

# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64 – NIRE 31300040127

## BOARD OF DIRECTORS

### SUMMARY OF MINUTES OF THE 647<sup>TH</sup> MEETING

**Date, time and place:** October 9, 2015, at 8.30 a.m. at Av. Barbacena 1200, 21<sup>st</sup> floor, Belo Horizonte, Minas Gerais, Brazil.

**Meeting Committee:** Chair: José Afonso Bicalho Beltrão da Silva;  
Secretary: Anamaria Pugedo Frade Barros

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

**I Conflict of interest:** The Board Members listed below stated that they had no conflict of interest with the matters on the agenda of the meeting, except the board members

Arcângelo Eustáquio Torres Queiroz and Sammy Kopit Moscovitch,

who stated themselves to have conflict of interest in the matter of the 2015-18 Specific Collective Agreement on Profit Sharing. They withdrew from the meeting room while this matter was presented and debated, and returned after it had been considered.

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

A) The proposal of the board member Saulo Alves Pereira Junior, to change the Executive Board, as follows: Mr. Fernando Henrique Schüffner Neto no longer to be Chief Business Development Officer, to be replaced by election, as Chief Business Development Officer, of:

Mr. César Vaz de Melo Fernandes – Brazilian, divorced, engineer, resident and domiciled in Nova Lima, Minas Gerais, at Alameda Serra da Mantiqueira 1925, Condomínio Vila Del Rey, CEP 34000-000, bearer of CI 27007/D-CREA-MG and CPF 299529806-04,

– to serve the rest of the present period of office, that is to say until the first meeting of the Board of Directors after the Annual General Meeting of 2018.

B) The Programmed Voluntary Retirement Plan (PDVP).

C) The minutes of this meeting.

### III The Board authorized:

- A) 1) Grant by the company of irrevocable surety, for the following transactions:
- a) Signature of the Third Amendment to Fixed Lending Contracts No's  
330.800.591 and 330.800.592,  
between Cemig GT and Banco do Brasil S.A., to postpone the maturities of R\$ 33.9 million and R\$ 95.2 million becoming due on October 26, 2015 and October 30, 2015 by one year, for a flat fee of 1.22% of those amounts, maintaining the financial cost at 108.00% of the CDI rate, and the other terms of the Contracts, unchanged.
  - b) Signature of the Fourth amendment to the following Bank Credit Notes issued by Cemig GT in favor of Banco do Brasil S.A. – No's  
330.800.376, 330.800.383, 330.800.384, 330.800.385, 330.800.386,  
330.800.387, 330.800.388, 330.800.389, 330.800.390, 330.800.391,  
330.800.392, 330.800.393, 330.800.394 and 330.800.395,  
– postponing the maturity of R\$ 540 million becoming due on October 24, 2015, for up to three years, now to be amortized in two annual installments in 2017 and 2018, and altering the financial charges on the debtor balance from 104.10% to 112.00% of the CDI Rate, for a flat fee of 1.85% on the amounts prorogued, the other terms of the Notes being unchanged.
  - c) Signature of a Credit Line Agreement between Cemig GT and Banco da Amazônia S.A., with consequent emission of one or more Amazônia Bank Working Capital Notes, in the total amount of R\$ 120 million, using the proceeds for payment of
    - (i) interest on the debts becoming due on October 24, 26 and 30, 2015, and
    - (ii) part of the debt becoming due in December 2015,
 the terms of the agreement to be as follows:
 

Maturity:	Up to thirty six months;
Payment of the Principal:	Bullet, at maturity.
Financial cost:	CDI+1.90% p.a., paid annually, plus IOF tax;
  - 2) Signature of the documents necessary for contracting of the above credit transactions.
  - 3) All acts by the Executive Board necessary for putting the above decisions into effect.
- B) Exceeding, in 2015, of the target for consolidated debt set by Subclause 'a' of Paragraph 7 of Clause 11 of the by-laws, this ratio to be limited to 2.45 times Ebitda (profit before interest, taxes, depreciation and amortization); and also the target in subclause 'b' of the by-laws, for consolidated { Net debt / (Net debt + Stockholders' equity) }, this to be limited to 50.75%.
- C) Opening of Administrative Tender Proceedings for, and contracting directly with the insurer of, group life insurance, for twelve months, renewable for up to forty eight months by amendments, to a total limit period of sixty months, from January 1, 2016, for:  
employees, active or unpaid leave, and retirees, of Cemig, Cemig D and Cemig GT;  
members of the Executive Board, the Board of Directors and the Audit Board of Cemig;  
active employees of Sá Carvalho S.A. and of Rosa Energia S.A.; and  
employees of Cemig who retired on or before December 31, 2004;
- D) Inclusion in the same administrative tender proceedings referred to in sub-item C, and contracting of, the complementary policy for retirees, with defined maximum individual capital, covering the reduction of capital due to age, with subscription for the insured being optional, and the full cost of this complementary policy to be the entire responsibility of those insured.

- E) Constitution by Cemig GT and Itaocara Energia Ltda. of a special-purpose corporation, to be owned 49% by Cemig GT and 51% by Itaocara Energia Ltda., for construction and commercial operation of the concession for the *Itaocara I* Hydroelectric Plant;
- F) Signature, with Companhia de Desenvolvimento Econômico de Minas Gerais (Codemig) and Imetame Energia Ltda., of the Fourth Amendment to the Contracts for constitution of the SF-T-104 and SF-T-114 Exploration Consortia, to the change the head office address of those consortia.
- G) Signature of Partnership Undertakings between Cemig, Cemig D, Cemig GT and the Municipal Councils for the Rights of Children and Adolescents participating in the AI6% Program, for payment of the donations raised from the employees of these companies, and of a 1% portion of the income tax payable by these companies, for application in programs and projects jointly carried out in the ambit of the Municipality, to be in effect until August 31, 2016.
- H) Signature jointly by Cemig, Cemig D and Cemig GT of the 2015-18 Specific Collective Agreement on Profit Sharing, with the beneficiaries specified therein, within the annual financial limit to be oriented by the Human Resources Committee of the Board of Directors; and filing of such legal actions relating to and inherent to the process of negotiation of said agreement and its consequences as are necessary for the preservation of the Company's interests.

#### IV The Board gave orientation for the following to vote as follows:

- A) The members of the Board of Directors of Cemig GT – to vote in favor of re-ratification of the minutes of the Extraordinary General Meeting of Stockholders of Aliança Geração de Energia S.A. (Aliança Geração), to correct part of the numbers related to the increase of the share capital of Aliança Geração,
  - to: one billion two hundred ninety million three hundred sixty four thousand six hundred fifty eight Reais,
  - of which Cemig GT will subscribe:
    - five hundred eighty one million one hundred fourteen thousand ninety six nominal common shares without par value,
  - paying for this subscription with the Cemig GT Assets;
  - and Vale will subscribe:
    - seven hundred ten million, two hundred fifty thousand, five hundred sixty two nominal common shares without par value
  - paying for this subscription with the Vale Assets;

– the percentage interests of the Parties in the voting and total share capital of Aliança Geração remaining unchanged, at 55% for Vale and 45% for Cemig GT;
- B) The members of the Board of Directors of Cemig GT – to vote in favor of orientation of vote by the representatives of Cemig GT in the Ordinary General Meeting of Stockholders of Aliança Geração on the matter referred to in subclause 'A' of this item;
- C) The board members appointed by the company to vote at the meeting of the Board of Directors of Transmissora Aliança de Energia Elétrica S.A. (Taesa) – to vote in favor of approval of the statement of vote by the representative of that company in the Extraordinary General Meeting of Stockholders of Empresa Catarinense de Transmissão de Energia S.A. (ECTE) which, in turn, will approve the statement of vote of its representative in the EGM of Empresa de Transmissão Serrana S.A. (ETSE) which, in turn, will decide on:
  - 1) increase in the registered capital of ETSE, to ninety two million nine hundred forty three thousand Reais, through issuance of thirty two thousand fifty common shares to be paid in full by ECTE; and
  - 2) change in the by-laws of ETSE, arising from the increase in its registered capital.

D) The representatives of Cemig in the meeting of the Board of Directors of Light S.A. (Light) – to vote in favor of orientation of the vote(s) of the representative(s) of Light in the General Meeting of Stockholders of the SPC, on:

- 1) Constitution of the SPC, for the public use assets concession to operate the Itaocara I Hydroelectric plant;
- 2) Signature of the Stockholders' Agreement of the SPC; and
- 3) Election of the members of the Board of Directors of the SPC.

**V The Board ratified** signature by the Company of the following amendments, as party and as consenting party – with Furnas Centrais Elétricas S.A. (Furnas), Empresa Amazonense de Transmissão de Energia (EATE), and Transminas Holding, signing as Consenting Parties – for adjustment of the calculation of the formula for Annual Permitted Revenue (RAP), with ratification of all measures taken since June 30, 2014:

- A) the Fifth Amendment to Transmission Service Concession Contract 012/2005-Aneel, between the federal government, through the National Electricity Agency, Aneel, and Companhia Transirapé de Transmissão;
- B) the Fourth Amendment to Transmission Concession Contract 005/2005-Aneel, between the federal government, through Aneel, and Companhia Transudeste de Transmissão.
- C) the Third Amendment to Transmission Concession Contract 009/2004-Aneel, between the federal government, through Aneel, and Companhia Transleste de Transmissão.

**VI The Chair informed** the meeting that the Executive Board is now constituted as follows:

<b>Mauro Borges Lemos</b>	– Brazilian, married, economist, resident and domiciled in Belo Horizonte, Minas Gerais at Rua Fausto Nunes Vieira 120/601, Belvedere, CEP 30320-590, bearer of Identity Card M992314 issued by the Public Safety Department of Minas Gerais State, and CPF 316720516-49;
<b>Mateus de Moura Lima Gomes</b>	– Brazilian, divorced, lawyer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Groelândia 395/603, Sion, CEP 30320-060, bearer of Identity Card MG8876108 issued by the Civil Police of Minas Gerais and of CPF 037285936-48;
<b>Evandro Leite Vasconcelos</b>	– Brazilian, married, civil engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Manoel Couto 365, Cidade Jardim, CEP 30380-080, bearer of Identity Card 29657D-CREA-MG and CPF 251704146-68;
<b>César Vaz de Melo Fernandes</b>	– whose details appear above;
<b>Ricardo José Charbel</b>	– Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Herculano de Freitas 151/601, Gutierrez, CEP 30441-039, bearer of Identity Card M-1073988-SSPMG and CPF 383259856-15;
<b>Fabiano Maia Pereira</b>	– Brazilian, married, economist, resident and domiciled in Belo Horizonte, at Rua Santa Rita Durão 1000, Funcionários, CEP 30140-111, bearer of Identity Card 098405244 issued by the Félix Pacheco Institute of Rio de Janeiro State, and CPF 027583306-28;
<b>Eduardo Lima Andrade Ferreira</b>	– Brazilian, married, civil engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Ramalhete 288/402, Anchieta, CEP 30310-310, bearer of Identity Card MG10738632-SSPMG and CPF 048415486-96;
<b>Franklin Moreira Gonçalves</b>	– Brazilian, married, data processing technologist, resident and domiciled in Belo Horizonte, MG, at Rua João Gualberto Filho 551/302, Sagrada Família, CEP 31030-410, bearer of Identity Card MG5540831 issued by the Civil Police of Minas Gerais, and CPF 754988556-72;

<b>Márcio Lúcio Serrano</b>	– Brazilian, married, doctor, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua São Romão 505/401, São Pedro, CEP 30330-120, bearer of Identity Card M575778-SSP/MG and CPF 110906186-20;
<b>Raul Lycurgo Leite</b>	– Brazilian, married, lawyer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Santa Catarina 1466/402, Lourdes, CEP 30170-081, bearer of Identity Card 1288658-SSP/DF and CPF 658219551-49;
<b>Luiz Fernando Rolla</b>	– 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 issued by the Civil Police of Minas Gerais, and CPF 195805686-34.

**VII The Chief Officer elected** declared – in advance – that he is not subject to any prohibition on exercise of commercial activity, that he does not occupy any post in a company which could be considered to be a competitor of the Company, and that he does not have nor represent any interest conflicting with that of Cemig; and made a solemn commitment to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Professional Conduct of Companhia Energética de Minas Gerais and the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

**VIII Abstention:** The board member Arcângelo Eustáquio Torres Queiroz abstained from voting on the matters relating to contracting of group life insurance and contracting of a complementary policy for the retirees, referred to in Sub-items C and D of Item III, above.

**IX Comment:** The Chair, the Board Member Arcângelo Eustáquio Torres Queiroz, and the manager Emílio Luiz Cáfaró made comments on subjects of interest to the Company.

**The following were present:**

<b>Board members:</b>	José Afonso Bicalho Beltrão da Silva, Mauro Borges Lemos, Allan Kardec de Melo Ferreira, Arcângelo Eustáquio Torres Queiroz, Guy Maria Villela Paschoal, Hélcio Miranda Magalhães Junior, José Henrique Maia, José Pais Rangel, Marco Antônio de Rezende Teixeira, Marco Antônio Soares da Cunha Castello Branco, Nelson José Hubner Moreira, Paulo Roberto Reckziegel Guedes,	Saulo Alves Pereira Junior, Bruno Magalhães Menicucci, Tarcísio Augusto Carneiro, Antônio Dirceu Araujo Xavier, Carlos Fernando da Silveira Vianna, Flávio Miarelli Piedade, José Augusto Gomes Campos, Luiz Guilherme Piva, Marina Rosenthal Rocha, Newton Brandão Ferraz Ramos, Samy Kopit Moscovitch, Wieland Silberschneider;
<b>Manager:</b>	Emílio Luiz Cáfaró;	
<b>Secretary:</b>	Anamaria Pugedo Frade Barros.	

(Signed) Anamaria Pugedo Frade Barros