



# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

## BOARD OF DIRECTORS

### SUMMARY OF MINUTES OF THE 726<sup>TH</sup> MEETING

**Date, time and place:** March 22, 2018, at 9 a.m., at the Company’s head office, with participation 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 said they had no conflict of interest in the matters on the agenda of this meeting.

**II The Board approved** the minutes of this meeting.

**III The Board authorized,** in relation to the guarantee of Promissory Notes issued by Cemig D:

- 1) **Provision of guarantee in the form of surety,** to be given on the physical Notes and in accordance with the terms of the applicable regulations, for the ninth issue of promissory Notes by Cemig Distribuição S.A. (‘The Issue’, ‘the Notes’, and ‘the Issuer’, respectively), for public distribution, with restricted placement efforts, under CVM Instruction 476/2009, as amended, and CVM Instruction 566/2015, and other applicable regulations (‘The Restricted Offering’); the target public to be professional investors, as defined in Article 9A of CVM Instruction 539/2013, as amended (‘Professional Investors’) – with the following principal characteristics:

Issuer:	Cemig Distribuição S.A.
Managers:	Financial institutions that are part of the Brazilian Securities Distribution System (‘the Lead Manager’, and ‘Managers’).
Fiduciary Agent:	Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários.
Surety guarantee:	The promissory notes (‘the Notes’) and all the obligations resulting from them will have the guarantee of Companhia Energética de Minas Gerais (‘Guarantor’, or ‘Cemig’), written upon each Note (‘the Surety’).
Asset guarantee:	Fiduciary assignment of preferred shares owned by Cemig in Companhia de Gás de Minas Gerais (‘Gasmig’), the total valuation of such shares to correspond to the total amount of the Issue.



Use of proceeds:	Replenishment of cash position as a result of the payment of the Third issue of Debentures by the Issuer, and strengthening of working capital.
Volume of the Issue:	Up to four hundred million Reais, on the Issue Date (as defined below).
Number of series:	The issue will have one single series.
Nominal Unit Value:	One million Reais, on the Issue Date.
Quantity of Notes:	Up to four hundred.
Placement procedure and regime:	Public distribution, with restricted placement efforts, in accordance with CVM Instruction 476, under the regime of firm individual (not joint) guarantee of subscription by the Lead Manager and by the other Managers, for the volume of one hundred and eighty million Reais, to be exercised in accordance with the terms and conditions to be specified in the related distribution contract for the Notes; and under the regime of best placement efforts for a volume of up to two hundred and twenty million Reais.
Issue Date:	Date of the actual subscription, and payment of subscription, of the Notes, as specified on the physical Notes.
Form of subscription and subscription price:	Each Note will be paid at sight, for the Nominal Unit Value, on the date of subscription, as per procedures of the São Paulo securities exchange – B3 S.A. ('the B3').
Maturity period:	Up to five hundred and forty days from the Issue Date.
Monetary updating and remuneratory interest:	<p>The Nominal Unit Value of the Notes shall not undergo monetary updating.</p> <p>The Notes will pay remuneratory interest equal to one hundred and fifty one per cent of the accumulated variation represented by the one-day 'over extra-grupo' Interbank Deposit (<i>Depósitos Interfinanceiros</i>, or DI) Rate, expressed in the form of percentage per year, on the two hundred and fifty-two business days basis, calculated and published daily by B3 in its daily bulletin available at <a href="http://www.cetip.com.br">http://www.cetip.com.br</a> ('the Remuneration').</p> <p>The Remuneration will be calculated on an exponential and cumulative basis, <i>pro rata temporis</i>, by business days elapsed, on the Nominal Unit Value of each Note, from the Issue Date up to the Remuneration Payment Date, according to the criteria set out in the <i>Cetip21 Manual of Formulas for Notes and Bonds (Caderno de Fórmulas – Notas Comerciais e Obrigações – 'Cetip21')</i> – available for consultation on the above web page.</p> <p>These criteria will be printed on the physical Notes.</p>
Payment of the Remuneration and amortization of the Nominal Unit Value:	In a single payment, on the Maturity Date, or on the date established in the Early Redemption Offer (as defined below), or the date of optional early redemption, or on the date on which early maturity of the Notes takes place as a result of any of the Default Events described on the printed Notes.
Renegotiation:	None.
Early Redemption Offer:	<p>The Issuer may, at its exclusive option and at any time from thirty days after the Issue Date, make an offer for early redemption of the entirety of the Notes (a partial redemption offer not being permitted), addressed to all holders of the Notes, without distinction, and they shall all have equal conditions to accept the offer for early redemption of the notes they hold ('Early Redemption Offer'), and all the stages of this Early Redemption Offer process shall take place outside the ambit of B3.</p> <p>Early redemption shall require payment of the Nominal Unit Value, plus the remuneration, calculated <i>pro rata temporis</i> from the Issue Date up to the actual date of the redemption.</p> <p>The other terms and conditions of the Early Redemption Offer shall be detailed on the printed Notes.</p> <p>The B3 must be informed of the effective redemption date at least three business days in advance;</p>

Optional early redemption:	The Issuer may, in the terms of Paragraphs 2, 3 and 4 of Article 5 of CVM Instruction 566, at its exclusive option, make early redemption of the totality of the Notes (a partial redemption offer not being permitted), at any time starting from the seventh month from the Issue Date, upon payment of the Nominal Unit Value plus the Remuneration, calculated <i>pro rata temporis</i> from the Issue Date up to the date of actual redemption, in accordance with the applicable legislation, plus payment of a redemption premium equivalent to 1.5% per year, proportional to the period remaining before the Maturity Date, calculated according to a formula to be described on the printed Notes. The other terms and conditions of the Optional Early Redemption shall be detailed on the printed Notes. All Notes redeemed by the Issuer will be canceled; they may not be held in Treasury.
Early maturity:	The holders of the Notes may declare early maturity of all the obligations arising from the notes they hold and demand immediate payment by the Issuer and/or by the Guarantor of the Nominal Unit Value of the Notes plus the remuneration, calculated <i>pro rata temporis</i> , from the Issue Date up to the date of actual payment, and due charges, as applicable, by letter requiring identified proof of delivery or with advice of receipt addressed to the head office of the Issuer and/or of the Guarantor, in any of the early maturity events that are usual in this type of transaction, applicable both to the Issuer and to the Guarantor, agreed jointly between the Issuer and the Managers and stated on the printed Notes, being based on the conditions stated in the Issuer's previous issues.
Arrears charges:	<ul style="list-style-type: none"> <li>(a) Arrears interest calculated <i>pro rata temporis</i>, from the date of default until the date of actual payment, of 1% per month; and</li> <li>(b) a contractual penalty payment, irreducible and of a non-compensatory nature, of 2% on the amount due and unpaid, without prejudice to the Remuneration.</li> </ul>
Form and proof of ownership:	The Notes will be issued in printed form and will be held in custody by the institution contracted to provide physical custody services of the Notes ('Custodian'). Transfer of ownership shall be by nominal endorsement, without guarantee, stating merely transfer of ownership. For all purposes of law, ownership of the Notes shall be proven by possession of the related physical Note. Additionally, if the Notes are deposited electronically on the B3, their ownership shall be proven by the statement issued by the B3 in the name of the Note holder.
Subscription price:	The Notes shall be subscribed on the Issue Date, at their Nominal Unit Value, and paid in full at sight in the act of subscription in Brazilian currency, exclusively through the Assets Distribution Module ('MDA'), in accordance with the settlement rules of the B3.
Distribution, trading and electronic custody:	In the primary market the Notes will be deposited for distribution exclusively through the MDA; and for trading in the secondary market through the 'Cetip21' (the 'Cetip-securities' Module); both are administered and operated by the B3. Financial settlement of both distribution and trading will be in accordance with the procedures of the B3, and the Notes will be held in custody electronically in the B3. The Notes may be traded in regulated securities markets only after 90 days from the date of each subscription or acquisition by Professional Investors, in accordance with Articles 13 and 15 of CVM Instruction 476, and subject to compliance by the Issuer with the obligations stated in Article 17 of that Instruction.
Place of payment:	<ul style="list-style-type: none"> <li>(a) For Notes deposited electronically in the B3, payments shall be made in accordance with the procedures of the B3; or</li> <li>(b) for holders of the Notes that are not deposited electronically with the B3, in accordance the procedures adopted by the Mandated Bank.</li> </ul>
Extension of periods:	Any payment date of an obligation that is specified in the printed Notes shall be considered automatically extended until the following business day, without any addition to the amounts to be paid, if that due date falls on a Saturday, Sunday, or declared national holiday.

2) **Fiduciary assignment of shares in Gasmig owned by the Company**, with value that shall correspond to the total amount of the Issue, in the terms of Article 40 of Law 6404/1976, on the following principal conditions, as well as others to be established in a specific instrument for that purpose:

- a) Cemig will place a fiduciary charge on preferred shares in Gasmig in the amount of the issue, and also on any preferred shares arising from a capital increase, or stock splits or bonuses, and also securities and other rights relating to this type of share that are issued as from the date of signature of said charge.
- b) Cemig and the Issuer will strengthen or replace this collateral in certain events which shall include but not be limited to the event that it becomes the object of lien, sequester, arrest or any other judicial or arbitration measure or administrative measure with similar effect or is canceled, invalidated or contested, by granting a fiduciary charge on additional PN shares in Gasmig that it owns, subject to the limits of guarantee granted by Cemig to other creditors, in other debt instruments.
- c) Cemig shall cause Gasmig to make official filing of the fiduciary charge, constituted as per the terms of the Contract, in the nominal Share Registry Book of Gasmig, in accordance with Article 40 of the Corporate Law. The fiduciary charge will be made by signature of the Contract for Fiduciary assignment of shares in Gasmig between the Issuer, Cemig and the Fiduciary Agent.

(3) **Execution of all and any acts** necessary to put into effect the decisions approved above.

**Comment:** The Board member **Aloísio Macário Ferreira de Souza** expressed his discomfort with the period made available for analysis of the subject and made comments on the cost of this transaction, considering it high, even in the context of the present indebtedness of Cemig D.

**IV Abstention:** The Board members

**Carlos Eduardo Lessa Brandão,** **Marcelo Gasparino da Silva**  
and **Patrícia Gracindo Marques de Assis Bentes**

abstained from voting on the matter referred to in Item III above.

**V Comments:** The following spoke on the matter on the agenda:

The Chair;

Board members: Patrícia Gracindo Marques de Assis Bentes, Aloísio Macário Ferreira de Souza;

**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, Carlos Eduardo Lessa Brandão, Hélcio Miranda Magalhães Junior, Marcelo Gasparino da Silva, Marco Antônio Soares da Cunha Castello Branco, Patrícia Gracindo Marques de Assis Bentes, Aloísio Macário Ferreira de Souza,	José Pais Rangel, Hermes Jorge Chipp, Nelson José Hubner Moreira, 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, Ricardo Wagner Righi de Toledo, Wieland Silberschneider;
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Chief Officer: Maurício Fernandes Leonardo Júnior;

Secretary: Anamaria Pugedo Frade Barros.

( Signed by: ) Anamaria Pugedo Frade Barros.