

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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 March 25, 2019 at 11 a.m., at Avenida Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil, to decide on:

- 1) Changes to the by-laws.
- 2) Changes to the Board of Directors; election of new members.
- 3) Approval and authorization of signature of the Protocol of Absorption and Justification, with RME – Rio Minas Energia Participações S.A., to specify the terms and conditions that will govern the absorption of RME by Cemig; authorization for absorption of RME by Cemig, and, subsequently, the consequent extinction of the absorbed company; and ratification of the appointment of three experts for valuation, under and for the purposes of Article 8 of Law 6404/1976, of the Stockholders' equity of RME and approval of the Opinion on Valuation of the Stockholders' equity of RME, carried out in accordance with Law 6404/1976.
- 4) Approval, and authorization of signature, of the Protocol of Absorption and Justification, with Luce Empreendimentos e Participações S.A. (Lepsa), setting out the terms and conditions to govern the absorption of Lepsa by Cemig, authorization for absorption of Lepsa by Cemig, and, subsequently, the consequent extinction of the absorbed company; and ratification of the appointment of three experts for valuation, under and for the purposes of Article 8 of Law 6404/1976, of the Stockholders' equity of Lepsa and approval of the Opinion on Valuation of the Stockholders' equity of Lepsa, carried out in accordance with Law 6404/1976.

Under Article 3 of CVM Instruction 165/1991, as amended by CVM Instruction 282/1998 and subsequent amendments, adoption of the multiple voting system for election of members of the Company's Board of Directors requires the vote of stockholders representing a minimum of 5% (five per cent) of the voting stock.

Any stockholder who wishes to do so may exercise the right to vote using the remote voting system, under CVM Instruction 481/09, by sending the corresponding Remote Voting Statement (*Boletim de Voto à Distância*, or BVD), through the stockholder's custodian institution or mandated bank, or directly to the Company.

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, and of the sole paragraph of Clause 9 of the Company's by-laws, by exhibiting at the time, or depositing, preferably by March 21, 2019, 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 Office (*Superintendência da Secretaria Geral*) at Av. Barbacena 1200 – 21st Floor, Belo Horizonte, Minas Gerais, Brazil.

Belo Horizonte, February 22, 2019.

Adézio de Almeida Lima
Chair of the Board of Directors

**PROPOSAL
BY THE BOARD OF DIRECTORS
TO THE
EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS,
ON A DATE YET TO BE DECIDED.**

Dear Stockholders:

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

WHEREAS a redesign of the organizational structure of the Company is appropriate and timely, to improve its governance and operational efficiency, to optimize the use of best market practices, and to facilitate taking of decisions;

proposes to you approval of the following changes to the Company's by-laws:

1. Change Article 2, to change the address of the head office.
2. Make changes to the head paragraph of Article 13, and delete its §1, re-numbering the subsequent paragraphs, to extinguish the position of Vice-chair of the Board of Directors, and the position of Substitute Member of the Board of Directors.
3. Adapt the drafting of the head paragraph and §1 of Clause 15, to reflect extinction of the post Vice-Chair and the post of Substitute Member of the Board Directors.
4. Adapt the drafting of the head paragraph of Clause 17, to reflect extinction of the post Vice-Chair of the Board of Directors.
5. Modify sub-clause 'o' of Clause 18, to include in the functions of the Board of Directors appointment to positions on the Board of Directors, Audit Boards and Executive Boards of wholly-owned and other subsidiaries, affiliated companies and the consortia in which the Company participates, maintaining the exception for Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A.
6. Modify Clause 19 to reduce the number of Executive Officers (members of the Executive Board) from eleven to ten.
7. Adapt the drafting of the head paragraph of Clause 20, due to the extinction of the post of Vice-Chair.

8. Modify sub-clause ‘i’ of Sub-item ‘I’ of Clause 23, adjusting the drafting on the duties of the Chief Executive Officer.
9. Remove Sub-item ‘II’ of Clause 23, and consequently re-number the other Sub-items of that Clause, to extinguish the functions of the Deputy CEO, with extinction of the related Chief Officer’s Department.
10. Change § 1 of Clause 24 to increase the number of members of the Audit Committee from three to four.
11. Change § 3 of Clause 24, to exclude the expression relating to the bi-monthly frequency of the meetings of the Audit Committee.

Appendix I of this Proposal gives a comparative table showing these proposed changes to the by-laws; Appendix II gives the by-laws in their entirety, showing tracked changes.

As can be seen, the objective of this proposal is to meet the legitimate interests of the stockholders and of the Company, and for this reason it is the hope of the Board of Directors that it will be approved.

Belo Horizonte, February 8, 2019.

Adézio de Almeida Lima

Marco Antônio Soares da C. Castello Branco

José Pais Rangel

Luiz Guilherme Piva

Marcelo Gasparino da Silva

Marco Aurélio Crocco Afonso

Patrícia Gracindo Marques de Assis Bentes

Márcio José Peres

Geber Soares de Oliveira

PROPOSAL
BY THE BOARD OF DIRECTORS
TO THE
EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS,
ON A DATE YET TO BE DECIDED.

Dear Stockholders:

The Board of Directors of Companhia Energética de Minas Gerais – Cemig proposes to you:

- a) Ratification, in accordance with Article 8 of Law 6404/1976, of the appointment of the three expert witness analysts, Flávio de Almeida Araújo, CRC/MG 86.861, Leonardo Felipe Mesquita, CRC/MG 85.260, and Leonardo George de Magalhães, CRC/MG 53.140, to provide a valuation, under and for the purposes of Article 8 of Law 6404/1976, of the Stockholders' equity of **Luce Empreendimentos e Participações S. A. – Lepsa**; and approval of the Opinion on Valuation of the Stockholders' equity of Lepsa, carried out in accordance with Law 6404/1976. Also: approval, and authorization of signature, with **Lepsa**, of the Protocol of Absorption and Justification, setting out the terms and conditions to govern the absorption of **Lepsa** by **Cemig** in accordance with Articles 224 and 225 of Law 6404/1976; and, also, authorization for absorption of **Lepsa** by **Cemig**, and, subsequently, the consequent extinction of the absorbed company.
- b) Ratification, in accordance with Article 8 of Law 6404/1976, of the appointment of the three expert witness analysts, Flávio de Almeida Araújo, CRC/MG 86.861, Leonardo Felipe Mesquita, CRC/MG 85.260, and Leonardo George de Magalhães, CRC/MG 53.140, to provide a valuation, under and for the purposes of Article 8 of Law 6404/1976, of the Stockholders' equity of **RME – Rio Minas Energia Participações S.A.**; and approval of the Opinion on Valuation of the Stockholders' equity of RME, carried out in accordance with Law 6404/1976. Also: approval, and authorization of signature with **RME** of, the Protocol of Absorption and Justification, to specify the terms and conditions that will govern the absorption of **RME** by **Cemig**; in accordance with Articles 224 and 225 of Law 6404/1976; and, also, authorization for absorption of **RME** by **Cemig**, and, subsequently, the consequent extinction of the absorbed company.

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, December 14, 2018.

Adézio de Almeida Lima
Marco Antônio Soares da Cunha Castello Branco
Bernardo Afonso Salomão de Alvarenga
José Pais Rangel
Luiz Guilherme Piva

Marcelo Gasparino da Silva
Márcio José Peres
Marco Aurélio Crocco Afonso
Patrícia Gracindo Marques de Assis Bentes

**PROPOSAL BY THE BOARD OF DIRECTORS
TO THE
EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS
TO BE HELD ON
MARCH 25, 2019 AT 11 A.M.**

Changes to the Board of Directors; election of new members.

INDEX OF APPENDICES

Appendix
No.

-
- I Comparison table showing proposed changes in by-laws (CVM Instruction 481/09, Article 11)
-
- II Report detailing the origin and justification of the proposed alterations and analyzing their legal and economic effects (CVM Instruction 481/09, Article 11)
-
- III Valuation Opinion on Rio Minas Energia Participações S.A. – RME
-
- IV Protocol and Justification of Absorption of RME
-
- V Valuation Opinion of Luce Empreendimentos e Participações S. A. - Lepsa
-
- VI Protocol and Justification of Absorption of Lepsa
-
- VII Opinion of the Audit Board – Proposal by the Board of Directors – Valuation of RME
-
- VIII Opinion of the Audit Board – Proposal by the Board of Directors – Valuation of Lepsa
-
- IX Election of the Board of Directors: Information on the candidates nominated by the controlling stockholder (CVM Instruction 481/09 Article 10) – Items 12.5 to 12.10 of the Reference Form
-

Appendix I

Comparison table showing proposed changes in by-laws (CVM Instruction 481/09, Article 11)

<p>Clause 2 The Company shall have its head office and management at Av. Barbacena 1219, Bairro Santo Agostinho, 30190-131 Belo Horizonte, Minas Gerais State, Brazil, and may open offices, representations and any other establishments in or outside Brazil, on authorization by the Executive Board.</p>	<p>Clause 2 The Company shall have its head office and management in Belo Horizonte, capital city of the State of Minas Gerais, Brazil, and may open offices, representations or any other establishments in or outside Brazil, upon authorization by the Executive Board.</p>	<p>The proposal is for return to the drafting adopted prior to the last previous change in the by-laws, made by the EGM of June 11, 2018.</p>
<p>Clause 13 The Board of Directors of the Company comprises 9 (nine) sitting members and the same number of substitute members. One shall be the Chair, and another shall be the Vice-Chair.</p> <p>§1 The substitute members shall substitute the respective members of the Board if the latter are absent or impeded from exercising their functions and, in the event of a vacancy, shall do so until the related replacement.</p>	<p>Clause 13 The Board of Directors of the Company comprises 9 (nine) members, of which one shall be the Chair.</p>	<p>Abolition of the positions of Substitute member, and Vice-Chair of the Board of Directors, to improve governance and operational efficiencies; exclusion of § 1 to reflection the abolition of substitute members; and re-numbering of the subsequent paragraph.</p>
<p>Clause 15 – The Board of Directors shall meet ordinarily, in accordance with its Internal regulations, at least once a month, to analyze the results of the Company and its wholly-owned and other subsidiaries and affiliated companies, and to decide on other matters included on the agenda. It shall also meet extraordinarily, on convocation by its Chair, or by its Vice-Chair, or by one-third of its members, or when requested by the Executive Board.”</p> <p>§1 Meetings of the Board of Directors shall be called by its Chair or Vice-Chair, with at least 10 (ten) days’ prior notice in writing or by email, containing the agenda. Convocation is not necessary when all the members of the Board of Directors, or their substitute members, are present. The Chair may call meetings of the Board of Directors on the basis of urgency without their being subject to this period of notice, provided that the other members of the Board are advised of the convocation</p>	<p>Clause 15 – The Board of Directors shall meet ordinarily, in accordance with its Internal Regulations, at least once a month, to analyze the results of the Company and its wholly-owned and other subsidiaries and affiliated companies, and to decide on other matters included on the agenda. It shall also meet extraordinarily, on convocation by its Chair, or by one-third of its members, or when requested by the Executive Board.</p> <p>§1 Meetings of the Board of Directors shall be called by its Chair, with at least 10 (ten) days’ prior notice in writing or by email, containing the agenda. Convocation is not necessary when all the members of the Board of Directors, or their substitute members, are present. The Chair may call meetings of the Board of Directors on the basis of urgency without their being subject to this period of notice, provided that the other members of the Board are advised of the convocation.</p>	<p>Adaptation of the drafting of the head paragraph and of §1, due to abolition of the substitute members and of the Vice-Chair of the Board of Directors.</p>

<p>Clause 17 – The Chairman and Vice-Chairman of the Board of Directors shall be chosen by the members of that Board, at the first meeting of the Board of Directors that takes place after the election of its members, and the Vice-Chairman shall take the place of the Chairman when the Chairman is absent or impeded from exercising his functions.</p>	<p>Clause 17 The Chair of the Board of Directors shall be chosen by the members of the Board, at the first meeting of Board of Directors held after the election of its members.</p>	<p>Adaptation of the drafting of the head paragraph, due to abolition of the post Vice-Chair of the Board of Directors.</p>
<p>Clause 18 – The following are functions of the Board of Directors: (...); o) to authorize the exercise of the right of preference and rights under stockholders' agreements or voting agreements in wholly-owned or other subsidiaries, affiliated companies and the consortia in which the Company participates, except in the cases of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the General Meeting has the competency for decision on these matters;</p>	<p>Clause 18 – The following are functions of the Board of Directors: (...) to authorize the exercise of the right of preference and rights under stockholders' agreements or voting agreements in wholly-owned or other subsidiaries, affiliated companies and the consortia in which the Company participates, except in the cases of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the General Meeting of Stockholders has the competency for decision on these matters.</p>	<p>Improvement of the drafting of the duties of the Board of Directors, to improve governance and operational efficiency.</p>
<p>Clause 19 The Executive Board comprises eleven Executive Officers, who may be stockholders, resident in Brazil, elected by the Board of Directors for a period of two years, subject to the requirements of the applicable legislation and regulations. Re-election for a maximum of three consecutive periods of office is permitted.</p>	<p>Clause 19 The Executive Board comprises eleven Executive Officers, who may be stockholders, resident in Brazil, elected by the Board of Directors for a period of two years, subject to the requirements of the applicable legislation and regulations. Re-election for a maximum of three consecutive periods of office is permitted.</p>	<p>Reduction of the number of Executive Officers' Departments from 11 to 10, with a view to operational efficiency.</p>
<p>Clause 20 In the event of absence, leave, vacancy, impediment or resignation of the Chief Executive Officer, this post shall be exercised by the Deputy Chief Executive Officer.</p>	<p>Clause 20 In the event of absence, leave, vacancy, impediment or resignation of the Chief Executive Officer, this post shall be exercised by another Executive Officer to be designated.</p>	<p>Adaptation of the drafting of the head paragraph, due to the abolition of the post of Deputy CEO.</p>

<p>Clause 23 Subject to the provisions in the preceding Clauses and good corporate governance practices, it shall be the duty of each member of the Executive Board to comply with these by-laws, the decisions of the General Meeting of Stockholders and of the Board of Directors, the Internal Regulations and the decisions of the Executive Board, and cause others to comply with them. The duties of the members of the Executive Board, among others, are as follows:</p> <p>I – Duties of the Chief Executive Officer: (...);</p> <p>i) to propose the nominations for positions of management and on the Audit Boards of the wholly-owned and other subsidiaries, the affiliated companies and the consortia of which the Company is a part, and on the statutory bodies of Fundação Forluminas de Seguridade Social (Forluz) and Cemig Saúde, after consultation of the Chief Officer responsible.</p> <p>II – Duties of the Deputy Chief Executive Officer: To assist the CEO in the exercise of his/her functions and substitute him/her in the event of absence, leave, the position being vacant or impeded, or resignation.</p>	<p>Clause 23 Subject to the provisions in the preceding Clauses and good corporate governance practices, it shall be the duty of each member of the Executive Board to comply with these by-laws, the decisions of the General Meeting of Stockholders and of the Board of Directors, the Internal Regulations and the decisions of the Executive Board, and cause others to comply with them. The duties of the members of the Executive Board, among others, are as follows:</p> <p>I – Duties of the Chief Executive Officer: (...)</p> <p>i) to propose, to the Board of Directors, the nominations for positions on the Executive Boards, Boards of Directors and Audit Boards of the wholly-owned and other subsidiaries, the affiliated companies and the consortia of which the Company is a part, and on the statutory bodies of <i>Fundação Forluminas de Seguridade Social</i> (Forluz) and <i>Cemig Saúde</i>, after consultation of the Chief Officer responsible.</p>	<p>Improvement of the drafting of the duties of the CEO, and abolition of the post of Deputy CEO, with a view to improvement of governance and operational efficiency.</p>
<p>Clause 24 The Audit Committee is an independent, consultative, permanent body, with its own budget allocation. Its objective is to provide advice and support to the Board of Directors, to which it reports. It also has the responsibility of other activities attributed to it by legislation.</p> <p>§1 The Audit Committee has three members, the majority of them independent, nominated and elected by the Board of Directors in the first meeting after the Annual General Meeting, for periods of office of three years, not to run concurrently. One re-election is permitted. (...);</p> <p>§3 The minutes of the meetings of the Audit Committee, which shall be held every two months, must be disclosed, except when the Board of Directors considers that disclosure might put legitimate interest at risk, and in this case only its summary shall be disclosed.</p>	<p>Clause 24 The Audit Committee is an independent, consultative, permanent body, with its own budget allocation. Its objective is to provide advice and support to the Board of Directors, to which it reports. It also has the responsibility of other activities attributed to it by legislation.</p> <p>§1 The Audit Committee shall have four members, the majority of them independent, nominated and elected by the Board of Directors in the first meeting after the Annual General Meeting, for periods of office of three years, not to run concurrently. One re-election is permitted. (...)</p> <p>§3 The minutes of the meetings of the Audit Committee shall be disclosed, except when the Board of Directors considers that disclosure might put legitimate interest at risk, and in this case only its summary shall be disclosed.</p>	<p>§1 Alteration of the number of members of the Audit Board, from 3 to 4.</p> <p>§2 Removal of the text specifying frequency of the meetings, to permit greater flexibility.</p>

Appendix II

Report detailing the origin and justification of the proposed alterations and analyzing their legal and economic effects (CVM Instruction 481/09, Article 11)

The changes to the by-laws

Justifications:

It is considered to be appropriate and timely that there should be an organizational redesign of the Company, to improve governance and operational efficiency, so as to optimize best market practices and facilitate speed in taking of decisions.

Economic effects:

Reduction of the amount spent on remuneration and other expenses, with the abolition of the positions of Substitute Member of the Board of Directors, and abolition of the post of Deputy CEO; and increase of the amount spent on remuneration paid, with the increase in the number of the members of the Audit Committee from three to four.

Legal effects:

None.

Appendix III – Valuation Opinion on Rio Minas Energia Participações S.A. – RME

VALUATION OPINION ON THE EQUITY OF RIO MINAS ENERGIA PARTICIPAÇÕES S.A. FOR THE PURPOSES OF ABSORPTION

Belo Horizonte, December 4, 2018.

To the Management of
Companhia Energética de Minas Gerais – Cemig
Av. Barbacena 1219 – 22nd Floor
Belo Horizonte, Minas Gerais

In accordance with Paragraphs 1 and 6 of Clause 8 of Law 6404/76, the Management of Companhia Energética de Minas Gerais – Cemig ('Cemig') appointed three expert valuers to prepare the valuation opinion on the Stockholders' equity of Rio Minas Energia Participações S.A.– RME ('RME' or 'the Company'), detailed in the attachment to this document, at book value. This appointment will be ratified in an Extraordinary General Meeting of Stockholders of Cemig.

1. DATA ON THE TECHNICAL PERSONS RESPONSIBLE

The accountants named below were appointed expert valuers to value the Stockholders' equity of RME, and to prepare this present Opinion on valuation in accordance with accounting practices adopted in Brazil, as defined in Item 7 of Accounting Pronouncement NBC TG 26 – *Presentation of financial statements*:

- Flávio de Almeida Araújo, Accountant, member of the Regional Accounting Council of Minas Gerais State (CRC/MG) with number CRC/MG 86.861;
- Leonardo Felipe Mesquita Accountant, member of the Regional Accounting Council of Minas Gerais State (CRC/MG) with number CRC/MG 85.260;
- Leonardo George de Magalhães, Accountant, CRC/MG Nº. 53.140.

In compliance with the requirements of CVM Instruction 319/99, as amended, the expert accountants warrant that:

- (a) they have no direct or indirect interest in the Company or in its operations;
- (b) they found no limitations imposed by the controlling stockholders or managers such as might hinder or might have compromised access to, use or knowledge of information, goods and assets, documents or work methodologies relevant for issuance of their conclusions.

The expert accounting work was carried out in accordance with NBC T 13, and comprised: (a) planning of the work; (b) application of the procedures judged to be necessary in the circumstances; (c) issuance of the expert accounting witness valuation of the Stockholders' equity to be absorbed.

2. GENERAL INFORMATION ON THE COMPANY BEING VALUED, SUBJECT OF THE ABSORPTION

Rio Minas Energia Participações S.A., a wholly-owned subsidiary of Companhia Energética de Minas Gerais S.A. – Cemig, was constituted on March 23, 2006, as an unlisted corporation, its objects being: direct or indirect holding of equity interests in companies that operate in the power industry.

RME is a direct investor in Light S.A., and holds 22,226,150 common shares, representing 10.90% of the share capital of the investee.

3. PURPOSE OF THE VALUATION, AND BASE DATE

The purpose of the valuation of the net equity of RME, at book value, on the base date of October 31, 2018, is absorption of its total net assets and liabilities by its parent company Cemig, in accordance with Articles 226 and 227 of Law 6404/76.

4. SCOPE OF THE WORK

To ensure accuracy of the accounting values of the asset and liability elements that comprised the balance sheet of RME on October 30, 2018, we adopted the following procedures:

- Reading of the Financial Statements at December 31, 2017;
- Reading of the Report on the Financial Statements by the Independent Auditors Ernst & Young Auditores Independentes, issued on May 29, 2018, without qualification in relation to the Balance Sheet at December 31, 2017.
- Analytical review of the movement of balances of assets and liabilities in the period January 1, 2018 to October 31, 2018.

On October 31, 2018 the accounting records of RME were in compliance with the pertinent legal formalities and are written in accordance with accounting practices adopted in Brazil.

The experts used historic information and data audited by third parties and data supplied by the management of RME, by email. This being so, we assume that the data and information obtained for this Opinion is true.

This Opinion was prepared for use solely and exclusively by Cemig, for the objective mentioned in Item 3.

5. PRESENTATION OF THE BALANCE SHEET

The Balance Sheet at October 31, 2018 was prepared in accordance with accounting practices adopted in Brazil. The expert accountants found that the assets and liabilities of RME were properly accounted for.

6. COMPOSITION OF NET ASSETS AND LIABILITIES

6.1. Accounting Valuation and base date:

The components of net equity of RME at October 31, 2018 are represented, in summary form, by the following account lines:

ASSETS	In Reais (R\$)
Current and non-current assets	440,816,720.36
LIABILITIES	
Current and non-current liabilities	1,658,961.94
TOTAL STOCKHOLDERS' EQUITY	439,157,758.42

6.2. Net Equity at Market Price

Although Cemig is a listed company, valuation at market price or any other economic-financial valuation technique is not justified, as specified by Article 264 of Law 6404/76, since this is a case of absorption of a wholly-owned subsidiary company, and there is no determination of an exchange ratio that could be the object of comparison and/or right to withdraw. Thus, there will be no change in the net equity of Cemig, no issuance of new shares, for which reason valuation at market price is not applicable.

6.3. Treatment of subsequent variations in the value of equity

Under Article 224, Sub-item III of Law 6404/76, the variations in equity that take place between the base date of this Opinion and the date of absorption of RME will be appropriated directly by Cemig, and at the time of the actual absorption, the balances of existing account lines in the analytical interim balance sheet of RME will be incorporated, line by line, by Cemig.

7. CONCLUSION

As a result of the procedures and the analyses carried out, we have concluded that the amount of the Stockholders' equity of RME on October 31, 2018 is R\$ 439,157,758.42 (four hundred thirty nine million, one hundred fifty seven thousand seven hundred fifty eight Reais and forty two centavos).

Expert Accountant: Flávio de Almeida Araújo

Expert Accountant: Leonardo Felipe Mesquita

Expert Accountant: Leonardo George de Magalhães

ATTACHMENT I - BALANCE SHEET AT OCTOBER 31, 2018 IN R\$

ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT	3,983,235.23	CURRENT	1,658,961.94
NON-CURRENT	436,833,485.13	STOCKHOLDERS' EQUITY	439,157,758.42
TOTAL ASSETS	440,816,720.36	TOTAL LIABILITIES AND EQUITY	440,816,720.36

Appendix IV – Protocol and Justification of Absorption of RME

**PRIVATE INSTRUMENT OF PROTOCOL AND JUSTIFICATION
OF
ABSORPTION OF
RME – RIO MINAS ENERGIA PARTICIPAÇÕES S.A.
BY
COMPANHIA ENERGÉTICA DE MINAS GERAIS**

Entered into between
RIO MINAS ENERGIA PARTICIPAÇÕES S.A.
‘the Absorbed Company’,

and

COMPANHIA ENERGÉTICA DE MINAS GERAIS
‘the Absorbing Company’

BELO HORIZONTE, DECEMBER 2018.

**PRIVATE INSTRUMENT OF PROTOCOL AND JUSTIFICATION OF
ABSORPTION OF RME – RIO MINAS ENERGIA PARTICIPAÇÕES S.A. BY
COMPANHIA ENERGÉTICA DE MINAS GERAIS**

By this private instrument and for the full purposes of law,

- (a) **RME - RIO MINAS ENERGIA PARTICIPAÇÕES S.A.**, a corporation registered with the CNPJ/MF under N° 07.925.628/0001-47, with head office in the city of Belo Horizonte, Minas Gerais State, at Avenida Barbacena 1200, 19th floor, B1 Wing, Room 3, CEP 30190-924, with its Articles of Association filed with JUCEMG under NIRE 3130010604-7, herein represented in accordance with its by-laws (herein referred to simply as ‘RME’ or ‘the Absorbed Company’); and
- (b) **COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG**, constituted on May 22, 1952 as a private-public-stockholding corporation, registered in the CNPJ/MF under N° 17.155.730/0001-64, with head office in the city of Belo Horizonte, Minas Gerais State, at Avenida Barbacena 1219, CEP 30190-131, with its Articles of Association registered at JUCEMG under NIRE 3130004012.7, herein represented in accordance with its by-laws, (and hereinafter referred to simply as ‘Cemig’ or ‘the Absorbing Company’)

(respectively ‘the Absorbed Company’ and ‘the Absorbing Company’, and when jointly, ‘Parties’ – individually, ‘Party’).

PREAMBLE

WHEREAS:

RME is an unlisted company whose objects are: investment in the share capital of other companies, consortia and undertakings operating in the power industry or related activities;

Cemig, constituted on May 22, 1952, is a public-private-capital company, of which the objects are: to build, operate and make commercial use of systems for generation, transmission, distribution and sale of electricity, and related services; to operate in the various fields of energy, from whatever source, with a view to economic and commercial operation; to provide consultancy services within its field of operation to companies in and outside Brazil; and to carry out activities directly or indirectly related to its objects, including development and commercial operation of telecommunication and information systems, technological research and development, and innovation.

Cemig owns 682,710,704 (six hundred eighty two million seven hundred ten thousand seven hundred four) common shares and 682,710,702 (six hundred eighty two million seven hundred ten thousand seven hundred two) preferred shares, all nominal and without par value, in the Absorbed Company, representing 100% (one hundred per cent) of its share capital.

Subject to the terms and conditions herein Cemig intends to absorb RME and RME intends to be absorbed by Cemig;

the managements of the Absorbing Company and the Absorbed Company believe that the absorption of RME by Cemig will be beneficial for the companies involved, because it will permit rationalization and simplification of the stockholding structure, and will result in a reduction of operational costs and expenses of the Company;

The parties now resolve to sign, in accordance with the terms of Articles 224, 225, 226 and 227 of Law 6404 of December 15, 1976 as amended ('the Corporate Law'), this present Instrument of Protocol and Justification of Absorption of RME – Rio Minas Energia Participações S.A. by Companhia Energética de Minas Gerais, which, subject to the terms and conditions below, will be submitted for consideration to the respective Extraordinary General Meetings of the Absorbing Company and the Absorbed Company ('the Protocol and Justification')

CLAUSE 1

INTERPRETATION AND DEFINITIONS

1.1. Interpretation. Herein, unless otherwise required by the context:

- (a) The titles and headings shall be merely for reference and shall not limit or affect the meaning attributed to the Clause to which they refer.
- (b) The terms 'inclusive', 'including' and other similar terms shall be interpreted as if they were accompanied by the term 'for example'.
- (c) Whenever required by the context, the definitions contained in this Protocol and Justification shall apply both in the singular and the plural and the masculine shall include the feminine, and vice versa.
- (d) References to any document or any other instrument shall include all of their alterations, replacements, consolidations and respective complementary components, unless otherwise expressly stated.
- (e) References to provisions of law shall be interpreted as references to the provisions respectively amended, extended, consolidated or reformulated on the date of signature of this Protocol and Justification.

1.2. Definitions: The terms indicated in capitals contained in this Protocol and Justification shall have the meanings attributed to them in this instrument.

OBJECTIVE

2.1 Transaction: The object of this Protocol and Justification is to state the justifications, terms, clauses and conditions of absorption of RME by Cemig, in such a way that RME shall be extinguished and Cemig shall continue to exist and shall be the successor of the Absorbed Company, entirely, in relation to all its assets, rights, claims, options, powers, immunities, actions, exceptions, duties, debts, obligations, subjections, liens or similar charges and responsibilities/liabilities of the Absorbed Company, in accordance with Article 227 of the Corporate Law ('the Absorption' or 'the Transaction').

2.1 Effects of the Transaction. Through the transaction, since the Absorbing Company is holder of 100% of the share capital of the Absorbed Company, there will be no replacement of shares of the Absorbed Company by shares of the Absorbing Company. With the extinction of the shares in the Absorbed Company, the value of the investment recorded in the assets of the Absorbing Company will be replaced by the equity value of the Stockholders' Equity of the Absorbed Company, as per the valuation opinion.

CLAUSE 3

JUSTIFICATION, REASONS AND PURPOSES OF THE TRANSACTION AND BENEFITS

- 3.1 Reasons and Purposes of the Transaction. The Transaction is part of the reorganization of the business of the Parties, aligned to the strategy of Cemig in rationalizing its stockholding structure, making possible increase in operational efficiency and profitability, with a view to gains of administrative, economic and financial benefits for the Parties in the form described in Clause 3.2 below.
- 3.2 Interest of the Stockholders in the Transaction and Benefits for the Parties. The Transaction will bring considerable benefits to the Parties, of an administrative, economic and financial nature, as follows:
- (i) Rationalization and simplification of the stockholding structure and, consequently, reduction of combined operational costs and expenses.
 - (ii) Better use of the resources/funds of the companies involved, bringing considerable benefits to the companies of an administrative and economic nature, without affecting the good course of the companies' business.

CLAUSE 4

SHARE CAPITAL OF THE PARTIES BEFORE THE TRANSACTION

- 4.1 Composition of the Share Capital of the Absorbed Company before the transaction. The share capital of RME, on today's date, is R\$ 403,039,758.54 (four hundred three million thirty nine thousand seven hundred fifty eight Reais and fifty four centavos), represented by: a) 682,710,704 (six hundred eighty two million seven hundred ten thousand seven hundred four) common shares; and b) 682,710,702 (six hundred eighty two million seven hundred ten thousand seven hundred two) preferred shares, all nominal and without par value, all owned by Cemig, a mixed public-private-stockholding corporation, registered in the CNPJ/MF under N° 17155.730/0001-64, with head office in the city of Belo Horizonte, Minas Gerais State, at Avenida Barbacena 1219, CEP 30190-131, as stated in the nominal share registry book of RME.
- 4.2 Composition of the Share Capital of the Absorbing Company. The share capital of Cemig, on today's date, is R\$ 7,293,763,005.00 (seven billion two hundred ninety three million seven hundred sixty three thousand five Reais) represented by a) 487,614,213 (four hundred eighty seven million six hundred fourteen thousand two hundred thirteen), common shares, each with nominal value of R\$ 5.00; and b) 971,138,380 (nine hundred seventy one million one hundred thirty eight thousand three hundred eighty eight) nominal preferred shares each with nominal value of R\$ 5.00, as stated in the Nominal Share Registry Book of Cemig.

CLAUSE 5

SHARE CAPITAL OF THE PARTIES AFTER THE TRANSACTION

- 5.1 Extinction of the Absorbed Company. As a result of the Transaction, RME will be absorbed by Cemig and extinguished for all purposes of law, such that the shares issued by RME, held in their totality by Cemig, will be cancelled as part of the Transaction.
- 5.2 Composition of the Share Capital of the Absorbing Company. There will be no change in the Share Capital of the Absorbing Company, as informed in CLAUSE 9 below.

CLAUSE 6
MODIFICATION OF EQUITY AND OTHER RIGHTS

- 6.1 Equity and other rights of the shares in the Absorbed Company. There will be no issuance of shares in the Absorbed Company resulting from the Transaction.
- 6.2 Alterations to equity and other rights of the shares in the Absorbing Company. There will be no issuance of shares in the Absorbing Company resulting from the Transaction.

CLAUSE 7
RIGHT TO WITHDRAW AND RECONSIDERATION OF THE TRANSACTION.

- 7.1 Right to Withdraw of the Stockholders of the Absorbed Company. Since Cemig is the sole stockholder of RME, approval of the Absorption at the Extraordinary General Meeting of RME will depend on the vote in favor by its sole stockholder. Thus there will be no dissident stockholder in the decision of the Extraordinary General Meeting of RME, in the terms of Article 137 and Article 230 of the Corporate Law. In relation to the Absorbing Company, there is no provision of law or the by-laws that confers the right to withdraw on any dissenting party.
- 7.2 Reconsideration of the Transaction. Since there will be no exercise of the right to withdraw of stockholders of the Absorbed Company, there will be no possibility of reconsideration of the Transaction due to risk to the financial stability of the Parties, as referred to by Article 137, § 3 of the Corporate Law.

CLAUSE 8
TREATMENT OF SHARES OF ONE COMPANY OWNED BY ANOTHER

- 8.1 Treatment of the shares of the Absorbing Company owned by the Absorbed Company. The totality of the common and preferred shares, nominal without par value, issued by RME will be attributed to Cemig, as sole stockholder of RME, under CLAUSE 9 below.

CLAUSE 9
INCREASE IN THE SHARE CAPITAL OF THE ABSORBING COMPANY

- 9.1 Increase in the share capital of Absorbing Company. The Absorption will not result in alteration in the net equity of the Absorbing Company, since the net equity value of the Absorbed Company is already reflected in its entirety in the Stockholders' equity of the Absorbing Company due to application of the Equity Method of accounting. Consequently there will be no increase in the share capital of the Absorbing Company, nor any issue of new shares.
- 9.2 Sole Stockholder. On the date of the Transaction, Cemig, sole stockholder of RME, will be the legitimate owner of the totality of the shares issued by RME.

CLAUSE 10
EXCHANGE RATIO

10.1 Since this is a case of absorption of a wholly-owned subsidiary company by its parent company, and there are no other stockholders in the Absorbed Company, and since there will be no increase of capital of the Absorbing Company, it will not be necessary to consider parameters of exchange ratio, and there will be no additional information to be made available to the shareholders of the Absorbing Company.

10.1.1 The non-preparation of Opinions valuing the Stockholders' equity of the Absorbed Company and the Absorbing Company at market price, for the purposes of comparison specified by Article 264 of the Corporate Law, will be the subject of consideration by the Extraordinary General Meeting of the Absorbing Company, and the non-adoption of the Valuation Opinion at market value has been duly justified in item 6 of the Valuation Opinion on the Equity of RME.

CLAUSE 11
ASSET AND LIABILITY ELEMENTS OF EQUITY

11.1 Assets and liability elements of equity. The entire assets and liabilities comprising the equity of RME will be passed to Cemig, in their entirety and without any discontinuation in time, based on their book value, ascertained in the balance sheet of the Absorbed Company raised on October 31, 2018.

CLAUSE 12
VALUATION

12.1 Expert Accountants. For preparation of the Valuation at book value of the Absorbed Company, as per Article 8 of Law 6404/1976, and in accordance with the terms of Articles 226 and 227 of that Law, the Parties have appointed ad referendum the stockholders, the expert accountants Flávio de Almeida Araújo, registered with the Minas Gerais State Regional Accounting Council under N° CRC/MG 86.861, Leonardo Felipe Mesquita, Accountant, registered in the Minas Gerais State Regional Accounting Council under N° CRC/MG 85.260 and Leonardo George de Magalhães, registered in the Minas Gerais State Regional Accounting Council under N° CRC/MG 53.140 ('the Expert Accountants').

12.2 Ratification of the contracting and appointment of the Expert Accountants. The choice, contracting and appointment of the Expert Accountants for preparation of the Valuation Opinion on the equity of the Absorbed Party shall be ratified by the Absorbing Party, as sole stockholder of the Absorbed Party.

12.3 Statement by the Expert Accountants. In the terms of the legislation in force, the Expert Accountants warrant that: (i) they are not directly or indirectly owners of any security or derivative referenced to a security issued by the Absorbed Company or the Absorbing Company; (ii) they have no conflict of interests that reduce the independence necessary for

performance of their function; and (iii) they have not been subject to any type of limitation, by the controllers or managers of the Parties, on the realization of the necessary work.

- 12.4 Criteria of Valuation and Base Date. The criterion of valuation adopted was the book value of goods, rights and obligations reflected in the base balance sheet of the Absorbed Party, ascertained in accordance with the fundamental principles of accounting, considering, for the purpose, the balance sheet of the Absorbed Company dated October 30, 2018 ("the Base Date"), and the related accounting, analytical and auxiliary books and records.
- 12.5 Valuation Opinion. The valuation opinion that presents the results of book value valuation of the Absorbed Company, in accordance with Articles 226 and 227 of the Corporate Law, now becomes an integral part of this present Protocol and Justification in the form of Appendix 12.5 ("the Valuation Opinion").
- 12.6 Value attributed. Having been previously informed of their nomination as valuers, ad referendum the stockholders of the Companies, the Expert Accountants determined, based on the balance sheet of October 31, 2018, that the book value of the Absorbed Company is R\$ 439,157,758.42 (four hundred thirty nine million one hundred fifty seven thousand seven hundred fifty eight Reais and forty two centavos). After the adjustments described in Chapter 6 of the Valuation Opinion, there will be elimination of the investment of the Absorbing Company in the Absorbed Company.
- 12.7 Changes in Equity. The balances of the debtor and creditor accounts of RME will be passed to the books of account of Cemig, with the necessary adaptations being made. Considering that the Base Date of the Transaction does not coincide with the date of the corporate events to approve this present instrument, the equity variations of RME that take place between the Base Date and the date of actual realization of the Absorption shall be assumed and supported exclusively by the Absorbing Company, but any tax adjustments taking place in this interval of time shall be assumed by RME, in accordance with the legislation in effect.

CLAUSE 13

EXTINCTION OF THE ABSORBED COMPANY

- 13.1 Extinction of the Absorbed Company. With the Absorption taking place, RME will be extinguished for all purposes of law, without the need for the procedure of liquidation.

CLAUSE 14

SUCCESSION OF THE ABSORBED COMPANY

- 14.1 Succession in Goods, Rights and Obligations. Cemig shall succeed RME, in entirety, and without any interruption of continuity, in all its goods, rights, claims, options, powers, immunities, shares, exceptions, duties, obligations, subjections, and liens or charges, and responsibilities/liabilities in the name of the Absorbed Company shall be absorbed by Cemig.
- 14.2 Registration and amendment of records in relation to Succession. In accordance with Article 234 of the Corporate Law, the certificate of the Absorption issued by the Public Registry of Mercantile Companies shall be the validating document for the registry of alteration of the record, in the competent public and private registries, of the universal succession by Cemig of all the goods, rights, claims, options, powers, immunities, actions, exceptions, duties, obligations, subjections, liens/charges and responsibilities/liabilities that are included in or related to the absorption of RME by Cemig.

CLAUSE 15

CORPORATE ACTS AND CHANGES IN THE BY-LAWS

- 15.1 Extraordinary General Meeting of Stockholders of the Absorbed Company. An Extraordinary General Meeting of Stockholders of RME shall be held to decide and approve, among other matters, the following: (i) the terms and conditions of this Protocol and Justification; (ii) the Transaction, on the terms and conditions of this present Protocol and Justification; and (iii) the authorization for the managers to carry out all the acts necessary for the Transaction to take place.
- 15.2 Extraordinary General Meeting of Stockholders of Absorbing Company. An Extraordinary General Meeting of Stockholders of Cemig shall be held to decide on and approve, among other matters, the following: (i) The terms and conditions of this Protocol and Justification; (ii) the non-preparation of the Valuation Opinion of the equity of RME and Cemig at market prices, for the purposes of Article 264 of the Corporate Law; (iii) ratification of the appointment of the Expert Accountants for preparation of the Valuation Opinion; (iv) the Valuation Opinion; (v) the Transaction, on the terms and conditions of this present Protocol and Justification; (vi) alteration of the by-laws of Cemig to take into account the increase in the share capital arising from the Absorption; and (viii) the authorization for the managers to carry out all the acts necessary for the Transaction to take place.
- 15.3 Alteration of the by-laws of the Absorbed Company. Since the Transaction will be carried out with the extinction of RME, there will be no change in the by-laws of RME.
- 15.4 Alteration of the by-laws of Absorbing Company. Since there will be no increase in the share capital of the Absorbing Company, there will be no change in the by-laws of Cemig.
- 15.5 Branch offices. The Transaction will not result in opening of branch offices of Cemig.

CLAUSE 16

GENERAL PROVISIONS

- 16.1 Execution of Acts. Once the Transaction is approved, the managers of RME and Cemig shall execute all the acts, registries and amendments to registries that are necessary to make the Transaction and the matters stated in this present Protocol and Justification perfectly regular, formal and effective.
- 16.2 Dependent transactions. This Protocol and Justification is entered into in the context of the stockholding reorganization of Cemig and RME, as stated in the preamble of this instrument. The events described in this Protocol and Justification, and the other related matters submitted to the stockholders of the Parties in the General Meetings of Stockholders that decide on this Protocol and Justification and the Absorption are reciprocally dependent legal transactions and it is the intention of the Parties that one such transaction shall not take effect without the other taking effect.
- 16.3 Capacity. Both Parties sign this Protocol and Justification and warrant that: (i) they are aware of the obligations arising from this instrument and of the legislation that governs this instrument; (ii) having consulted lawyers and due to their daily activities in the management of their respective companies, they have full comprehension of all the terms and conditions of this instrument; and (iii) they are not subject to any exceptional economic or financial need, and assume in their entirety the burdens and risks inherent to the Transaction.
- 16.4 Costs and expenses. Each Party shall bear its respective expenses, direct or indirect, arising from entering into this Protocol and Justification and from consummation of the Transaction, including without limitation expenses on publications, legal and financial advisors, registries and alterations to registries as necessary.

- 16.5 Taxes. Each one of the Parties shall punctually pay all the taxes incident as a result of the Transaction and for which they are specified as taxpayer by the tax legislation. Additionally, both Parties authorize each other to retain and pay in the name of and on behalf of the other all the taxes for which the tax legislation determines payment at source, if necessary.
- 16.6 Approvals. This instrument of Protocol and Justification contains the conditions demanded by the Corporate Law for the proposal of absorption of RME by Cemig shall be submitted to consideration and approval by the stockholders of the Parties.
- 16.7 Full Agreement. This instrument of Protocol and Justification constitutes the sole and full agreement between the Parties in relation to the Transaction, which constitutes its object, replacing and prevailing over any other documents signed prior to this date for all purposes.
- 16.8 Clauses to survive. If any clause, provision, terms or condition of this instrument of Protocol and Justification is considered invalid or unenforceable, the other clauses, provisions, terms and conditions not affected shall remain fully valid and in effect.
- 16.9 Waiver; non-exercise. Non-exercise, or delay in exercise, by either of the Parties, of the rights respectively conferred upon them under the terms of this Protocol and Justification shall not be interpreted as waiver in relation to such right. All and any waiver of the rights established in this Protocol and Justification shall only be valid when delivered in writing and signed by the waiving Party.
- 16.10 Amendments. This Protocol and Justification may be altered or amended only in writing, in a private instrument signed by all its signatories.
- 16.11 Assignment. Assignment of any of the rights or obligations agreed in this Protocol and Justification is prohibited without the prior express written consent of each of the Parties.
- 16.12 Appendices. This private instrument of Protocol and Justification contains one appendix, the numbering of which is attributed in accordance with the clause referring to that Appendix, and is an integral and inseparable part of this instrument.
- 16.13 Applicable law. This instrument of Protocol and Justification shall be governed, interpreted and applied in accordance with the legislation in effect in the Brazilian Federal Republic.
- 16.14 Jurisdiction. The Courts of the Legal District of Belo Horizonte, Minas Gerais State are hereby chosen to resolve any disputes arising from this Protocol and Justification, with waiver of any other, however privileged.

BEING THUS AGREED AND CONTRACTED, the Parties sign this present Protocol and Justification in three copies of equal content and form, in the presence of two witnesses identified below.

[Remainder of this page intentionally left blank. Signatures are on the next page.]

[This signature page is an integral part of the Private Instrument of Protocol and Justification of Absorption of RME-- Rio Minas Energia Participações S.A. - RME by Companhia Energética de Minas Gerais – Cemig, to be approved by Extraordinary Meetings of Stockholders of RME and Cemig].

Absorbed company:

RIO MINAS ENERGIA PARTICIPAÇÕES S.A. – RME

Name:

Position:

Name:

Position:

Absorbing Company:

COMPANHIA ENERGÉTICA DE MINAS GERAIS

Name:

Position:

Name:

Position:

Witnesses _____

1. _____

Name:

RG:

CPF/MF:

2. _____

Name:

RG:

CPF/MF:

**Appendix V – Valuation Opinion on
Luce Empreendimentos e Participações S. A. – Lepsa**

OPINION

**VALUATION OF THE EQUITY OF
LUCE EMPREENDIMENTOS E PARTICIPAÇÕES S. A.
FOR THE PURPOSES OF ABSORPTION**

Belo Horizonte, December 4, 2018.

To the Management of
Companhia Energética de Minas Gerais – Cemig
Av. Barbacena 1219 – 22nd Floor
Belo Horizonte, Minas Gerais

In accordance with Paragraphs 1 and 6 of Article 8 of Law 6404/76, the Management of Companhia Energética de Minas Gerais – Cemig ('Cemig') appointed three accounting experts to prepare the Valuation Opinion on the equity of Luce Empreendimentos e Participações S. A. ('Lepsa' or 'the Company'), detailed in the attachment to this document, at book value. This appointment will be ratified in an Extraordinary General Meeting of Stockholders of Cemig.

1. DATA ON THE TECHNICAL PERSONS RESPONSIBLE

The accountants identified below were appointed as expert accountants to prepare the valuation of the Equity of Lepsa, and have prepared this present Valuation Opinion in accordance with accounting practices adopted in Brazil, as defined in Item 7 of Accounting Pronouncement NBC TG 26 – *Presentation of financial statements*:

- Flávio de Almeida Araújo, Accountant, member of the Minas Gerais State Regional Accounting Council, registered under number CRC/MG 86.861;
- Leonardo Felipe Mesquita, Accountant, a member of the CRC/MG, number CRC/MG 85.260;
- Leonardo George de Magalhães, Accountant, CRC/MG number CRC/MG 53.140.

In compliance with the requirements of CVM Instruction 565/2015, as amended, the expert accountant warrants that: (a) they have no direct or indirect interest in the Company or in the operations carried out by it; and (b) they found no limitations imposed by the controlling stockholders or manager such as might hinder or might have compromised access to, use or knowledge of information, goods and assets, documents or work methodologies relevant for issuance of their conclusions.

The accounting inspection was carried out in accordance with NBC T 13, and comprised: (a) planning of the work; (b) application of procedures judged to be necessary in the circumstances; and (c) issuance of the expert opinion, namely the Valuation of the equity to be absorbed.

2. GENERAL INFORMATION ON THE COMPANY BEING VALUED, SUBJECT OF THE ABSORPTION

Luce Empreendimentos e Participações S. A. is a wholly-owned subsidiary of Companhia Energética de Minas Gerais S.A. – Cemig, formed on December 17, 2009, as an unlisted corporation with shares, and its objects are direct or indirect stockholdings in companies operating in the power industry. Lepsa is a direct investor in Light S.A., holding 26,576,149 common shares, comprising 13.03% of the share capital of the investee.

3. OBJECTIVE OF THE VALUATION, AND BASE DATE

The objective of the valuation of the net equity of Lepsa, at book value, on the base date of October 31, 2018, is absorption of its total net assets and liabilities by its parent company Cemig, in accordance with Articles 226 and 227 of Law 6404/76.

4. SCOPE OF THE WORK

To ensure accuracy of the accounting values of the asset and liability elements that comprise the balance sheet of Lepsa on October 30, 2018, we adopted the following procedures:

- Reading of the Financial Statements at December 31, 2017.
- Reading of the Report on the Financial Statements by the Independent Auditor, Ernst & Young Auditores Independentes, issued on May 29, 2018, without qualification in relation to the Balance Sheet at December 31, 2017.
- Analytical review of the movement of balances of assets and liabilities in the period January 1, 2018 to October 31, 2018.

On October 31, 2018 the accounting records of Lepsa were in compliance with the pertinent legal formalities and are written in accordance with accounting practices adopted in Brazil.

The experts used historic information and data audited by third parties, and data supplied by the management of Lepsa, via email. This being so, we assume that the data and information obtained for this Opinion is true.

This Opinion was prepared for use solely and exclusively by Cemig, for the objective mentioned in Item 3.

5. PRESENTATION OF THE BALANCE SHEET

The Balance Sheet at October 31, 2018 was prepared in accordance with accounting practices adopted in Brazil. The experts concluded that the assets and liabilities of Lepsa have been properly accounted for.

6. COMPOSITION OF NET ASSETS AND LIABILITIES

6.1. Accounting Valuation and base date:

The components of net equity of Lepsa at October 31, 2018 are represented, in summary form, by the following account lines:

ASSETS	In Reais (R\$)
Current and non-current assets	444,913,241.75
LIABILITIES	
Current and non-current liabilities	2,969,760.13
PATRIMÔNIO LÍQUIDO TOTAL	441,943,481.62

6.2. Net Equity at Market Price

Although Cemig is a listed company, valuation at market price or any other economic-financial valuation technique, as specified by Article 264 of Law 6404/76, is not justified, since this is a case of absorption of a wholly-owned subsidiary company, and there is no determination of an exchange ratio that could be the object of comparison and/or right to withdraw. Thus, there will be no change in the net equity of Cemig, nor issuance of new shares, for which reason valuation at market price is not applicable.

6.3. Treatment of subsequent variations in the value of equity

Under Article 224, Sub-item III of Law 6404/76, the variations in equity that take place between the base date of this Opinion and the date of Absorption of Lepsa will be appropriated directly by Cemig, and at the time of the actual absorption, the balances of existing account lines in the analytical interim balance sheet of Lepsa will be incorporated, line by line, by Cemig.

7. CONCLUSION

As a result of the procedures and analyses carried out, we conclude that the value of the stockholders' equity of Lepsa on October 31, 2018 is R\$ 441,943,481.62 (four hundred forty one million nine hundred forty three thousand four hundred eighty one Reais and sixty two centavos).

Expert Accountant: Flávio de Almeida Araújo

Expert Accountant: Leonardo Felipe Mesquita

Expert Accountant: Leonardo George de Magalhães

ATTACHMENT I – BALANCE SHEET AT OCTOBER 31, 2018 IN R\$

ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT	8,080,116.60	CURRENT	2,969,760.13
NON-CURRENT	436,833,125.15	STOCKHOLDERS' EQUITY	441,943,481.62
TOTAL ASSETS	444,913,241.75	Total liabilities and equity	444,913,241.75

Appendix VI – Protocol and Justification of Absorption of Lepsa

PRIVATE INSTRUMENT OF PROTOCOL AND JUSTIFICATION OF ABSORPTION OF LUCE EMPREENDIMENTOS E PARTICIPAÇÕES S.A. BY COMPANHIA ENERGÉTICA DE MINAS GERAIS

Entered into between

LUCE EMPREENDIMENTOS E PARTICIPAÇÕES S.A. (LEPSA)
‘the Absorbed Company’

and

COMPANHIA ENERGÉTICA DE MINAS GERAIS
‘the Absorbing Company’

BELO HORIZONTE, DECEMBER, 2018.

**PRIVATE INSTRUMENT OF
PROTOCOL AND JUSTIFICATION OF ABSORPTION OF
LUCE EMPREENDIMENTOS E PARTICIPAÇÕES S.A.
BY
COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG**

By this private instrument and for the full purposes of law,

- (a) **LUCE EMPREENDIMENTOS E PARTICIPAÇÕES S.A.**, a corporation registered in the CNPJ/MF 11429117/0001-01, with head office in the city of Belo Horizonte, Minas Gerais State, at Avenida Barbacena, 1200, 19th Floor, B1, Wing, Suite 4, CEP 30190-924, with its articles of association filed with JUCEMG under NIRE 3130010758-2, herein represented in accordance with its by-laws (and herein referred to simply as ‘Lepsa’ or ‘the Absorbed Company’); and
- (b) **COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG**, formed on May 29, 1952 as a mixed-capital corporation, registered in the CNPJ/MF under number 17155730/0001-64, with head office in the city Belo Horizonte, Minas Gerais State, at Avenida Barbacena, 1219, CEP 30190-131, with its articles of association filed at JUCEMG under NIRE 3130004012.7, herein represented in accordance with its by-laws (‘Cemig’ or ‘the Absorbing Company’),

(referred to when jointly as ‘Parties’ or, individually, ‘Party’).

PREAMBLE

Whereas:

Lepsa is an unlisted company whose objects are: investment in the share capital of other companies, consortia and undertakings operating in the power industry or related activities;

Cemig is a company constituted on May 22, 1952 as a public-private-capital company, of which the objects are: to build, operate and make commercial use of systems for generation, transmission, distribution and sale of electricity, and related services; to operate in the various fields of energy, from whatever source, with a view to economic and commercial operation; to provide consultancy services within its field of operation to companies in and outside Brazil; and to carry out activities directly or indirectly related to its objects, including development and commercial operation of telecommunication and information systems, technological research and development, and innovation;

Cemig owns 689,919,954 (six hundred and eighty nine million nine hundred nineteen thousand nine hundred fifty four) common shares and 689,919,951 (six hundred and eighty nine million nine hundred nineteen thousand nine hundred fifty one) nominal preferred shares without par value, in the Absorbed Company, representing 100% (one hundred per cent) of its share capital;

subject to the terms and conditions herein Cemig intends to absorb Lepsa and Lepsa intends to be absorbed by Cemig;

the managements of the Absorbing Company and the Absorbed Company believe that the absorption of Lepsa by Cemig will be beneficial for the companies involved, because it will permit rationalization and simplification of the stockholding structure, and will result in a reduction of operational costs and expenses of the Company;

The parties now resolve to sign, in accordance with the terms of Articles 224, 225, 226 and 227 of Law 6404 of December 15, 1976 as amended (‘the Corporate Law’), this present Instrument of Protocol and Justification of Absorption of LUCE Empreendimentos e Participações S.A. by Companhia Energética de Minas Gerais, which, subject to the terms and conditions below, will be submitted for consideration to the respective Extraordinary General Meetings of the Absorbing Company and the Absorbed Company (‘the Protocol and Justification’)

CLAUSE 1

INTERPRETATION AND DEFINITIONS

1.1 Interpretation. Herein, unless otherwise required by the context:

- a) The titles and headings shall be merely for reference and shall not limit or affect the meaning attributed to the Clause to which they refer.
- b) The terms ‘inclusive’, ‘including’ and other similar terms shall be interpreted as if they were accompanied by the term ‘for example’.
- c) Whenever required by the context, the definitions contained in this Protocol and Justification shall apply both in the singular and the plural and the masculine shall include the feminine, and vice versa.
- d) References to any document or any other instrument shall include all of their alterations, replacements, consolidations and respective complementary components, unless otherwise expressly stated.
- e) References to provisions of law shall be interpreted as references to the provisions respectively amended, extended, consolidated or reformulated on the date of signature of this Protocol and Justification.

1.2 Definitions: The terms indicated in capitals contained in this Protocol and Justification shall have the meanings attributed to them in this instrument.

CLAUSE 2

OBJECTIVE

2.1 Transaction: The object of this Protocol and Justification is to state the justifications, terms, clauses and conditions of absorption of RME by Cemig, in such a way that Lepsa shall be extinguished and Cemig shall continue to exist and shall be the successor of the Absorbed Company, entirely, in relation to all its assets, rights, claims, options, powers, immunities, actions, exceptions, duties, debts, obligations, subjections, liens or similar charges and responsibilities/liabilities of the Absorbed Company, in accordance with Article 227 of the Corporate Law (‘the Absorption’ or ‘the Transaction’).

2.2 Effects of the Transaction. Through the transaction, since the Absorbing Company is holder of 100% of the share capital of the Absorbed Company, there will be no replacement of shares of the Absorbed Company by shares of the Absorbing Company. With the extinction of the shares in the Absorbed Company, the value of the investment recorded in the assets of the Absorbing Company will be replaced by the equity value of the Stockholders’ Equity of the Absorbed Company, as per the valuation opinion.

CLAUSE 3

JUSTIFICATION, REASONS AND PURPOSES OF THE TRANSACTION AND BENEFITS

3.1 Reasons and Purposes of the Transaction. The Transaction is part of the reorganization of the business of the Parties, aligned to the strategy of Cemig in rationalizing its stockholding structure, making possible increase in operational efficiency and profitability, with a view to gains of administrative, economic and financial benefits for the Parties in the form described in Clause 3.2 below.

3.2 Interest of the Stockholders in the Transaction and Benefits for the Parties. The Transaction will bring considerable benefits to the Parties, of an administrative, economic and financial nature, as follows:

- i. Rationalization and simplification of the stockholding structure and, consequently, reduction of combined operational costs and expenses.
- ii. Better use of the resources/funds of the companies involved, bringing considerable benefits to the companies of an administrative and economic nature, without affecting the good course of the companies' business.

CLAUSE 4

SHARE CAPITAL OF THE PARTIES BEFORE THE TRANSACTION

4.1 Composition of the Share Capital of the Absorbed Company before the transaction. The share capital of Lepsa, on today's date, is R\$ 406,340,976.50 (four hundred six million, three hundred forty thousand nine hundred seventy six Reais and fifty centavos), represented by: (a) 689,919,954 (six hundred eighty nine million nine hundred nineteen thousand nine hundred fifty four) common shares; and (b) 689,919,951 (six hundred eighty nine million nine hundred nineteen thousand nine hundred fifty one) preferred shares, all nominal and without par value, all owned by Cemig, a mixed-investment corporation with shares registered in the CNPJ/MF under number 17155730/0001-64, with head office in the city of Belo Horizonte, Minas Gerais State, at Avenida Barbacena, 1219, CEP 30190-131, as recorded in the Nominal Share Registry Book of Lepsa.

4.2 Composition of the Share Capital of the Absorbing Company. The share capital of Cemig, on today's date, is R\$ 7,293,763,005.00 (seven billion two hundred ninety three million seven hundred sixty three thousand five Reais) represented by a) 487,614,213 (four hundred eighty seven million six hundred fourteen thousand two hundred thirteen), common shares, each with nominal value of R\$ 5.00; and b) 971,138,380 (nine hundred seventy one million one hundred thirty eight thousand three hundred eighty eight) nominal preferred shares each with nominal value of R\$ 5.00, as stated in the Nominal Share Registry Book of Cemig.

CLAUSE 5

SHARE CAPITAL OF THE PARTIES AFTER THE TRANSACTION

5.1 Extinction of the Absorbed Company. As a result of the Transaction, Lepsa will be absorbed by Cemig and extinguished for all purposes of law, such that the shares issued by Lepsa, held in their totality by Cemig, will be cancelled as part of the Transaction.

5.2 Composition of the Share Capital of the Absorbing Company. There will be no change in the Share Capital of the Absorbing Company, as informed in CLAUSE 9 below.

CLAUSE 6

MODIFICATION OF EQUITY AND OTHER RIGHTS

- 6.1 Equity and other rights of the shares in the Absorbed Company. There will be no issuance of shares in the Absorbed Company resulting from the Transaction.
- 6.2 Alterations to equity and other rights of the shares in the Absorbing Company. There will be no issuance of shares in the Absorbing Company resulting from the Transaction.

CLAUSE 7

RIGHT TO WITHDRAW AND RECONSIDERATION OF THE TRANSACTION.

- 7.1 Right to Withdraw of the Stockholders of the Absorbed Company. Since Cemig is the sole stockholder of Lepsa, approval of the Absorption at the Extraordinary General Meeting of Lepsa will depend on the vote in favor by its sole stockholder. Thus there will be no dissident stockholder in the decision of the Extraordinary General Meeting of Lepsa, in the terms of Article 137 and Article 230 of the Corporate Law. In relation to the Absorbing Company, there is no provision of law or the by-laws that confers the right to withdraw on any dissenting party.
- 7.2 Reconsideration of the Transaction. Since there will be no exercise of the right to withdraw of stockholders of the Absorbed Company, there will be no possibility of reconsideration of the Transaction due to risk to the financial stability of the Parties, as referred to by Article 137, § 3 of the Corporate Law.

CLAUSE 8

TREATMENT OF SHARES OF ONE COMPANY OWNED BY ANOTHER

- 8.1 Treatment of the shares of the Absorbing Company owned by the Absorbed Company. The totality of the common and preferred shares, nominal without par value, issued by RME will be attributed to Cemig, as sole stockholder of RME, under CLAUSE 9 below.

CLAUSE 9

INCREASE IN THE SHARE CAPITAL OF THE ABSORBING COMPANY

- 9.1 Increase in the share capital of Absorbing Company. The Absorption will not result in alteration in the net equity of the Absorbing Company, since the net equity value of the Absorbed Company is already reflected in its entirety in the Stockholders' equity of the Absorbing Company due to application of the Equity Method of accounting. Consequently there will be no increase in the share capital of the Absorbing Company, nor any issue of new shares.
- 9.2 Sole Stockholder. On the date of the Transaction, Cemig, sole stockholder of Lepsa, will be the legitimate owner of the totality of the shares issued by Lepsa.

CLAUSE 10 EXCHANGE RATIO

10.1 Since this is a case of absorption of a wholly-owned subsidiary company by its parent company, and there are no other stockholders in the Absorbed Company, and since there will be no increase of capital of the Absorbing Company, it will not be necessary to consider parameters of exchange ratio, and there will be no additional information to be made available to the shareholders of the Absorbing Company.

10.1.1 The non-preparation of Opinions valuing the Stockholders' equity of the Absorbed Company and the Absorbing Company at market price, for the purposes of comparison specified by Article 264 of the Corporate Law, will be the subject of consideration by the Extraordinary General Meeting of the Absorbing Company, and the non-adoption of the Valuation Opinion at market value has been duly justified in item 6 of the Valuation Opinion on the Equity of Lepsa.

CLAUSE 11 ASSET AND LIABILITY ELEMENTS OF EQUITY

11.1 Assets and liability elements of equity. The entire assets and liabilities comprising the equity of Lepsa will be passed to Cemig, in their entirety and without any discontinuation in time, based on their book value, ascertained in the balance sheet of the Absorbed Company raised on October 31, 2018.

CLAUSE 12 VALUATION OF EQUITY

12.1 Expert Accountants. For preparation of the Valuation at book value of the Absorbed Company, as per Article 8 of Law 6404/1976, and in accordance with the terms of Articles 226 and 227 of that Law, the Parties have appointed *ad referendum* the stockholders, the expert accountants Flávio de Almeida Araújo, registered with the Minas Gerais State Regional Accounting Council under N° CRC/MG 86.861, Leonardo Felipe Mesquita, Accountant, registered in the Minas Gerais State Regional Accounting Council under N° CRC/MG 85.260 and Leonardo George de Magalhães, registered in the Minas Gerais State Regional Accounting Council under N° CRC/MG 53.140 ('the Expert Accountants').

12.2 Ratification of the contracting and appointment of the Expert Accountants. The choice, contracting and appointment of the Expert Accountants for preparation of the Valuation Opinion on the equity of the Absorbed Party shall be ratified by the Absorbing Party, as sole stockholder of the Absorbed Party.

12.3 Statement by the Expert Accountants. In the terms of the legislation in force, the Expert Accountants warrant that: (i) they are not directly or indirectly owners of any security or derivative referenced to a security issued by the Absorbed Company or the Absorbing Company; (ii) they have no conflict of interests that reduce the independence necessary for performance of their function; and (iii) they have not been subject to any type of limitation, by the controllers or managers of the Parties, on the realization of the necessary work.

12.4 Criteria of Valuation and Base Date. The criterion of valuation adopted was the book value of goods, rights and obligations reflected in the base balance sheet of the Absorbed Party, ascertained in accordance with the fundamental principles of accounting, considering, for the purpose, the balance sheet of the Absorbed Company dated October 30, 2018 (‘the Base Date’), and the related accounting, analytical and auxiliary books and records.

12.5 Valuation Opinion. The valuation opinion that presents the results of book value valuation of the Absorbed Company, in accordance with Articles 226 and 227 of the Corporate Law, now becomes an integral part of this present Protocol and Justification in the form of Appendix 12.5 (‘the Valuation Opinion’).

12.6 Value attributed. Having been previously informed of their nomination as valuers, *ad referendum* the stockholders of the Companies, the Expert Accountants determined, based on the balance sheet of October 31, 2018, that the book value of the Absorbed Company is R\$441,943,481.62 (four hundred forty one million nine hundred forty three thousand, four hundred eighty one Reais sixty two centavos). After the adjustments described in Chapter 6 of the Valuation Opinion, there will be elimination of the investment of the Absorbing Company in the Absorbed Company.

12.7 Changes in Equity. The balances of the debtor and creditor accounts of Lepsa will be passed to the books of account of Cemig, with the necessary adaptations being made. Considering that the Base Date of the Transaction does not coincide with the date of the corporate events to approve this present instrument, variations in the equity of Lepsa that take place between the Base Date and the date of actual realization of the Absorption shall be assumed and supported exclusively by the Absorbing Company, but any tax adjustments taking place in this interval of time shall be assumed by RME, in accordance with the legislation in effect.

CLAUSE 13

EXTINCTION OF THE ABSORBED COMPANY

13.1 Extinction of the Absorbed Company. With the Absorption taking place, Lepsa will be extinguished for all purposes of law, without the need for the procedure of liquidation.

CLAUSE 14

SUCCESSION OF THE ABSORBED COMPANY

14.1 Succession in Goods, Rights and Obligations. Cemig shall succeed Lepsa, in entirety, and without any interruption of continuity, in all its goods, rights, claims, options, powers, immunities, shares, exceptions, duties, obligations, subjections, and liens or charges, and responsibilities/liabilities in the name of the Absorbed Company shall be absorbed by Cemig.

14.2 Registration and amendment of records in relation to Succession. In accordance with Article 234 of the Corporate Law, the certificate of the Absorption issued by the Public Registry of Mercantile Companies shall be the validating document for the registry of alteration of the record, in the competent public and private registries, of the universal succession by Cemig of all the goods, rights, claims, options, powers, immunities, actions, exceptions, duties, obligations, subjections, liens/charges and responsibilities/liabilities that are included in or related to the absorption of Lepsa by Cemig.

CLAUSE 15

CORPORATE ACTS AND CHANGES IN THE BY-LAWS

15.1 Extraordinary General Meeting of Stockholders of the Absorbed Company. An Extraordinary General Meeting of Stockholders of Lepsa shall be held to decide and approve, among other matters, the following: (i) the terms and conditions of this Protocol and Justification; (ii) the Transaction, on the terms and conditions of this present Protocol and Justification; and (iii) the authorization for the managers to carry out all the acts necessary for the Transaction to take place.

15.2 Extraordinary General Meeting of Stockholders of Absorbing Company. An Extraordinary General Meeting of Stockholders of Cemig shall be held to decide on and approve, among other matters, the following: (i) The terms and conditions of this Protocol and Justification; (ii) the non-preparation of the Valuation Opinion of the equity of Lepsa and Cemig at market prices, for the purposes of Article 264 of the Corporate Law; (iii) ratification of the appointment of the Expert Accountants for preparation of the Valuation Opinion; (iv) the Valuation Opinion; (v) the Transaction, on the terms and conditions of this present Protocol and Justification; (vi) alteration of the by-laws of Cemig to take into account the increase in the share capital arising from the Absorption; and (viii) the authorization for the managers to carry out all the acts necessary for the Transaction to take place.

15.3 Alteration of the by-laws of the Absorbed Company. Since the Transaction will be carried out with the extinction of Lepsa, there will be no change in the by-laws of Lepsa.

15.4 Alteration of the by-laws of Absorbing Company. Since there will be no increase in the share capital of the Absorbing Company, there will be no change in the by-laws of Cemig.

15.5 Branch offices. The Transaction will not result in opening of branch offices of Cemig.

CLAUSE 16

GENERAL PROVISIONS

16.1 Execution of Acts. Once the Transaction is approved, the managers of Lepsa and Cemig shall execute all the acts, registries and amendments to registries that are necessary to make the Transaction and the matters stated in this present Protocol and Justification perfectly regular, formal and effective.

16.2 Dependent transactions. This Protocol and Justification is entered into in the context of the stockholding reorganization of Cemig and Lepsa, as stated in the preamble of this instrument. The events described in this Protocol and Justification, and the other related matters submitted to the stockholders of the Parties in the General Meetings of Stockholders that decide on this Protocol and Justification and the Absorption are reciprocally dependent legal transactions and it is the intention of the Parties that one such transaction shall not take effect without the other taking effect.

16.3 Capacity. Both Parties sign this Protocol and Justification and warrant that: (i) they are aware of the obligations arising from this instrument and of the legislation that governs this instrument; (ii) having consulted lawyers and due to their daily activities in the management of their respective companies, they have full comprehension of all the terms and conditions of this instrument; and (iii) they are not subject to any exceptional economic or financial need, and assume in their entirety the burdens and risks inherent to the Transaction.

16.5 Costs and expenses. Each Party shall bear its respective expenses, direct or indirect, arising from entering into this Protocol and Justification and from consummation of the Transaction, including without limitation expenses on publications, legal and financial advisors, registries and alterations to registries as necessary.

16.6 Taxes. Each one of the Parties shall punctually pay all the taxes incident as a result of the Transaction and for which they are specified as taxpayer by the tax legislation. Additionally, both Parties authorize each other to retain and pay in the name of and on behalf of the other all the taxes for which the tax legislation determines payment at source, if necessary.

16.7 Approvals. This instrument of Protocol and Justification contains the conditions demanded by the Corporate Law for the proposal of absorption of Lepsa by Cemig shall be submitted to consideration and approval by the stockholders of the Parties.

16.8 Full Agreement. This instrument of Protocol and Justification constitutes the sole and full agreement between the Parties in relation to the Transaction, which constitutes its object, replacing and prevailing over any other documents signed prior to this date for all purposes.

16.9 Clauses to survive. If any clause, provision, terms or condition of this instrument of Protocol and Justification is considered invalid or unenforceable, the other clauses, provisions, terms and conditions not affected shall remain fully valid and in effect.

16.10 Waiver; non-exercise. Non-exercise, or delay in exercise, by either of the Parties, of the rights respectively conferred upon them under the terms of this Protocol and Justification shall not be interpreted as waiver in relation to such right. All and any waiver of the rights established in this Protocol and Justification shall only be valid when delivered in writing and signed by the waiving Party.

16.11 Amendments. This Protocol and Justification may be altered or amended only in writing, in a private instrument signed by all its signatories.

16.12 Assignment. Assignment of any of the rights or obligations agreed in this Protocol and Justification is prohibited without the prior express written consent of each of the Parties.

16.13 Appendices. This private instrument of Protocol and Justification contains one appendix, the numbering of which is attributed in accordance with the clause referring to that Appendix, and is an integral and inseparable part of this instrument.

16.14 Applicable law. This instrument of Protocol and Justification shall be governed, interpreted and applied in accordance with the legislation in effect in the Brazilian Federal Republic.

16.15 Jurisdiction. The Courts of the Legal District of Belo Horizonte, Minas Gerais State are hereby chosen to resolve any disputes arising from this Protocol and Justification, with waiver of any other, however privileged.

BEING THUS AGREED AND CONTRACTED, the Parties sign this present Protocol and Justification in three copies of equal content and form, in the presence of two witnesses identified below.

[Remainder of this page intentionally left blank. Signatures are on the next page.]

[This signature page is an integral part of the Private Instrument of Protocol and Justification of Absorption of LUCE Empreendimentos e Participações S.A. - Lepsa by Companhia Energética de Minas Gerais – Cemig, to be approved by Extraordinary Meetings of Stockholders of Lepsa and Cemig].

Absorbed company:

LUCE EMPREENDIMENTOS E PARTICIPAÇÕES S.A.

Name:

Position:

Name:

Position:

Absorbing Company:

COMPANHIA ENERGÉTICA DE MINAS GERAIS

Name:

Position:

Name:

Position:

Witnesses _____

1. _____

Name:

RG:

CPF/MF:

2. _____

Name:

RG:

CPF/MF:

Appendix VII – Opinion of the Audit Board – Proposal by the Board of Directors – Valuation of RME

OPINION OF THE AUDIT BOARD

The undersigned members of the Audit Board of Companhia Energética de Minas Gerais – Cemig, in the exercise of their functions under the law and the by-laws, have examined the Proposal by the Board of Directors to the Extraordinary General Meeting to be called, in relation to: (a) ratification, in accordance with Article 8 of Law 6404/1976, of the appointment of 3 (three) accounting experts, namely: Flávio de Almeida Araújo, CRC/MG 86.861; Leonardo Felipe Mesquita, CRC/MG 85260; and Leonardo George de Magalhães, CRC/MG 53.140, for valuation, in the terms of and for the purposes of Article 8 of Law 6404/1976, of the Equity of RME – Rio Minas Energia Participações S.A. – RME; (b) approval of the Valuation Opinion on the Equity of RME, carried out in accordance with Law 6404/1976; (c) approval, and authorization of signature with RME, of the Protocol of Absorption and Justification, to specify the terms and condition that will govern the absorption of RME by Cemig, in accordance with Articles 224 and 225 of Law 6404/1976; and (d) authorization for absorption of RME by Cemig and, subsequently, the consequent extinction of the absorbed company. 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, December 14, 2018.

José Afonso Bicalho B. da Silva

Camila Nunes da C. P. Paulino

Cláudio Morais Machado

Marco Antônio de Rezende Teixeira

Michele da Silva Gonsales

Appendix VII – Opinion of the Audit Board – Proposal by the Board of Directors – Valuation of Lepsa

OPINION OF THE AUDIT BOARD

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Belo Horizonte, December 14, 2018.

José Afonso Bicalho B. da Silva

Camila Nunes da C. P. Paulino

Cláudio Morais Machado

Marco Antônio de Rezende Teixeira

Michele da Silva Gonsales

Appendix IX

Election of the Board of Directors:

Information on the candidates nominated by the controlling stockholder

(CVM Instruction 481/09, Article 10 – (Items 12.5 to 12.10 of the Reference Form))

Antônio Rodrigues dos Santos e Junqueira	Sitting Member
Cláudio Araújo Pinho	Sitting Member
José Reinaldo Magalhães	Sitting Member
Márcio Luiz Simões Utsch	Sitting Member
Romeu Donizete Rufino	Sitting Member

a. Name	Antônio Rodrigues dos Santos e Junqueira	Cláudio Araújo Pinho	José Reinaldo Magalhães
b. Date of birth	July 26, 1983.	August 24, 1968.	January 6, 1956.
c. Profession	Company manager	Lawyer	Economist
d. CPF or passport	093.966.667-77	912.744.867-34	227.177.906-59
e. Elected position occupied:	Sitting Member, Board of Directors	Sitting Member, Board of Directors	Sitting Member, Board of Directors
f. Date of election	March 25, 2019.	March 25, 2019.	March 25, 2019.
g. Date sworn in	March 25, 2019.	March 25, 2019.	March 25, 2019.
h. Period of office	Until AGM of 2020.	Until AGM of 2020.	Until AGM of 2020.
i. Other positions / functions held in the Issuer	Does not exercise any other positions in the Issuer.	Does not exercise any other positions in the Issuer.	Does not exercise any other positions in the Issuer.
j. Whether elected by controlling stockholder or not	Yes.	Yes.	Yes.
k. Independent member / criterion	Information not given.	Information not given.	Information not given.
l. Number of consecutive periods of office	0	0	0
m. Information on:			

	Antônio Rodrigues dos Santos e Junqueira	Cláudio Araújo Pinho	José Reinaldo Magalhães
i. Main professional experience in the last 5 years:	<p>VINLAND CAPITAL – Founding Partner, and responsible for Analysis of Companies and Shares – since May 2018.</p> <p>BANCO BTG PACTUAL – Executive Director and Partner responsible for Electricity and Water Services Sectors, Sell Side – January 2007 to April 2018.</p> <p>UBS INVESTMENT BANK – Companies and Equities Research Department, January 2005 – December 2006.</p>	<p>Deputy Chair of the Constitutional Law Committee of the Brazilian Bar Association (OAB), 2016 to date.</p> <p>Member of the <i>Instituto Iberoamericano de Derecho Constitucional</i>, 2001–date.</p> <p>Member of the Editorial Board of the Magazine of the Brazilian Infrastructure Institute, 2012–date.</p> <p>Member of the <i>Instituto Brasileiro de Petróleo</i> (IBP) 2010–date.</p> <p>Vice-Chair of the Oil and Natural Gas Exploration & Production Committee of the American Bar Association (USA), 2000–2001.</p> <p>Second Secretary of the Brazilian Bar Association (OAB), 2004–6.</p> <p>Member of the Committee in Defense of the Republic of OAB, Minas Gerais Chapter, 2005.</p> <p>Constitutional Law Standing Committee of the Brazilian Bar Association (OAB): Chair, 2006–2009; Member, 2000-2004, 2010-11.</p> <p>Member of the Constitutional Studies Commission of the Federal Council of the Brazilian Bar Association (OAB), 2002-2009.</p> <p>Council Member of the Interamerican Lawyers’ Federation, 2009–2018.</p> <p>Vice-Chair of the Constitutional Law Committee of the Interamerican Lawyers’ Federation, 2009-2011.</p> <p>Member of the Editorial Board of the Electronic Magazine of the Brazilian Bar Association (OAB), 2010-2011.</p> <p>Member of the Oil, Gas and Biofuels Committee of the Brazilian Bar Association (OAB), 2010–11.</p> <p>Chair of the Oil, Gas, Energy and Infrastructure Committee of the Brazilian Bar Association (OAB), 2016–17.</p>	<p>BR-Investimentos / Bozano Investimentos: <i>Dec. 2009 – Sep. 2015:</i> BR-Investimentos and Bozano Investimentos Fund Managers – managers of FIPs in the Private Equity segment. Member of the Team responsible for the Funds’ investment and divestment decisions.</p> <p>PREVI (Banco do Brasil pension fund). <i>Jan. 2006 to 2008:</i> PREVI – Investments Directorate – Institutional Invest Director of Investments.</p> <p>Banco do Brasil: <i>July 2004 – Dec. 2005:</i> New York Branch: Assistant Manager. <i>Dec. 2002 – Jun. 2004:</i> Representative Office – Chicago, IL – Assistant Manager.</p> <p>PREVI: <i>May 1998 – Nov. 2002:</i> Executive Manager, Department for Planning and Risk Management.</p> <p>Banco do Brasil: <i>Aug. 1995 – Apr. 1998:</i> International Directorate/Financial Institutions Division – Division Manager. <i>May 1994 – Jul. 1995 –</i> Training Program for Managers outside Brazil – São Paulo, Austin, TX (USA) and London (UK) – Trainee. <i>Jan. 1990 – Apr. 1994:</i> Diban/Detec Technical Department, Brasília: Analyst, in BB-B1, Banco de Investimentos, and Technical Adviser, in Detec. <i>Dec. 1983 – Dec. 1989 –</i> State Supervision Office of Minas Gerais – Belo Horizonte (MG) – Technical Adviser.</p>

	Junqueira	Pinho	Magalhães
ii. State all the administrative positions that the candidate occupies in other companies or organizations of the third sector	No	No	No
n. Description of any of the following events that have taken place in the last 5 years:			
i. any criminal conviction	No	No	No
ii. any guilty judgment in an administrative proceeding of the CVM, and penalties applied	No	No	No
iii. Any court or administrative judgment against which there is no further appeal which has suspended or disqualified the person from carrying out any professional or commercial activity.	No	No	No
12.6. For each of the people who acted as a member of the Board of Directors or the Audit Board in the last business year, state, in the form of a table, the percentage of participation in meetings held by each body in the period, subsequent to being sworn into the position.	0	0	0
12.7. Please supply the information mentioned in item 12.5 in relation to the members of the committees formed under the by-laws, and also of the audit committee, the risk committee, the finance committee and the remuneration committee, even if such committees or structures are not created by the Bylaws	Not applicable.	Not applicable.	Not applicable.
12.8. For each of the people who acted as a member of the committees established under the by-laws, and the audit, risk, financial and remuneration committees, even if such committees are not required to exist under the bylaws, state the percentage of participation in meetings held by each body in the period, subsequent to being sworn into the position.	0	0	0
12.9. Information on the existence of conjugal relationship, stable union or family relationship up to the second level of proximity, between:			
a) managers of the Issuer	No	No	No
b) (i) managers of the Issuer and (ii) managers of direct or indirect subsidiaries of the Issuer	No	No	No
c) (i) managers of the Issuer or of its direct or indirect subsidiaries and (ii) direct or indirect controlling stockholders of the Issuer	No	No	No
d) (i) managers of the Issuer and (ii) managers of companies that direct or indirect controlling stockholders of the Issuer	No	No	No
12.10. Information on relationships of subordination, provision of service or control existing in the last three business years between managers Issuer and			
a) Direct or indirect subsidiary of the Issuer, except where the Issuer directly or indirectly holds 100% of the share capital	No	No	No
b) Direct or indirect controlling stockholder of the Issuer	No	No	No
c) If material, any supplier, client, debtor or creditor of the Issuer; or of any of its subsidiaries; or of any parent company or subsidiary of any of these	No	No	No