

# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

CNPJ 17.155.730/0001-64 – NIRE 31300040127

## MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS HELD ON DECEMBER 20, 2016

At 11 a.m. on the twentieth of December 2016, at the head office of Companhia Energética de Minas Gerais – Cemig, Av. Barbacena 1200, 21<sup>st</sup> Floor, Santo Agostinho, Belo Horizonte, Minas Gerais, Brazil, stockholders representing more than two thirds of the voting stock of the Company 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. Danilo Antônio de Souza Castro, Procurator of the State of Minas Gerais, in accordance with the current legislation.

Also present were:

Mr. Marcos Túlio de Melo, member of the Audit Board;  
Deloitte Touche Tohmatsu Auditores Independentes, represented by Mr. Marcelo Salvador, CRC-1MG 089422/O-0; and  
the Chief Trading Officer, Mr. Dimas Costa.

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 **João Alan Haddad** 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, and invited me, **Anamaria Pugedo Frade Barros**, a stockholder, to be Secretary of the meeting, asking me to read the convocation notice, published on November 18, 19 and 22, 2016, in *Minas Gerais*, official publication of the powers of the State, on pages 36, 47 and 39 respectively, and in the newspaper *O Tempo*, on pages 28, 30 and 20, respectively.

The content of these documents is as follows:

## “ COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

### EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS

#### 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 ”

In accordance with Item 1 of the Agenda, the Chair then placed in debate the Report of Management and the Adjusted Financial Statements for the business year 2015, and the related complementary documents – also adjusted. He reported that they were published, on December 15, 2016, in the newspapers *Minas Gerais*, the official publication of the Powers of the State, on pages 33 to 67; and in *O Tempo*, on pages 1 to 35 in the section *Balanço*.

He then put to the vote the Report of Management and the Adjusted Financial Statements for the year ended December 31, 2015, and the respective complementary documents, also adjusted, and they were approved unanimously.

The Chair then asked the Secretary to read the Proposal by the Board of Directors, which deals with items 2 and 3, and 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 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  
 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  
 Saulo Alves Pereira Junior  
 Aloísio Macário Ferreira de Souza  
 Bruno Magalhães Menicucci



The representative of the stockholder **BNDES Participações S.A. (BNDESPar)**, Guilherme Garcia de Freitas, recommended that the Company should:

- claim, and cause its Subsidiaries also to claim, reparation for any damages caused by third parties to the Company and/or to its investees;
- monitor the developing results of the investigations not yet concluded involving its investees, so as to measure any additional impacts on its financial results and/or those of its investees, and also seek reparation for the damages caused by third parties;
- publicize, in a timely manner, the minutes of the meetings of the Audit Board and the Board of Directors, drawing attention to votes against items, abstentions and matters recorded in the minutes, so as to give stockholders a greater possible supply of input for their decision-making; and
- comply with the commitment established in the Extraordinary General Meeting of Stockholders held on October 25, 2016 and recorded in the minutes of that Meeting, to call a General Meeting of Stockholders to rectify the number of votes recorded in the Ordinary and Extraordinary General Meetings of Stockholders held, concurrently, on April 29, 2016.

There being no further business, the Chair opened the meeting to the floor, and since no-one further wished to speak, ordered the meeting to be 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.