

**CEMIG GERAÇÃO E TRANSMISSÃO S.A.**  
CNPJ 06.981.176/0001-58 - NIRE 31300020550

**BOARD OF DIRECTORS**

**SUMMARY OF MINUTES**

**OF THE**

**322<sup>ND</sup> MEETING**

**Date, time and place:** October 20, 2017, at 12 p.m., at the Company's head office, with attendance also by telephone conference call.

**Meeting committee:** Chairs: José Afonso Bicalho Beltrão da Silva, José Pais Rangel.  
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, with the exception of the 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,	Helvécio Miranda Magalhães Junior,
Marco Antônio Soares da Cunha Castello Branco,	Nelson José Hubner Moreira,
Agostinho Faria Cardoso,	Antônio Carlos de Andrada Tovar,
Franklin Moreira Gonçalves,	Geber Soares de Oliveira,
Luiz Guilherme Piva,	Otávio Silva Camargo, and
Ricardo Wagner Righi de Toledo,	Wieland Silberschneider

– who stated themselves to have conflict of interest in relation to the item:

Adherence to the Tax Credits Regularization Plan (PRCT).

These members withdrew from the meeting room at the time of discussion and voting on the matter, returning after the vote on it had been taken, to proceed with the meeting.

## II The Board approved:

- a) The proposal by the Chair, as follows:

Mr. César Vaz de Melo Fernandes: no longer to be Chief Officer for Business Development,  
Adézio de Almeida Lima: no longer to serve as Chief Institutional Relations and  
Communication Officer on an interim basis together with his  
duties as Chief Finance and Investor Relations Officer; and

Election as Chief Business Development Officer, to serve the rest of the present period of office, i.e. until the first meeting of the Board of Directors after the Annual General Meeting of 2019, of:

**Mr. José Maria Rabelo** Brazilian, married, lawyer, resident and domiciled in Brasília, DF at SQN 214, Bloco C, apto. 207, Asa Norte, CEP 70873-030, bearer of Identity Card 851287-SSPMG and CPF 232814566-34;

and, as Chief Institutional Relations and Communication Officer, of:

**Thiago de Azevedo Camargo.** – Brazilian, married, lawyer, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Monte Sião 72/901, Serra, CEP 30240-050, bearer of Identity Card M-6082258-SSPMG, and CPF 000001386-22.

- b) The minutes of this meeting.

## III The Board authorized:

- a) the Company to accept the terms of the Minas Gerais State Tax Credits Regularization Plan (PRCT) to settle payment of ICMS (local state value added tax) assessed on termination of deferment of consortia; and cancellation of Proposal for Decision 034A/2017, which related to the same matter before the period for accepting the terms of the PRCT was extended.
- b) Signature, as joint debtor, with Banco do Brasil, of an agreement with the basic terms of the transactions that will orient the formatting of the debt instruments for re-profiling of the debt of Cemig GT, as follows:

Object:	Bilateral transaction of Banco do Brasil (up to R\$ 1.130 billion);
Instruments:	Amendments to the existing bilateral contracts with Banco do Brasil;
Amortization of principal:	thirty six monthly installments of 2.78%, starting in January 2019.
Payment of interest:	Monthly, with no grace period, at 140% of the variation given by the CDI.
Fee:	1.4%, of which 0.7% paid at the moment of reprofiling of the debt and calculated on the re-profiled debt, and 0.7% paid in January 2019, on the balance of the re-profiled debt in December 2018, save that from the second payment of the fee there shall be deducted the amount of the fee paid at the time of the extension of period authorized by the Board of Directors on October 16, 2017;
Guarantees:	<ol style="list-style-type: none"> <li>1) Receivables (fiduciary assignment) in the amount of R\$ 150 million/month, which shall be the subject of fiduciary assignment up to the end of the contract and may be the subject of foreclosure on up to the full payment of the debt;</li> <li>2) maintenance of a reserve account corresponding to three installments (interest and principal);</li> <li>3) A negative pledge principally in relation to the shares in Taesa and Aliança;</li> <li>4) Shares in Gasmig, with estimated value R\$ 300 million (35% of the PN shares);</li> <li>5) Dividends from Aliança, in the estimated amount of R\$ 135 million;</li> <li>6) Dividends of Taesa, in the estimated amount of R\$ 145 million;</li> <li>7) Dividends from 51% of the shares in the '7 SPCs of Lot D' not bound by the 7<sup>th</sup> Debenture Issue, in the estimated amount of R\$ 200 million; and</li> <li>8) Surety guarantee from Companhia Energética de Minas Gerais - Cemig;</li> </ol>

'Cash sweep':	35% of the funds obtained from the sale of assets of Cemig GT shall be allocated to payment of its re-profiled debt; save that for the sale of Cemig GT's equity interest in the Santo Antônio Hydroelectric Project, the percentage of the cash sweep shall apply to the amount received by Cemig GT net of the Put Option in favor of the Melbourne and Malbec FIP funds, the value of which is R\$ 350 million;
Financial covenants:	Liquidity/cash flow indices to be decided for each company at the time of implementation of the re-profiling of the debt;
Other conditions:	Restriction on dividend payments above the mandatory legal limit under the by-laws.

#### IV The Board re-ratified:

CRCA (Board Spending Decision) 33/2017, on issuance of debt securities (Eurobonds) in the international market, with surety guarantee from Companhia Energética de Minas Gerais – Cemig, the proceeds of which will be allocated to refinancing of the company's own financial obligations, among other associated matters, re-ratified by CRCA 052/2017 of May 8, 2017, to:

- a) Alter the amount of the issue
  - from up to US\$1,000,000,000.00
  - to up to US\$1,500,000,000.00;
- b) to alter, in the Total Period, Cemig GT's option to call for settlement, which shall be at any moment from six years after the issue, with payment at par;
- c) alter the financial covenants, including the obligation to obey six-monthly 'maintenance' covenants, considering definitions of Net Debt and Ebitda Adjusted for Covenants similar to the definitions used in Cemig GT's 7th Debenture Issue, and limits;
- d) alter the covenants on new indebtedness, such that Cemig GT, and the restricted subsidiaries, may not, with the new debt, incur debt exceeding the following limits for Net debt/(Ebitda Adjusted for Covenants):
  - 5.5x if the debt is incurred up to December 31, 2018,
  - 5.0x if the debt is incurred up to December 31, 2019,
  - 4.5x if the debt is incurred up to December 31, 2020,
  - 3.0x if the debt is incurred up to December 31, 2021, and
  - 2.5x if the debt is incurred as from December 31, 2021;
- e) to include the obligation for the 'debt maintenance' covenant to be obeyed in Cemig's consolidated result in relation to its operational cash flow (Ebitda Adjusted for Covenants), of 1.75x;
- f) to include the obligation for Cemig not to distribute dividends above the mandatory legal minimum under the by-laws (legal minimum includes minimum dividends accumulated and not paid) while the indicator Net debt/(Ebitda Adjusted for Covenants) is above 2.5x, (referred to as the 'dividend maintenance' covenant);
- g) to exclude from the permitted indebtedness the reference to the indebtedness of up to US\$ 650 million (less the amount that Cemig GT receives as indemnity) for the investment in the *Jaguara*, *Miranda*, *São Simão* and *Volta Grande* hydroelectric plants, and also to include a restriction to prevent Cemig GT's restricted subsidiaries, jointly, from having debt equivalent to more than 10% of the debt of Cemig GT or of over R\$ 750 million, whichever is the greater;
- h) to replace the list of permitted guarantees by the following:
  - guarantees on actions of non-restricted subsidiaries, provided that the total debt with real guarantee does not exceed the limit of 1.5x Ebitda Adjusted for Covenants;
  - guarantees in hedge transactions;
  - guarantees existing on the issue date; and
  - any guarantee if, on the date of its creation, the total of debt with asset guarantee of Cemig GT does not exceed the limit of 1.5x (Ebitda Adjusted for Covenants);

- i) to change the conditions of the restrictions of payment
  - from “if being in default, or at the limit of the financial covenants, or exceeding a certain amount resulting from the sum of various references involving a percentage of retained earnings, capital increase, reduction of investment, release of guarantees, etc.”
  - to “if being in default, or at the limit of the financial covenants or in excess of a certain amount resulting from the sum of various references involving a percentage of retained earnings (except in the period in which the Cemig GT maintenance covenant is above 2.5x (Ebitda Adjusted for the Covenant)), capital increase, reduction of investment, release of guarantees, etc.”
- j) also, in the restrictions on payment, to exclude:
  - non-prohibition of the payment of dividends to Cemig for payment of the Light Put Option up to the amount of US\$ 300 million and up to November 30, 2017; and
  - non-prohibition of existing investment obligations in the amount of up to US\$ 120 million (injection of capital into Belo Monte, Guanhães, Itaocara and Renova);and also to change the reference to the other investments
  - from ‘investment in an amount that is the greater of: US\$ 20 million, and such amount as causes Net debt / Ebitda not to exceed 3.0x’.
  - to ‘investment of an amount that is the greater of: US\$ 30 million, and such amount as causes Net debt / ‘Ebitda Adjusted for the Covenant’ not to exceed 2.5x’;
- k) to exclude from the permitted investment, investment in the *Jaguara*, *Miranda*, *São Simão* and *Volta Grande* hydroelectric plants in an amount up to US\$ 750 million, and to include investments via injections of capital in minority stockholdings in generation and transmission, including but not limited to Cemig Baguari, Aliança Norte, Amazônia, Itaocara, Guanhães Energia and Renova, in an amount that does not exceed US\$ 100 million;
  - to exclude, from the limitation on sale of assets, the reference to it not being necessary to comply with the covenant in the event of using the funds for payment of dividends to Cemig for payment of the Light Put Option up to the amount of US\$ 300 million and up to November 30, 2017;
- m) to exclude from the limitation on sale or on issuance of shares of restricted subsidiaries, the sale of common shares relating to the assets of the *Miranda*, *Jaguara*, *São Simão* and/or *Volta Grande* plants;
- n) to include non-compliance with the financial covenants for Cemig and Cemig GT, and the dividend maintenance and guarantee maintenance covenants, for Cemig, in the list of default events;
- o) to include provision that, in the event of the maintenance financial covenants being exceeded at any time, the interest will automatically be increased by 2% p.a. during the period in which the excess continues (‘penalty interest’);
  - to include the covenants referred to in sub-clause ‘n’ above in the list of the covenants which will lose effect if the bonds become Investment Grade;
- p) to include, in the authorization for contracting of a hedge transaction, the possibility of contracting transactions which may be canceled by a decision of Cemig GT (‘cancellable’ mode), which will enable the banks to dispense with the margin call mechanism;
- q) to authorize opening of Proceedings for Exemption from Tender, under Article 30 of Law 13303/2016, and signature of a General Derivatives Contract with the banks chosen for contracting of the hedge transaction; and
- r) to authorize execution by the Executive Board of all the acts necessary to implement the above decisions, including signature of all documents related to issuance of the bonds.

The other terms of the said CRCA are unchanged.

**V Voting:** The matters in subclause ‘a’ of Item III above were approved by the Board members present at the discussion and voting of the subject, with the exception of the Board member  
 Marcelo Gasparino da Silva, who voted against it;  
 and substitute member Daniel Alves Ferreira.

The matter in subclause ‘b’ of Item III was approved with the abstention of:  
 Daniel Alves Ferreira and Marcelo Gasparino da Silva;  
 and with  
 Patricia Gracindo Marques de Assis Bentes voting against.

The matter in Item IV, above, was approved with the abstention of the Board members Daniel Alves Ferreira and Marcelo Gasparino da Silva; Patricia Gracindo Marques de Assis Bentes voted against.

**VI The Chair informed** the meeting that the Executive Board is now as follows:

Chief Executive Officer and interim deputy CEO:	Bernardo Afonso Salomão de Alvarenga;
Chief Trading Officer:	Dimas Costa;
Chief Business Development Officer:	José Maria Rabelo;
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:	Luciano de Araújo Ferraz;
Chief Officer for Human Relations and Resources:	Maura Galuppo Botelho Martins;
Chief Institutional Relations and Communication Officer:	Thiago de Azevedo Camargo;
Interim Chief Officer without Portfolio:	Ronaldo Gomes de Abreu.

**VII 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 GT; and made a 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.

**VIII Comment:** The following spoke on subjects of interest to the Company:

The Chair;

Board member: Patricia Gracindo Marques de Assis Bentes;

Chief Officer: Adézio de Almeida Lima.

**The following were present:**

Board members:	José Afonso Bicalho Beltrão da Silva, Marco Antônio de Rezende Teixeira, Antônio Dirceu Araújo Xavier, Arcângelo Eustáquio Torres Queiroz, Helvécio Miranda Magalhães Junior, Marco Antônio Soares da Cunha Castello Branco, Patricia Gracindo Marques de Assis Bentes. Aloísio Macário Ferreira de Souza, Mr. Antônio Carlos de Andrada Tovar, Ricardo Wagner Righi de Toledo,	José Pais Rangel, Agostinho Faria Cardoso, Marcelo Gasparino da Silva, Daniel Alves Ferreira, Nelson José Hubner Moreira, José João Abdalla Filho, Luiz Guilherme Piva, Otávio Silva Camargo, Geber Soares de Oliveira, Wieland Silberschneider;
Board members and Chief Officers:	Bernardo Afonso Salomão de Alvarenga,	Franklin Moreira Gonçalves;
Chief Officers:	Adézio de Almeida Lima, Dimas Costa, José de Araújo Lins Neto,	Luciano de Araújo Ferraz, Maura Galuppo Botelho Martins, Ronaldo Gomes de Abreu;
Secretary:	Anamaria Pugedo Frade Barros.	

Signed by: ) Anamaria Pugedo Frade Barros.