

# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64 – NIRE 3130

## BOARD OF DIRECTORS

### SUMMARY OF MINUTES OF THE 671<sup>ST</sup> MEETING

**Date, time and place:** August 31, 2016 at 10 a.m. at the 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:**

a) The proposal by the Board member Marco Antônio Soares da Cunha Castello Branco, to change the composition of the Executive Board, as follows:

- 1) Mr. Mateus de Moura Lima Gomes no longer to be Deputy CEO; and  
Mr. Ricardo José Charbel no longer to be Chief Distribution and Sales Officer.
- 2) that the Chief Corporate Management Officer should be elected at a later date, in view of the resignation of Mr. Luís Fernando Paroli Santos from the position of Chief Corporate Management Officer on July 13, 2016, as per a letter in the Company's possession;
- 3) for 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, the following changes:

Change of post:

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**Mr. Evandro Leite Vasconcelos** – Brazilian, married, engineer, with domicile in Belo Horizonte, MG, at Av. Barbacena 1200, 18th floor, Santo Agostinho, CEP 30190-131, bearer of Identity Card MG595388 issued by the Minas Gerais Civil Police, and CPF 251704146-68 –

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to cease to be Chief Trading Officer and to be Chief distribution and Sales Officer;  
election as Deputy Chief Executive Officer of:

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**Mr. Paulo Roberto Castellari Porchia** – Brazilian, divorced, company manager, resident and domiciled in Nova Lima, MG, at Alameda do Morro 85, Torre 8/201, CEP 34000-000, bearer of Identity Card 14264834-6-SSP/SP and CPF nº 131643078-29;

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– and election as Chief Trading Officer of

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**Mr. Dimas Costa** – Brazilian, married, engineer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Professor Estevão Pinto, 350/301, Serra, CEP 30220-060, CI M424183-SSPMG and CPF 253777446-91.

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b) Additional budget allocation in operational expenses, to enable the Company to pay the expenses relating to the process of disposal of *Units* in Transmissora Aliança de Energia Elétrica S.A. ('Taesa').

c) The minutes of this meeting.

### III The Board authorized:

a) Disposal, by means of a secondary public offering and subsequent *follow-on*, with administrative proceedings for exemption from tender, in accordance with the applicable legislation, with restricted efforts in Brazil, in accordance with CVM Instruction 476/2009 as amended, and with international efforts in accordance with Rule 144A and Regulation S of the Securities Act, of:

up to forty million seven hundred two thousand two hundred thirty  
Units in Taesa owned by the Company,  
corresponding to forty million seven hundred two thousand two hundred thirty  
common shares  
and eighty one million four hundred four thousand four hundred sixty  
preferred shares  
in Taesa owned by Cemig,  
of which total, twenty two million two hundred ninety thousand six hundred eighty five  
common shares,  
and forty four million five hundred eighty one thousand three hundred seventy  
preferred shares  
are free and unencumbered by any lien or charge,  
and the others, eighteen million four hundred eleven thousand five hundred forty five  
common shares  
and thirty six million eight hundred twenty three thousand ninety  
preferred shares  
are under a fiduciary charge placed by Cemig to be released by  
the respective fiduciary creditors, for realization of the follow-on.

The minimum price per Unit, of the public offer, which will be based on a valuation opinion, will be the subject of a specific decision by this Board.

In relation to the Units that are the subject of a fiduciary charge, the follow-on is conditional upon express authorization by the fiduciary creditors and, once the follow-on has been realized, the related amount obtained must be deposited in a linked bank account until the payment of the option to sell the shares (as defined in the Fiduciary Charge Contract entered into between Cemig and the Fiduciary creditors).

- b) Placement of a new charge, under a suspensive condition, on  
eighteen million four hundred eleven thousand five hundred forty five Units,  
in the event that Cemig does not dispose of them within the scope of the follow-on. In this event, Cemig undertakes that, as soon as it becomes once again the owner of these Units, it will dispose of them under a fiduciary transaction, the full efficacy of which is conditional upon any one of the following events:
- 1) Non-confirmation, by the intermediary institutions (as defined in the Fiduciary Charge Contract), of receipt of the notification for deposit in the linked account, within up to 5 business days from the date of signature of the Amendment; or
  - 2) Non-compliance, by any of the respective destination parties, with one or more instructions specified in any of the notices to be sent by Cemig and/or by the fiduciary creditors, as the case may be; or
  - 3) Setting of the unit price of sale of the Units in the ambit of the Taesa Public Offer at a lower level than the one decided; or

- 4) Decision by the disposing party not to proceed with the Taesa Public Offer, at any moment, after signature of the Amendment; or
  - 5) Non-realization of the Taesa Public Offer, understood to mean non-presentation to the fiduciary creditors, by September 30, 2016, of evidence of lodging of the notice of start of the Taesa Public Offer with the Securities Commission (CVM), in accordance with Article 7a of CVM Instruction 476/2009; or
  - 6) Non-financial settlement, or only partial settlement, of Units in the ambit of the Taesa Public Offer, by October 30, 2016 or on the date of filing of the communication of closing of the Taesa Public Offer with the CVM, under Article 8 of CVM Instruction 476/2009, whichever is earlier.
- c) Request, to the custodian bank of the shares in Taesa, for issuance of certificates of deposit of shares (Units), as provided for in Article 44 of the by-laws of Taesa;
- d) Opening of Administrative Proceedings for Exemption from Tender, on the basis of widely known and established specialization, arising from the Company's joining, as vendor stockholder, in the process of public offer of *Units* in Taesa, initiated by Fundo de Investimentos em Participações Coliseu (FIP Coliseu), and signature, together with FIP Coliseu and Taesa, of the contracts referred to below with the providers of services in the Public Offer of up to sixty five million seven hundred two thousand two hundred thirty Units in Taesa (the follow-on), owned by FIP Coliseu and Cemig, with restricted efforts in Brazil, in accordance with CVM Instruction 476/2009, and with international efforts, in accordance with Rule 144A and Regulation S of the Securities Act, bearing the fees and expenses of the follow-on, in the proportion of the shares disposed of by the Company and by FIP Coliseu, i.e. Cemig will be responsible for 62%, comprising the remuneration of the syndicate of financial institutions, which is made up of:
- Bank of America Merrill Lynch Banco Múltiplo S.A., Banco de Investimentos Credit Suisse (Brasil) S.A., Banco Modal S.A., BB-Banco de Investimento S.A. and Banco Santander (Brasil) S.A.;
  - the legal consultants Lefosse Advogados, Souza Cescon, Davis Polk and Milbank; and
  - the independent auditors, Deloitte Touche Tohmatsu Auditores Independentes;
- among other expenses. The principal contracts to be signed with the financial institutions, in which Cemig and FIP Coliseu will be vendor stockholders, will be:
- the letter of mandate, which will evidence the initial contracting of the placement agents for realization of the follow-on;
  - the contract for placement of shares, which will govern the placement of the shares in Taesa in the local market; and
  - the Placement Facilitation Agreement (PFA), made under the laws of New York, USA, which will govern the placement of the shares in Taesa outside Brazil by the international agents appointed by the investment banks contracted.
- The signature of the PFA, and the authorization for opening of proceedings for exemption from tender for the contracting of
- Merrill Lynch, Pierce, Fenner & Smith Incorporated, Banco do Brasil Securities LLC, Credit Suisse Securities (USA) LLC; Banco Modal S.A., and Santander Investment Securities Inc. – will be conditional upon favorable legal analysis of the feasibility of the contracting with exemption from tender.
- The contracts to be signed with the lawyers and the auditors, in which Cemig and FIP Coliseu are in the status of vendor stockholders, will be contracts for provision of services of legal advice and preparation of a comfort letter, respectively.

Further to this, the following documents must be signed:

- the Lock-up Contract, which establishes the period for restriction on sale of shares;
  - the statements and certificates related to the offer; and
  - other contracts and accessory documents necessary for the offer to take place.
- e) Use of the Minute of Registry of Price referring to Electronic Trading Session MS/CS 500-H09150, signed on April 4, 2016, for contracting of Ceres Inteligência Financeira Ltda., for preparation of the valuation opinion and the consequent decision on the minimum price of sale of the Units in Taesa.
- f) Injection in cash, into Ativas Data Center S.A. (Ativas), by Cemig Telecomunicações S.A. (CemigTelecom), and increase in the share capital of that company, with the related adaptation of the head paragraph of Clause 5 of the by-laws of that company.
- g) Waiver, by CemigTelecom, of its right of first refusal for subscription of the rest of the capital of Ativas, to which it would have been entitled in accordance with the proportion of its equity interest, which will cause dilution, into 19.6%, of its equity interest in Ativas.

#### **IV The Board canceled CRCA 051/2016.**

#### **V The Board ratified:**

- a) Signature of the Investment Contract, and the Stockholders' Agreement, of Ativas, between CemigTelecom, Ativas Participações S.A. (Ativas Participações), and Sonda Procwork Outsourcing Informática Ltda. (Sonda), for entry of a new stockholder (Sonda) with dilution of the present stockholders of Ativas (CemigTelecom and Ativas Participações).
- b) Signature of the Stockholders' Agreement, between CemigTelecom and Ativas Participações, which will govern block voting in the Board of Directors of Ativas.
- c) Temporary waiver by CemigTelecom, permitting Ativas Participações to pay up the shares subscribed in Ativas on the same date on which the closing of that transaction takes place, rather than in the manner initially specified.
- d) Orientation of vote, by the members of the Board of Directors of CemigTelecom, in a meeting of its Board of Directors, in favor of disposal of the shares in Ativas held by CemigTelecom.

#### **VI Abstention:**

The Board member Arcângelo Eustáquio Torres Queiroz abstained from voting on the matters referred to in Subclause 'b' of Item II and Subclauses 'a', 'b', 'c', 'd' and 'e' of item III, above.

#### **VII Abstention:**

The Board member Marco Antonio Soares da Cunha Castello Branco abstained from voting on the matters referred to in subclauses 'f' and 'g' do Item III and subclauses 'a', 'b', 'c' and 'd' do Item V, above.

## VIII Composition of the Executive Board

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

|  |                                   |
|--|-----------------------------------|
| Chief Executive Officer:                                 | Mauro Borges Lemos;               |
| Deputy CEO:  | Paulo Roberto Castellari Porchia; |
| Chief Trading Officer:                                   | Dimas Costa;                      |
| Chief Business Development Officer:                      | César Vaz de Melo Fernandes;      |
| Chief Distribution and Sales Officer:                    | Evandro Leite Vasconcelos;        |
| Chief Finance and Investor Relations Officer:            | Fabiano Maia Pereira;             |
| Chief Generation and Transmission Officer:               | Franklin Moreira Gonçalves;       |
| Chief Corporate Management Officer:                      | (Seat vacant);                    |
| Chief Counsel:   | Raul Lycurgo Leite;               |
| Chief Officer for Human Relations and Resources:         | Márcio Lúcio Serrano; and         |
| Chief Institutional Relations and Communication Officer: | Luís Fernando Paroli Santos.      |

**IX The Chief Officers elected declared** – in advance – that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which could be considered to be a competitor of the Company, and that they do 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 Cemig and the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

**X The Chair informed the Board that:**

- The Company has received correspondence from the Board member Marcelo Gasparino da Silva, formalizing his return to this Board as from September 1, 2016.
- The Board member Victor Guilherme Tito resigned his post as sitting member of this Board, as from August 8, 2016, as per a letter in the Company's possession.

**XI Comment:** The following made comments on subjects of interest to the Company:

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| The Chair;       |   |
| Board Members:   | José Pais Rangel, Saulo Alves Pereira, Marco Antônio Soares da Cunha Castello Branco; |
| General Manager: | João Paulo Dionísio Campos;   |
| Secretary:       | Anamaria Pugedo Frade Barros.   |

The following were present:

|                         |  |  |
|-------------------------|--|--|
| <b>Board members:</b>   | José Afonso Bicalho Beltrão da Silva,<br>Mauro Borges Lemos,<br>Allan Kardec de Melo Ferreira,<br>Arcângelo Eustáquio Torres Queiroz,<br>Hélcio Miranda Magalhães Junior,<br>José Henrique Maia,<br>José Pais Rangel,<br>Marco Antônio de Rezende Teixeira,<br>Marco Antônio Soares da Cunha Castello Branco,<br>Nelson José Hubner Moreira, | Saulo Alves Pereira Junior,<br>Aloísio Macário Ferreira de Souza,<br>Bruno Magalhães Menicucci,<br>José Augusto Gomes Campos,<br>Bruno Westin Prado Soares Leal,<br>Daniel Alves Ferreira,<br>Carlos Fernando da Silveira Vianna,<br>Luiz Guilherme Piva,<br>Marina Rosenthal Rocha,<br>Samy Kopit Moscovitch,<br>Wieland Silberschneider; |
| <b>General Manager:</b> | João Paulo Dionísio Campos;  |  |
| <b>Secretary:</b>       | Anamaria Pugedo Frade Barros.  |  |

Signed by: ) Anamaria Pugedo Frade Barros.