

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64 – NIRE 31300040127

BOARD OF DIRECTORS

SUMMARY OF MINUTES OF THE 678TH MEETING

Date, time and place: November 11, 2016 at 9 a.m. at the Company's head office,
Av. Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil.

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:**
- 1) The proposal of the Board member Samy Kopit Moscovitch that the members of the Board of Directors should authorize their Chair to call an Extraordinary General Meeting of Stockholders, to be held on December 20, 2016 at 11 a.m., and that in the absence of a quorum the Chair be authorized to make second convocation, within the legal period, to deal with:
 - the Report of Management and Adjusted Financial Statements for the year 2015; and
 - re-ratification of the allocation of the Net profit for 2015.
 - 2) The Compliance Program for the 2016–2018 period;
 - 3) Changes in the composition of the Committees of the Board of Directors.
 - 4) The minutes of this meeting.
- III The Board approved** the Report of Management and the Adjusted Financial Statements for the business year 2015, and the related complementary documents, also adjusted, and submitted them to the Extraordinary General Meeting of Stockholders.

IV The Board authorized:

- 1) Increase in the share capital of RME – Rio Minas Energia Participações S.A. (**‘RME’**)
 - by up to two hundred thirty five million fifty three thousand four hundred thirty five Reais and nineteen centavos,
 - through issuance of up to six hundred eighty three million three hundred four thousand nine hundred fifty four
 - nominal shares without par value,
 - for issue price of R\$ 0.34399492322 per share,
 - of which one hundred seventy million eight hundred twenty six thousand two hundred thirty nine are common shares
 - and five hundred twelve million four hundred seventy eight thousand seven hundred fifteen are preferred shares,
 - increasing the total share capital
 - from two hundred eleven million nine hundred ninety eight thousand one hundred eighty four Reais and seventy two centavos
 - to a maximum of four hundred forty seven million fifty one thousand six hundred nineteen Reais and ninety one centavos,
 - with consequent subscription of the totality of the shares issued, resulting in the Company holding an equity interest of up to 61.61% in the total capital of RME,
 - and the need to alter the head paragraph of Clause 5 of the by-laws of RME to reflect the increase in share capital.
- 2) Subscription by Cemig, in cash, of nominal shares without par value in RME,
 - in the amount of up to two hundred thirty five million fifty three thousand four hundred thirty five Reais and nineteen centavos,
 - increasing the Company’s holding in the share capital of RME
 - from 25% to a maximum of 61.61%.
- 3) Increase in the share capital of Luce Empreendimentos e Participações S.A. (**‘Lepsa’**)
 - by up to two hundred twenty eight million seven hundred thirty eight thousand five hundred forty five Reais and three centavos,
 - through issuance of up to six hundred sixty seven million one hundred forty nine thousand and sixty nominal shares without par value,
 - at issue price of R\$ 0.34285972768 per share,
 - of which: one hundred sixty six million seven hundred eighty seven thousand two hundred sixty five will be common shares
 - and five hundred million three hundred sixty one thousand seven hundred ninety five will be preferred shares,
 - increasing the total share capital
 - from two hundred eleven million six hundred ninety one thousand six hundred ninety two Reais and fifty five centavos
 - to a maximum of four hundred forty million four hundred thirty thousand two hundred thirty seven Reais and fifty eight centavos,
 - thus, consequently, subscription of the totality of the shares issued,
 - increasing the Company’s holding in the share capital of Lepsa
 - to a maximum of 61.16%,
 - and requiring alteration of the head paragraph of Clause 5 of the by-laws of Lepsa to reflect the increase in the share capital.
- 4) Subscription by Cemig in cash, of nominal shares without par value in Lepsa,
 - in the amount of up to two hundred twenty eight million seven hundred thirty eight thousand five hundred forty five Reais and three centavos,
 - increasing the Company’s holding in the share capital of Lepsa
 - from 25% to a maximum of 61.16%.

V The Board submitted a proposal to the Extraordinary General Meeting of Stockholders for:

- 1) Re-ratification of the allocation of the Net profit for the business year 2015, approved in the Ordinary and Extraordinary General Meetings of Stockholders held concurrently on April 29, 2016, the amount being adjusted from R\$ 2,491,375,000 to R\$ 2,468,500,000, the balance of Retained earnings remaining the same (R\$ 59,536,000), as follows;
 - a) R\$ 633,968,000 to be allocated as mandatory minimum dividend, to be paid to the Company's stockholders, as follows:
 - R\$ 200,000,000 in Interest on Equity, under Board Spending Decision (CRCA) 099/2015 of December 17, 2015, and CRD-432/2015, of January 4, 2016, in two equal installments, by June 30 and December 30, 2016, as part of the minimum mandatory dividend for 2016, the Executive Board to obey these dates and to decide the places and processes of payment, to stockholders whose names were on the Company's Nominal Share registry on December 30, 2015 (the shares began to trade 'ex-' these rights on January 4, 2016); and
 - R\$ 433,968,000 in the form of dividends for the 2015 business year, to stockholders whose names were on the Company's nominal share registry on April 29, 2016, the date on which the Ordinary and Extraordinary General Meetings were held this year;
 - b) R\$ 622,529,000 to be held in Stockholders' equity in the Reserve for mandatory dividends not distributed, to be paid as and when the Company's financial situation permits;
 - c) R\$ 1,250,843,000 to be held in Stockholders' equity in the Retained earnings reserve, to provide funding for the Company's consolidated investments planned for 2016, in accordance with a capital budget; and
 - d) R\$ 20,696,000 to be held in Stockholders' equity in the Tax incentives reserve, for tax incentives earned in 2015 as a result of investments in the region of Sudene. The other terms related to the payments of dividends decided in the Ordinary and Extraordinary General Meetings of Stockholders held concurrently on April 29, 2016 are unchanged.
- 2) Vote, by the Company's representatives at the Extraordinary General Meeting of Stockholders of Cemig Geração e Transmissão S.A. to be held on December 20, 2016, in favor of:
 - the Report of Management and the Adjusted Financial Statements for the year ended December 31, 2015, and the related complementary documents – also adjusted; and
 - re-ratification of the allocation of the net profit for 2015, approved in the Annual General Meeting of April 29, 2016, reducing it from R\$ 2,337,663,000 to R\$ 2,316,273,000, the balance of Retained Earnings, of R\$ 47,761,000, being unchanged.

VI The Board oriented the representatives appointed by the Company, in the Annual General Meetings of Stockholders of RME and Lepsa, to vote in favor of the matters referred to in Item V, above.

VIII Abstention

The Board member Patricia Gracindo Marques de Assis Bentes abstained from voting on the matters referred to in items III, IV, V and VI, above; and

the Board member Arcângelo Eustáquio Torres Queiroz abstained from voting on the matter referred to in Subclause 3 of Item II above.

VIII Comments: The following made comments on matters of interest to the Company:

The Chair:	
Board member:	Fabiano Maia Pereira;
Controller:	Leonardo George de Magalhães;
Deloitte Touche Tohmatsu Auditores Independentes:	Marcelo Salvador;
External advisor:	João Roriz.

The following were present:

Board members:	José Afonso Bicalho Beltrão da Silva, Mauro Borges Lemos, Allan Kardec de Melo Ferreira, Arcângelo Eustáquio Torres Queiroz, Daniel Alves Ferreira Helvécio Miranda Magalhães Junior, José Pais Rangel, Marco Antônio de Rezende Teixeira, Marco Antônio Soares da Cunha Castello Branco, Nelson José Hubner Moreira, Ms. Patricia Gracindo Marques de Assis Bentes	Saulo Alves Pereira Junior, Aloísio Macário Ferreira de Souza Bruno Magalhães Menicucci, Antônio Dirceu Araújo Xavier Bruno Westin Prado Soares Leal, Carlos Fernando da Silveira Vianna, Luiz Guilherme Piva, Marina Rosenthal Rocha, Ricardo Wagner Righi de Toledo, Tarcísio Augusto Carneiro, Samy Kopit Moscovitch Wieland Silberschneider;
Audit Board:	Rafael Amorim de Amorim, Manuel Jeremias Leite Caldas,	Marcos Túlio de Melo;
Chief Officer:	Fabiano Maia Pereira;	
General Manager:	Leonardo George de Magalhães;	
Deloitte Touche Tohmatsu:	Marcelo Salvador;	
External Advisor:	João Roriz;	
Secretary:	Anamaria Pugedo Frade Barros.	

(Signed) Anamaria Pugedo Frade Barros