

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

CNPJ 17.155.730/0001-64 – NIRE 31300040127

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS HELD ON NOVEMBER 27, 2017

At 11 a.m. on the twenty seventh day of November, two thousand seventeen, at the Company's head office, Av. Barbacena 1200, 21st Floor, Santo Agostinho, Belo Horizonte, Minas Gerais, Brazil, stockholders representing more than two-thirds of the voting stock of Companhia Energética de Minas Gerais – **Cemig** 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 Ms. Ana Paula Muggler Rodarte, Procurator of the State of Minas Gerais, in accordance with the current legislation.

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 **Alexandre Eustáquio Sydney Horta** 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 October 28 and 31, and November 1, of this year, in the newspaper *Minas Gerais*, the official publication of the Powers of the State, on pages 64, 30 and 132 respectively, and October 28, 29 and 30 of this year, in the newspaper *O Tempo*, on pages 22, 8 and 12 respectively, the content of which is as follows:

“ **COMPANHIA ENERGÉTICA DE MINAS GERAIS**
CEMIG

CNPJ 17.155.730/0001-64 – NIRE 31300040127

EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS
CONVOCATION

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on November 27, 2017 at 11 a.m., at the company’s head office, Av. Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil to decide on:

- Re-ratification of the decision taken by the Extraordinary General Meeting of Stockholders of May 30, 2016, altering its terms to postpone the date of exercise of the put option granted by Cemig on April 11, 2011 to:

Redentor Fundo de Investimento em Participações (‘FIP Redentor’)
(succeeded by Banco Santander S.A. (Brasil)),
BV Financeira S.A. – Crédito, Financiamento e Investimento (‘BV Financeira’), and
BB – Banco de Investimento S.A. (‘BB–BI’).

Proxy votes

Any stockholder wishing 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 Paragraph 1 of Clause 9 of the Company’s by-laws, by exhibiting at the time, or depositing, preferably by November 23, 2017, proofs of ownership of the shares, issued by a depository 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, October 20, 2017.

José Afonso Bicalho Beltrão da Silva
Chair, Board of Directors ”.

The Chair then asked the Secretary to read the Proposal by the Board of Directors to this Extraordinary General Meeting. The content of that document is as follows:

“ **PROPOSAL**
BY THE BOARD OF DIRECTORS
TO THE
EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS
TO BE HELD ON NOVEMBER 27, 2017 AT 11 A.M.

Dear Stockholders:

The Board of Directors of Companhia Energética de Minas Gerais – Cemig (‘Cemig’),

Whereas:

a) On May 31, 2016, Cemig pledged:

55,234,637 (fifty five million two hundred thirty four thousand six hundred thirty seven) common shares and
110,469,274 (one hundred ten million four hundred sixty nine thousand two hundred seventy four) preferred shares

in Transmissora Aliança de Energia Elétrica S.A. (‘Taesa’), at that time representing value of

R\$ 1,075,000,000.00 (one billion seven hundred fifty million Reais),

in guarantee of obligations it assumed in favor of the banks holding a put option (‘the Put Option’) on shares in Parati S.A. – Participações em Ativos de Energia Elétrica (‘Parati’);

and further offered to support that guarantee with its equity interest of 26.06% in Light S.A. (**Light**);

and on August 30, 2016 an Extraordinary General Meeting of **Cemig** enabled postponement of the date of exercise of the Put Option from its original date (the last business day of the sixtieth month following the date of subscription of the shares in **Parati**) until November 30, 2017, (the last business day of the seventy seventh month); having reference also to a decision of the Board of Directors of May 30, 2016;

b) on August 28, 2016 **Cemig** sent correspondence to the banks holding the Put Option (**the Banks**), namely

Banco Santander (Brasil) S.A. (**Santander**),
 BV Financeira S.A. – Crédito, Financiamento e Investimento (**BV Financeira**),
 BB–Banco de Investimento S.A. (**BB–BI**) and
 Banco BTG Pactual S.A. (**BTG**) –

– requesting release of the pledge that had been given, on the following shares in **Taesa**:

18,411,545 (eighteen million four hundred eleven thousand five hundred forty five) common shares and
 36,823,090 (thirty six million eight hundred twenty three thousand ninety) preferred shares –

– to make it possible to carry out a *follow-on* transaction, jointly with

Fundo de Investimentos em Participações Coliseu (**FIP Coliseu**),

in a secondary public offering of Units in **Taesa**, with restricted efforts in Brazil under CVM Instruction 476, and international efforts under Rule 144A and Regulation S of the US Securities Act;

c) on November 30, 2016 **BTG** exercised the Put Option in the ‘First Exercise Window’, under the Stockholders’ Agreements of the successors of **Parati** –

Luce Empreendimentos e Participações S.A. (**Lepsa**) and
 Rio Minas Energia Participações S.A. (**RME**) –

– as a result of which Cemig acquired the following shares previously held by BTG:

76,817,097 (seventy six million eight hundred seventeen thousand ninety seven) preferred shares in **Lepsa**, and
 76,817,097 (seventy six million eight hundred seventeen thousand ninety seven) preferred shares in **RME**

– as a result of which **BTG** ceased to be a stockholder in **Parati**;

d) on September 1, 2017 the exercise value of the Put Option was

R\$ 1,560,016,041.42 (one billion five hundred sixty million sixteen thousand forty one Reais forty two centavos),

in which the component of principal was

R\$ 921,047,584.94 (nine hundred twenty one million forty seven thousand five hundred eighty four Reais ninety four centavos),

the component of remuneration was

R\$ 335,075,058.58 (three hundred thirty five million seventy five thousand fifty eight Reais fifty eight centavos),

and the gross-up factor represented

R\$ 303,893,397.90 (three hundred three million eight hundred ninety three thousand three hundred ninety seven Reais ninety centavos);

e) on September 15, 2017, the remaining banks holders of the Put Option notified Cemig of their intention to exercise the Put Option on all the shares they hold in RME and Lepsa, pursuant to their rights under the Stockholders’ Agreement as signed by **Cemig**, **Santander**, **BV Financeira** and **BB–BI**, with **RME** and **Lepsa** as consenting parties, the amount to be paid by November 30, 2017;

f) in this situation it becomes essential to extend the date for exercise of the Put Option, so as to avoid

- (i) Light becoming state-controlled, an event which could give rise to early maturity of several of Light’s financing contracts, which have cross-default clauses; and
- (ii) an accentuated fall in the stock price of its shares, which would be negative for the Banks referred to, since one of the guarantees of the Put Option would lose value;

g) extension of the exercise date of the Put Option is conditional upon prior authorization by the stockholders of Cemig in an Extraordinary General Meeting;

– *do now propose to you as follows:*

- Re-ratification of the decision taken by the Extraordinary General Meeting of May 30, 2016, altering its terms so as to postpone the date of exercise of the Put Option granted by Cemig on April 11, 2011 to:

Redentor Fundo de Investimento em Participações (‘FIP Redentor’)
(succeeded by Banco Santander S.A. (Brasil)),
BV Financeira S.A. – Crédito, Financiamento e Investimento (‘BV Financeira’), and
BB – Banco de Investimento S.A. (‘BB-BI’).

As can be seen, the objective of this proposal is to meet the legitimate interests of the stockholders and of the Company, and for this reason it is the hope of the Board of Directors that it will be approved.

Belo Horizonte, October 20, 2017 –

José Afonso Bicalho Beltrão da Silva
Marco Antônio de Rezende Teixeira
Bernardo Afonso Salomão de Alvarenga
Antônio Dirceu Araújo Xavier
Arcângelo Eustáquio Torres Queiroz
Helvécio Miranda Magalhães Junior

José Pais Rangel
Marcelo Gasparino da Silva
Marco Antônio Soares da Cunha Castello Branco
Nelson José Hubner Moreira
Patrícia Gracindo Marques de Assis Bentes
Daniel Alves Ferreira ”

Asking for the floor, the stockholder **João Alan Haddad** then proposed addition of complementary text to the proposal under discussion, altering the description of the postponement of exercise date of the said option as follows:

- from [prior text:] “ *to November 30, 2017, the last business day of the 77th (seventy seventh) month* ”;
- to [new text:] “ *to November 30, 2018, in relation to RME; while in relation to Lepsa the exercise date remains unchanged, at up to November 30, 2017.* ”.

The Chair then put the proposal made to this Meeting by the Board of Directors to the vote, with the alteration presented by the stockholder **João Alan Haddad**; and it was approved unanimously.

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