

COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

CNPJ 17.155.730/0001-64 – NIRE 31300040127

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS HELD ON DECEMBER 29, 2015

At 11 a.m. on the twenty ninth day of December of the year two thousand and fifteen, stockholders representing more than two-thirds of the voting stock of **Companhia Energética de Minas Gerais – Cemig** met in Extraordinary General Meeting, on first convocation, at the Company's head office, Av. Barbacena 1200, 21st Floor, Santo Agostinho, Belo Horizonte, Minas Gerais, Brazil, as verified in the Stockholders' Attendance Book, where all placed their signatures and made the required statements.

The stockholder The State of Minas Gerais was represented by the Acting Advocate General of the State of Minas Gerais, Mr. Sérgio Pessoa de Paula Castro, in accordance with the current legislation.

Initially, **Ms. Anamaria Pugedo Frade Barros**, General Manager of Cemig's Corporate Executive Office, stated that there was a quorum for an Extraordinary General Meeting of Stockholders; and that the stockholders present should choose the Chair of this Meeting, in accordance with Clause 10 of the Company's by-laws.

Asking for the floor, the representative of the Stockholder **The State of Minas Gerais** put forward the name of the stockholder Alexandre de Queiroz Rodrigues to chair the Meeting.

The proposal of the representative of the stockholder **The State of Minas Gerais** was put to debate, and to the vote, and approved unanimously.

The Chair then declared the Meeting open, and invited me, Anamaria Pugedo Frade Barros, a stockholder, to be Secretary of the meeting, asking me to read the convocation notice, published on November 27 and 28 and December 1 of this year, in the newspapers *Minas Gerais*, official publication of the Powers of the State, on pages 26, 95 and 29, respectively; and in *O Tempo*, on December 27, 28 and 29 of this year, respectively on pages 16, 18 and 22, the content of which is as follows:

“ COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS

DECEMBER 29, 2015

CONVOCATION

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on December 29, 2015 at 11 a.m., at the company's head office, Av. Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil, to decide on:

- **Authorization for the limit ratios specified in sub-items ‘a’, ‘b’ and ‘d’ of Paragraph 7 of Clause 11 of the by-laws to be exceeded in 2015.**

Any stockholder who wishes to be represented by proxy at the said General Meeting of Stockholders should obey the precepts of Article 126 of Law 6406 of 1976, as amended, and of the sole Paragraph of Clause 9 of the Company's by-laws, by exhibiting at the time, or depositing, preferably by December 23, 2015, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with specific powers, at Cemig's Corporate Executive Secretariat Office (*Superintendência da Secretaria Geral e Executiva Empresarial*) at Av. Barbacena, 1200 – 19th Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, November 24, 2015

José Afonso Bicalho Beltrão da Silva

Chair of the Board of Directors ”

The Chair then asked the Secretary to read the Proposal by the Board of Directors, which deals with the agenda. The content of that document is as follows.

“ PROPOSAL

BY THE BOARD OF DIRECTORS

TO THE

EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS

TO BE HELD ON

FEBRUARY 27, 2015

Dear Stockholders:

The Board of Directors of Companhia Energética de Minas Gerais (Cemig)

– *Whereas:*

a) In its management of the Company and in the exercise of the right to vote in wholly-owned and other subsidiaries, affiliated companies and consortia, the Board of Directors and the Executive Board are required at all times faithfully to comply with certain targets stated in Clause 11, Paragraph 7, of the Company's by-laws, including the following:

- to keep the Company's consolidated indebtedness less than or equal to 2 (two) times the Company's Ebitda (profit before interest, taxes, depreciation and amortization); and
- to keep the consolidated ratio of (Net debt) / (Net debt + Stockholders' equity) to a maximum of 40% (forty per cent); and
- to limit the consolidated amount of funds allocated to capital investment and acquisition of any assets in each business year to the equivalent of 40% (forty per cent) of Ebitda (profit before interest, taxes, depreciation and amortization);

b) under Clause 11, Paragraph 9, of the by-laws the said targets for indicators may be exceeded for reasons related to temporarily prevailing conditions, upon prior justification by grounds and specific approval by the Board of Directors, up to the following limits:

- Consolidated indebtedness: less than or equal to 2.5 times Ebitda (profit before interest, taxes, depreciation and amortization); and
- Consolidated (Net debt) / (Net debt + Stockholders' equity): maximum of 50%;

c) above these limits, including the case of limitation of Consolidated funds allocated to capital investment and acquisition of any assets to 40% of Ebitda (profit before interest, taxes, depreciation and amortization), the targets may be exceeded upon prior justification with grounds and specific approval by the stockholders in a General Meeting of Stockholders;

- d) Cemig's wholly-owned subsidiary **Cemig Geração e Transmissão S.A.** ('**Cemig GT**') has won the concessions for Lot D of Aneel Auction 12/2015, on November 25, 2015; and
- under Law 12783 of January 11, 2013, as amended by Provisional Measure 688 of August 18, 2015, the first tranche of the Concession Grant Fee (*Bonificação pela Outorga* – BO) is payable on December 30, 2015;
- e) to make the payment of the first tranche of the Concession Grant Fee, Cemig GT intends to access the Brazilian capital market by an issue of promissory Notes in the amount of up to R\$ 1,500,000,000.00 (one billion five hundred million Reais);
- f) the investment in the Grant and the issue of the debt securities, combined with the changes which have taken place, and those expected to take place by the end of the year, in the ratios referred to in the by-laws of Cemig, will result in the indicators being higher than those approved by the Board of Directors, as follows:

Cemig holding company – Ratios – IFRS	
	2015
Net debt / Ebitda	2.63
Net debt / (Stockholders' equity + net debt)	0.51
Capex / Ebitda	0.62
	R\$ million
Gross debt	15,304
Cash	1,318
Net debt	13,986
Ebitda	5,310
Capex	3,314
Stockholders' equity	13,331

The Board of Directors of Companhia Energética de Minas Gerais – Cemig thus now proposes to you as follows:

Authorization for the following limit ratios, in 2015:

- the Company's consolidated indebtedness, as referred to in Subclause 'a' of Paragraph 7 of Clause 11 of the Company's by-laws to be limited to 2.6 (two point six) times the Company's Ebitda (profit before interest, taxes, depreciation and amortization);
- the ratio referred to in Subclause 'b' of Paragraph 7 of Clause 11 of the by-laws, namely the consolidated ratio of (Net debt) / (Net debt + Stockholders' equity), to be limited to 51%; and
- the quantity referred to in Subclause 'd' of Paragraph 7 of Clause 11 of the by-laws, namely the consolidated amount of funds allocated to capital investment and acquisition of any assets in the business year, to be limited to 62% of the Company's Ebitda (profit before interest, taxes, depreciation and amortization).

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

Belo Horizonte, November 24, 2015.

José Afonso Bicalho Beltrão da Silva
 Mauro Borges Lemos
 Allan Kardec de Melo Ferreira
 Arcângelo Eustáquio Torres Queiroz
 Guy Maria Villela Paschoal
 Helvécio Miranda Magalhães Junior
 José Henrique Maia
 José Pais Rangel ”

Nelson José Hubner Moreira
 Paulo Roberto Reckziegel Guedes
 Saulo Alves Pereira Junior
 Antônio Dirceu Araújo Xavier
 Bruno Magalhães Menicucci
 Ricardo Wagner Righi de Toledo
 Tarcísio Augusto Carneiro

The above proposal was put to debate, and subsequently to a vote, and was approved by a majority. There being no further business, the Chair opened the meeting to the floor, and since no-one wished to speak, ordered the meeting suspended for the time necessary for the writing of the minutes.

The session being reopened, the Chair, after putting the said minutes to debate and to the vote and verifying that they had been approved and signed, closed the meeting.

For the record, I, Anamaria Pugedo Frade Barros, Secretary, wrote these minutes and sign them together with all those present.