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 **April 30**, 2015 at 10 a.m., at the company's head office, Avenida Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- Ratification of the limit contained in Subclause 'b' of Paragraph 7 of Clause 11 of the by-laws being exceeded in 2014, with a consolidated ratio of Net debt / (Net debt + Stockholders' equity) of 50.75%.

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, 2015, 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 (*Superintendência da Secretaria Geral*) at Av. Barbacena, 1200 – 19th Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, April 14, 2015

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

PROPOSAL

BY THE BOARD OF DIRECTORS

TO THE

EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS

TO BE HELD ON

APRIL 30, 2015

Dear Stockholders:

The Board of Directors of Companhia Energética de Minas Gerais (Cemig)

– whereas:

a) in its management of the Company and in the exercise of the right to vote in the wholly-owned subsidiaries, subsidiaries, affiliated companies and consortia, the Board of Directors and the Executive Board are required at all times faithfully to comply with certain targets, as stated in Clause 11, § 7, of the Company's by-laws:
   - to keep the Company's consolidated indebtedness less than or equal to 2 (two) times the Company's Ebitda (profit before interest, taxes, depreciation and amortization); and
   - to keep Consolidated (Net debt) / (Net debt + Stockholders' equity) within an upper limit of 40%;
   - to limit the consolidated amount of funds allocated to capital investment and acquisition of any assets in each business year to the equivalent of 40% of Ebitda (profit before interest, taxes, depreciation and amortization);

b) under Clause 11, § 9 of the by-laws, targets for indicators may be exceeded for reasons related to temporarily prevailing conditions, upon prior justification by grounds and specific approval by the Board of Directors, up to the following limits:
   - Consolidated indebtedness less than or equal to 2.5 times Ebitda (profit before interest, taxes, depreciation and amortization); and
   - Consolidated (Net debt) / (Net debt + Stockholders' equity): maximum of 50%;

c) above these limits, including the case of limitation of (Consolidated funds allocated to capital investment and acquisition of any assets) to 40% of Ebitda (profit before interest, taxes, depreciation and amortization), the targets may be exceeded upon prior justification with grounds and specific approval by the stockholders in a General Meeting of Stockholders;

d) in 2014, the Company took opportunities that arose for expansion of its activities and invested approximately R$ 4.3 billion, principally through Cemig Geração e Transmissão S.A., among which the subscription of capital totaling R$ 1.5 billion in Renova Energia S.A. was of special importance;

e) to finance this volume of investments and the expenses budget, and with, among other reasons, the increase in the cost of electricity purchased, the Company increased its indebtedness by approximately R$ 4.1 billion, to R$ 13.5 billion at the end of 2014;

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f) in relation to 2014, the Board of Directors decided to ratify exceeding of the limit for the consolidated debt ratio represented by (Net debt / (Net debt + Stockholders' equity)) specified in Subclause 'b' of § 7 of Clause 11, limited to 43%, as per Board Spending Decision (CRCA) 021/2014, of March 28, 2014;
g) further, in relation to 2014, the Board of Directors authorized exceeding of the limit contained in Subclause 'b' of § 7 of Clause 7 of Article 11 of the Company's bylaws, limited to 45.7%, as per Board Spending Decision (CRCA) 099/2014, of November 10, 2014;
h) in 2014, the consolidated ratio of Net debt / (Net debt + Stockholders' equity) was 50.75%, and thus above the percentage contained in the said CRCA 021/2014;
i) it is thus the competency of the Extraordinary General Meeting of Stockholders to decide on exceeding of the consolidated debt ratio (Net Debt / (Net debt + Stockholders' equity)), since in 2014 it was above 50%;

do now propose to you as follows:

Ratification of the limit contained in Subclause 'b' of Paragraph 7 of Article 11 of the by-laws being exceeded in 2014, with a consolidated debt ratio, calculated as Net debt / (Net debt + Stockholders' equity) of 50.75%.

As can be seen, the objective of this proposal is to meet 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 by the Stockholders.

Belo Horizonte, April 14, 2015.

José Afonso Bicalho Beltrão da Silva

Mauro Borges Lemos

Allan Kardec de Melo Ferreira

Arcângelo Eustáquio Torres Queiroz

Guy Maria Villela Paschoal

José Pais Rangel

Marco Antônio Soares da Cunha Castello Branco

Nelson José Hubner Moreira

Paulo Roberto Reckziegel Guedes

Bruno Magalhães Menicucci

Newton Brandão Ferraz Ramos

Tarcísio Augusto Carneiro

Wieland Silberschneider

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