

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

CNPJ 17.155.730/0001-64 – NIRE 31300040127

MINUTES

OF THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS OPENED ON JUNE 14, 2016 AND COMPLETED ON JUNE 17, 2016

On the fourteenth day of June of the year two thousand and sixteen at 11 a.m., at the head office, 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 Ms. Ana Paula Muggler Rodarte, Procurator of the State of Minas Gerais, for the office of the Advocate-General of the State, in accordance with the 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 de Queiroz Rodrigues** to chair the Meeting. The proposal of the representative by 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, and invited me, Anamaria Pugedo Frade Barros, a stockholder, to be Secretary of the meeting, asking me to read the convocation notice, published on May 14, 17 and 18 of this year, in the publications *Minas Gerais*, the official publication of the Powers of the State, on pages 106, 49 and 39-40, respectively, and in the newspaper *O Tempo*, on pages 32, 16 and 30, 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
JUNE 14, 2016

CONVOCATION

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on June 14, 2016 at 11 a.m., at the company’s head office, Av. Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

1) Changes to the Company’s by-laws, as follows:

- Change to Clause 18, to alter the composition of the Executive Board.
- Change in Sub-item IV of Clause 22, to change the duties of the Chief Corporate Management Officer.
- Change in Sub-item IX of Clause 22, to replace the duties of the Chief Officer for the Gas Division by the duties of the Chief Human Relations and Resources Officer.
- Change in Sub-item VIII of Clause 22, to include Sub-clauses ‘t’ to ‘z’, containing new duties of the Chief Business Development Officer.
- Change in the drafting of Sub-clause ‘g’ of Sub-item I of Article 22, to exclude the conduct of activities of internal auditing from the duties of the Chief Executive Officer.
- Inclusion of Sub-clause ‘t’ in Clause 17, so that conduct of activities of internal auditing shall be a duty of the Board of Directors.

2) Orientation of the representatives of Cemig to vote in favor of the changes in the by-laws on the agenda of:

- the Extraordinary General Meeting of Stockholders of Cemig Distribuição S.A., and
 - the Extraordinary General Meeting of Stockholders of Cemig Geração e Transmissão S.A.,
- to be held on the same date as the General Meeting of Stockholders of Cemig that is held for the purpose of altering the by-laws.

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 June 10, 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, May 13, 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 items on the agenda. The content of that document is as follows:

**“ PROPOSAL
BY THE BOARD OF DIRECTORS
TO THE
EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS
TO BE HELD ON JUNE 14, 2016**

Dear Stockholders:

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

– *whereas:*

- a) it is opportune to alter the Company’s by-laws, to:
 - abolish the post of Chief Officer for the Gas Division;
 - re-define the duties of the Chief Corporate Management Officer; and
 - create the office and department of the Chief Officer for Human Relations and Resources;
 in order to:
 - optimize mutual communication with the employees;
 - increase the specialization of corporate functions in line with best market practice; and
 - enable agility in taking of decisions;
- b) since the Chief Officer for the Gas Division will no longer be part of the Executive Board, his/her duties will be assumed by the Chief Business Development Officer;
- c) best governance practices in transparency and independence indicate that the functions of internal auditing should be under the coordination and monitoring of the members of the Board of Directors;
- d) Clause 11, Paragraph 1 of the by-laws of Cemig provides as follows:

“*Clause 11 (...)*

§1 *The structure and composition of the Board of Directors and the Executive Board of the Company shall be identical in the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., with the exception that only the wholly-owned subsidiary Cemig Distribuição S.A. shall have a Chief Distribution and Sales Officer, and only the wholly-owned subsidiary Cemig Geração e Transmissão S.A. shall have a Chief Generation and Transmission Officer.”;*
- e) Cemig Geração e Transmissão S.A. (**‘Cemig GT’**) and Cemig Distribuição S.A. (**‘Cemig D’**) will hold Extraordinary General Meetings of Stockholders to change their by-laws on the same date on which Cemig changes its by-laws;
- f) Clause 21, Paragraph 4, Subclause ‘g’ of the by-laws of Cemig states:

“*Clause 21 (...)*

§4 *The following decisions shall require a decision by the Executive Board:*

 - g) *approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters shall be that of the General Meeting of Stockholders, and decisions must obey the provisions of these Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan.”;*

– *now proposes to you as follows:*

I) To make the following changes to the Company’s by-laws:

- a) Alteration of Clause 18, to change the composition of the Executive Board, to the following:

“Clause 18 The Executive Board shall be made up of the following 11 (eleven) Executive Officers, who may be stockholders, resident in Brazil, elected by the Board of Directors:

Chief Executive Officer;
 Deputy Chief Executive Officer;
 Chief Finance and Investor Relations Officer;
 Chief Corporate Management Officer;
 Chief Distribution and Sales Officer;
 Chief Trading Officer;
 Chief Business Development Officer;
 Chief Generation and Transmission Officer;
 Chief Human Relations and Resources Officer;
 Chief Counsel; and
 Chief Institutional Relations and Communication Officer.

The period of office of the Executive Officers shall be 3 (three) years, and re-election is permitted. The Executive Officers shall remain in their posts until their duly elected successors take office.”.

- b) Alteration of Sub-item IV of Clause 22, to change the duties of the Chief Corporate Management Officer, with the following drafting:

“Clause 22 (...)

IV To the Chief Corporate Management Officer:

- a) to decide, conduct and supervise the Company’s telecommunications and information technology policy;
- b) to plan, put in place and maintain the Company’s telecommunications and information technology systems;
- c) to decide policies and rules on support services such as transport, administrative communication, security guarding, and provision of adequate quality in the workplace for the Company’s personnel;
- d) to provide the Company with infrastructure and administrative support resources and services;
- e) to coordinate the policies, processes and means of property security and security guarding approved by the Company;
- f) to administer the process of acquisition and disposal of materials, equipment and real estate property, contracting of works and services and construction and inspection of works on buildings;
- g) to effect quality control of the material acquired and of the qualification of contracted service providers;
- h) to administer and control the stock of material, and to arrange for separation and recovery of used material, and sales of excess and unusable material, and scrap;
- i) to arrange for and implement programs to increase, develop and continually improve suppliers of materials and services of interest to the company, alone or in cooperation with other Chief Officers or development agencies or industry associations, in the ambit of the State of Minas Gerais;
- j) to authorize opening of administrative tender proceedings and proceedings for exemption from or non-requirement for tender, and the corresponding contracts, in amounts up to R\$ 2,800,000.00 (two million eight hundred thousand Reais).”.

- c) Alteration of Sub-item IX of Clause 22, to replace the references to the duties of the Chief Officer for the Gas Division with a specification of the duties of the Chief Human Relations and Resources Officer, with the following drafting:

“Clause 22 (...)

IX To the Chief Officer for Human Relations and Resources:

- a) to ensure the provision of appropriate personnel to the Company;
- b) to decide the Company’s human resources policy and to orient and promote its application;
- c) to coordinate the policies, processes and means of work safety approved by the Company;
- d) to orient and conduct the activities related to organizational studies and their documentation;

- e) to carry out the negotiations of collective work agreements, in accordance with the guidelines and limits approved by the Board of Directors, submitting the proposals negotiated for approval by the Executive Board;
 - f) to propose to the Chief Executive Officer, for submission to the Executive Board for approval, from among the employees of the Company and of the other companies involved in the negotiations, appointments of employees to the Union Negotiation Committee, and also the appointment of its coordinator;
 - g) to present to the Executive Board the assessments received from a leadership succession development program, put in place by the Company, for the purpose of giving the Executive Board input for its decisions on appointments of employees to management posts.”.
- d) Alteration of Sub-item VIII of Clause 22, to include Sub-clauses ‘t’ to ‘z’, containing new duties of the Chief Business Development Officer, with the following drafting:

“Clause 22 (...)

VIII To the Chief Business Development Officer: (...)

- t) to coordinate, in the name of the Company and its wholly-owned and other subsidiaries, all the activities related to exploration, acquisition, storage, transport, distribution and sale of oil and gas or oil products and by-products, directly or through third parties;
 - u) to propose to the Executive Board guidelines and general rules and plans for operation, prospecting, exploration, acquisition, storage, transport, distribution and sale of activities of the oil and gas business;
 - v) to carry out research, analyses and studies of investments and new technologies related to oil and gas and studies and development of business in that sector;
 - w) to develop a structure of rules and standardization for projects in the field of oil and gas;
 - x) to consolidate the management of the work safety policies of Gasmig and of other special-purpose companies, in the ambit of the oil and gas activities;
 - y) to carry out research, studies, analyses and market projections of interest to the Company in the ambit of the oil and gas activities;
 - z) to represent the Company in the various entities that bring together the companies of the oil and gas sector.”.
- e) Alteration in the drafting of Sub-clause ‘g’ of Sub-item I of Article 22, to exclude the conduct of activities of internal auditing from the duties of the Chief Executive Officer, with the following drafting:

“Clause 22 (...)

I To the Chief Executive Officer (...)

- g) to manage and direct the Corporate Executive Office, and activities of strategic planning;”.
- f) Inclusion of Sub-clause ‘t’ in Clause 17, so that conduct of activities of internal auditing shall be a duty of the Board of Directors, with the following drafting:

“Clause 17 (...)

- t) to manage and direct the activities of internal auditing.”.

II) Orientation of Cemig’s representatives to vote in favor of the agenda of changes in the by-laws at:

- the Extraordinary General Meeting of Stockholders of Cemig D, and
 - the Extraordinary General Meeting of Stockholders of Cemig GT,
- to be held on the same date as the General Meeting of Stockholders of Cemig that is held for the purpose of altering the by-laws.

Belo Horizonte, May 13, 2016

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

Marcelo Gasparino da Silva
 Marco Antônio de Rezende Teixeira
 Marco Antônio Soares da Cunha Castello Branco
 Paulo Roberto Reckziegel Guedes
 Saulo Alves Pereira Junior
 Bruno Magalhães Menicucci
 Carlos Fernando da Silveira Vianna ”

The stockholders present then agreed with a **proposal by the Chair to adjourn the meeting** to June 17th, at 10 a.m., so as to enable stockholders to make any possible improvements in the drafting of the said Proposal by the Board of Directors.

The Meeting was resumed **on the seventeenth day of May two thousand and sixteen**, at 10 a.m. at the Company's head office, at Avenida Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil, with the presence of stockholders representing more than two-thirds of the voting stock, as verified in the Stockholders' Attendance Book. The stockholder **The State of Minas Gerais** was represented by Mr. Sérgio Pessoa de Paula Castro, Deputy Advocate-General of the State of Minas Gerais, in accordance with the current legislation.

Ms. Anamaria Pugedo Frade Barros, General Manager of Cemig's Corporate Executive Office, stated that there was a quorum for continuation of this Extraordinary General Meeting of Stockholders; and that Mr. Alexandre de Queiroz Rodrigues should resume the Chairmanship of the proceedings. The Chair then invited me, Anamaria Pugedo Frade Barros, to continue to be secretary of the proceedings of this meeting; and placed in discussion the proposal made by the Board of Directors to this Meeting.

Asking for the floor, the representative of the stockholder **The State of Minas Gerais** proposed alteration in Item II of the proposal under discussion, to have the following drafting:

II) Orientation of Cemig's representatives to vote, at the Extraordinary General Meetings of:

- Cemig Distribuição S.A. (Cemig D) and
- Cemig Geração e Transmissão (Cemig GT)

to be held on the same date as the General Meeting of Stockholders of Cemig, in favor of the changes in the by-laws of those companies in the terms submitted by the Boards of Directors of Cemig D and Cemig GT respectively to their sole stockholder, Cemig.

The proposal by the Board of Directors to this Meeting was submitted to a vote with the alteration proposed above by the representative of the stockholders The State of Minas Gerais, and it was approved unanimously.

The Chair then made a statement of clarification, that in functional terms the duties of internal auditing are subordinated to the Board of Directors; but that, however, the area of internal auditing shall be administratively subordinated to the office of the Chief Executive Officer.

There being no further business, the Chair opened the meeting to the floor, and since no-one wished to speak, ordered the meeting suspended for the time necessary for the writing 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.