

CEMIG DISTRIBUIÇÃO S.A.
LISTED COMPANY – CNPJ: 06.981.180/0001-16 – NIRE: 31300020568

BOARD OF DIRECTORS

**SUMMARY OF MINUTES
OF THE
277TH MEETING**

Date, time and place: December 21, 2017 at 11 a.m. at the Company’s head office, with attendance also by telephone conference call.

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 stated that they had no conflict of interest with the matters on the agenda of the meeting.
- II The Board approved** the minutes of this meeting.
- III Signature of amendment to Bank Credit Notes, and establishment of guarantees by Cemig:**

The Board decided:

1) To authorize signature by Cemig Distribuição S.A. (‘Cemig D’ or ‘the Issuer’), of

- the First Amendment to Bank Credit Note (‘CCB’) N° 306.401.338, with Banco do Brasil, for R\$ 500 million, and
- the Third Amendment to CCB n° 11.0935.763.0000002-60, with Caixa Econômica Federal (‘CEF’), in the amount of R\$ 627 million,

– the Notes to have the following characteristics:

Guarantee	<p>a) to Banco do Brasil:</p> <ul style="list-style-type: none"> – to maintain the existing guarantees (assignment of invoices) in the CCB, for 100% of the debtor balance of the Banco do Brasil CCB, without any part being compartmentalized; and – to enhance those guarantees through fiduciary assignment of all receivables under customer payment/revenue slips, invoices, automatic bank debit arrangements or any other means of payment arising from certain contracts to collect receipts jointly with certain collecting banks in the terms of the amendment to the Banco do Brasil CCB, limited to 100% of the debtor balance of the Banco do Brasil CCB; and <p>b) to CEF:</p> <ul style="list-style-type: none"> – to maintain the existing guarantee in the CEF CCB, for 40% of its debtor balance, without any part being compartmentalized, and – to establish fiduciary assignment of the receivables relating to supply and distribution of electricity to the Issuer’s clients under the Concession Contracts, and received by CEF under the: <ul style="list-style-type: none"> – Receipts Collection Agreement No. 300138, or any other that may come to be signed during the period of validity of the CEF CCB, and the: <ul style="list-style-type: none"> – Receipts Collection Services Contract signed on September 1, 2016, as amended, up to the amount necessary to satisfy the guarantee, representing 60% of the debtor balance on the CEF CCB, in addition to the existing guarantee, subject to the amount of monthly execution of the guarantees to be established in the <ul style="list-style-type: none"> – Third Amendment to CEF CCB N° 11.0935.763.0000002-60, limited to R\$ 80 million/month, and subject at all times to Aneel Normative Resolution 766/2017, such that 100% of the obligations under the CCB are guaranteed. Other terms and conditions of the guarantees of receivables are described in the Banco do Brasil CCB and the CEF CCB, respectively; Companhia Energética de Minas Gerais – Cemig (‘Cemig’ or ‘the Surety’) may be surety guarantor of the transactions.
Tenor and maturity date:	54 (fifty four) months from the signature of the amendments, with grace period of eighteen months on the principal, thus becoming due in June 2022, except in the event of early settlement of the totality of the CCBs as a result of early maturity due to a default event (as defined below).
Remuneration:	Remuneratory interest corresponding to 146.5% of the accumulated effect of application of the average daily DI (Interbank Deposit) Rate.
Amortization:	In: six monthly installments of 1.125%, resulting in an aggregate 6.75%, from July 2019, twelve monthly installments of 1.125%, resulting in an aggregate 13.50%, in 2020, twelve monthly installments of 2.25%, resulting in an aggregate 27%, in 2021, five monthly installments of 2.25%, resulting in aggregate 11.25% (to May 2022); and a final payment ‘bullet’, of 41.50% in June 2022.
Payment of the Remuneration:	Monthly, from January 2018, always on the 10th day of the month for the Banco do Brasil CCB, and on the 22nd of each month for the CEF CCB, or on the date of any early settlement arising from early maturity of the CCBs due to one of the default events; or on the date of obligatory early settlement; or on the date of early amortization / settlement.

Obligatory early settlement:	<p>In the event of obligatory early payment of the CCBs the Issuer will use 35% of the net proceeds from sale of assets by the Surety, less such amounts as are allocated to payment of the exercise amount (as defined in the First Amendment to the Stockholders' Agreement signed on November 22, 2017 between the Surety and Banco Santander (Brasil) S.A., BV Financeira S.A. – Crédito, Financiamento e Investimento and BB Banco de Investimento S.A., with RME – Rio Minas Energia Participações S.A. and LEPSA as consenting parties ('the Amendment to the Stockholders' Agreement'), even if such sales takes place before the date of exercise of the option (as specified in the Amendment to the Stockholders' Agreement), as a result of the exercise by the Vendor Parties against the Issuer of the option to sell the common or preferred shares owned by the banks in RME, under the terms and conditions specified in the Amendment to the Stockholders' Agreement, as applicable, sharing with the payment of the other debts that are the subject of the re-profiling of the debts of the Issuer.</p>
Early maturity:	<p>The events specified in the CCBs, some of which are summarized below, applying either to the Issuer or the Surety, shall be considered default events, resulting in early maturity of the CCBs and their becoming immediately demandable for payment, by Cemig D, together with the other charges payable on the terms to be specified in amendments to the CCBs, independently of notice, or court or out-of-court notification or interpellation.</p> <p>This is a partial summary list of these early maturity events:</p> <ul style="list-style-type: none"> – pecuniary or non-pecuniary default; – application for bankruptcy; – cross-acceleration; – filing of certain legal actions against the Issuer or the Surety; – change in the Company's corporate Objects; – reduction of capital; – loss of licenses; – change in stockholding control; – non-compliance with the financial covenants; – false statements; – noncompliance with a court or administrative decision; – change of type of company, by Cemig D and/or by Cemig; – constitution by the Issuer of any asset guarantee, pledge or charge in favor of a third party over any asset, under certain conditions; – non-realization of the cash sweep; suspension of the asset guarantee; – attachment, expropriation, confiscation, etc., of the totality or a substantial part of the Issuer's assets, property or rights; – non-supply of information; – non-obedience to the social-environmental legislation; – misappropriation or deviation of the duplicate invoices given in guarantee; – legal action or tax proceeding that puts at risk either the guarantees constituted or compliance with the obligations; – existence of tax debits, employment-law debits or social security debits that are past due and unpaid and have a material adverse impact, except any such debits that are being challenged in the courts or in the administrative sphere; – any court conviction, against which there is no further appeal, for environmental damage grounded on non-compliance with the environmental legislation;

- 2) **To authorize** signature of the documents necessary to implement the amendments to the CCBs of Banco do Brasil and of CEF, and the guarantees, including notices and powers of attorney in the context of such documents.
- 3) **To ratify** all such acts by its Chief Officers and/or representatives as are necessary to put the above decisions into effect.
- 4) **To cancel** PD 161/2017.

IV Debenture issue by Cemig D; and establishment of guarantees by Cemig:

The Board decided:

- 1) **To re-ratify** PD-158/2017 of December 11, 2017, which made provisions for issuance by Cemig Distribuição S.A. ('Cemig D' or 'the Issuer') of its Fifth Debenture Issue, of non-convertible debentures, with asset guarantee and additional surety guarantee, in a single series ('the Debentures'), to be the object of a public offering, with restricted placement efforts as per Instruction 476/2009 of the Brazilian Securities Commission (*Comissão de Valores Mobiliários* – CVM), as amended, with **amendment** to make the following alterations:

- a) Change the description of the item 'Guarantee' – to read as follows:

The debentures and all obligations arising therefrom, principal and/or accessory, present and/or future, shall have the surety guarantee of Companhia Energética de Minas Gerais – Cemig ('Cemig' or 'the Surety') as principal payer jointly responsible with the Issuer for all obligations arising from the Issue, principal and/or accessory, present and/or future, irrevocably, comprising the principal debt and all accessory obligations under the Debentures, including but not limited to arrears interest, contractual penalty payments and any other additions.

The issue shall also have an asset guarantee, in the form of fiduciary assignment to certain receiving banks of receivables rights for electricity supply and distribution services to clients of the Issuer arising from the Issuer's concession contracts and receivables ('the power supply receivables'), and also the receivables rights arising from certain contracts to raise certain revenues relating to the power supply receivables ('the Revenue Receivables') (- jointly, 'the Receivables'), and receivables rights related to the tied current account of the Issuer, subject to a monthly minimum of amount of R\$ 400 million/month, subject to Anel Normative Resolution 766/2017.

- b) To alter the description of the item "Obligatory extraordinary amortization and obligatory early redemption", to have the following drafting:

In the event of obligatory extraordinary amortization or obligatory early redemption of the debentures, Issuer must execute such amortization or redemption within 30 days from conclusion of the related sale or disposal, using 58.29% of 35% of the net proceeds obtained by the Surety from sale or disposal of any asset by the Surety (including equity interests),

less only such amounts as are allocated to payment of the exercise amount (as defined in the First Amendment to the Stockholders' Agreement signed between the Surety and Banco Santander (Brasil) S.A., BV Financeira S.A. – Crédito, Financiamento e Investimento and BB Banco de Investimento S.A., with RME – Rio Minas Energia Participações S.A. and LEPSA on November 22, 2017 as consenting parties ('the Amendment to the Stockholders' Agreement'), even if such sale takes place before the exercise of the option (as specified in the Amendment to the Stockholders' Agreement), as a result of the exercise, by the said banks against the Surety, of the option to sell the common or preferred shares owned by the banks in RME, under the terms and conditions specified in the Amendment to the Stockholders' Agreement, as applicable;

– the other terms of the said PD being unchanged.

2) **To validate** all acts by management arising from PD-158/2017.

V Abstention, vote against: The matters referred to in Items III and IV above were approved,

– with abstention by the board member

Patricia Gracindo Marques de Assis Bentes,

– and with vote against by the board member

Aloísio Macário Ferreira de Souza.

VI Comment: The following spoke on subjects and business of interest to the Company:

Board members:	Aloisio Macário Ferreira de Souza, Alexandre Silva Macedo;	Arlindo Magno de Oliveira
Chief Officers:	José Maria Rabelo.	

The following were present:

Board members:	José Afonso Bicalho Beltrão da Silva, Marco Antônio de Rezende Teixeira, Bernardo Afonso Salomão de Alvarenga, Antônio Dirceu Araújo Xavier, Arcângelo Eustáquio Torres Queiroz, Arlindo Magno de Oliveira, Helvécio Miranda Magalhães Junior, Hermes Jorge Chipp, José Pais Rangel, Nelson José Hubner Moreira, Patrícia Gracindo Marques de Assis Bentes,	Aloísio Macário Ferreira de Souza, Manoel Eduardo Lima Lopes, Ricardo Wagner Righi de Toledo, Agostinho Faria Cardoso, Alexandre Silva Macedo, Antônio Carlos de Andrada Tovar, Geber Soares de Oliveira, Luiz Guilherme Piva, Otávio Silva Camargo, Paulo Sérgio Machado Ribeiro, Wieland Silberschneider;
Chief Officer:	José Maria Rabelo;	
Secretary:	Anamaria Pugedo Frade Barros.	

Signed by: Anamaria Pugedo Frade Barros.