

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

CNPJ 17.155.730/0001-64 – NIRE 31300040127

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS HELD ON MAY 27, 2016

On the twenty-seventh day of May, two thousand and sixteen, at 10 a.m., stockholders representing more than two-thirds of the voting stock of Companhia Energética de Minas Gerais – **Cemig** met in Extraordinary General Meeting, on first convocation, at the Company’s head office, Av. Barbacena 1200, 21st Floor, Santo Agostinho, Belo Horizonte, Minas Gerais, Brazil, as verified in the Stockholders’ Attendance Book, where all placed their signatures and made the required statements.

The stockholder **The State of Minas Gerais** was represented, for the Office of the Advocate General of the State of Minas Gerais, by the Acting Advocate General, Mr. Sérgio Pessoa de Paula Castro, in accordance with current legislation.

Initially, Ms. Anamaria Pugedo Frade Barros, General Manager of Cemig’s Corporate Executive Office, stated that there was a quorum for an Extraordinary General Meeting of Stockholders, and that the stockholders present should choose the Chair of this Meeting, in accordance with Clause 10 of the Company’s by-laws.

Asking for the floor, the representative of the Stockholder **The State of Minas Gerais** put forward the name of the stockholder **Alexandre Eustáquio Sydney Horta** to chair the Meeting. The proposal of the representative of the stockholder **The State of Minas Gerais** was put to debate, and to the vote, and approved unanimously.

The Chair then declared the Meeting open, recognizing the presence of Mr. Bruno Cirilo Mendonça de Campos, a member of the Audit Board, and invited me, Anamaria Pugedo Frade Barros, a stockholder, to be Secretary of the meeting, asking me to read the convocation notice, published on April 27, 28 and 29 of this year, in the newspapers *Minas Gerais*, official publication of the Powers of the State, on pages 40, 41 and 23, respectively, and *O Tempo*, on pages 41, 45 and 33, respectively, the content of which is as follows:

“ 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 May 27, 2016 at 10 a.m., at the company’s head office, Av. Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil to decide on the following matter:

- Re-ratification of the decision taken by the Extraordinarily General Meeting held on March 24, 2011, to provide that the Put Option granted by the Company on April 11, 2011 to Redentor Fundo de Investimento em Participações (*FIP Redentor*), may be exercised not only by FIP Redentor, but any person who becomes a direct stockholder of Parati S.A. – Participações em Ativos de Energia Elétrica (*Parati*), including but not limited to holders of units in FIP Redentor, and/or their affiliated parties, who will become holders of the Put Option and/or the rights arising from it, in relation to the shares in Parati that they hold.

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 May 24, 2016, 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 e Executiva Empresarial*) at Av. Barbacena 1200 – 19th Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, April 26, 2016.

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

The Chair then asked the Secretary to read the Proposal by the Board of Directors, which deals with the agenda, and also to read the Opinion of the Audit Board thereon. The contents of these documents are as follows:

“ PROPOSAL
BY THE BOARD OF DIRECTORS
TO THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 27, 2016

Dear Stockholders:

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

– *whereas:*

- a) *Companhia Energética de Minas Gerais (Cemig) owns 25% of the share capital of Parati S.A. – Participações em Ativos de Energia Elétrica (Parati) and Redentor Fundo de Investimento em Participações (FIP Redentor) owns the remaining 75%;*
- b) *in 2011, Cemig negotiated the unconditional and irrevocable grant, solely and exclusively to FIP Redentor (and not to any of its Unit Holders), of an option to sell (Put Option), giving FIP Redentor the right, at the end of the 60th (sixtieth) month from the date of the subscription of the shares in Parati (the Exercise Date), to sell the totality of the shares owned by FIP Redentor (‘the Acquisition Shares’), and Cemig will have the obligation to buy them, or to indicate a third party who shall buy them, by payment of the Exercise Price, which shall be equivalent to the amount paid at the time of subscription of the shares, plus expenses (all those expenses provenly incurred by FIP Redentor and/or by the Administrator of FIP Redentor, for its constitution and as from the date of its constitution, including expenses of auditing, management fees and administration charges), less a total of such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received shall be multiplied by 0.5721 for the calculation), all updated by the change in the average CDI Rate (the rate for Interbank Certificates of Deposit published by the Cetip Custody and Clearing House (Câmara de Custódia e Liquidação), plus 0.9% per year *pro rata tempore*, as from the date of their actual disbursement/payment up to the Exercise Date of the Put Option;*
- c) *it was further negotiated that in the event that the Exercise Price was higher than the amount subscribed by FIP Redentor when subscribing the shares in Parati, an adjustment factor of $(1/(1-0.4279)-1)$ would be added to the Exercise Price;*
- d) *on March 24, 2011, the Extraordinary General Meeting of Stockholders, in the terms of and for the purposes of Article 256 of Law 6404/1976, authorized the unconditional and irrevocable grant by Cemig to FIP Redentor of an option to sell (Put Option) by which FIP Redentor acquired the right, at the end of the 60th (sixtieth) month from the date of the subscription of the shares in Parati (the Exercise Date), to sell the totality of the shares owned by FIP Redentor (the Acquisition Shares), and Cemig acquired the obligation to buy them, or to indicate a third party who shall buy them, by payment of the Exercise*

Price, equivalent to the amount paid at the time of subscription of the shares, plus expenses (all those expenses provenly incurred by FIP Redentor and/or by the Administrator of FIP Redentor, for its constitution and as from the date of its constitution, including expenses of auditing, management fees and administration charges), less a total of such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received to be multiplied by 0.5721 for the calculation), all updated by the change in the average CDI Rate plus 0.9% per year *pro rata tempore*, as from the date of their actual disbursement/payment up to the Exercise Date of the Put Option; in the event that the Exercise Price is higher than the amount subscribed by FIP Redentor when subscribing the shares in Parati, an adjustment factor of $(1/(1-0.4279)-1)$ to be added to the Exercise Price; the parties agreeing to negotiate the situations in which the Exercise Date can be brought forward by FIP Redentor, such conditions to be established in a contractual instrument to be entered into by the parties after the approval by the Board of Directors of Cemig, in the terms of its by-laws; and payment of the Exercise Price and the transfer of the shares of Parati to be conditional upon prior approval of the transaction by the National Electricity Agency (Aneel);

- e) on April 11, 2011, Cemig granted, exclusively to FIP Redentor, unconditionally and irrevocably, an option to sell (Put Option), under which FIP Redentor acquired the right, at the end of the 60th (sixtieth) month from the date of the subscription of the shares in Parati (the Exercise Date), to sell the totality of the common and preferred shares in that company belonging to FIP Redentor, and Cemig acquired the obligation to buy them or to indicate a third party to buy them, by payment of the Exercise Price, as authorized by the Board of Directors of the Company on December 6, 2010 and by the Extraordinary General Meeting of Stockholders of March 24, 2011;
- f) in this grant, Notice of Exercise of the Option was to be given by at least 240 (two hundred and forty) days before the Exercise Date;
- g) on September 2, 2015, within the agreed period, FIP Redentor notified Cemig of its interest in exercising the Put Option, by delivery of a Put Option Exercise Notice to the Company;
- h) Cemig has been advised by Banco BTG Pactual S.A. ('BTG Pactual') of its resignation as administrator of FIP Redentor, which took place on March 30, 2016, and this could result, within 60 (sixty) days, in extinction of this Investment Fund;
- i) as a result of any extinction of FIP Redentor, holders of its Units will become direct holders of the common and preferred shares in Parati;
- j) the Unit Holders of FIP Redentor have the right to sell their unit holdings in FIP Redentor to third parties and wish to preserve this right if and when they become direct shareholders of Parati;
- k) for this purpose and as a consequence of any extinction of FIP Redentor, should it take place, the unit holders of FIP Redentor have requested alteration of certain conditions

specified in the Stockholders' Agreement, so as to alter the Put Option, which had been granted exclusively to FIP Redentor, in such a way as to permit the Unit Holders of FIP Redentor to become holders of the Put Option, as direct stockholders of Parati, maintaining their rights and obligations, without altering the other conditions of the grant that had been given;

- l) postponement of the Exercise Date of the Put Option is in the strategic interest of Cemig, for better administration of Cemig's cash flow in the current year;
- m) the Unit Holders of FIP Redentor have made the negotiation of any postponement of the Exercise Date of the Put Option conditional upon their rights being maintained, as per items 'j' and 'k', above.

– *do now propose to you as follows:*

Proposal by the Board of Directors

- Re-ratification of the decision taken by the Extraordinary General Meeting held on March 24, 2011, to provide that the Put Option granted by the company on April 11, 2011, to *Redentor Fundo de Investimento em Participações (FIP Redentor)*, may be exercised not only by FIP Redentor, but by any person who becomes a direct stockholder of *Parati S.A. – Participações em Ativos de Energia Elétrica (Parati)*, including but not limited to holders of units in FIP Redentor, and/or their affiliated parties, who will become holders of the Put Option and/or the rights arising from it, in relation to the shares in Parati that they hold.

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 26, 2016.

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 Antônio Soares da Cunha Castello Branco
 Nelson José Hubner Moreira
 Bruno Magalhães Menicucci
 José Augusto Gomes Campos
 Marina Rosenthal Rocha
 Newton Brandão Ferraz Ramos
 Tarcísio Augusto Carneiro

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“ OPINION OF THE AUDIT BOARD

The undersigned members of the Audit Board of Companhia Energética de Minas Gerais – Cemig, in the performance of their duties under the law and under the by-laws, have examined the Proposal by the Board of Directors to the Extraordinary General Meetings of Stockholders to be held on May 27, 2016, in relation to:

- Re-ratification of the decision taken by the Extraordinary General Meeting held on March 24, 2011, to provide that the Put Option granted by the Company on April 11, 2011 to Redentor Fundo de Investimento em Participações (FIP Redentor), may be exercised not only by FIP Redentor, but by any person who becomes a direct stockholder of Parati S.A. – Participações em Ativos de Energia Elétrica (Parati), including but not limited to holders of units in FIP Redentor, and/or their affiliated parties, who will become holders of the Put Option and/or the rights arising from it, in relation to the shares in Parati that they hold.

After carefully analyzing the said proposal and further taking into account that the applicable rules governing the subject have been complied with, it is the opinion of the members of the Audit Board that the proposal should be approved by the said General Meeting of Stockholders. Belo Horizonte, April 27, 2016.

Signed:

Charles Carvalho Guedes, Edson Moura Soares, Márcio Almeida do Amaral,
Ronaldo Dias, Bruno Gonçalves Siqueira. ”

The above proposal was put to debate, and subsequently to a vote, and was approved unanimously.

There being no further business, the Chair opened the meeting to the floor, and since no-one wished to make any statement, ordered the meeting suspended for the time necessary for production of the minutes.

The session being reopened, the Chair, after putting the said minutes to debate and to the vote and verifying that they had been approved and signed, closed the meeting.

For the record, I, Anamaria Pugedo Frade Barros, Secretary, wrote these minutes and sign them together with all those present.