

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 30, 2016

On the thirtieth day of May two thousand and sixteen, at 10 a.m. at the Company's head office, Av. Barbacena 1200, 21st Floor, Santo Agostinho, Belo Horizonte, Minas Gerais, Brazil, 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, 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 by Mr. Roney Luiz Torres Alves da Silva, Procurator of the State of Minas Gerais, for the office of the Advocate-general of the State, in accordance with the 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. Ronaldo Dias and Mr. Marcos Túlio de Melo, members 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 29 and 30 and May 3 of this year, in *Minas Gerais*, official publication of the Powers of the State, on pages 23, 67 and 33, respectively, and in the newspaper *O Tempo*, on April 29 and 30 and May 2, on pages 46, 16 and 20, respectively.

The content of the convocation notice is as follows:

“ COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS

MAY 30, 2016

CONVOCATION

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on May 30, 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 matters:

a) **Re-ratification** of the decision taken by the Extraordinary General Meeting held on March 24, 2011, to provide that the Put Option granted on April 11, 2011 by Cemig to Redentor Fundo de Investimento em Participações (‘FIP Redentor’) be altered as follows:

- 1) To enable the option to be effective in relation to shares in Luce Empreendimentos e Participações S.A. (‘Lepsa’) and/or in Rio Minas Energia S.A. (‘RME’), in the event that those companies receive all of the assets and liabilities arising from a total split of their controlling and sole stockholder, Parati S.A. – Participações em Ativos de Energia Elétrica (‘Parati’).
- 2) To postpone the date of exercise of the said Put Option
 - from: the last business day of the 60th (sixtieth) month following the date of subscription of the shares in Parati,
 - to: November 30, 2017, the last business day of the 77th (seventy seventh) month.
- 3) To alter the adjustment factor from 0.4279 para 0.4756, to restore the economic-financial equilibrium of the Put Option.
- 4) To offer Units in Transmissora Aliança de Energia S.A. (Taesa) in guarantee of the obligations assumed by Cemig in the transaction, representing R\$ 1,075,000,000.00 (one billion seventy five million Reais), this being the amount corresponding to the cash injection made by FIP Redentor into Parati in 2011.
- 5) To offer as a support for the guarantee Cemig’s holding of 26.06% of the total shares of Light, in guarantee of the obligations assumed by Cemig in the transaction.

b) **Authorization** for the following ratios to exceed the limits stated in the by-laws, as follows:

- the Company’s consolidated indebtedness as specified in Subclause ‘a’ of Paragraph 7 of Clause 11 of the Company’s by-laws, to be a maximum of 4.12 (four point one two) times the Company’s Ebitda (profit before interest, taxes, depreciation and amortization);
- the ratio established in Subclause ‘b’ of Paragraph 7 of Clause 11 of the by-laws, namely the consolidated ratio of (Net debt) / (Net debt + Stockholders’ equity) to be a maximum of 52%; and
- the quantity established in Subclause ‘d’ of Paragraph 7 of Clause 11 of the by-laws, namely the consolidated amount of funds allocated to capital investment and acquisition of any assets in the business year to be a maximum of 146% of the Company’s Ebitda (profit before interest, taxes, depreciation and amortization).

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 28, 2016.

José Afonso Bicalho Beltrão da Silva

Chair of the Board of Directors. ”

The representative of the majority stockholder stated that the Board of Directors should decide on signature of the Third amendment to the Stockholders’ Agreement of Parati S.A. – Participações em Ativos de Energia Elétrica before decision by the stockholders on the Proposal by the Board of Directors to this Extraordinary General Meeting of Stockholders.

Since the meeting of that body had begun at 9 a.m. that day and was to be resumed at 5 p.m. on that same day, he said it would be opportune to adjourn this present Meeting of Stockholders until that Meeting of the Board of Directors had completed debate and decision on the subject.

The Chair thus proposed, with the consent of the other stockholders present, that the present meeting should be adjourned, and resumed on the same day at 6 p.m., at the Company’s head office. This was approved unanimously.

The meeting was resumed at 6 p.m. on May 30, 2016 at the Company’s head office, at Av. Barbacena 1200, 21st floor, Santo Agostinho, Belo Horizonte, Minas Gerais, with all the stockholders who had initially signed the Stockholders’ Attendance Book present, and Mr. Marcos Túlio de Melo, a member of the Audit Board, also present. The Chair then invited me, **Anamaria Pugedo Frade Barros**, a stockholder, to continue to be secretary of the meeting.

The Chair asked me 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 30, 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 (‘the 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 to buy them, by payment of the Exercise Price, to 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 the 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 (the rate for Interbank Certificates of Deposit published by the Cetip Custody and Clearing House) 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) Provisional Measure 675 of May 21, 2015 (MP 675/2015), which became Law 13169 of October 6, 2015, altered Federal Law 7689 of December 15, 1988, to increase the Social Contribution tax on Net profit (CSLL) on private companies operating in insurance, and annuities, and those qualifying under Sub-items I to VII, IX and X of §1 of Complementary Law 105 of January 10, 2001, from 15% to 20%, in the period from September 1, 2015 to December 31, 2018;
- e) in the event of changes in legislation that could have an impact on the transactions agreed, the adjustment factor should be altered for the purpose of re-establishing the economic-financial equilibrium of the Put Option;
- f) on March 24, 2011, the Extraordinary General Meeting, for the purposes of Article 256 of Law 6404/1976, authorized:
- 1) **Unconditional and irrevocable grant** by Cemig to FIP Redentor of a Put Option, giving FIP Redentor the right, on the Exercise Date, to sell the totality of the shares owned by 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, to 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 any 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 (the rate for Interbank Certificates of Deposit published by the Cetip Custody and Clearing House, 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; and in the event of the Exercise Price being higher than the amount paid by FIP Redentor for subscription of the shares in Parati at the time of that subscription, an adjustment factor of $(1/(1-0.4279)-1)$ to be applied, by addition, to the Exercise Price;
 - the Option Exercise Date being able to be brought forward in any of the following events:
 - a) Non-compliance by Cemig with any of the obligations contained in the Definitive Document (Subscription Agreement, Stockholders' Agreement and Secondary Stockholders' Agreement), provided that the said non-compliance has not been cured within 30 (thirty) calendar days from receipt of the notice of default sent by FIP Redentor;
 - b) Sale, transfer or assignment to third parties by Cemig of the Shares owned by itself in Parati or of the rights and obligations arising from them, without prior written authorization of FIP Redentor, with the exception of transactions between subsidiaries and/or wholly-owned subsidiaries of Cemig, provided that Cemig's co-obligation in relation to the obligations originally assumed is preserved;
 - c) decision by any authority ordering that a public offer of shares be held for change in the control of Light S.A. – Light, unless Cemig bears all the costs and expenses arising from this decision;
 - d) termination of concession contracts of Cemig or of its subsidiaries representing a value greater than or equivalent to 40% of the consolidated Ebitda of Cemig in the 12 (twelve) months prior to the date of ascertainment of this condition;
 - e) termination of Light's concession contract for distribution services;
 - f) corporate reorganization, privatization, or merger of Cemig such as, in the opinion, with grounds, of FIP Redentor, causes a significant reduction in Cemig's capacity to comply with any obligations assumed in the Definitive Documents;
 - g) liquidation, intervention, dissolution or extinction of Cemig;
 - h) any new taxes becoming applicable to any transactions, payments due or dividends under the terms of the Definitive Documents;
 - or increase in rates of taxes or of the taxes already applicable to any transactions specified in the Definitive Documents;
 - or identification of a tax liability not identified on the present date, such as would cause any transaction specified in the Definitive Documents to be, in the opinion, with grounds, of FIP Redentor, unfeasible or inadvisable;

- i) if the ratio between Financial Debt and Ebitda, measured six-monthly in relation to the prior 12 (twelve) months, based on the reviewed or audited (as applicable) consolidated financial statements of Cemig, is greater than 3.5 times;
- j) non-approval by the Administrative Economic Defense Council (*Conselho Administrativo de Defesa Econômica*) – CADE;
- k) occurrence of any of the following events:
 - k (1) if 100% of the units of Luce Investment Fund (LIF) are not acquired by December 31, 2011, or if such acquisition has been made without all the following prerequisites being fulfilled:
 - LIF to hold at least 75% of the Units of Luce Brasil Fundo de Investimento em Participações (FIP Luce);
 - FIP Luce to hold not less than 100% of the share capital of Luce Empreendimentos e Participações S.A. (Lepsa);
 - the latter to hold an equity interest of not less than 13.03% of the share capital of Light; and
 - Fundação de Seguridade Social Braslight (Braslight) not to have signed any agreement for sale of, nor offered the right to buy, its units in FIP Luce, except in the event of Braslight having given to Parati, through LIF, the first refusal right for acquisition of the said units, and Cemig not having indicated a third party to acquire the interest held by BB Banco de Investimento S.A. (Banco do Brasil) and by Votorantim S.A. (Votorantim) in FIP Redentor for an amount equivalent to the Exercise Price on the date of the actual acquisition, or such indicated third party not being accepted by BTG Alpha Participações Ltda. (BTG Alpha) or Santander (Brasil) S.A. (Santander);
 - k (2) in the event that Cemig, by the date of the Put Option Notice, has disposed of the direct equity interest of shares that comprise the controlling block of Light, and the acquirers of that interest are
 - persons having equity interest, on the date of signature of the Stockholders' Agreement, of more than 21.1% of the Units of Fundo de Investimento em Participações PCP ('FIP PCP') and subject of an administrative judgment against them, against which there is no further appeal, for infringements committed against the Brazilian Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission (CVM),
 - or holding, on the date of signature of the Stockholders' Agreement, more than 88.0% of the unit shares of Enlighted Partners Venture Capital ('Enlighted') and subject of an administrative judgment against them, against which there is no further appeal, for infringements committed against the Brazilian Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission (CVM),

Cemig not having indicated a third party to acquire the interest held by BB and by Votorantim in FIP Redentor for an amount equivalent to the Exercise Price on the date of the actual acquisition, or such indicated third party not being accepted by BTG or Santander;
- the 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); and if the authorization of Aneel is not obtained by the date of the transfer of the shareholders, or if at any moment Aneel expressly refuses authorization for the transfer of the shares, except in the case of negligence or malicious intent on the part of FIP Redentor, then FIP Redentor shall have the right to sell the shares to third parties on the stock exchange or otherwise, and in the event of sale outside the environment of a stock exchange, such sale may take place only if the price decided is equal to or greater than the lowest of the three following amounts resulting from calculations of stock market prices:
 - average share price of Light in the last trading session prior to the day of closing of the sale;

- daily average of closing prices of the shares of Light over the last 30 (thirty) days; and
- daily average of closing prices of the shares of Light over the last 90 (ninety) days;

if the amount resulting from the said disposal is lower than the Exercise Price, Cemig shall continue to be obliged to pay the difference;

if it is greater than the Exercise Price, and only in the event of Aneel omitting to give approval or expressly refusing the transfer of the Acquisition Shares to the Cemig, and if Cemig has complied with its contractual obligations, Cemig to have the right to receive the positive difference, multiplied by

(1 – the Adjustment Factor).

In any of these events, the expenses incurred by FIP Redentor arising from the process of sale shall be deducted from the amount received as a result of the disposal to third parties: and the penalties specified in Clause 6.5 of the Stockholders' Agreement shall not be applicable (arrears interest calculated at the Selic Rate, plus penalty payment of 2% on the Exercise Price, plus the arrears interest).

The decision of the Extraordinary General Meeting that authorized the grant of the Put Option to FIP Redentor led to the possibility of holders of common shares in Cemig who disagreed with that decision having the right to withdraw (the Right to Withdraw). The Right to Withdraw applied only to those stockholders proven to be holders of common shares in Cemig on February 18, 2011.

- 2) **Appointment** of Banco Bradesco BBI S.A. ('Bradesco BBI') to prepare the Valuation Opinion valuing Parati, in the terms of Article 8, §1 and §6, of Law 6404/1976.
 - 3) **Approval** of the Economic and Financial Valuation Opinion on Parati, prepared by Bradesco BBI, in January 2011, in the terms of Article 8, §1 and §6º, of Law 6404/1976.
- g) On April 11, 2011 Cemig granted the said Put Option, solely and exclusively to FIP Redentor, unconditionally and irrevocably;
 - h) the Notice of Exercise of the Option was to be given at least 240 (two hundred and forty) days before the Exercise Date;
 - i) 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;
 - j) the scenarios relating to the financial, political, business and market situation in Brazil on the date of the potential exercise of the Put Option in 2011 projected at the time of signature of the Stockholders' Agreement and of the consequent granting of the Put Option to FIP Redentor did not materialize, since the conditions existing today are totally different;
 - k) the occurrence of unpredictable events, especially Brazil's crisis of water supply and volume, the legislation contained in Provisional Measure 579/2011, the crisis in the Brazilian electricity sector, and, further, the current adverse political-economic situation in Brazil – all of these being events which had a strong negative effect on the electricity sector and the companies in it – contributed to a scenario that was drastically worse than the worst scenario projected in 2011 for the situation of exercise of the Put Option;
 - l) these events had a negative effect on the profit and the stock price of all the companies of the electricity sector, including Light and Cemig;
 - m) as a result of these events:
 - 1) Cemig does not at the moment have sufficient financial resources for payment of the Price of Exercise of the Put Option by FIP Redentor;
 - 2) Cemig currently has high financial leverage and, given the current market conditions, the costs of debt are increasing;
 - 3) The market currently offers a low availability of credit;
 - 4) The price of the shares of Light is lower than the forecast made in 2011;
 - 5) Parati, the dividends of which arise from those distributed by Light, distributed dividends at a lower level than was projected (the dividends distributed by Parati can be deducted from the Exercise Price of the Put Option, under the Stockholders' Agreement of Parati); and
 - 6) Cemig has not, at the present moment, found a third party interested in acquiring the shares of Parati instead of itself, as per the Stockholders' Agreement of Parati, a situation which would lead to Parati and, consequently, Light, going into State or other public ownership;

- n) if Parati were to come under state, federal or other public control, as a result of the exercise of the Put Option on May 31, 2016, this would result in Light being considered to be a state-controlled company by the lenders of financing and guarantee contracts that have been entered into, which could cause early maturity of those contracts and, as a consequence, early maturities of various other financing and guarantee contracts of Light, that are linked by cross-default clauses;
- o) in this scenario, even as from before notification of the exercise of the Put Option, Cemig has been seeking the optimum solution, considering the business and legal aspects, to soften the negative effects of the exercise, against Cemig, of the Put Option which also indirectly affect Parati and Light;
- p) so as to make use of the profit reserves of Rio Minas Energia S.A. (RME) and of Lepsa to reduce the payment of the Exercise Price, it is intended to carry out a stockholding reorganization of the Parati group of companies ('the Stockholding Reorganization'), involving the total split of Parati, with absorption of part of the assets and liabilities by RME and part by Lepsa;
- q) due to the possibility of a total split of Parati, with absorption of parts by RME and Lepsa, the Put Option will have to be adapted to reflect the shares of RME and Lepsa and no longer those of Parati;
- r) 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;
- s) the parties have negotiated to extend the period of the Put Option, altering the period before the Exercise Date to postpone the Exercise Date from the last business day of the 60th (sixtieth) month to the last business day of the 77th (seventy seventh) month;
- t) Cemig has offered Units in Transmissora Aliança de Energia S.A. (Taesa) in guarantee of the obligations assumed by Cemig in the transaction, representing R\$ 1,075,000,000.00 (one billion seventy five million Reais), the amount corresponding to the cash injection made by FIP Redentor into Parati in 2011; and
- u) Cemig has offered as a support for the guarantee 26.06% of the shares issued by Light, owned by Cemig, in guarantee of the obligations assumed by Cemig in the transaction;
- v) the alterations referred to in the previous sub-item will be submitted to decision by the Board of Directors of Cemig and the Extraordinary General Meeting Stockholders of Cemig, and it is the duty of the Board of Directors to call the General Meeting, under sub-clause 'f' of Clause 17 of the by-laws of Cemig;
- w) in its management of the Company and in the exercise of the right to vote in wholly-owned and other subsidiaries, affiliated companies and consortia, the Board of Directors and the Executive Board are required at all times faithfully to comply with certain targets stated in Clause 11, Paragraph 7, of the Company's by-laws – including the following:
- 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 the consolidated ratio (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);
- x) under Clause 11, Paragraph 9, of the by-laws the said targets for indicators may be exceeded for reasons related to temporarily prevailing conditions, upon prior justification 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%;
- y) above these limits, including in the case of the limitation of (Consolidated funds allocated to capital investment and acquisition of any assets) to 40% of Ebitda (profit before interest, taxes, depreciation and amortization) in any business year, the targets may be exceeded upon prior justification and specific approval by the stockholders in a General Meeting of Stockholders; and
- z) the annual budget for 2016, which is on the agenda of the meeting of the Board of Directors held in April 2016, referred to indicators above the levels that can be approved by the Board of Directors, as shown below:

Indicators – Consolidated	2016	Value		
Net debt / Ebitda	4.12	<= 2.0	<= 2.5	Standard limit
Net Debt / Net debt + Stockholders' equity	0.52	<= 0.40	<= 0.50	Authorization by Board of Directors
Capex / Ebitda	1.46	<= 0.40		Authorization by EGM or AGM

– *do now propose to you as follows:*

a) **Re-ratification** of the decision of the Extraordinary General Meeting of Stockholders held on March 24, 2011, with alteration of the terms of the Put Option granted on April 11, 2011 by Cemig to Redentor Fundo de Investimento em Participações ('FIP Redentor') as follows:

- 1) To enable the option to be effective in relation to shares in Luce Empreendimentos e Participações S.A. ('Lepsa') and/or in Rio Minas Energia S.A. ('RME'), in the event that those companies receive all of the assets and liabilities arising from a total split of their controlling and sole stockholder, Parati S.A. – Participações em Ativos de Energia Elétrica ('Parati');
- 2) To postpone the date of exercise of the said Put Option from the last business day of the 60th (sixtieth) month following the date of subscription of the shares in Parati, until November 30, 2017, the last business day of the 77th (seventy seventh) month;
- 3) To alter the adjustment factor from 0.4279 to 0.4756, to restore the economic-financial equilibrium of the Put Option;
- 4) to offer Units in Transmissora Aliança de Energia S.A. (Taesa) in guarantee of the obligations assumed by Cemig in the transaction, representing R\$ 1,075,000,000.00 (one billion seventy five million Reais), this being the amount corresponding to the cash injection made by FIP Redentor into Parati in 2011; and
- 5) to offer as a support for the guarantee Cemig's holding of 26.06% of the total shares of Light, in guarantee of the obligations assumed by Cemig in the transaction; and

b) **Authorization** for the following ratios to exceed the limits stated in the by-laws, as follows:

- the Company's consolidated indebtedness as specified in Subclause 'a' of Paragraph 7 of Clause 11 of the Company's by-laws: to be a maximum of 4.12 (two point six) times the Company's Ebitda (profit before interest, taxes, depreciation and amortization);
- the ratio established in Subclause 'b' of Paragraph 7 of Clause 11 of the by-laws, namely Consolidated $\{(\text{Net debt}) / (\text{Net debt} + \text{Stockholders' equity})\}$ to be a maximum of 52%; and
- the quantity established in Subclause 'd' of Paragraph 7 of Clause 11 of the by-laws, namely the consolidated amount of funds allocated to capital investment and acquisition of any assets in the business year to be limited to 146% of the Company's Ebitda (profit before interest, taxes, depreciation and amortization).

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 28, 2016.

José Afonso Bicalho Beltrão da Silva
Mauro Borges Lemos
Allan Kardec de Melo Ferreira
Arcângelo Eustáquio Torres Queiroz
Helvécio Miranda Magalhães Junior
José Henrique Maia

José Pais Rangel
Marco Antônio de Rezende Teixeira
Marco Antônio Soares da Cunha Castello Branco
Saulo Alves Pereira Junior
Bruno Magalhães Menicucci
Carlos Fernando da Silveira Vianna”

“ OPINION OF THE AUDIT BOARD

The undersigned members of the Audit Board of Companhia Energética de Minas Gerais – Cemig, in exercise of their functions under the law and the by-laws, have examined the Proposal by the Board of Directors to the Extraordinary General Meeting of Stockholders to be held on May 30, 2016, as follows:

Re-ratification of the decision of the Extraordinary General Meeting of Stockholders held on March 24, 2011, with the terms of the Put Option granted on April 11, 2011 by Companhia Energética de Minas Gerais – Cemig to Redentor Fundo de Investimento em Participações (‘FIP Redentor’) being altered as follows:

- 1) to enable the put option to be effective in relation to shares in Luce Empreendimentos e Participações S.A. (‘Lepsa’) and/or in Rio Minas Energia S.A. (‘RME’), in the event that those companies receive all of the assets and liabilities arising from a total split of their controlling and sole stockholder, Parati S.A. – Participações em Ativos de Energia Elétrica (‘Parati’);
- 2) to postpone the date of exercise of the said put option from the last business day of the 60th (sixtieth) month following the date of subscription of the shares in Parati, until November 30, 2017, corresponding to the last business day of the 77th (seventy seventh) month;
- 3) to alter the adjustment factor from 0.4279 to 0.4756, to restore the economic-financial equilibrium of the put option;
- 4) to offer *Units* in Transmissora Aliança de Energia S.A. (Taesa) in guarantee of the obligations assumed by Cemig in the transaction, representing R\$ 1,075,000,000.00 (one billion seventy five million Reais), this being the amount corresponding to the cash injection made by FIP Redentor into Parati in 2011; and
- 5) to offer as a support for the guarantee Cemig’s holding of 26.06% of the total shares of Light, in guarantee of the obligations assumed by Cemig in the transaction.

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 Meetings of Stockholders.

Belo Horizonte, May 19, 2016

Signed: Charles Carvalho Guedes Edson Moura Soares
 Manuel Jeremias Leite Caldas Rafael Amorim de Amorim. ”

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

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.