

# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

## EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS

**DECEMBER 20, 2016**

### CONVOCAÇÃO

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on December 20, 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 Examination, debate and voting on the Report of Management and the Adjusted Financial Statements for the year ended December 31, 2015, and the related complementary documents – also adjusted.
- 2 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).
- 3 Orientation of vote by the representative(s) of the Company in the Extraordinary General Meeting of Stockholders of Cemig Geração e Transmissão S.A., also to be held on December 20, 2016, in favor of the following:
  - Examination, debate and voting on 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 Ordinary Annual General Meetings of Stockholders held on April 29, 2016, the amount being adjusted from R\$ 2,337,663,000 to R\$ 2,316,273,000, the balance of Retained earnings remaining the same (at R\$ 47,761,000).

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, and of the sole paragraph of Clause 9 of the Company's by-laws, by exhibiting at the time, or depositing, preferably by December 16, 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 Office (*Superintendência da Secretaria Geral*) at Av. Barbacena 1200 – 19th Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, November 11, 2016

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

**PROPOSAL  
BY THE BOARD OF DIRECTORS  
TO THE  
EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS  
TO BE HELD ON DECEMBER 20, 2016**

Dear Stockholders:

*The Board of Directors of Companhia Energética de Minas Gerais - Cemig:*

**Whereas –**

- a) the Company's financial statements for the business year ended December 31, 2015 were made available to the CVM (*Comissão de Valores Mobiliários*) on March 30, 2016 and approved by the Ordinary and Extraordinary General Meetings of Stockholders held concurrently on April 29, 2016;
- b) those financial statements were filed at the CVM with the following qualification by the external auditors:

*“Absence of sufficient auditing evidence in relation to the investment, and the equity method gain (or loss) arising, in Amazônia Energia S.A., and Aliança Norte Energia Participações S.A., on December 31, 2015 and for the business year end on that date.*

*As mentioned in Notes 1 and 14 to the financial statements, the Company has an indirect investment in Norte Energia S.A. ('Norte Energia'), which is the subject of an investigation carried out by the stockholder Centrais Elétricas Brasileiras S.A. (Eletrobras). Due to that investigation not having been finalized, the audit examinations of the financial statements of Amazônia Energia S.A. and Aliança Norte Energia Participações S.A. (which have investments in Norte Energia S.A.), for the business year ended December 31, 2015, have not been concluded at today's date. Consequently, we have not obtained sufficient auditing evidence in relation to the investment held by the Company in Amazônia Energia S.A. and Aliança Norte Energia Participações S.A., valued by the equity method at R\$ 871,442,000 on December 31, 2015, and in relation to the equity loss reported by the equity method corresponding to R\$ 10,261,000 for the period ending on that date.”;*

- c) those Meetings of Stockholders approved the following allocation of the Net profit for 2015, of R\$ 2,491,375,000, and of the balance of Retained earnings of R\$ 59,536,000:
  - 1) R\$ 633,968,000 as minimum mandatory dividends, as follows:
    - R\$ 200,000,000 in the form of Interest on Equity, under Board Spending Decisions CRCA 088/2015 of December 17, 2015, and CRD 432/2015, of January 4, 2016, to be paid in two equal installments, by June 30, 2016 and December 30, 2016, to stockholders on the Company's Nominal Share Registry on December 30, 2015, the Executive Board to obey the periods and to decide the places and processes of payment and to allocate the amount of the Interest on Equity against the minimum mandatory dividend (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 of record on the date on which the Ordinary General Meeting is held.

- 2) R\$ 633,967,000 to be held in Equity in the Reserve for mandatory dividend not distributed, to be paid as and when the Company's financial situation permits;
- 3) R\$ 1,262,280,000 to be held in Stockholders' equity in the Retained earnings reserve, to provide funding for the Company's planned investments in 2016, in accordance with a capital budget; and
- 4) R\$ 20,696,000 to be held in Stockholders' equity in the Tax incentives reserve, for tax incentive gains obtained in 2015 as a result of investments in the region of Sudene –
  - payments of the dividends to be made by December 30, 2016, in accordance with the availability of cash and at the decision of the Executive Board;
- d) Cemig owns 100% of the share capital of Cemig Geração e Transmissão S.A. (Cemig GT), which in turn holds an equity interest of 74.50% in the total share capital of Amazônia Energia Participações S.A. ('Amazônia Energia'), which in turn holds 9.77% of the share capital of Norte Energia S.A. (Norte Energia);
- e) Cemig GT further holds 49.00% of the share capital of Aliança Norte Energia Participações S.A. ('Aliança Norte'), which in turn holds 9.00% of the share capital of Norte Energia;
- f) as a result of conclusion of investigations into Norte Energia, Cemig has adjusted the results of the said financial statements by the amount of R\$ 22,875,000, so that the Net profit for 2015 is adjusted from R\$ 2,491,375,000 to R\$ 2,468,500,000;
- g) due to this adjustment, it is necessary to re-ratify the allocation of the Company's net profit for 2015 (the impacts of this are restricted to the Retained earnings reserve, and the Reserve for mandatory dividends not distributed);
- h) Cemig GT is a wholly-owned subsidiary of the Company and will hold an Extraordinary General Meeting of Stockholders by December 20, 2016 to re-ratify the allocation of Net profit for the 2015 business year; and
- i) Clause 21, Paragraph 4, Subclause 'g' of the by-laws of Cemig states:
  - “Clause 21 - ...
    - §4 The following matters 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.”;

***– do now propose to you as follows:***

**Proposal:**

- I) 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 paid to the stockholders as mandatory minimum dividend, as follows:
    - R\$ 200,000,000 as Interest on Equity, under Board Spending Decisions CRCA 088/2015 of December 17, 2015, and CRD 432/2015, of January 4, 2016, to be paid in two equal installments, by June 30, 2016 and December 30, 2016 to stockholders on the Company’s Nominal Share Registry on December 30, 2015, and allocated as part of the mandatory minimum dividend, the Executive Board to obey the periods and to decide the places and processes of payment (the shares began to trade ‘ex-’ these rights on January 4, 2016); and
    - R\$ 433,968,000 as dividends for the 2015 business year, to stockholders 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\$ 1,250,853,000 to be held in Stockholders’ equity in the Retained earnings reserve, to provide funding for the Company’s planned investments 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 gains obtained in 2015 as a result of investments in the region of Sudene;
    - the other terms related to the payment of dividends decided in the Ordinary and Extraordinary General meetings of stockholders held, concurrently, on April 29, 2016 being unchanged.
- II) Orientation** of the representative(s) of Cemig at the General Meeting of Stockholders of Cemig Geração e Transmissão S.A. to be held, also, on December 20, 2016, to vote 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;
- III) Orientation** of the representative(s) of Cemig at the General Meeting of Stockholders of Cemig Geração e Transmissão S.A. to be held, also, on December 20, 2016, to vote in favor of re-ratification of the allocation of the Net profit for 2015, approved in the Ordinary Annual General Meetings of Stockholders held on April 29, 2016, the amount being adjusted from R\$ 2,337,663,000 to R\$ 2,316,273,000, the balance of Retained earnings remaining the same (at R\$ 47,761,000).

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 Board of Directors hope that it will be approved by the Stockholders.

**Belo Horizonte, November 11, 2016**

Signed: José Afonso Bicalho Beltrão da Silva	Marco Antônio de Rezende Teixeira
Mauro Borges Lemos	Marco Antônio Soares da Cunha Castello Branco
Allan Kardec de Melo Ferreira	Nelson José Hubner Moreira
Arcângelo Eustáquio Torres Queiroz	Saulo Alves Pereira Junior
Daniel Alves Ferreira	Aloísio Macário Ferreira de Souza
Helvécio Miranda Magalhães Junior	Bruno Magalhães Menicucci
José Pais Rangel	

## APPENDIX 1

### OPINION OF THE AUDIT BOARD

The undersigned members of the Audit Board of Companhia Energética de Minas Gerais – Cemig, in performance of their functions under the law and under the by-laws, have examined the Proposal made by the Board of Directors to the Extraordinary General Meeting of Stockholders to be held on December 20, 2016, which is for the following:

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 the form of Interest on Equity, under Board Spending Decisions CRCA 088/2015 of December 17, 2015, and CRD 432/2015, of January 4, 2016, to be paid in two equal installments, by June 30, 2016 and December 30, 2016, to stockholders on the Company's Nominal Share Registry on December 30, 2015, and allocated as part of the mandatory minimum dividend, the Executive Board to obey the periods and to decide the places and processes of payment (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; and
- b) R\$ 622,529,000 to be held in Stockholders' equity in the Reserve for mandatory dividend not distributed, to be paid as and when the Company's financial situation permits;
- c) R\$ 1,250,853,000 to be held in Stockholders' equity in the Retained earnings reserve, to provide funding for the Company's planned 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 incentive gains obtained 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 being unchanged.

The members of the Audit Board, after carefully analyzing the said proposal and further taking into account that the applicable rules governing the subject have been complied with, are of the opinion that the proposal should be approved by the said General Meeting of Stockholders.

Belo Horizonte, November 11, 2016.

Signed:	Edson Moura Soares Newton Brandão Ferraz Ramos Bruno Cirilo Mendonça de Campos	Manuel Jeremias Leite Caldas Rafael Amorim de Amorim
---------	--	---