

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY

CNPJ 17.155.730/0001-64 – NIRE 31300040127

BOARD OF DIRECTORS

SUMMARY OF MINUTES OF THE 688TH MEETING

Date, time and place: February 20, 2017 at 6.30 p.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 said they had no conflict of interest in the matters on the agenda of this meeting.

II The Board approved:

A) The proposal, by the board member Marco Antônio de Rezende Teixeira, that the members of the Board of Directors should authorize their Chair to call an Extraordinary General Meeting of Stockholders to be held on March 30, 2017 at 10 a.m., and in the absence of a quorum be authorized to make second convocation, within the legal period, for decision on:

- exceeding limits for financial ratios set by the by-laws; and
- alterations of the numbers of votes recorded in the minutes of the Annual and Extraordinary General Meetings of Stockholders of 2016, as set out below:

B) The following proposal by the Chair to alter the composition of the Company's Executive Board:

- 1) – Mr. Paulo Roberto Castellari Porchia no longer to be Chief Finance and Investor Relations Officer (and also interim Deputy Chief Executive Officer); and
- Mr. Márcio Lúcio Serrano no longer to be Chief Officer for Human Relations and Resources;
- 2) – and election of the following to serve 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:

a) Election of:

Bernardo Afonso Salomão de Alvarenga – Brazilian, married, domiciled in Belo Horizonte, Minas Gerais, at Av. Barbacena 1200, 18th floor, A1 Wing, Santo Agostinho, CEP 30190-131, bearer of identity card M899851-SSP/MG and CPF 154691316-53,

– as Deputy Chief Executive Officer, on interim basis while also serving as Chief Executive Officer;

Adézio de Almeida Lima – Brazilian, married, economist, domiciled in Brasília, Federal District, at SQN 311, Bloco F, Apto 102, Asa Norte, CEP 70757-060, holder of Identity Card 2514340-SSP/DF and CPF 342530507-78,

– as Chief Finance and Investor Relations Officer;

José de Araújo Lins Neto – Brazilian, unmarried, economist, domiciled in Belo Horizonte, Minas Gerais, at Rua Chicago 358/1101, Sion, CEP 30315-520, bearer of Identity Card MG1414851-SSP/MG and CPF 325440656-72,

– as Chief Corporate Management Officer; and

Maura Galuppo Botelho Martins – Brazilian, marries, company manager, domiciled in Belo Horizonte, Minas Gerais, at Rua São Domingos do Prata 683/101, Santo Antônio, CEP 30330-110, bearer of Identity Card MG408753-SSP/MG and CPF 533889506-44,

– as Chief Officer for Human Relations and Resources; and

b) Confirmation of the appointment of

Luís Fernando Paroli Santos - Brazilian, married, Systems Analyst, domiciled in Belo Horizonte, Minas Gerais, at Av. Barbacena 1200, 18th floor, A1 Wing, Santo Agostinho, CEP 30190-131, bearer of identity card MG5307664-SSP/MG and CPF 903562416-53,

– as Chief Distribution and Sales Officer;

and his appointment as Chief Institutional Relations and Communication Officer, on interim basis while also serving as Chief Distribution and Sales Officer.

c) The minutes of this meeting.

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

A) Authorization to exceed financial limit ratios in 2017 as follows:

- the ratio for the Company’s consolidated indebtedness as specified in Subclause ‘a’ of Paragraph 7 of Clause 11 of the Company’s by-laws, to be less than or equal to 4.44 times the Company’s Ebitda (profit before interest, taxes, depreciation and amortization);
- the ratio established in Subclause ‘b’ of Paragraph 7 of Clause 11 of the by-laws, namely the consolidated ratio of (Net debt) / (Net debt + Stockholders’ equity), to be 55% or less; and
- ratification of the limit stated in Subclause ‘d’ of §7 of Clause 11 of the by-laws, for the consolidated total of funds allocated to capital investments and acquisition of any assets in the year, being exceeded, with an upper limit of 192% of the Company’s Ebitda;
- such limits, after being reviewed at the time of the approval of the budget for 2017 by the Board of Directors, to be again submitted to the stockholders in a General Meeting; and
- ratification of these ratios being exceeded, subject to the limits stated above, from January 1, 2017 until the Extraordinary General Meeting of Stockholders that decides on this proposal.

- B) Re-ratification of the drafting of the minutes of the Ordinary and Extraordinary General Meetings of Stockholders held, concurrently, on April 29, 2016, improving their drafting to correct the information recorded in them as to the quantity of votes in favor and against, and abstentions, in election of members of the Board of Directors.
- a) as to nomination by the stockholder José Pais Rangel, as holder of preferred shares, of a sitting member and a substitute member for the Board of Directors, altering the record from: 342,287,674 votes in favor, 83,711,741 abstentions and 20,702,073 votes against, to: use of 130,000 votes of the said stockholder, accompanied by Mr. Daniel Alves Ferreira, representing a number of investment funds, with 60,353,489 votes in favor, 57,490,173 abstentions and 20,702,073 votes against;
 - b) as to nomination by the stockholder José Pais Rangel and by the representative of Geração Futuro L. Par FIA, for the minority of stockholders having the right to vote, of a sitting member and substitute member for the Board of Directors, altering the record from: 342,993,338 votes in favor, 59,146,793 abstentions and 51,496 votes against, to: use of 110,000 votes in this election by the said representatives;
 - c) election, with adoption of the Multiple Vote, by the representative of the stockholder BNDESPar, of a sitting member for the Board of Directors, the representative stating that the nomination of this member's substitute would take place at a later date, the seat remaining vacant, with alteration from: 396,406,730 votes in favor, 847,070 abstentions and 1,908,941 votes against, to: the use of 54,342,992 votes in this election by the said representative;
 - d) election, with adoption of the Multiple Vote, by the representatives of the stockholder FIA Dinâmica Energia using 31,845,985 votes, and of AGC Energia S.A., of four sitting members and their substitutes to the Board of Directors, which were accompanied by Mr. Daniel Alves Ferreira, representative of several investment funds, with 47,337 votes, with alteration from: 342,063,738 votes in favor, 55,190,062 abstentions and 1,908,941 votes against, to 116,251,178 votes in this election by the said representatives;
 - e) election, with the adoption of the Multiple Vote, by the representatives of the majority stockholder, The State of Minas Gerais, and of FIA Dinâmica Energia, using the rest of the shares, that is to say, 8,685,269 votes, eight sitting members and their substitutes to the Board of Directors, with alteration from: 342,063,738 votes in favor, 55,190,062 abstentions and 1,908,941 votes against, to: use of 223,100,008 votes in this election by the said representatives.

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

Chief Executive Officer:	Bernardo Afonso Salomão de Alvarenga;
Deputy CEO:	Bernardo Afonso Salomão de Alvarenga ¹ ;
Chief Trading Officer:	Dimas Costa;
Chief Business Development Officer:	César Vaz de Melo Fernandes;
Chief Distribution and Sales Officer:	Luís Fernando Paroli Santos;
Chief Finance and Investor Relations Officer:	Adézio de Almeida Lima;
Chief Generation and Transmission Officer:	Franklin Moreira Gonçalves;
Chief Corporate Management Officer:	José de Araújo Lins Neto;
Chief Counsel:	Raul Lycurgo Leite;
Chief Officer for Human Relations and Resources:	Maura Galuppo Botelho Martins;
Chief Institutional Relations and Communication Officer:	Luís Fernando Paroli Santos ² ;

¹ On interim basis while also serving as Chief Executive Officer.

² On interim basis while also serving as Chief Distribution and Sales Officer.

- V Compliance:** 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 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.
- VI Abstention:** The Board member Patrícia Gracindo Marques de Assis Bentes abstained from voting on the proposal for change to the minutes of the Annual and Extraordinary General Meetings of Stockholders held concurrently on April 29, 2016, to improve drafting, referred to above.
- VII Abstention:** The Board members Daniel Alves Ferreira and Marcelo Gasparino da Silva abstained from voting on the proposal for change in the composition of the Executive Board, referred to above.
- VIII Vote against:** The Board member Marcelo Gasparino da Silva voted against exceeding the financial ratios set by the by-laws, referred to in Sub-item ‘A’ of Item III, above.
- IX Comments:** The Chair, and the Board Member Marco Antônio de Rezende Teixeira, spoke on matters of interest to the Company.

The following were present:

Board members:	José Afonso Bicalho Beltrão da Silva, Allan Kardec de Melo Ferreira, Arcângelo Eustáquio Torres Queiroz, Daniel Alves Ferreira, Hélcio Miranda Magalhães Junior, José Pais Rangel, Marcelo Gasparino da Silva, Marco Antônio de Rezende Teixeira, Marco Antônio Soares da Cunha Castello Branco, Nelson José Hubner Moreira, Patrícia Gracindo Marques de Assis Bentes, Paulo Roberto Reckziegel Guedes,	Saulo Alves Pereira Junior, Bruno Magalhães Menicucci, Samy Kopit Moscovitch, Aloísio Macário Ferreira de Souza, Antônio Dirceu Araújo Xavier, Carlos Fernando da Silveira Vianna, Carolina Alvim Guedes Alcoforado, Luiz Guilherme Piva, Marina Rosenthal Rocha, Ricardo Wagner Righi de Toledo, Tarcísio Augusto Carneiro, Wieland Silberschneider;
Secretary:	Anamaria Pugedo Frade Barros.	

Signed by: Anamaria Pugedo Frade Barros.