

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64 – NIRE 31300040127

BOARD OF DIRECTORS

SUMMARY OF MINUTES OF THE 654th MEETING

Date, time and place: March 11, 2016, at 8.30 a.m., at the Company’s head office.

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.

II The Board approved the minutes of this meeting.

III The Board re-ratified Board Spending Decision (CRCA) 003/2016, in relation to:

Authorization for provision of an irrevocable **surety guarantee** for the contracting of one or more loan transactions for a total of up to R\$ 600 million, by issue of Bank Credit Notes (‘the Notes’) in favor of Caixa Econômica Federal (CEF) –

a) To change the conditions, as follows:

Total amount: Up to R\$ 750 million.

Grace period: Up to eighteen months with payment of interest quarterly.

Guarantee: Further to the corporate guarantee, fiduciary assignment of receivables arising from the provision of electricity distribution services, in an amount representing 40% of the debtor balance, to be constituted within one hundred and twenty days from signature of the Bank Credit Note(s), provided there is approval by Aneel, and formalized by signature of an amendment to the Notes; and it is agreed that non-constitution of the fiduciary assignment of the receivables within this period shall give rise to early maturity of the debt.

If early maturity of the debt takes place as a result of non-constitution of the guarantee, the company shall be obliged, within 90 days (‘the curing period’) to pay the balance due to CEF, updated *pro rata die* to the date of actual payment.

If the constitution of the guarantee via receivables takes place within the curing period, the early maturity of the debt shall not occur.

Disbursements made prior to the consent of Aneel and prior to the actual constitution of the fiduciary assignment guarantee shall be limited to R\$ 400 million, and release of the remaining balance, of R\$ 350 million, shall be conditional upon constitution of the guarantee comprising fiduciary assignment of receivables.

If Aneel gives consent for an amount lower than R\$ 300 million, the total amount of the disbursements shall be limited, proportionally, by the amount of the guarantee constituted, and, in the event that the release of R\$ 400 million has taken place and the fiduciary assignment has been constituted in an amount less than R\$ 160 million, Cemig D shall make amortization(s) in such a way as to maintain the ratio of guarantee of receivables to debt at 40%;

- b) To authorize signature, as guarantor, of an amendment to the Notes, for constitution of the guarantee in the form of fiduciary assignment of receivables arising from the provision of electricity distribution services in the amount of 40% of the debtor balance, the constitution of such guarantee being conditional upon prior consent by Aneel, in the terms of Article 3, head paragraph, of Normative Resolution 532/2013. The loan transactions may be contracted only after authorization by the Brazilian Development Bank (BNDES) and by the State Companies Coordination Committee (CCEE) of the Minas Gerais State government.

The other provisions of that CRCA remain unchanged.

IV **Comment:** The Chair spoke on a subject of interest to the Company.

The following were present:

Board members:	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 Soares da Cunha Castello Branco, Nelson José Hubner Moreira, Paulo Roberto Reckziegel Guedes, Saulo Alves Pereira Junior, Antônio Dirceu Araujo Xavier,	Bruno Magalhães Menicucci, Newton Brandão Ferraz Ramos, Tarcísio Augusto Carneiro, Bruno Westin Prado Soares Leal, Carlos Fernando da Silveira Vianna, Flávio Miarelli Piedade, José Augusto Gomes Campos, Luiz Guilherme Piva, Marina Rosenthal Rocha, Ricardo Wagner Righi de Toledo, Samy Kopit Moscovitch, Wieland Silberschneider;
Secretary:	Anamaria Pugedo Frade Barros.	

Signed by: Anamaria Pugedo Frade Barros.

Registered at:

Commercial Board of Minas Gerais State.
I certify registry, under N^o: 5767159, on June 9, 2016
Receipt Number: 16/370.545-3.
Marinely de Paula Bomfim – General Secretary.