

CEMIG DISTRIBUIÇÃO S.A.

CNPJ 06.981.180/0001-16 – NIRE 31300020568

MINUTES

OF THE

EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS

OPENED ON JUNE 14, 2016 AND RESUMED AND COMPLETED ON JUNE 17, 2016

At 3 p.m. on the fourteenth day of June of the year two thousand and sixteen the stockholder Companhia Energética de Minas Gerais (**Cemig**), holder of 100% of the shares, attended in Extraordinary General Meeting, on first convocation, at the head office, Avenida Barbacena 1200, 17th floor, Belo Horizonte, Minas Gerais, Brazil.

Cemig was represented, as verified in the Stockholders' Attendance Book, by its CEO, Mauro Borges Lemos, and by its Chief Counsel, Raul Lycurgo Leite.

They appointed the Chief Finance and Investor Relations Officer, Fabiano Maia Pereira, to chair the meeting.

The Chair then declared the Meeting open, and invited me, Anamaria Pugedo Frade Barros, General Manager of Cemig's Corporate Executive Office, to be Secretary of the meeting; and asked me to read the convocation notice, published on May 14, 17 and 18 of this year, in the *Minas Gerais*, the official publication of the Powers of the State, on pages 107, 49 and 40 respectively, and the newspaper *O Tempo*, on pages 32, 16 and 30, respectively, the content of which is as follows:

“ CEMIG DISTRIBUIÇÃO S.A.

LISTED COMPANY – CNPJ 06.981.180/0001-16 – NIRE 31300020568

EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS CONVOCATION

The stockholder Companhia Energética de Minas Gerais – Cemig is hereby called to an Extraordinary General Meeting to be held on June 14, 2016 at 3 p.m., at Barbacena 1200, 17th floor, A1 Wing, Belo Horizonte, Minas Gerais, to decide on changes to the by-laws, as follows:

- inclusion of §3 of Clause 2, to comply with the provision in §1 of Subclause 5 of Clause 8 of the Fifth Amendment to Public Electricity Distribution Service Concession Contracts 002/1997/DNAEE, 003/1997/DNAEE, 004/1997/DNAEE and 005/119/DNAEE, signed between Cemig D and the Union;
- inclusion of §4 of Clause 2, to comply with the provisions of Subclause 1 of Clause 13 of that Amendment;
- formal renumbering of the 'sole sub-paragraph' of Clause 21 to '§1';
- alteration of Clause 13, to change the composition of the Executive Board;

- alteration of Sub-Item IV of Clause 17 to change the duties of the Chief Corporate Management Officer;
- alteration of Sub-item IX of Clause 17, to replace the duties of the Chief Officer for the Gas Division by the duties of the Chief Human Relations and Resources Officer;
- alteration of Sub-Item VII of Clause 17, to include Subclauses ‘t’ to ‘z’, containing new duties of the Chief Business Development Officer;
- alteration of the drafting of Subclause ‘g’ of Sub-Item I of Clause 17, to exclude conduct of the activities of internal auditing from the duties of the Chief Executive Officer; and
- inclusion of Sub-clause ‘t’ in Clause 12, so that conduct of activities of internal auditing shall be a duty of the Board of Directors.

Belo Horizonte, May 13, 2016.

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

The Chair then asked the Secretary to read the Proposal by the Board of Directors, which deals with the agenda. 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 JUNE 14, 2016**

Dear Stockholders:

The Board of Directors of Cemig Distribuição S.A.,

– *whereas:*

- a) on June 10, 2015 The National Electricity Agency, Aneel, opened Public Hearing No. 38/2015, with the objective of approving the model for the amendment for extension of the electricity distribution concessions covered by Article 7 of Law 12783/2013;
- b) in line with the requirement of Decree 8461/2015, the new draft of the amendment had several alterations in relation to the present contract, making extension conditional upon compliance by the distributor with new criteria for quality and economic-financial sustainability in the first five years after signature of the amendment;
- c) as a result Aneel regulated economic-financial and quality criteria to be complied with by the distributor until the end of the concession – on penalty of loss of that concession;
- d) Mining and Energy Ministry Dispatch 3/540/2015 approved the draft of the Public Electricity Distribution Service Concession Contract for extension of concession periods, which contains new obligations to be complied with by the distributor;
- e) the consequent revision of the company’s by-laws must be made by June 17, 2016 and must reflect these requirements:
 - 1) §1 of Subclause 5 of Clause 8 of the Fifth Amendment to Public Electricity Distribution Service Concession Contracts 002/1997/DNAEE, 003/1997/DNAEE, 004/1997/DNAEE and 005/119/DNAEE, signed between Cemig D and the Union, requires the Company to

alter its by-laws, maintaining the inclusion for the whole of the concession period, to include the obligations specified in Clause 8 of the said Amendment:

“Clause Eight –

Subclause Five –

§1 – The distributor must, if necessary, alter its by-laws to include the obligations specified in Clause 8, and keep that alteration included in its by-laws for the whole of the Concession.”;

- 2) Subclause 1 of Clause 12 of the said amendment, consists of the obligation that transfer, assignment or any disposal by any means – direct or indirect, for consideration or free of charge – of the shares held by Cemig in Cemig D may take place only with prior approval by Aneel:

“Clause Thirteen –

Subclause One –

The controlling stockholder(s) declares that it, without reservation, accepts and submits to the conditions of the Contract, and undertakes to maintain in the by-laws of the distributor a provision that they shall not transfer, assign or in any way – directly or indirectly, for consideration or free of charge – dispose of the Shares which are part of the Controlling Stockholder Block without the prior consent of Aneel.”;

- 3) Subclause 8 of Clause 2 of the said Amendment governs limitation of distribution of dividends or payments of Interest on Equity:

“Clause Two –

Subclause Eight -

Non-compliance with the annual global limits for collective service continuity indicators for two consecutive years or for three years in any five years may, under regulations by Aneel, result in limitation on distribution of dividends or of Interest on Equity, until the regulatory parameters have been restored, subject to compliance with Sub-item I of Subclause 1 of Clause Seven.”;

- 4) Subclause 2 of Clause 7 of the said Amendment provides that Cemig D must keep the provision specified in Subclause 1 of Clause 7 of that amendment included in its by-laws during the whole period of the concession:

“Clause Seven –

Subclause One –

Sub-item I:

Non-compliance by the Distributor with the minimum parameters of economic and financial sustainability defined in this Contractual amendment shall result, without prejudice to other actions of oversight, in:

- I - limitation on distribution of any dividends or payment of Interest on Equity the value of which individually or in aggregate exceeds twenty five percent of the net profit, after subtraction (addition) of amounts allocated to the Legal reserve (Article 193 of Law 6404 of 1976) and the Contingency Reserve (Article 195 of Law 6404 of 1976), and any reversal of that same Reserve formed in prior business periods, until the regulatory parameters have been restored and are observable from the regulatory accounting statements of the following calendar year, delivered to Aneel.”;

- f) Companhia Energética de Minas Gerais – Cemig will hold an Extraordinary General Meeting of Stockholders to change the by-laws, abolishing the position of Chief Officer for the Gas Division; re-defining the duties of the Chief Corporate Management Officer; and creating the office of Chief Officer for Human Relations and Resources, so as to optimize interlocution with

- the employees, to provide greater specialization of the corporate functions and support in line with best market practices, and allow agility in taking of decisions;
- g) Since Cemig's director of the Gas Division will no longer be a member of the Executive Board, his/her duties will be assumed by the Chief Officer for Business Development.
- h) Clause 13, §1, of the by-laws of Cemig D states:
"Clause 13 (...)
§1 The members of the Executive Board shall obligatorily be the respective Chief Officers of the sole stockholder – Cemig, the post of Chief Officer without specific designation being occupied, also obligatorily, by the Chief Generation and Transmission Officer of the sole stockholder, Cemig."; and
- i) Best governance practices in relation to transparency and independence indicate that the functions of internal auditing should be under the coordination and monitoring of the members of the Board of Directors.

– do now propose to you to make the following changes to the Company's by-laws:

- a) inclusion of §3 in Clause 2, to comply with the provision in §1 of Subclause 5 of Clause 8 of the Fifth Amendment to Public Electricity Distribution Service Concession Contracts 002/1997/DNAEE, 003/1997/DNAEE, 004/1997/DNAEE and 005/119/DNAEE, signed between Cemig D and the Union, consisting of the obligation of the Company to alter its by-laws, and to keep such alteration included in its by-laws for the whole of the concession period, to include the obligations specified in Clause 8 of the said Amendment, with the following drafting:

"Clause 2 – ...

§3 In the exercise of its corporate activities the company shall obey the regulations from time to time issued by the National Electricity Agency, Aneel, through regulatory acts, and through the regulatory clauses contained in any concessions to which it is a signatory."

- b) inclusion of §4 in Clause 2, to comply with the provision of Subclause 1 of Clause 12 of the said Amendment, which consists of the obligation that transfer, assignment or any disposal by any means – direct or indirect, for consideration or free of charge – of the shares held by Cemig in Cemig D may take place only with prior approval by Aneel, with the following drafting:

"Clause 2 – ...

§4 - transfer, assignment or any disposal by any means – direct or indirect, for consideration or free of charge – of the shares by the sole stockholder, Cemig may take place only with prior approval by the Brazilian National Electricity Agency – Aneel;

- c) formal renumbering of the 'sole sub-paragraph' of Clause 21 to '§1', with the following drafting:

"Clause 21 (...)

§ 1 The net profit ascertained in each business year shall be allocated as follows:

- a) 5% (five per cent) to the legal reserve, up to the maximum limit specified by law;
- b) 50% (fifty per cent), at least, shall be distributed, as obligatory dividend, to the sole stockholder, Cemig, subject to the other provisions of these by-laws and the applicable legislation;
- c) the balance, after retention of the amounts allocated for investment specified in a capital and/or investment budget prepared, in accordance with the Long-Term Strategic Plan and approved by the Board of Directors of the sole stockholder, Cemig, shall be distributed to the sole stockholder, Cemig as dividends and/or Interest on Equity, subject to the availability of free cash.";

- d) inclusion of paragraphs 2 and 3 of Clause 21, to comply with Subclause 2 of Clause 7 of the said Amendment, which provides that Cemig D must maintain the provision specified in Subclause 1 of Clause 7 of the said Amendment included in its by-laws during the whole period of the concession, with the following drafting:

“Clause 21 (...)

§2 - Non-compliance with the annual global limits for collective service continuity indicators for two consecutive years or for three years in any five years may, under regulations by Aneel, limit distribution of dividends or of Interest on Equity to a maximum, in isolation or jointly, of twenty five percent of the net profit, less, or augmented by, amounts allocated to the Legal Reserve and to the Reserve for Contingencies, and reversal of that reserve formed in prior business periods, until the regulatory parameters have been restored, subject to Sub-item I of Subclause One of Clause Seven of the Amendment to Public Electricity Distribution Service Concession Contracts 002/1997/DNAEE, 003/1997/DNAEE, 004/1997/DNAEE and 005/119/DNAEE, signed between Cemig D and the Union.

§3 - Non-compliance with the minimum parameters for economic and financial sustainability defined in the Amendment to Public Electricity Distribution Service Concession Contracts 002/1997/DNAEE, 003/1997/DNAEE, 004/1997/DNAEE and 005/119/DNAEE, signed between Cemig D and the Union, shall result in limitation on any distribution of dividends or payment of Interest on Equity, individually or in aggregate, to twenty five percent of the net profit, less, or augmented by, amounts allocated to the Legal Reserve and to the Reserve for Contingencies, and reversal of that reserve formed in prior business periods, until the regulatory parameters have been restored and are observable from the regulatory accounting statements of the following calendar year, delivered to Aneel.”;

- e) alteration of Clause 13, to change the composition of the Executive Board, with the following drafting:

“Clause 13 (...)

The Executive Board shall be made up of 11 (eleven) Executive Officers, resident in Brazil, who may be stockholders, elected by the Board of Directors, comprising:

Chief Executive Officer,
Deputy CEO;
Chief Finance and Investor Relations Officer;
Chief Corporate Management Officer;
Chief Distribution and Sales Officer;
Chief Trading Officer;
Chief Business Development Officer;
Chief Officer without specific designation;
Chief Officer for Human Relations and Resources;
Chief Counsel; and
Chief Officer for Institutional Relations and Communication.

The period of office of the Executive Officers shall be 3 (three) years, and re-election is permitted. The Executive Officers shall remain in their posts until their duly elected successors take office.”;

- f) Alteration of sub-Item IV of Clause 17 to change the duties of the Chief Corporate Management Officer, with the following drafting:

“Clause 17 (...)

IV To the Chief Corporate Management Officer:

- a) to decide, conduct and supervise the Company's telecommunications and information technology policy;
 - b) to plan, put in place and maintain the Company's telecommunications and information technology systems;
 - c) to decide policies and rules on support services such as transport, administrative communication, security guarding, and provision of adequate quality in the workplace for the Company's personnel;
 - d) to provide the Company with infrastructure and administrative support resources and services;
 - e) to coordinate the policies, processes and means of property security and security guarding approved by the Company;
 - f) to administer the process of acquisition and disposal of materials, equipment and real estate property, contracting of works and services and construction and inspection of works on buildings;
 - g) to effect quality control of the material acquired and of the qualification of contracted service providers;
 - h) to administer and control the stock of material, and to arrange for separation and recovery of used material, and sales of excess and unusable material, and scrap;
 - i) to arrange for and implement programs to increase, develop and continually improve suppliers of materials and services of interest to the company, alone or in cooperation with other Chief Officers or development agencies or industry associations, in the ambit of the State of Minas Gerais;
 - j) to authorize opening of administrative tender proceedings and proceedings for exemption from or non-requirement for tender, and the corresponding contracts, in amounts up to R\$ 2,800,000.00 (two million eight hundred thousand Reais).";
- g) alteration of Sub-item IX of Clause 17, to replace the duties of the Chief Officer for the Gas Division by the duties of the Chief Human Relations and Resources Officer, with the following drafting:

"Clause 17 (...)

IX To the Chief Officer for Human Relations and Resources:

- a) to ensure the provision of appropriate personnel to the Company;
- b) to decide the Company's human resources policy and to orient and promote its application;
- c) to coordinate the policies, processes and means of work safety approved by the Company;
- d) to orient and conduct the activities related to organizational studies and their documentation;
- e) to carry out the negotiations of collective work agreements, in accordance with the guidelines and limits approved by the Board of Directors, submitting the proposals negotiated for approval by the Executive Board;
- f) to propose to the Chief Executive Officer, for submission to the Executive Board for approval, from among the employees of the Company and of the other companies involved in the negotiations, appointments of employees to the Union Negotiation Committee, and also the appointment of its coordinator;
- g) to present to the Executive Board the assessments received from a leadership succession development program, put in place by the Company, for the purpose of giving the Executive Board input for its decisions on appointments of employees to management posts.";

- h) alteration of Sub-item VII of Clause 17, to include sub-clauses ‘t’ to ‘z’, containing new duties of the Chief Business Development Officer, with the following drafting:

“Clause 17 (...)

VIII To the Chief Business Development Officer: (...)

- t) to coordinate, in the name of the Company and its wholly-owned and other subsidiaries, all the activities related to exploration, acquisition, storage, transport, distribution and sale of oil and gas or oil products and by-products, directly or through third parties;
 - u) to propose to the Executive Board guidelines and general rules and plans for operation, prospecting, exploration, acquisition, storage, transport, distribution and sale of activities of the oil and gas business;
 - v) to carry out research, analyses and studies of investments and new technologies related to oil and gas and studies and development of business in that sector;
 - w) to develop a structure of rules and standardization for projects in the field of oil and gas;
 - x) to consolidate the management of the work safety policies of Gasmig and of other special-purpose companies, in the ambit of the oil and gas activities;
 - y) to carry out research, studies, analyses and market projections of interest to the Company in the ambit of the oil and gas activities;
 - z) to represent the Company in the various entities that bring together the companies of the oil and gas sector.”;
- i) alteration of the drafting of Subclause ‘g’ of Sub-Item I of Clause 17, to exclude conduct of the activities of internal auditing from the duties of the Chief Executive Officer, with drafting as follows:

“Clause 17 (...)

I - To the Chief Executive Officer (...)

- g) to manage and direct the activities of the Corporate Executive Office, and strategic planning;”;
- j) inclusion of Sub-clause ‘t’ in Clause 12, so that conduct of activities of internal auditing shall be a duty of the Board of Directors, with the following drafting:

“Clause 12 (...)

- t) to manage and direct the activities of internal auditing.”.

Belo Horizonte, May 13, 2016.

Signed by:

José Afonso Bicalho Beltrão da Silva,
Allan Kardec de Melo Ferreira,
Hélcio Miranda Magalhães Junior,
José Henrique Maia,
Marco Antônio de Rezende Teixeira,
Paulo Roberto Reckziegel Guedes,
Bruno Magalhães Menicucci,

Mauro Borges Lemos,
Arcângelo Eustáquio Torres Queiroz,
José Pais Rangel,
Marcelo Gasparino da Silva,
Marco Antônio Soares da Cunha Castello Branco,
Saulo Alves Pereira Junior,
Carlos Fernando da Silveira Vianna”.

The Chair then stated that the number of Public Electricity Service Distribution Concession Contract 005/119/DNAEE had been typed incorrectly in the said Proposal, and that the correct number is 005/1997/DNAEE.

The stockholders present then agreed with a proposal by the Chair to adjourn the meeting to June 17th, at 10 a.m., so as to enable stockholders to make any possible improvements in the drafting of the said Proposal by the Board of Directors.

On the seventeenth day of June of the year two thousand and sixteen, at 3 p.m., at the head office, Av. Barbacena 1200, 17th floor, A1 Wing, Santo Agostinho, Belo Horizonte, Minas Gerais, Brazil, the Meeting was resumed, with the presence of the same representatives of the stockholder Companhia Energética de Minas Gerais – Cemig, as verified by the Stockholders' Attendance Book.

The Chief Officer Fabiano Maria Pereira re-assumed the chairmanship of the meeting and invited me, Anamaria Pugedo Frade Barros, to continue to be secretary of this meeting.

He then placed the above-mentioned proposal by the Board of Directors to this Meeting in debate, and it was approved.

The Chair then made a statement of clarification, that in functional terms the duties of internal auditing are subordinated to the Board of Directors; but that, however, the area of internal auditing shall be administratively subordinated to the office of the Chief Executive Officer.

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.