

# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

LISTED COMPANY – CNPJ 17.155.730/0001-64 – NIRE 31300040127

## EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS

### CONVOCAÇÃO

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on December 2, 2014 at 11 a.m., at the company's head office, Av. Barbacena 1200, 21<sup>st</sup> floor, Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- **Authorization** to exceed, in 2014, the limit specified in Sub-clause 'd' of § 7 of Clause 11 of the Company's by-laws – specifically:
  - **to authorize** that the consolidated amount of funds allocated to capital investment and acquisition of any assets in the business year be less than or equal to 84.6% of Ebitda (profit before interest, taxes, depreciation and amortization).

Any stockholder who wishes to be represented by proxy at the said General Meeting of Stockholders should obey the precepts of Article 126 of Law 6406 of 1976, as amended, and of the sole paragraph of Clause 9 of the Company's by-laws, by exhibiting at the time, or depositing, preferably by November 28, 2014, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with specific powers, at Cemig's Corporate Executive Secretariat Office (*Superintendência da Secretaria Geral e Executiva Empresarial*) at Av. Barbacena, 1200 – 19<sup>th</sup> Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, November 7, 2014

Djalma Bastos de Moraes  
Vice-Chair of the Board of Directors

**PROPOSAL**  
**BY THE BOARD OF DIRECTORS**  
**TO THE**  
**ORDINARY AND EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**  
**TO BE HELD ON**  
**DECEMBER 2, 2014**

Dear Stockholders:

*The Board of Directors of Companhia Energética de Minas Gerais – Cemig,*

– *whereas:*

- a) In its management of the Company and in the exercise of the right to vote in the wholly-owned subsidiaries, subsidiaries, affiliated companies and consortia, the Board of Directors and the Executive Board shall at all times faithfully comply with certain targets, which include the following, set out in Clause 11, § 7 of the Company's by-laws:
  - to keep the Company's consolidated indebtedness equal to or less than 2 (two) times the Company's Ebitda (earnings before interest, taxes, depreciation and amortization);
  - to keep the consolidated ratio of (Net debt) / (Net debt + Stockholders' equity) within a maximum limit of 40% (forty per cent); and
  - to limit the consolidated amount of funds destined to capital expenditure and the acquisition of any assets, in each business year, to a maximum of 40% (forty per cent) of the Company's Ebitda (Earnings before interest, taxes, depreciation and amortization);
- b) the budget for 2014, as approved by the Board of Directors over the course of the year, has been impacted by greater than planned investments and expenses, and also as a result of raising of funding to meet the Company's cash requirements;
- c) the Company's present cash flow projections indicate that in 2014 the ratio (Consolidated funds allocated to capital investment and acquisition of any assets in each business year) / Ebitda (profit before interest, taxes, depreciation and amortization) will be 84.6%;
- d) Under Clause 11, § 9 of the by-laws, targets for indicators may be exceeded for reasons related to temporarily prevailing conditions, upon prior justification by grounds and specific approval by the Board of Directors, up to the following limits
  - Consolidated indebtedness to be less than or equal to 2.5 times Ebitda (profit before interest, taxes, depreciation and amortization); and
  - Consolidated Net debt not to exceed 50% of (Net debt + Stockholders' equity);
  - and above these limits, including the case of limitation of (Consolidated funds allocated to capital investment and acquisition of any assets) to 40% of Ebitda (profit before interest, taxes, depreciation and amortization), the targets may be exceeded upon prior justification with grounds and specific approval by the stockholders in a General Meeting of Stockholders;

– *now proposes to you:*

- **Authorization** for the Company to exceed, in 2014, the limit specified in Sub-clause ‘d’ of § 7 of Clause 11 of the Company’s by-laws – specifically:
  - **to authorize** that the consolidated amount of funds allocated to capital investment and acquisition of any assets in the business year be less than or equal to 84.6% of Ebitda (profit before interest, taxes, depreciation and amortization).

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

Belo Horizonte, November 7, 2014

Djalma Bastos de Moraes

Tadeu Barreto Guimarães

Arcângelo Eustáquio Torres Queiroz

Wando Pereira Borges

Eduardo Borges de Andrade

Bruno Magalhães Menicucci

Guy Maria Villela Paschoal

Luiz Augusto de Barros

João Camilo Penna

Marina Rosenthal Rocha

Joaquim Francisco de Castro Neto

Newton Brandão Ferraz Ramos

José Pais Rangel

Paulo Sérgio Machado Ribeiro

Saulo Alves Pereira Junior