

CEMIG GERAÇÃO E TRANSMISSÃO S.A.

LISTED COMPANY

CNPJ 06.981.176/0001-58 – NIRE 31300020550

EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS

CONVOCAÇÃO

The stockholder **Companhia Energética de Minas Gerais – Cemig** is hereby called to an Extraordinary General Meeting of Stockholders to be held on December 20, 2016 at 3 p.m., at Avenida Barbacena 1200, 12th floor, B1 Wing, 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 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 being unchanged (at R\$ 47,761,000).

Belo Horizonte, November 11, 2016.

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

PROPOSAL
BY THE BOARD OF DIRECTORS
TO THE
EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS
TO BE HELD ON
DECEMBER 20, 2016

To the Stockholder Companhia Energética de Minas Gerais – Cemig:

The Board of Directors of Cemig Geração e Transmissão S.A.:

– 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 Annual General Meeting of Stockholders held 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 13 to the financial statements, the Company has an indirect investment in Norte Energia S.A. ('Norte Energia'), and Norte Energia is the subject of an investigation being conducted 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\$ 2,337,663, and of the balance of Retained earnings of R\$ 47,761:

- 1) R\$ 985,407 should be allocated to payment of dividends, as follows:
 - R\$ 195,407,000 in the form of Interest on Equity, under Board Spending Decisions CRCA 100/2015 of December 17, 2015, and CRD 557/2015, 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.)
 - R\$ 440,000,000 in the form of interim dividends, as per CRCA 104/2015, of December 17, 2015, with payment by December 30, 2015, which may be brought forward depending on availability of cash and at the decision of the Executive Board, to stockholders of record on December 16, 2015.
 - R\$ 350,000,000 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\$ 116,883, being 5% of net profit, to the Legal reserve, in accordance with Subclause 'a' of the sole sub-paragraph of Clause 21 of the by-laws.
- 3) R\$ 1,612,438 to be held in Stockholders' equity in Retained earnings, to provide funding for the Company's planned investments in 2016 in accordance with a capital budget.
- 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.
 - the payments of the dividends for 2015 to be made by December 30, 2016, in accordance with the availability of cash and at the decision of the Executive Board.
- d) Cemig GT has 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 total equity of Norte Energia S.A. (Norte Energia);
- e) Cemig GT also holds 49.00% of the share capital of Aliança Norte Energia Participações S.A. (Aliança Norte), which holds 9.00% of the total share capital of Norte Energia;
- f) as a result of the conclusion of the investigations carried out in Norte Energia, the Company has adjusted the result of its financial statements referred to above by a reduction of R\$ 21,390,000, reducing the net profit reported for the business year of 2015 from R\$ 2,337,663,000 to R\$ 2,316,273,000;
- g) due to this adjustment, it is necessary to re-ratify the allocation of the Company's net profit for 2015; and
- h) due to the present cash situation of Cemig GT, with significant volume of debt maturing in the fourth quarter of 2016, it is necessary to rectify the proposal for payment of dividends for 2015, altering the amount to be allocated to payment of dividends from R\$ 985,407,000 to R\$ 635,407,000, a reduction of R\$ 350,000,000, this difference being allocated to the Retained earnings reserve;

– do now propose to you as follows:

Proposal:

D) **Re-ratification** of the allocation of the Net profit for 2015, approved by the Annual General Meetings of Stockholders held on April 29, 2016, adjusting the amount 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 follows:

- a) R\$ 635,407 to be allocated to payment of dividends:
 - R\$ 195,407,000 in the form of Interest on Equity, under Board Spending Decisions CRCA 100/2015 of December 17, 2015, and CRD 557/2015, 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, to be offset against 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.)
 - R\$ 440,000,000 in the form of interim dividends, as per CRCA 104/2015, of December 17, 2015, with payment by December 30, 2015, to stockholders of record on December 16, 2015, which may be brought forward depending on availability of cash and at the decision of the Executive Board.
- b) R\$ 115,814,000, being 5% of net profit, to the Legal reserve, in accordance with Subclause 'a' of the sole sub-paragraph of Clause 21 of the by-laws.
- c) R\$ 1,592,117 to be held in Stockholders' equity in Retained earnings, to provide funding for the Company's planned investments in 2016 in accordance with a capital budget.
- d) R\$ 20,696,000 to be held in Stockholders' equity in the Tax incentives reserve, for tax incentives gained in 2015 as a result of investment in the region of Sudene.

Appendix 1 summarizes the rectification proposal made by Management for payment of the dividends proposed.

The other terms related to the payments of dividends decided in the Annual General Meeting held on April 29, 2016 are unchanged.

As can be seen, the objective of this proposal is to meet the legitimate interests of the Company, and as a result it is the hope of the Board of Directors that it will be approved by the Stockholder.

Belo Horizonte, November 11, 2016.

José Afonso Bicalho Beltrão da Silva
Mauro Borges Lemos
Allan Kardec de Melo Ferreira
Arcângelo Eustáquio Torres Queiroz
Daniel Alves Ferreira
Hélcio 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

APPENDIX 1

**TO THE PROPOSAL BY
THE BOARD OF DIRECTORS
TO THE
EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS
TO BE HELD ON DECEMBER 20, 2016**

FOR RECTIFICATION OF THE ALLOCATION OF THE NET PROFIT FOR 2015

CALCULATION OF PROPOSED DIVIDENDS

CEMIG GERAÇÃO E TRANSMISSÃO S.A.

	Dec. 31, 2015
	R\$ '000
Mandatory dividend	
Net profit for the year	2,316,273
Ordinary dividends – 50% of net profit	1,158,137
Dividends proposed:	
Interest on Equity	195,407
Interim dividends	440,000
Total	635,407
Dividend per share – R\$	
Mandatory dividends under the by-laws	0.41
Dividend proposed	0.22

APPENDIX 2

OPINION OF THE AUDIT BOARD

The undersigned members of the Audit Board of Cemig Geração e Transmissão S.A., in the performance of their duties under the law and under the by-laws, have examined the Proposal by the Board of Directors to the Extraordinary General Meeting of Stockholders to be held on December 20, 2016, for re-allocation of the net profit for 2015, approved by the Annual General Meeting held on April 29, 2016, changing the amount from R\$ 2,337,663 to R\$ 2,316,273, the balance of Retained earnings, of R\$ 47,761, remaining unchanged, as follows:

- a) R\$ 635,407 should be allocated to payment of dividends:
 - R\$ 195,407,000 in the form of Interest on Equity, under Board Spending Decisions CRCA 100/2015 of December 17, 2015, and CRD 557/2015, 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, to be offset against 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.)
 - R\$ 440,000,000 in the form of interim dividends, as per CRCA 104/2015, of December 17, 2015, with payment by December 30, 2015, to stockholders of record on December 16, 2015, which may be brought forward depending on availability of cash and at the decision of the Executive Board.
- b) R\$ 115,814,000 being 5% of net profit, to the Legal reserve, in accordance with Subclause 'a' of the sole sub-paragraph of Clause 21 of the by-laws.
- c) R\$ 1,592,117 to be held in Stockholders' equity in Retained earnings, to provide funding for the Company's planned investments in 2016 in accordance with a capital budget.
- d) R\$ 20,696,000 to be held in Stockholders' equity in the Tax incentives reserve, for tax incentives gained in 2015 as a result of investment in the region of Sudene. The other terms related to the payments of dividends decided in the Ordinary General Meetings of Stockholders held on April 29, 2016 are unchanged.

It is the opinion of the members of the Audit Board, after carefully analyzing the said proposal and further taking into account that the applicable rules governing the subject have been complied with, that the proposal should be approved by the said General Meetings of Stockholders.

Belo Horizonte, November 11, 2016.

Signed: Edson Moura Soares

Manuel Jeremias Leite Caldas

Newton Brandão Ferraz Ramos

Rafael Amorim de Amorim

Bruno Cirilo Mendonça de Campos