 4, Subclause ‘g’ of the by-laws of Cemig states:
- “Clause 21 –
- ... §4 The following decisions shall require a decision by the Executive Board:
- ... (g) approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Officer for Business Development and Corporate Control of Subsidiaries and Affiliates and the Chief Officer for Finance, Investor Relations and Financial Control of Holdings, 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, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters shall be that of the General Meeting of Stockholders, and decisions must obey the provisions of these Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan;”;
- and
- u) Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A. are wholly-owned subsidiaries of the Company; the former will hold Ordinary and Extraordinary General Meetings of Stockholders, and the latter will hold an Ordinary Annual General Meeting of Stockholders, by April 30, 2015;

– *now proposes to you as follows:*

- I** – That the net profit for the business year 2014, in the amount of R\$ 3,136,639,000, and the balance of Retained earnings in the amount of R\$ 70,508,000, should be allocated as follows:
- a) R\$ 797,317,000 as the minimum obligatory dividend, to be paid to the Company’s stockholders, as follows:
 1. R\$ 230,000,000 in the form of Interest on Equity, under Board Spending Decisions CRCA 117/2014 of December 12, 2014, and CRD-455/2014, of December 26, 2014, to be paid in two equal installments, by June 30 and December 30, 2015, to stockholders whose names were on the Company’s Nominal Share registry on December 26, 2014,
 - the Executive Board to decide the places and processes of payment, and to allocate the amount of the Interest on Equity against the minimum obligatory dividend; and
 2. R\$ 567,317,000 in the form of dividends for 2014, to be paid by December 30, 2015, in accordance with availability of cash and at the discretion of the Executive Board, to stockholders whose names were on the Company’s Nominal Share registry on the date on which the Ordinary Annual General Meeting is held;
 - b) R\$ 797 million to be held in the Reserve for obligatory dividend not distributed, to be paid as and when the Company’s financial situation permits;
 - c) R\$ 1,583,443,000 to be held in Stockholders’ equity in the Retained earnings reserve, to fund the Company’s consolidated investments planned for the business year 2015, as per a capital budget; and
 - d) R\$ 29,070,000 to be held in Stockholders’ equity in the Tax incentives reserve, for tax incentive amounts gained in 2014 due to investment in the region of Sudene.

Appendix I summarizes the calculation of the dividends proposed by Management, in accordance with the by-laws.

Appendix 2 presents the Company’s Capital Budget for the business year 2015.

- II** – That the representative(s) of the Company in the Ordinary and Extraordinary General Meetings of Stockholders of Cemig Distribuição S.A. and of Cemig Geração e Transmissão S.A., also to be held on April 30, 2015, should vote in favor of the agenda, as follows:

Cemig D:

- a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2014, and the related complementary documents.
- b) Allocation of the Net profit for the business year 2014, in the amount of R\$ 429,909,000.
- c) Decision of the form and date of payment of the minimum obligatory dividend, in the form of Interest on Equity, in the amount of R\$ 131,610,000.
- d) Increase in the share capital of Cemig D by R\$ 100,000,000 (one hundred million Reais),
 - from R\$ 2,261,997,787.64 (two billion two hundred sixty one million nine hundred ninety seven thousand seven hundred eighty seven Reais and sixty four centavos)
 - to R\$ 2,361,997,787.64 (two billion three hundred sixty one million nine hundred ninety seven thousand seven hundred eighty seven Reais sixty four centavos),

- by issuance of 97,115,665 (ninety seven million one hundred fifteen thousand six hundred sixty five) nominal common shares without par value,
- at issue price of R\$ 1.0297 per share, to be subscribed in full by Cemig (*Companhia Energética de Minas Gerais*), determined on the basis of the value of Stockholders' equity per share (Article 170, Paragraph 1, II of Law 6404/1976, as amended by Law 9457 of 1997).
- the total number of shares (all nominal common shares without par value) thus being increased
 - from 2,261,997,787 (two billion two hundred sixty one million nine hundred ninety seven thousand seven hundred eighty seven)
 - to 2,359,113,452 (two billion three hundred fifty nine million one hundred thirteen thousand four hundred fifty two).
- e) Alteration of the head paragraph of Clause 5 of the by-laws of Cemig D, to express the said increase in capital.
- h) Election of the sitting and substitute members of the Audit Board, due to completion of their period of office.
- g) Change in the composition of the Board of Directors, if there is any change in the composition of the Board of Directors of Cemig.

Cemig GT:

- a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2014, and the related complementary documents.
- b) Allocation of the Net profit for the business year 2014, in the amount of R\$ 2,088,965,000, and of the balance of Retained earnings in the amount of R\$ 59,797,000.
- c) Decision on the form and date of payment of the interim dividends and of the Interest on Equity, in the amount of R\$ 1,170,367,000.
- d) Election of sitting and substitute members of the Audit Board, due to completion of their period of office.
- e) Change in the composition of the Board of Directors, if there has been any change in the composition of the Board of Directors of Cemig.

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

Belo Horizonte, March 26, 2015.

José Afonso Bicalho Beltrão da Silva
 Mauro Borges Lemos
 Allan Kardec de Melo Ferreira
 Arcângelo Eustáquio Torres Queiroz
 Guy Maria Villela Paschoal
 Helvécio Miranda Magalhães Junior
 José Pais Rangel
 Marco Antônio de Rezende Teixeira

Marco Antonio Soares da Cunha Castello Branco
 Paulo Roberto Reckziegel Guedes
 Saulo Alves Pereira Junior
 Carlos Fernando da Silveira Vianna
 Newton Brandão Ferraz Ramos
 Tarcísio Augusto Carneiro
 Ana Sílvia Corso Matte
 Bruno Magalhães Menicucci