

ENERGY CO OF MINAS GERAIS  
Form 6-K  
June 02, 2016

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

**FORM 6-K**

**Report of foreign private issuer pursuant to rule 13a-16 or 15d-16 of the securities exchange act of 1934**

**For the month of June 2016**

**Commission File Number 1-15224**

**ENERGY COMPANY OF MINAS GERAIS**

**(Translation of Registrant's Name Into English)**

**Avenida Barbacena, 1200**

**30190-131 Belo Horizonte, Minas Gerais, Brazil**

**(Address of Principal Executive Offices)**

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F       Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper

as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper

as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes       No

If  Yes  is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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### **FORWARD-LOOKING STATEMENTS**

This report contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. Actual results could differ materially from those predicted in such forward-looking statements. Factors which may cause actual results to differ materially from those discussed herein include those risk factors set forth in our most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. CEMIG undertakes no obligation to revise these forward-looking statements to reflect events or circumstances after the date hereof, and claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**COMPANHIA ENERGÉTICA DE MINAS GERAIS  
CEMIG**

Date: June 2, 2016

By: /s/ Fabiano Maia Pereira

Name: Fabiano Maia Pereira

Title: Chief Officer for Finance and Investor Relations

**1. SUMMARY OF PRINCIPAL DECISIONS OF THE 658TH MEETING OF THE BOARD OF DIRECTORS  
HELD ON APRIL 12, 2016**

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**  
**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**

**BOARD OF DIRECTORS**

**Meeting of April 12, 2016**

**SUMMARY OF PRINCIPAL DECISIONS**

At its 658<sup>th</sup> meeting, held on April 12, 2016, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) decided the following:

1. Grant of annual paid leave to the Chief Executive Officer.
2. Signature with Ticket Serviços S.A. of amendment to a contract for services of management, implementation, administration and supply of electronic food and meal/snack vouchers.
3. Increase in the share capital of Redentor, and orientation of vote in an Extraordinary General Meeting of Stockholders of Parati.
4. The PDVP Programmed Voluntary Retirement Plan for 2016.
5. Orientation of vote in Extraordinary General Meeting of Stockholders of Taesa / Participation of Taesa in an auction /Constitution of a company.

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**This text is a translation, provided for information only. The original text in Portuguese is the legally valid version.**

**2. MATERIAL ANNOUNCEMENT DATED APRIL 12, 2016: REDEMPTION AND CANCELLATION OF SHARES OF REDENTOR ENERGIA S.A.**

3

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

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

**MATERIAL ANNOUNCEMENT**

**Redemption and cancellation of shares of Redentor Energia S.A.**

In accordance with CVM Instruction 358 of January 3, 2002, as amended, **Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, **hereby informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general, **as follows**:

Yesterday (April 11, 2016), Redentor Energia S.A. ( **Redentor** ) filed the following Material Announcement:

**REDENTOR ENERGIA S.A.**

**UNLISTED CORPORATION**

**CNPJ 12.126.500/0001-53 NIRE 31.3.0010645-4**

**MATERIAL ANNOUNCEMENT**

*In compliance with CVM Instruction 361/2002 **Redentor Energia S.A.** ( **Redentor** or the Company ), an unlisted corporation, hereby **informs the public** as follows:*

In an Extraordinary General Meeting of Stockholders held on April 11, 2016, Redentor approved redemption and cancellation of the 229,962 (two hundred twenty nine thousand nine hundred sixty two) of its common shares remaining in circulation after the Public Offer Auction to acquire common shares in the Company for cancellation of its registry for listing ( the **Delisting Offer** ), held on the BM&FBovespa on December 18, 2015, which on today's date correspond to 0.21% of the Company's share capital ( the **Remaining Shares** ). The shares were purchased under Item 4.5 of the Notice announcing the Delisting Offer ( the Delisting Offer Announcement ). Redemption of the Remaining Shares took place without reduction of Redentor's share capital. All the shares redeemed were canceled. The Board also approved the consequent change in the head paragraph of Clause 5 of the Company's by-laws (in relation only to the number of shares constituting the Company's share capital), which will now read as follows:

*Clause 5: The Share Capital is R\$ 250,576,343.34 (two hundred fifty million five hundred seventy six thousand three hundred forty three Reais and thirty four centavos), in 108,250,866 (one hundred eight million two hundred fifty thousand eight hundred sixty six) nominal common shares without par value.*

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The amount to be paid for the Remaining Shares will be the price paid at the auction for the Delisting Offer, which is R\$ 6.47 (six Reais forty seven centavos) ( the Offer Price ), per share, updated by the accumulated result of application of the Selic rate, pro rata temporis, from the date of settlement of the Delisting Offer, (December 23, 2015), exclusive, up to the date of actual payment of the redemption value amount, inclusive, to take place within fifteen (15) days from the date of approval of the redemption, i.e. by April 26, 2016, as per Item 4.7 the Delisting Offer Announcement (published on November 18, 2015), and in accordance with Article 4, §5, of Law 6404/1976.

The redemption amount will be deposited by April 26, 2016 in a current account held by the stockholder in accordance with the data in the stockholder s registration details held by Banco Itaú Unibanco S.A., the institution responsible for stockholder services for the Company s book-entry shares.

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For stockholders whose details are not duly updated the redemption amount will be deposited and will be available at Banco Itaú Unibanco S.A. as from April 26, 2016. To receive the payment for the redeemed shares these stockholders should visit any branch of Banco Itaú Unibanco S.A., with the following documents:

- (I) Individuals: Authenticated copy of federal tax ID card (CPF), identity card and proof of residence. Representatives of estates, minors, or persons deemed incapable, or interested parties represented by a person holding a power of attorney, should present the documentation which grants the power of representation, with authenticated signature, and authenticated copies of the representative's CPF and identity card.
- (II) Legal entities: Authenticated copy of the current by-laws or articles of association, corporate taxpayer registration card (CNPJ), corporate documentation granting powers of representation, and authenticated copy of the CPF, identity card and proof of residence of the individual person representing the legal entity.

After Banco Itaú Unibanco S.A. has received and accepted these documents it will process the payment of the redemption amount.

For any questions about the procedure for receiving amounts related to the redemption, stockholders may contact the specialized branches of Banco Itaú Unibanco S.A., at the following addresses:

BRASÍLIA	SCS Quadra 3 Edifício D Angela, 30 Bloco A, Sobreloja  Centro, Brasília, Federal District
BELO HORIZONTE	Avenida João Pinheiro 195 Subsolo  Centro, Belo Horizonte, Minas Gerais
CURITIBA	Rua João Negrão, 65 Sobreloja  Centro, Curitiba, Paraná

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PORTO ALEGRE	Rua Sete de Setembro 1069 3º andar Centro, Porto Alegre, Rio Grande do Sul
RIO DE JANEIRO	Avenida Almirante Barroso 52 2º andar Centro, Rio de Janeiro, RJ
SÃO PAULO	Rua Boa Vista 176 1º Subsolo Centro, São Paulo, SP
SALVADOR	Av. Estados Unidos 50 2º andar (Edifício Sesquicentenário), Comércio, Salvador, Bahia

Stockholders in other cities or locations not served by the above branches specializing in shares can contact Banco Itaú Unibanco S.A. for information on how to receive the amount corresponding to their shares by telephone on the following numbers:

From state capitals and metropolitan regions of major cities:	(11) 3003-9285
From other locations:	0800-720-9285

*Belo Horizonte, April 11, 2016.*

*Guilherme Rodrigues de Paula Chiari*

*Chief Financial and Investor Relations Officer*

Belo Horizonte, April 12, 2016.

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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	Agostinho	30190-131 Belo Horizonte, MG	Brazil	3506-5024 3506-5025

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**3. MATERIAL ANNOUNCEMENT DATED APRIL 13, 2016: TAESA WON BRACH P AT THE TRANSMISSION AUCTION**

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**  
**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**

**MATERIAL ANNOUNCEMENT**

**Taesa won Branch P at the Transmission auction**

In accordance with CVM Instruction 358 of January 3, 2002, as amended, **Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, **hereby informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&FBovespa S.A.) and the market in general, **as follows:**

On April 13, 2016, Transmissora Aliança de Energia Elétrica S.A. ( Company , Taesa ) filed the following Material Announcement:

*Transmissora Aliança de Energia Elétrica S.A. ( Company , Taesa ) in compliance with Article 157, paragraph 4, of Law 6404/76 and CVM Rule 358/02, hereby announces its shareholders, the market in general and other interested parties that, on this date, the Company was the winning bidder of Branch P in Auction 013/2015 of Public Power Transmission Lines auction promoted today by the Brazilian Electricity Regulatory Agency ( ANEEL ).*

*Branch P comprises 90 km of transmission lines and 2 substations in Tocantins State. ANEEL will grant Taesa the right to explore for the concessions 30 years.*

*Taesa did not offer a discount for Lot P Initial Annual Allowed Revenue ( RAP ) defined by ANEEL at the auction edital, granting an initial revenue of R\$ 56.0 million.*

*For further information, please contact the Company s Investor Relations Department.*

*Rio de Janeiro April 13, 2016,*

*João Procópio Campos Loures Vale*

*Chief Financial and Investor Relations Officer*

**TRANSMISSORA ALIANÇA DE ENERGIA ELÉTRICA S.A.**

Belo Horizonte, April 13, 2016.

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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**4. SUMMARY OF MINUTES OF THE 659TH MEETING OF THE BOARD OF DIRECTORS HELD ON  
APRIL 19, 2016**

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**  
**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**  
**BOARD OF DIRECTORS**  
**SUMMARY OF MINUTES**  
**OF THE**  
**659<sup>TH</sup> MEETING**

**Date, time and place:** April 19, 2016 at 9 a.m. at the Company's head office,  
Av. Barbacena 1200, 21<sup>st</sup> floor, Belo Horizonte, Minas Gerais, Brazil.

**Meeting Committee:** Chair: José Afonso Bicalho Beltrão da Silva;  
Secretary: Anamaria Pugedo Frade Barros.

**Summary of proceedings:**

- I Conflict of interest:** The board members listed below said they had no conflict of interest in the matters on the agenda of this meeting.
- II The Board approved** the minutes of this meeting.
- III The Board re-ratified** Board Spending Decision (CRCA) 011/2016, in relation to authorization for provision of an irrevocable surety guarantee for the Second Amendment Rectifying and Ratifying the **Commercial Credit Notes** issued by Cemig Distribuição S.A. in favor of Banco do Brasil S.A., numbers 20/04620-0 (now 16-38116-5) and 20/04619-7 (now 16-38115-7), to change the amortizations of the principal, from two annual installments to four half-yearly installments, becoming due on October 24, 2016, April 24, 2017, October 24, 2017 and April 24, 2018, the other provisions of that CRCA remaining unchanged.

**IV Comment:** The Chair spoke on a subject of interest to the Company.

**The following were present:**

Board members:	José Afonso Bicalho Beltrão da Silva,	Bruno Magalhães Menicucci,
	Mauro Borges Lemos,	Marina Rosenthal Rocha,
	Allan Kardec de Melo Ferreira,	Tarcísio Augusto Carneiro,
	Arcângelo Eustáquio Torres Queiroz,	Antônio Dirceu Araujo Xavier,
	Guy Maria Villela Paschoal,	Bruno Westin Prado Soares Leal,
	Helvécio Miranda Magalhães Junior,	Carlos Fernando da Silveira Vianna,
	José Henrique Maia,	Flávio Miarelli Piedade,
	José Pais Rangel,	José Augusto Gomes Campos,
	Marco Antônio de Rezende Teixeira,	Luiz Guilherme Piva,
	Marco Antônio Soares da Cunha Castello Branco,	Ricardo Wagner Righi de Toledo,
	Nelson José Hubner Moreira,	Samy Kopit Moscovitch,
	Saulo Alves Pereira Junior,	Wieland Silberschneider;
Secretary:	Anamaria Pugedo Frade Barros.	
(Signed) Anamaria Pugedo Frade Barros		

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Agostinho	30190-131 Belo Horizonte, MG	Brazil	3506-5024
			3506-5025

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**5. NOTICE TO STOCKHOLDERS DATED APRIL 20, 2016: MINORITY STOCKHOLDER  
NOMINATIONS FOR ELECTION TO THE BOARD OF DIRECTORS AND AUDI BOARD**

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**LISTED COMPANY CNPJ 17.155.730/0001-64**

**NOTICE TO STOCKHOLDERS**

**Minority stockholder nominations for election to the**

**Board of Directors and Audit Board**

**Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, in accordance with CVM Instruction 481/09 and CVM OFFICIAL CIRCULAR SEP/Nº02/2016, **hereby announces** to the Brazilian Securities Commission (CVM), the São Paulo stock, Commodities and Futures Exchange (BM&F Bovespa S.A.) and the market in general:

The names and details of nominations for election to the Board of Directors and the Audit Board of Cemig presented by the minority stockholder FIA DINÂMICA ENERGIA S.A. to be proposed at the Ordinary Annual and Extraordinary General Meetings of Stockholders to be held on April 29, 2016.

**Candidate nominated for election to the Board of Directors**

**12.5 Information and professional experience:**

<b>Name</b>	<b>Date of birth</b>	<b>Age</b>	<b>Profession</b>
<b>José Pais Rangel</b>	September 9, 1940	75	Lawyer
<b>CPF or Passport number</b>	<b>Elective position</b>	<b>Date of election</b>	<b>Date of swearing-in</b>
239.775.667-68	Board of Directors	April 29, 2016	April 29, 2016
	<b>Other positions or functions held or exercised in the Company</b>	<b>Whether was elected by the controlling stockholder or not</b>	
<b>Period of office</b>	Not applicable	No	
To August 2018		<b>Number of consecutive periods of office</b>	
	<b>Independent member?</b>	1	
	Yes		

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### **Professional experience**

**José Pais Rangel**, Brazilian, is a lawyer with a significant career in listed companies.

He has held the following responsibilities in the Brazilian Central Bank:

Inspector of Capital Markets, Supervisor of Inspection of Capital Markets, Regional Head of Inspection of the Capital Markets, Head of the Department of Public Debt, Manager of Market Operations;

Project Coordinator and implementation executive of the Selic System in the Brazilian Financial Market;

Founder and Member of Governing Council of Centrus (Brazilian Central Bank Pension Plan); and Coordinator of the Program for Privatization of companies controlled by the Brazilian Central Bank.

CEO of the Board of Directors of Cia. América Fabril;

He has served as:

Member of the Board of Directors of Cia. Fábrica de Tecidos Dona Isabel;

Advisor to the Office of the President of the Republic (Seplan) / Special Privatization Committee;

CEO of Cia. Nacional de Tecidos Nova América; and

Liquidator of the state companies: DIGIBRÁS (Empresa Digital Brasileira S.A.);

DIGIDATA (Eletrônica S.A.); and PROEL (Processos Eletrônicos Ltda.).

He currently serves the following listed companies, as:

Deputy CEO of Banco Clássico S.A.,

Member of the Board of Directors of Companhia Distribuidora de Gás do Rio de Janeiro CEG,

Member of the Board of Directors of Tractebel Energia S.A.,

Member of the Board of Directors of Kepler Weber S.A., and

Member of the Board of Directors of Cia. Companhia Energética de Minas Gerais Cemig.

He is an Investment Fund Manager with CVM Accreditation.

#### Statement of any criminal convictions

**José Pais Rangel** has no criminal conviction, no adverse judgment in any administrative proceeding of the CVM, nor any conviction in any judgment against which there is no further appeal, in the judicial or administrative sphere, which has suspended or disqualified him from carrying out any professional or commercial activity.

**12.6 Number of attendances at meetings of the Board in the last business year, expressed as a percentage of the total number held by that Board since taking office:**

Board member	% attendance of meetings
José Pais Rangel	100%

**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 the audit committee, the risk committee, the finance committee and the remuneration committee, even if such committees or structures are not created by the by-laws.**

The Company does not have audit, risk, financial or remuneration committees created under the by-laws or otherwise.

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**12.8 Information on activity as a member of the committees created under the by-laws, and/or of the audit, risk, finance or remuneration committee/s:**

Not applicable, since the company does not have a committee set up.

**12.9. Information on the existence of conjugal relationship, stable union or family relationship up to the third level of proximity, between:**

***a. Managers of the company.***

There is no family relationship between the persons nominated for membership of the Audit Board.

***b. (i) Managers of the Company and (ii) managers of direct or indirect subsidiaries of the Company***

There is no family relationship between the persons nominated for membership of the Board of Directors and the managers and/or members of the Boards of Directors of companies directly or indirectly controlled by the Company.

***c. (i) Managers of the Company or of its direct or indirect subsidiaries and (ii) direct or indirect controlling stockholders of the Company***

There is no family relationship between the persons nominated for membership of the Board of Directors and the controlling stockholders of the Company.

***d. (i) Managers of the Company and (ii) managers of companies directly or indirectly controlled by the Company***

There is no family relationship between the persons nominated for membership of the Board of Directors and the managers and/or members of the Boards of Directors of companies directly or indirectly controlled by the Company.

**12.10. Information on relationships of subordination, provision of service or control existing in the last three business years between managers of the Company and**

***a. Any company directly or indirectly controlled by the Company***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Board of Directors (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and the controlling stockholders of the Company.

***b. Any party that is direct or indirect holder of control of the Company***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Board of Directors (other than those relating to the exercise of the duties of his respective

positions in the Company), the Company and the controlling stockholders of the Company.

*c. If material, any supplier, client, debtor or creditor of the Company, or of any of its subsidiaries, or parent companies, or subsidiaries of any of these*

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Board of Directors (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and/or any of its subsidiary companies or controlling stockholders.

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LOGO

**Candidate nominated for election to the Board of Directors**

**12.5 Information and professional experience:**

<b>Name</b>	<b>Date of birth</b>	<b>Age</b>	<b>Profession</b>
<b>José João Abdalla Filho</b>	May 30, 1945	70	Banker
CPF or Passport number	Elective position	Date of election	Date of swearing-in
245.730.788-00	Substitute Member of the Board of Directors	April 29, 2016	April 29, 2016
	<b>Other positions or functions held or exercised in the Company</b>	<b>Whether was elected by the controlling stockholder or not</b>	
<b>Period of office</b>	Not applicable	No	
To August 2018			
<b>Independent member?</b>		<b>Number of consecutive periods of office</b>	
Yes		1	

**Professional experience**

**José João Abdalla Filho** is Chief Executive Officer of Banco Clássico S.A.;

substitute member of the Board of Directors of Companhia Distribuidora de Gás do Rio de Janeiro CEG;

And a substitute member of the Board of Directors of Tractebel Energia S.A.;

He was Mayor of Juiz de Fora from January 2008 to December 2011.

He has served as Chief Executive Officer of Dinâmica Energia S.A., and

Chief Executive Officer of Social S.A. Mineração e Intercâmbio Comercial e Industrial.

Additionally since 2014 he has been a substitute member of the Board of Directors of Cemig Distribuição S.A. and of Cemig Geração e Transmissão S.A., companies of the Cemig economic group, since 2014.

**Statement of any criminal convictions**

**José João Abdalla Filho** has no criminal conviction, no adverse judgment in any administrative proceeding of the CVM, nor any conviction in any judgment against which there is no further appeal, in the judicial or administrative sphere, which has suspended or disqualified him from carrying out any professional or commercial activity.

**12.6 Number of attendances at meetings of the Board in the last business year, expressed as a percentage of the total number held by that Board since taking office:**

<b>Board member</b>	<b>% attendance of meetings</b>
José João Abdalla Filho	7%

**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 the audit committee, the risk committee, the finance committee and the remuneration committee, even if such committees or structures are not created by the by-laws.**

The Company does not have audit, risk, financial or remuneration committees created under the by-laws or otherwise.

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**12.8 Information on activity as a member of the committees created under the by-laws, and/or of the audit, risk, finance or remuneration committee/s:**

Not applicable, since the company does not have a committee set up.

**12.9. Information on the existence of conjugal relationship, stable union or family relationship up to the third level of proximity, between:**

***a. Managers of the company.***

There is no family relationship between the persons nominated for membership of the Audit Board.

***b. (i) Managers of the Company and (ii) managers of direct or indirect subsidiaries of the Company***

There is no family relationship between the persons nominated for membership of the Board of Directors and the managers and/or members of the Boards of Directors of companies directly or indirectly controlled by the Company.

***c. (i) Managers of the Company or of its direct or indirect subsidiaries and (ii) direct or indirect controlling stockholders of the Company***

There is no family relationship between the persons nominated for membership of the Board of Directors and the controlling stockholders of the Company.

***d. (i) Managers of the Company and (ii) managers of the companies directly or indirectly controlled by the Company***

There is no family relationship between the persons nominated for membership of the Board of Directors and the managers and/or members of the Boards of Directors of companies directly or indirectly controlled by the Company.

**12.10. Information on relationships of subordination, provision of service or control existing in the last three business years between managers of the Company**

***a. Any company directly or indirectly controlled by the Company***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Board of Directors (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and the controlling stockholders of the Company.

***b. Any party that is direct or indirect holder of control of the Company***



Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Board of Directors (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and the controlling stockholders of the Company.

*c. If material, any supplier, client, debtor or creditor of the Company, or of any of its subsidiaries, or parent companies, or subsidiaries of any of these*

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Board of Directors (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and/or any of its subsidiary companies or controlling stockholders.

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**Candidate nominated for election to the Board of Directors**

**12.5 Information and professional experience:**

<b>Name</b> Marcelo Gasparino da Silva	<b>Date of birth</b> February 13, 1971	<b>Age</b> 45	<b>Profession</b> Counsel
<b>CPF or Passport number</b> 807.383.469-34	<b>Elective position</b> Board of Directors	<b>Date of election</b> April 29, 2016	<b>Date of swearing-in</b> April 29, 2016
<b>Period of office</b> To August 2018	<b>Other positions or functions held or exercised in the Company</b> Not applicable	<b>Whether was elected by the controlling stockholder or not</b> No	<b>Number of consecutive periods of office</b> Not applicable
<b>Independent member?</b> Yes	<b>Professional experience</b>		

**MARCELO GASPARINO DA SILVA** is a lawyer specializing in corporate tax law.

He has a degree from ESAG, and MBA in Controllershship, Auditing and Finance.

He is Chair of the Consultative Committee of the Gasparino, Sachet, Roman, Barros & Marchiori law office, where he worked as a lawyer until 2006.

He began his executive career as Legal and Institutional Director of Celesc.

He took part in the Executive program on Mergers and acquisitions of the London Business School, and specialized courses in finance and strategy at the Institute of Directors, London.

He is the Coordinator of the Santa Catarina Chapter, Holder of Board Member Certification from, and a member of the Council of, the IBCG (Brazilian Corporate Governance Institute).

He is Chair of the Board of Directors of Usiminas; and is a member of the Board of Directors of Bradespar and Eternit.

He has served as a Member of the Boards of Directors of:

Eletrobras, Celesc, AES Eletropaulo, Tecnisa and SC Gás.

He has served on the Audit Boards of:

Bradespar, AES Eletropaulo, AES Tietê and Renuka do Brasil.

He serves as Coordinator of the Legal and Compliance Committee of Eternit.

He is the spokesperson of the GGC (*Grupo de Governança Corporativa* Corporate Governance Group).

#### **Statement of any criminal convictions**

**Marcelo Gasparino da Silva** has no criminal conviction, no adverse judgment in any administrative proceeding of the CVM, nor any conviction in any judgment against which there is no further appeal, in the judicial or administrative sphere, which has suspended or disqualified him from carrying out any professional or commercial activity.

**12.6 Number of attendances at meetings of the Board in the last business year, expressed as a percentage of the total number held by that Board since taking office:**

<b>Board member</b>	<b>% attendance of meetings</b>
Marcelo Gasparino da Silva	Not applicable

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**12.7 Information mentioned in item 12.5 in relation to the members of the committees formed under the by-laws, and also the audit committee, the risk committee, the finance committee and the remuneration committee, even if such committees or structures are not created by the by-laws.**

The Company does not have audit, risk, financial or remuneration committees created under the by-laws or otherwise.

**12.8 Information on activity as a member of the committees created under the by-laws, and/or of the audit, risk, finance or remuneration committee/s:**

Not applicable, since the company does not have a committee set up.

**12.9. Information on the existence of conjugal relationship, stable union or family relationship up to the third level of proximity, between:**

***a. Managers of the company***

There is no family relationship between the persons nominated for membership of the Board of Directors.

***b. (i) Managers of the Company and (ii) managers of direct or indirect subsidiaries of the Company***

There is no family relationship between the persons nominated for membership of the Board of Directors and the managers and/or members of the Boards of Directors of companies directly or indirectly controlled by the Company.

***c. (i) Managers of the Company or of its direct or indirect subsidiaries and (ii) direct or indirect controlling stockholders of the Company***

There is no family relationship between the persons nominated for membership of the Board of Directors and the controlling stockholders of the Company.

***d. (i) Managers of the Company and (ii) managers of companies directly or indirectly controlled by the Company***

There is no family relationship between the persons nominated for membership of the Board of Directors and the managers and/or members of the Audit Boards of companies directly or indirectly controlled by the Company.

**12.10. Information on relationships of subordination, provision of service or control existing in the last three business years between managers of the Company and**

***a. Any company directly or indirectly controlled by the Company***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Board of Directors (other than those relating to the exercise of the duties of his respective

positions in the Company), the Company and the controlling stockholders of the Company.

***b. Any party that is direct or indirect holder of control of the Company***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Board of Directors (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and the controlling stockholders of the Company.

***c. If material, any supplier, client, debtor or creditor of the Company, or of any of its subsidiaries, or parent companies, or subsidiaries of any of these***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Board of Directors (other than those relating to the exercise of the duties of his respective positions and Company), the Company and/or any of its subsidiary companies or controlling stockholders.

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**Candidate nominated for election to the Board of Directors****12.5 Information and professional experience:**

<b>Name</b>	<b>Date of birth</b>	<b>Age</b>	<b>Profession</b>
Daniel Alves Ferreira	July 6, 1972	43	Lawyer
<b>CPF or Passport number</b>	<b>Elective position</b>	<b>Date of election</b>	<b>Date of swearing-in</b>
205.862.458-04	Substitute Member of the Board of Directors	April 29, 2016	April 29, 2016
	<b>Other positions or functions held or exercised in the Company</b>	<b>Whether was elected by the controlling stockholder or not</b>	
<b>Period of office</b>	Not applicable	No	
To August 2018			
<b>Independent member?</b>		<b>Number of consecutive periods of office</b>	
Yes		Not applicable	

**Professional experience**

**DANIEL ALVES FERREIRA** is a lawyer responsible for Mass Litigation, and Capital markets, at the MPMAE law office, working in law on Consumer relations, Civil Law and Corporate Law.

He took part in the Civil Procedure Law Conferences of the Bar Institute of São Paulo on: Aspects of the Reform of the Code of Civil Procedure; Stable Union; and Alterations to the Code of Civil Procedure.

**Statement of any criminal convictions**

**DANIEL ALVES FERREIRA** has no criminal conviction, no adverse judgment in any administrative proceeding of the CVM, nor any conviction in any judgment against which there is no further appeal, in the judicial or administrative sphere, which has suspended or disqualified him from carrying out any professional or commercial activity.

**12.6 Number of attendances at meetings of the Board in the last business year, expressed as a percentage of the total number held by that Board since taking office:**

<b>Board member</b>	<b>% attendance of meetings</b>
Daniel Alves Ferreira	Not applicable

**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 the audit committee, the risk committee, the finance committee and the remuneration committee, even if such committees or structures are not created by the by-laws.**

The Company does not have audit, risk, financial or remuneration committees created under the by-laws or otherwise.

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**12.8 Information on activity as a member of the committees created under the by-laws, and/or of the audit, risk, finance or remuneration committee/s:**

Not applicable, since the company does not have a committee set up.

**12.9. Information on the existence of conjugal relationship, stable union or family relationship up to the third level of proximity, between:**

***a. Managers of the company.***

There is no family relationship between the persons nominated for membership of the Audit Board.

***b. (i) Managers of the Company and (ii) managers of direct or indirect subsidiaries of the Company***

There is no family relationship between the persons nominated for membership of the Board of Directors and the managers and/or members of the Boards of Directors of companies directly or indirectly controlled by the Company.

***c. (i) Managers of the Company or of its direct or indirect subsidiaries and (ii) direct or indirect controlling stockholders of the Company***

There is no family relationship between the persons nominated for membership of the Board of Directors and the controlling stockholders of the Company.

***d. (i) Managers of the Company and (ii) managers of companies directly or indirectly controlled by the Company***

There is no family relationship between the persons nominated for membership of the Board of Directors and the managers and/or members of the Boards of Directors of companies directly or indirectly controlled by the Company.

**12.10. Information on relationships of subordination, provision of service or control existing in the last three business years between managers of the Company**

***a. Any company directly or indirectly controlled by the Company***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Board of Directors (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and the controlling stockholders of the Company.

***b. Any party that is direct or indirect holder of control of the Company***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Board of Directors (other than those relating to the exercise of the duties of his respective

positions in the Company), the Company and the controlling stockholders of the Company.

*c. If material, any supplier, client, debtor or creditor of the Company, or of any of its subsidiaries, or parent companies, or subsidiaries of any of these*

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Board of Directors (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and/or any of its subsidiary companies or controlling stockholders.

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**Candidate Nominated for election to the Audit Board**

**12.5 Information and professional experience:**

<b>Name</b>	<b>Date of birth</b>	<b>Age</b>	<b>Profession</b>
<b>Manuel Jeremias Leite Caldas</b>	January 8, 1956	60	Engineer
<b>CPF or Passport number</b>	<b>Elective position</b>	<b>Date of election</b>	<b>Date of swearing-in</b>
535.866.207-30	Audit Board	April 29, 2016	April 29, 2016
	<b>Other positions or functions held or exercised in the Company</b>	<b>Whether was elected by the controlling stockholder or not</b>	
<b>Period of office</b>	Not applicable	No	
TO AUGUST 2017			
<b>Independent member?</b>		<b>Number of consecutive periods of office</b>	
Yes		Not applicable	
	<b>Professional experience</b>		

**Manuel Jeremias Leite Caldas** is an Economist and Electrical Engineer, and Financial Advisor to Alto Capital Gestora de Recursos.

He has served as Chief Economist of Banco Pebb S.A., and Senior Analyst at Banco Bozano Simonsen S.A.

He is a Member of the Board of Directors of AES Eletropaulo.

He serves on the Audit Boards of Eletrobras and Contax.

He has served as a Member of the Board of Directors of Forjas Taurus.

He has served on the Audit Boards of Oi and Cesp.

**Statement of any criminal convictions**

**Manuel Jeremias Leite Caldas** has no criminal conviction, no adverse judgment in any administrative proceeding of the CVM, nor any conviction in any judgment against which there is no further appeal, in the judicial or administrative sphere, which has suspended or disqualified him from carrying out any professional or commercial activity.

**12.6 Number of attendances at meetings of the Board in the last business year, expressed as a percentage of the total number held by that Board since taking office:**

<b>Board member</b>	<b>% attendance of meetings</b>
Manuel Jeremias Leite Caldas	Not applicable

**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 the audit committee, the risk committee, the finance committee and the remuneration committee, even if such committees or structures are not created by the by-laws.**

The Company does not have audit, risk, financial or remuneration committees created under the by-laws or otherwise.

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**12.8 Information on activity as a member of the committees created under the by-laws, and/or of the audit, risk, finance or remuneration committee/s:**

Not applicable, since the company does not have a committee set up.

**12.9. Information on the existence of conjugal relationship, stable union or family relationship up to the third level of proximity, between:**

***a. Managers of the company.***

There is no family relationship between the persons nominated for membership of the Audit Board.

***b. (i) Managers of the Company and (ii) managers of direct or indirect subsidiaries of the Company***

There is no family relationship between the persons nominated for membership of the Audit Board and the managers and/or members of the Audit Boards of companies directly or indirectly controlled by the Company.

***c. (i) Managers of the Company or of its direct or indirect subsidiaries and (ii) direct or indirect controlling stockholders of the Company***

There is no family relationship between the persons nominated for membership of the Audit Board and the controlling stockholders of the Company.

***d. (i) Managers of the Company and (ii) managers of companies directly or indirectly controlled by the Company***

There is no family relationship between the persons nominated for membership of the Audit Board and the managers and/or members of the Audit Boards of companies directly or indirectly controlled by the Company.

**12.10. Information on relationships of subordination, provision of service or control existing in the last three business years between managers of the Company**

***a. Any company directly or indirectly controlled by the Company:***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Audit Board (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and the controlling stockholders of the Company.

***b. Any party that is direct or indirect holder of control of the Company***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Audit Board (other than those relating to the exercise of the duties of his respective positions

in the Company), the Company and the controlling stockholders of the Company.

*c. If material, any supplier, client, debtor or creditor of the Company, or of any of its subsidiaries, or of its controlling stockholder(s), or subsidiaries of any of these*

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Audit Board (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and/or any of its subsidiary companies or controlling stockholders.

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**Candidate Nominated for election to the Audit Board**

**12.5 Information and professional experience:**

Name	Date of birth	Age	Profession
<b>Aloísio Macário Ferreira de Souza</b>	April 10, 1960	56	Accountant
<b>CPF or Passport number</b> 540.678.557-53	<b>Elective position</b> Audit Board	<b>Date of election</b> April 29, 2016	<b>Date of swearing-in</b> April 29, 2016
<b>Period of office</b> TO AUGUST 2017	<b>Other positions or functions held or exercised in the Company</b> Not applicable	<b>Whether was elected by the controlling stockholder or not</b> No	<b>Number of consecutive periods of office</b> Not applicable
<b>Independent member?</b> Yes			
<b>Professional experience</b>			

**Aloísio Macário Ferreira de Souza** is an accountant, and has certification as an Audit Board Member and as a Member of Board of Directors from the Brazilian Corporate Governance institute (IBGC) and is Coordinator of the Rio de Janeiro chapter of that entity.

He has served as Vice-president for Human Resources of Usiminas, and, previously, as Executive Manager of the Banco do Brasil pension fund, Previ.

He is currently a member of the Audit Board of Guarani S.A.

He has served as a Member of the Board of Directors of Usiminas and of CPFL Energia; and as a member of the Audit Board of AmBev and of Celesc.

He is a member of GGC (Grupo de Governança Corporativa - Corporate Governance Group).

**Statement of any criminal convictions**

**Aloísio Macário Ferreira de Souza** has no criminal conviction, no adverse judgment in any administrative proceeding of the CVM, nor any conviction in any judgment against which there is no further appeal, in the judicial or administrative sphere, which has suspended or disqualified him from carrying out any professional or commercial activity.

**12.6 Number of attendances at meetings of the Board in the last business year, expressed as a percentage of the total number held by that Board since taking office:**

<b>Board member</b>	<b>% attendance of meetings</b>
Aloísio Macário Ferreira de Souza	Not applicable

**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 the audit committee, the risk committee, the finance committee and the remuneration committee, even if such committees or structures are not created by the by-laws.**

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The Company does not have audit, risk, financial or remuneration committees created under the by-laws or otherwise.

**12.8 Information on activity as a member of the committees created under the by-laws, and/or of the audit, risk, finance or remuneration committee/s:**

Not applicable, since the company does not have a committee set up.

**12.9. Information on the existence of conjugal relationship, stable union or family relationship up to the third level of proximity, between:**

***a. Managers of the company.***

There is no family relationship between the persons nominated for membership of the Audit Board.

***b. (i) Managers of the Company and (ii) managers of direct or indirect subsidiaries of the Company***

There is no family relationship between the persons nominated for membership of the Audit Board and the managers and/or members of the Audit Boards of companies directly or indirectly controlled by the Company.

***c. (i) Managers of the Company or of its direct or indirect subsidiaries and (ii) direct or indirect controlling stockholders of the Company***

There is no family relationship between the persons nominated for membership of the Audit Board and the controlling stockholders of the Company.

***d. (i) Managers of the Company and (ii) managers of companies directly or indirectly controlled by the Company***

There is no family relationship between the persons nominated for membership of the Audit Board and the managers and/or members of the Audit Boards of companies directly or indirectly controlled by the Company.

**12.10. Information on relationships of subordination, provision of service or control existing in the last three business years between managers of the Company and**

***a. Any company directly or indirectly controlled by the Company***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Audit Board (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and the controlling stockholders of the Company.

***b. Any party that is direct or indirect holder of control of the Company***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Audit Board (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and the controlling stockholders of the Company.

*c. If material, any supplier, client, debtor or creditor of the Company, or of any of its subsidiaries, or parent companies, or subsidiaries of any of these*

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Audit Board (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and/or any of its subsidiary companies or controlling stockholders.

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**Candidate Nominated for election to the Audit Board**

**12.5 Information and professional experience:**

<b>Name</b>	<b>Date of birth</b>	<b>Age</b>	<b>Profession</b>
<b>Paulo Roberto Evangelista de Lima</b>	February 26, 1957	59	Administration
<b>CPF or Passport number</b>	<b>Elective position</b>	<b>Date of election</b>	<b>Date of swearing-in</b>
117.512.661-68	Member of the Audit Board (Substitute member)	April 29, 2016	April 29, 2016
	<b>Other positions or functions held or exercised in the Company</b>	<b>Whether was elected by the controlling stockholder or not</b>	
<b>Period of office</b>	Not applicable	No	
TO AUGUST 2017		<b>Number of consecutive periods of office</b>	
<b>Independent member?</b>		Not applicable	
Yes			
	<b>Professional experience</b>		

**Paulo Roberto Evangelista de Lima** is a Company Manager, with MBA degree, and Training for Senior Executives of Banco do Brasil from the Dom Cabral Foundation.

He also has a post-graduate degree in financial management from Ibmec, with specialization in Business Management from Dom Cabral Foundation, and the São Paulo University Corporate Governance course.

He has served as Member of the Board of Directors of Celesc S.A.,

Member of the Audit Board of the Banco do Brasil pension fund, Previ,

Tax advisor to Cassi, the Assistance Fund of Banco do Brasil,

Member of the Board of Directors of Cadan,

Member of the Board of Directors of Distribuidor de Produtos de Petróleo Ipiranga S.A.,

Member of the Clients Council of TAM,

Member, representing Banco do Brasil, of the Operational Risk Committee of CIP Interbank Clearing House,

Member of the Inspection Committee of the Credit Guarantee Fund (FGC),

Member of the Brazilian Companies Risk Committee of Febraban (the Brazilian Banks Federation), and

Member of the Compliance Committee of Febraban.

He holds the Audit Board Members Certificate from the Brazilian Corporate Governance institute (IBGC).

#### **Statement of any criminal convictions**

**Paulo Roberto Evangelista de Lima**, has no criminal conviction, no adverse judgment in any administrative proceeding of the CVM, nor any conviction in any judgment against which there is no further appeal, in the judicial or administrative sphere, which has suspended or disqualified him from carrying out any professional or commercial activity.

**12.6 Number of attendances at meetings of the Board in the last business year, expressed as a percentage of the total number held by that Board since taking office:**

<b>Board member</b>	<b>% attendance of meetings</b>
Paulo Roberto Evangelista de Lima	Not applicable

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**12.7 Information mentioned in item 12.5 in relation to the members of the committees formed under the by-laws, and also the audit committee, the risk committee, the finance committee and the remuneration committee, even if such committees or structures are not created by the by-laws.**

The Company does not have audit, risk, financial or remuneration committees created under the by-laws or otherwise.

**12.8 Information on activity as a member of the committees created under the by-laws, and/or of the audit, risk, finance or remuneration committee/s:**

Not applicable, since the company does not have a committee set up.

**12.9. Information on the existence of conjugal relationship, stable union or family relationship up to the third level of proximity, between:**

*a. Managers of the company.*

There is no family relationship between the persons nominated for membership of the Audit Board.

*b. (i) Managers of the Company and (ii) managers of direct or indirect subsidiaries of the Company*

There is no family relationship between the persons nominated for membership of the Audit Board and the managers and/or members of the Audit Boards of companies directly or indirectly controlled by the Company.

*c. (i) Managers of the Company or of its direct or indirect subsidiaries and (ii) direct or indirect controlling stockholders of the Company*

There is no family relationship between the persons nominated for membership of the Audit Board and the controlling stockholders of the Company.

*d. (i) Managers of the Company and (ii) managers of the companies directly or indirectly controlled by the Company*

There is no family relationship between the persons nominated for membership of the Audit Board and the managers and/or members of the Audit Boards of companies directly or indirectly controlled by the Company.

**12.10. Information on relationships of subordination, provision of service or control existing in the last three business years between managers of the Company and**

*a. Any company directly or indirectly controlled by the Company*

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Audit Board (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and the controlling stockholders of the Company.

***b. Any party that is direct or indirect holder of control of the Company***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Audit Board (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and the controlling stockholders of the Company.

***c. If material, any supplier, client, debtor or creditor of the Company, or of any of its subsidiaries, or parent companies, or subsidiaries of any of these***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Audit Board (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and/or any of its subsidiary companies or controlling stockholders.

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**Candidate Nominated for election to the Audit Board****12.5 Information and professional experience:**

<b>Name</b>	<b>Date of birth</b>	<b>Age</b>	<b>Profession</b>
Ronaldo Dias	December 9, 1946	69	Accountant
<b>CPF or Passport number</b>	<b>Elective position</b>	<b>Date of election</b>	<b>Date of swearing-in</b>
221.285.307-68	Member of the Audit Board (Substitute member)	April 29, 2016	April 29, 2016
	<b>Other positions or functions held or exercised in the Company</b>	<b>Whether was elected by the controlling stockholder or not</b>	
<b>Period of office</b> TO AUGUST 2017	Not applicable	No	
<b>Independent member?</b>		<b>Number of consecutive periods of office</b>	
Yes		1	
<b>Professional experience</b>			

**Ronaldo Dias**, an Accountant, served as Ombudsman of Banco Clássico S.A., in the period 2017 2013.

He is Internal Auditor and Administrative Manager of Fundo Dinâmica Energia do Banco Clássico S.A.

He served as substitute member of the Audit Board of CEG, until April 2016.

**Statement of any criminal convictions**

**Ronaldo Dias** has no criminal conviction, no adverse judgment in any administrative proceeding of the CVM, nor any conviction in any judgment against which there is no further appeal, in the judicial or administrative sphere, which has suspended or disqualified him from carrying out any professional or commercial activity.

**12.6 Number of attendances at meetings of the Board in the last business year, expressed as a percentage of the total number held by that Board since taking office:**

**Board member**

**% attendance of meetings**

Ronaldo Dias

62%

**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 the audit committee, the risk committee, the finance committee and the remuneration committee, even if such committees or structures are not created by the by-laws.**

The Company does not have audit, risk, financial or remuneration committees created under the by-laws or otherwise.

**12.8 Information on activity as a member of the committees created under the by-laws, and/or of the audit, risk, finance or remuneration committee/s:**

Not applicable, since the company does not have a committee set up.

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**12.9. Information on the existence of conjugal relationship, stable union or family relationship up to the third level of proximity, between:**

***a. Managers of the company.***

There is no family relationship between the persons nominated for membership of the Audit Board.

***b. (i) Managers of the Company and (ii) managers of direct or indirect subsidiaries of the Company***

There is no family relationship between the persons nominated for membership of the Audit Board and the managers and/or members of the Audit Boards of companies directly or indirectly controlled by the Company.

***c. (i) Managers of the Company or of its direct or indirect subsidiaries and (ii) direct or indirect controlling stockholders of the Company***

There is no family relationship between the persons nominated for membership of the Audit Board and the controlling stockholders of the Company.

***d. (i) Managers of the Company and (ii) managers of companies directly or indirectly controlled by the Company***

There is no family relationship between the persons nominated for membership of the Audit Board and the managers and/or members of the Audit Boards of companies directly or indirectly controlled by the Company.

**12.10. Information on relationships of subordination, provision of service or control existing in the last three business years between managers of the Company and**

***a. Any company directly or indirectly controlled by the Company:***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Audit Board (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and the controlling stockholders of the Company.

***b. Any party that is direct or indirect holder of control of the Company***

Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Audit Board (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and the controlling stockholders of the Company.

***c. If material, any supplier, client, debtor or creditor of the Company, or of any of its subsidiaries, or parent companies, or subsidiaries of any of these***

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Not applicable, since there are no relationships of subordination, of provision of services or of control between the person nominated for the Audit Board (other than those relating to the exercise of the duties of his respective positions in the Company), the Company and/or any of its subsidiary companies or controlling stockholders.

Belo Horizonte, April 20, 2016.

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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**6. SUMMARY OF PRINCIPAL DECISIONS OF THE 660TH MEETING OF THE BOARD OF DIRECTORS  
HELD ON APRIL 26, 2016**

28

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**  
**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**

**BOARD OF DIRECTORS**

**Meeting of April 26, 2016**

**SUMMARY OF PRINCIPAL DECISIONS**

At its 660<sup>th</sup> meeting, held on April 26, 2016, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) decided the following:

1. Possibility of exercise of the put option in shares of Parati S.A. Participações em Ativos de Energia Elétrica.
2. Convocation of Extraordinary General Meeting of Stockholders to be held on May 27, 2016, at 10 a.m., to deal with matters related to the put option in shares of Parati.
3. Amendment to the Stockholders Agreement of Parati.

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**7. SUMMARY OF PRINCIPAL DECISIONS OF THE 661ST MEETING OF THE BOARD OF DIRECTORS  
HELD ON APRIL 28, 2016**

30

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**  
**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**

**BOARD OF DIRECTORS**

**Meeting of April 28, 2016**

**SUMMARY OF PRINCIPAL DECISIONS**

At its 661<sup>st</sup> meeting, held on April 28, 2016, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) decided the following:

1. Budget for 2016.
2. Exceeding of limits of financial covenants in the Company's by-laws.
3. Signature of Working Agreement for sharing of administrative infrastructure and human resources.
4. Split of Parati S.A. and absorption of its assets and liabilities by Rio Minas Energia S.A. (RME) and Luce Empreendimentos e Participações S.A. (Lepsa).  
Change of the date of exercise of the Put Option.
5. Convocation of an Extraordinary General Meeting of Stockholders, to be held on May 30, 2016 at 10 a.m., to deal with the following matters:
  - a) Split of Parati S.A. and absorption of its assets and liabilities by RME and Lepsa; Change of the date of exercise of the Put Option.
  - b) Exceeding of limits of financial covenants in the Company's by-laws.

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**8. MINUTES OF THE ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF  
STOCKHOLDERS HELD, CONCURRENTLY, ON APRIL 29, 2016**



**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**CNPJ 17.155.730/0001-64 NIRE 31300040127**

**MINUTES**

**OF THE**

**ORDINARY AND EXTRAORDINARY**

**GENERAL MEETINGS OF STOCKHOLDERS**

**HELD, CONCURRENTLY, ON APRIL 29, 2016**

At 11 a.m. on the twenty ninth day of April of the year two thousand and sixteen, stockholders representing more than two-thirds of the voting stock of Companhia Energética de Minas Gerais Cemig met in Ordinary and Extraordinary General Meeting, on first convocation, at the Company's head office, Av. Barbacena 1200, 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:

Mr. Rodrigo Peres de Lima Netto, Procurator of the State of Minas Gerais, for the Department of the Advocate-General of the State of Minas Gerais, as per the current legislation.

Also present were:

The member of the Audit Board Mr. Alexandre Pedercini Issa;

Deloitte Touche Tohmatsu Auditores Independentes, represented by Mr. Marcelo Salvador, CRC-1MG 089.422/O-0, and Mr. Leonardo Júnio Vilaça, CRC MG-078933/O; and

the Company's Chief Trading Officer, Mr. Evandro Leite Vasconcelos.

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

Asking for the floor, the representative of the Stockholder **The State of Minas Gerais** put forward the name of the stockholder **José Pais Rangel** 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 March 30 and 31 and April 1 of this year, in the newspapers *Minas Gerais*, official publication of the Powers of the State, on pages 48, 120 and 59, respectively, and *O Tempo*, on pages 25, 41 and 25, respectively, the content of which is as follows:

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

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

**ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS**

**CONVOCAÇÃO**

Stockholders are hereby called to Ordinary and Extraordinary General Meetings of Stockholders, to be held concurrently, on April 29, 2016 at 11 a.m., at the company's head office, Av. Barbacena 1200, 21st floor, Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- 1 Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2015, and the related complementary documents.
- 2 Allocation of the Net profit for the business year 2015, in the amount of R\$ 2,491,375,000, and of the balance of Retained earnings in the amount of R\$ 59,536,000.
- 3 Decision on the form and date of payment of the minimum obligatory dividend, in the amount of R\$ 633,968,000.
- 4 Election of the sitting and substitute members of the Audit Board, due to completion of their period of office, and setting of their remuneration.
- 5 Election of the sitting and substitute members of the Board of Directors, due to the completion of the current period of office.
- 6 Setting of the remuneration of the Company's senior management.
- 7 Orientation of vote by the representative(s) of the Company in the Ordinary Annual General Meeting of Stockholders of Cemig Distribuição S.A., to be held by April 29, 2016, as to the following matters:

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- a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2015, and the related complementary documents.
  - b) Allocation of the Net profit for the business year 2015, in the amount of R\$ 370,209,000.
  - c) Decision on the form and date of payment of dividends, in the amount of R\$ 92,552,000.
  - d) Election of the sitting and substitute members of the Audit Board, due to completion of their period of office.
  - e) Election of the sitting and substitute members of the Board of Directors, due to the completion of the current period of office.
- 8 Orientation of vote by the representative(s) of the Company in the Ordinary Annual General Meeting of Stockholders of Cemig Geração e Transmissão S.A., to be held by April 29, 2016, as to the following matters:
- a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2015, and the related complementary documents.
  - b) Allocation of the Net profit for the business year 2015, in the amount of R\$ 2,337,663,000, and of the balance of Retained earnings in the amount of R\$ 47,761,000.
  - c) Decision on the form and date of payment of dividends, in the amount of R\$ 635,407,000.
  - d) Election of the sitting and substitute members of the Audit Board, due to completion of their period of office.
  - e) Election of the sitting and substitute members of the Board of Directors, due to the completion of the current period of office.

Under Article 3 of CVM Instruction 165 of December 11, 1991, as amended by CVM Instruction 282 of June 26, 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 be represented by proxy at the said General Meetings 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 April 27, 2016, 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 - 19th Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, March 28, 2015.

José Afonso Bicalho Beltrão da Silva

Chair of the Board of Directors

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In accordance with Item 1 of the Agenda the Chair then placed in debate the Report of Management and the Financial Statements for the year ended December 31, 2015, and the respective complementary documents, explaining that they have been widely disclosed in the press, since they were placed at the disposal of stockholders by a notice published on March 30 and 31 and April 1 of this year in the newspapers *Minas Gerais*, the official journal of the Powers of the State, on pages 48, 121 and 59, respectively, and *O Tempo*, on pages 41, 41 and 25, respectively, and published again in the same newspapers on April 20 of this year in *Minas Gerais* on pages 94 and 127, and *O Tempo* on pages 02 and 34 in the Financial Results ( *Balanço* ) section.

The Chair put to the vote the Report of Management and the Financial Statements for the year ended December 31, 2015, and the respective complementary documents, and they were approved by majority, as follows; 394,448,515 votes in favor, and 2,125,340 votes against.

The Chair then asked the Secretary to read the Proposal by the Board of Directors, which deals with items 2, 3, 7 and 8 of the convocation, and also to read the Opinion of the Audit Board thereon. The contents of these documents are as follows:

**PROPOSAL**  
**BY THE BOARD OF DIRECTORS**  
**TO THE**  
**ORDINARY AND EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS**  
**TO BE HELD, CONCURRENTLY, BY APRIL 29, 2016**

**Dear Stockholders:**

*The Board of Directors of Companhia Energética de Minas Gerais - Cemig*

*whereas:*

Article 192 of Law 6404 of December 15, 1976, as amended, and Clauses 27 to 31 of the by-laws, govern the holding of an annual meeting;

- a) the Financial Statements for 2015 present net profit of R\$ 2,491,375,000, and a balance of Retained earnings of R\$ 59,536,000 arising from realization of the Stockholders' Equity Valuation Reserve;

- b) it is the duty of the Board of Directors to make a proposal to the Annual General Meeting for allocation of the Company's net profit;
- c) Paragraph 4 of Article 202 of Law 6404/1976 specifies, in relation to the dividend specified in the by-laws, that it shall not be obligatory in a business year in which the Company's management bodies inform the Annual Ordinary General Meeting of Stockholders that it would be incompatible with the company's financial situation .
- d) Paragraph 5 of Article 202 of Law 6404/1976 specifies that profits that are, under Paragraph 4 of this Article, not distributed, shall be held and reported in a special reserve and, if not absorbed by losses in subsequent business years, must be paid as a dividend as soon as the company's financial situation permits ;
- e) the forecasts of cash flow for 2016 indicate limitation of the Company's funds in terms of payment in 2016 of the minimum obligatory dividends for 2015 specified in the by-laws;
- f) Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A. are wholly-owned subsidiaries of Cemig and will hold Ordinary Annual General Meetings of Stockholders by April 29, 2016; and
- g) Clause 21, Paragraph 4, Subclause g of the by-laws of Cemig states:  
Clause 21 .

§4 The following matters shall require a decision by the Executive Board:

- g) approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters shall be that of the General Meeting of Stockholders, and decisions must obey the provisions of these Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan. ;

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*now proposes to you as follows:*

**D) that** the Net profit for the business year 2015, of R\$ 2,491,375,000, and the balance of Retained earnings, of R\$ 59,536,000, should be allocated as follows:

**a)** R\$ 633,968,000 as minimum obligatory dividend, to be paid to the Company's stockholders, as follows:

**1)** R\$ 200,000,000 in the form of Interest on Equity, as per CRCA-088/2015, of December 17, 2015, and CRD-432/2015, of January 4, 2016,

to be paid in two equal installments, by June 30 and December 30, 2016

the Executive Board to obey these dates and decide places and processes of payment and to allocate the amount of the Interest on Equity against the minimum obligatory dividend,

to stockholders whose names were on the Company's Nominal Share Registry on December 30, 2015. The shares began to trade *ex* these rights on January 4, 2016.

**2)** R\$ 433,968,000 in the form of dividends for the 2015 business year, to stockholders of record on the date on which the Ordinary General Meeting is held.

**b)** R\$ 633,967,000 to be held in Stockholders' equity in the Reserve for obligatory dividend not distributed, to be paid as and when the Company's financial situation permits.

**c)** R\$ 1,262,280,000 to be held in Stockholders' equity in the Retained earnings reserve, to provide funding for the Company's planned consolidated investments in 2016 in accordance with a capital budget; and

**d)** R\$ 20,696,000 to be held in Stockholders' equity in the Tax incentives reserve, for tax incentives gained in 2015 as a result of investment in the region of Sudene.

the payments of the dividends to be made by December 30, 2016, in accordance with the availability of cash and at the decision of the Executive Board.

Appendix I summarizes the calculation of the dividends proposed by Management, in accordance with the by-laws.

Appendix 2 presents the Company's Capital Budget for the business year 2016.

**II)** that the representative(s) of the Company in the Annual General Meetings of Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., both to be held by April 29, 2016, should be oriented to vote in favor of the matters on the Agenda, namely:

**Cemig D:**

- a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2015, and the related complementary documents.
- b) Allocation of the Net profit for the business year 2015, in the amount of R\$ 370,209,000.
- c) Decision on the form and date of payment of dividends, in the amount of R\$ 92,552,000.
- d) Election of the sitting and substitute members of the Audit Board, due to completion of their period of office.
- e) Election of the sitting and substitute members of the Board of Directors, due to completion of the period of office.

**Cemig GT:**

- a) Examination, debate and voting on the Report of Management and the Financial Statements for the year ended December 31, 2015, and the related complementary documents.
- b) Allocation of the Net profit for the business year 2015, in the amount of R\$ 2,337,663,000, and of the balance of Retained earnings in the amount of R\$ 47,761,000.
- c) Decision on the form and date of payment of dividends, in the amount of R\$ 635,407,000.
- d) Election of the sitting and substitute members of the Audit Board, as a result of completion of the period of office.
- e) Election of the sitting and substitute members of the Board of Directors, due to the completion of the period of office.

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As can be seen, the objective of this proposal is to meet the 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.

Belo Horizonte, March 28, 2015.

José Afonso Bicalho Beltrão da Silva

José Pais Rangel

Mauro Borges Lemos

Marco Antônio de Rezende Teixeira

Allan Kardec de Melo Ferreira

Nelson José Hubner Moreira

Arcângelo Eustáquio Torres Queiroz

Paulo Roberto Reckziegel Guedes

Eduardo Borges de Andrade

Ricardo Coutinho de Sena

Guy Maria Villela Paschoal

Saulo Alves Pereira Junior

Helvécio Miranda Magalhães Junior

Ricardo Wagner Righi de Toledo

José Henrique Maia

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**APPENDIX 1**

**TO THE**

**PROPOSAL FOR ALLOCATION OF THE NET PROFIT FOR 2015**

**MADE BY**

**THE BOARD OF DIRECTORS**

**TO THE ORDINARY GENERAL MEETING OF STOCKHOLDERS**

**TO BE HELD BY APRIL 29, 2016**

**CALCULATION OF DIVIDENDS PROPOSED**

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

	<b>Dec. 31, 2015 R\$ 000</b>
Calculation of the Minimum Dividends required by the Bylaws for the preferred shares	
Nominal value of the preferred shares	4,190,385
Percentage applied to the nominal value of the preferred shares	10.00%
Amount of the dividends by the First payment criterion	419,039
Stockholders' equity	12,995,135
Preferred shares as a percentage of Stockholders' equity (net of shares held in Treasury)	66.58%
Portion of Stockholders' equity represented by the preferred shares	8,652,161
Percentage applied to the portion of Stockholders' equity represented by the preferred shares	3.00%
Amount of the dividends by the Second payment criterion	259,565
Minimum Dividends required by the by-laws for the preferred shares	419,039
Obligatory Dividend	
Net profit for the year	2,491,375

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Ordinary dividends 50% of net profit	1,245,688
Income tax withheld at source on Interest on Equity	22,247
	1,267,935
Dividends proposed	
Interest on Equity	200,000
Dividends	433,968
	633,968
Dividend per share R\$	
Minimum Dividends required by the by-laws for the preferred shares	0.50
Obligatory Dividend	1.01
Dividends proposed	0.50

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**APPENDIX 2**

**CAPITAL BUDGET:**

**PROPOSAL BY MANAGEMENT TO THE  
ORDINARY GENERAL MEETING OF STOCKHOLDERS**

**TO BE HELD BY APRIL 29, 2016**

In accordance with Clause 196 of the Corporate Law and Article 25, § 1, Sub-item IV of CVM Instruction 480, we present for analysis and subsequent approval of submission to the Ordinary General Meeting of Stockholders to be held by April 29, 2016, the proposed consolidated Capital Budget for the 2016 business year, in thousands of Reais.

**Investments planned for 2016**

The Distribution Development Plan (PDD)	1,023,772
Electricity generation system	66,441
Electricity transmission system	45,505
Injection of capital into subsidiaries and affiliates	1,287,172
Concession Grant Payment Lot D	1,440,629
Infrastructure and other	147,169
	4,010,688

**OPINION OF THE AUDIT BOARD**

The undersigned members of the Audit Board of Companhia Energética de Minas Gerais - Cemig, in the performance of their duties under the law and under the by-laws, have examined the Proposal by the Board of Directors to the Ordinary and Extraordinary General Meetings of Stockholders to be held by April 29, 2016, in relation to the allocation of the net profit for 2015, in the amount of R\$ 2,491,375,000 and of the balance of Retained earnings, of R\$ 59,536,000 arising from realization of the Stockholders' Equity Valuation Adjustments Reserve, as follows:

a) R\$ 633,968,000 as minimum obligatory dividend, to be paid to the Company's stockholders, as follows:

- 1 R\$ 200,000,000 in the form of Interest on Equity, under Board Spending Decisions CRCA 088/2014 of December 17, 2015, and CRD 432/2015, of January 4, 2016, to be paid in two equal installments, by June 30 and December 30, 2016, the Executive Board to obey these dates and to decide the places and processes of

payment and to allocate the amount of the Interest on Equity against the minimum obligatory dividend, to stockholders whose names were on the Company's Nominal Share Registry on December 30, 2015. The shares began to trade ex these rights on January 4, 2016.

- 2 R\$ 433,968,000 in the form of dividends for the 2015 business year, to stockholders of record on the date on which the Ordinary General Meeting is held.
- b) R\$ 633,967,000 to be held in Stockholders' equity in the Reserve for obligatory dividend not distributed, to be paid as and when the Company's financial situation permits.
- c) R\$ 1,262,280,000 to be held in Stockholders' equity in the Retained earnings reserve, to provide funding for the Company's planned consolidated investments in 2016 in accordance with a capital budget; and
- d) R\$ 20,696,000 to be held in Stockholders' equity in the Tax incentives reserve, for tax incentives gained in 2015 as a result of investments in the region of Sudene  
the payments of the dividends to be made by December 30, 2016, in accordance with the availability of cash and at the decision of the Executive Board.

After carefully analyzing the said proposals and further taking into account that the applicable rules governing the matters have been complied with, it is the opinion of the members of the Audit Board that they should be approved by the said General Meetings of Stockholders.

Belo Horizonte, March 28, 2016.

Signed:

Charles Carvalho Guedes, Márcio Almeida do Amaral, Edson Moura Soares,

Ronaldo Dias, Bruno Gonçalves Siqueira.

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The Chair then informed the meeting that in March 2016, at the meeting of the Board of Directors which decided on the financial statements of Cemig Geração e Transmissão ( **Cemig GT** ), a proposal for allocation of net profit was also approved, which has been submitted to the General Meeting of Stockholders of that company. However, due to the revision of the cash flow of Cemig GT and Cemig for 2016, the Financial department had suggested an increase of R\$ 350,000 in the dividends to be paid by Cemig GT, for the profit of the 2016 business year. Thus it was necessary to alter, during these General Meetings of Stockholders, the proposal submitted to stockholders, changing the amount of dividends to be paid by Cemig GT from R\$ 635,407,000 to R\$ 985,407,000.

The Chair then placed in debate the Proposal by the Board of Directors in relation to items 2, 3, 7 and 8 of the Agenda, with that alteration. It was, subsequently, put to a vote and approved by a majority of votes: 1,367,079,821 votes in favor, 217,378,626 abstentions and 2,108,005 votes against.

The representative of the stockholder **BNDES Participações S.A. (BNDESPar)** requested that it be stated in the minutes that its abstention was due solely to the alteration of the dividends to be paid by Cemig GT.

Continuing with the Agenda, the Chair informed the meeting that the period of office of the members of the Audit Board ended with this present meeting, and that a new election should thus be held for that Board, with a period of office of (one) year, that is to say, up to the Ordinary General Meeting of Stockholders to be held in 2017.

The Chair said that this election would be carried out with separate voting, in the case of candidates indicated by holders of preferred shares and by minority stockholders of common shares. The Chair thus placed the election of the sitting and substitute members of the Audit Board in debate.

Asking for the floor, as a holder of preferred shares, the stockholder **José Pais Rangel**, for himself and for **FIA Dinâmica Energia**, proposed the following appointments to the Audit Board:

as sitting member:

Manuel Jeremias Leite Caldas      Brazilian, married, engineer, domiciled in Rio de Janeiro, Rio de Janeiro State, at Av. Lúcio Costa 6700/1103, Barra da Tijuca, CEP 22795-900, bearer of identity card 284123 issued by the Air Ministry, and CPF 535866207-30;

- and as his substitute member:

Ronaldo Dias                              - Brazilian, married, accountant, domiciled in Rio de Janeiro, RJ, at Rua Maxwell 452/704, Vila



Isabel, CEP 20541-100, bearer of Identity Card 2201087-0 issued by the Rio de Janeiro State

Department of Traffic (Detran), and CPF 221285307-68

The Chair then placed these nominations in debate, and, subsequently, put them to a vote separately, i.e. with only holders of preferred shares participating and they were approved by a majority of votes: 190,958,441 in favor, 28,042,571 abstaining and 16,633,164 against.

Asking for the floor, the representative of the stockholder **AGC Energia S.A.**, for the minority of common stockholders with the right to vote, proposed the following appointments to the Audit Board:

as sitting member:

**Newton Brandão Ferraz Ramos** Brazilian, married, accountant, domiciled in Belo Horizonte, Minas Gerais, at Av. do Contorno 8123, Cidade Jardim, CEP 30110-937, bearer of Identity Card MG-4019574, issued by the Civil Police of Minas Gerais State, and CPF 813975696-20;

and as his substitute member:

**Rodrigo de Mesquita Pereira** Brazilian, married, lawyer, domiciled in São Paulo, São Paulo State at Rua Marquês de Paranaguá 348/10th floor, Consolação, CEP 01303-905, bearer of Identity Card 8364447-7 issued by the São Paulo State Public Safety Department, and CPF 091622518-64.

These nominations were placed in debate and subsequently put to the vote in a separate vote, and they were approved by a majority of votes: 342,993,338 in favor, 59,146,793 abstaining and 51,496 against.

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Asking for the floor, the representative of the stockholder The State of Minas Gerais, as majority stockholder, put forward the following nominations for members of the Audit Board:

as sitting members:

**Charles Carvalho Guedes** Brazilian, married, holder of a degree in data processing, domiciled in Brasília, Federal District, at SHIN QI 13, Conjunto 3, Casa 13, Lago Norte, CEP 71535-030, bearer of Identity Card 1122271, issued by the Public Safety Department of the Federal District, and of CPF 539600681-15;

**Edson Moura Soares** Brazilian, divorced, philosopher and theologian, domiciled in Minduri, Minas Gerais, at Rua Homero Penha de Andrade 104, Centro, CEP 37447-000, bearer of Identity Card M7905264, issued by the Public Safety Department of Minas Gerais State, and CPF 992255496-87; and

**Rafael Amorim de Amorim** Brazilian, single, lawyer and company manager, domiciled in Belo Horizonte, Minas Gerais, at Rua Henrique Cabral 100/202, São Luís, CEP 31270-760, bearer of Identity card 9082071326 issued by the State Justice and Safety Department of Rio Grande do Sul, and CPF 975262740-49;

and as substitute members:

**Bruno Cirilo Mendonça de Campos** Brazilian, married, economist, domiciled in Brasília, Federal District, at SQN 312, Bloco J, Apto. 409, Asa Norte, CEP 70765-100, bearer of Identity Card 2225323, issued by the Public Safety Department of the Federal District, and CPF 968509901-44;

**Marcos Túlio de Melo** Brazilian, in stable union, engineer, domiciled in Belo Horizonte, Minas Gerais at Rua Joaquim da Silva Barbosa 100, Penha, CEP 31920-230, bearer of Identity Card 140262310-0, issued by the Federal Engineering and Agronomy Council (Confea), and CPF 130866186-04; e,

**Aliomar Silva Lima**

Brazilian, divorced, economist, domiciled in Belo Horizonte, Minas Gerais at Rua Aimorés 2441/902, Lourdes, CEP 30140-072, bearer of Identity Card MG-449262, issued by the Public Safety Department of Minas Gerais State, and CPF 131654456-72.

The nominations of the representative of the stockholder **The State of Minas Gerais** were put to debate, and to the vote, and approved by a majority of votes: 342,993,338 in favor, 59,146,793 abstentions and 51,496 against.

The Members of the Audit Board elected declared in advance that they are not subject to any prohibition on exercise of commercial activity, and assumed a solemn undertaking to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Professional Conduct of Companhia Energética de Minas Gerais Cemig, and the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

Continuing with the Agenda, the Chairman reported that the period of office of the present members of the Board of Directors ended with its meeting: hence a new election to that Board should thus be held, with a period of office of 2 (two) years, that is to say, up to the Ordinary General Meeting of Stockholders to be held in 2018, in accordance with the head paragraph of Clause 12 of the by-laws. Continuing, the Chairman stated that adoption of the Multiple Vote had been requested by the stockholders **AGC Energia S.A.** and **FIA Dinâmica Energia**, as per letters in the Company's possession, and that 28,579,207 shares would be necessary for the election of each member of the Board of Directors.

Finally, the Chair pointed out that it would be necessary first, in view of Clause 12 of the by-laws, to proceed to election of a sitting member and his respective substitute member put forward, first, by representatives of the holders of the preferred shares, and then by representatives of the minority holders of voting shares, and, then, to apply the instrument of Multiple Vote to fill the remaining vacancies on the Board of Directors.

Asking for the floor, as holder of preferred shares, the stockholder **José Pais Rangel** nominated the following persons to be members of the Board of Directors:

as sitting member:

**Marcelo Gasparino da Silva** Brazilian, married, lawyer, domiciled in Florianópolis, Santa Catarina State, at Rua Esteves Júnior 605/1411, Centro, CEP 88015-130, bearer of Identity Card 2302967, issued by the Santa Catarina State Public Safety Department, and CPF 807383469-34;

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and as his substitute member:

**Aloísio Macário Ferreira de Souza** Brazilian, married, accountant, domiciled in Rio de Janeiro, Rio de Janeiro State, at Rua Homem de Melo 315/101, Tijuca, CEP 20510-180, bearer of Identity Card 04565759-0, issued by the Rio de Janeiro State Traffic Department, and CPF 540678557-53.

The above nominations were put to debate, and to the vote, and approved by a majority of votes: 342,287,674 in favor, 83,711,741 abstentions and 20,702,073 against.

The stockholder **José Pais Rangel** and the representative of **Geração Futuro L. Par FIA** asked for the floor, for the minority stockholders with voting rights, and nominated the following as members of the Board of Directors:

as sitting member:

**José Pais Rangel** Brazilian, married, lawyer, domiciled in Rio de Janeiro, Rio de Janeiro State, at Av. Presidente Vargas 463/13th floor, Centro, CEP 20071-003, bearer of Identity Card No. 22191 issued by the Brazilian Bar association of Rio de Janeiro (OAB-RJ), and CPF 239775667-68;

and as his substitute member:

**José João Abdalla Filho** Brazilian, single, banker, domiciled in Rio de Janeiro, Rio de Janeiro State, at Av. Presidente Vargas 463/13th Floor, Centro, CEP 20071-003, bearer of Identity Card N° 1439471, issued by the São Paulo State Public Safety Department, and CPF 245730788-00.

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The above nominations were put to debate, and to the vote, and approved by a majority of votes: 342,993,338 in favor, 59,146,793 abstentions and 51,496 against.

The Chair then further stated that, to complete the Board of Directors, the following stockholders had the rights to put forward numbers of sitting members of the Board of Directors (and related substitute members) in the following calculated proportions: **FIA Dinâmica Energia**, 1.4 members; **AGC Energia S.A.**, 2.9 members, **BNDESPar** 1.9 members; and **The State of Minas Gerais** 7.5 members.

The representative of the stockholder **BNDESPar** asked for the floor and nominated for election to the Board of Directors:

**Victor Guilherme Tito** Brazilian, married, economist, domiciled in Rio de Janeiro, RJ, at Avenida República do Chile  
100, Centro, CEP 20031-917, bearer of Identity Card 26288156-8 issued by the Rio de Janeiro  
State Traffic Department, and CPF 044878356-82,

stating that the substitute member would be proposed later, the position remaining vacant.

The nomination proposed by the representative of the stockholder **BNDESPar** was approved by a majority of votes: 396,406,730 in favor, 847,070 abstentions, and 1,908,941 against.

The representatives of the stockholder **FIA Dinâmica Energia** and the representative of the stockholder **AGC Energia S.A.** then made the following nominations for the Board of Directors:

Sitting members:

**Ricardo Coutinho de Sena** Brazilian, married, engineer, domiciled in Belo Horizonte, Minas Gerais, at Av. do Contorno  
8123, Cidade Jardim, CEP 30110-937, bearer of Identity Card M30172 issued by the Minas Gerais  
Department of Public Safety, and CPF 090927496-72;

**Paulo Roberto Reckziegel Guedes** Brazilian, married, engineer, domiciled in Belo Horizonte, Minas Gerais, at Av. do Contorno  
8123, Cidade Jardim, CEP 30110-937, bearer of Identity Card MG13975681 issued by the Minas  
Gerais Public Safety Department, and CPF 400540200-34;

**Saulo Alves Pereira Junior** Brazilian, married, electrical engineer, domiciled in Belo Horizonte, Minas Gerais, at Av. do Contorno, 8123, Cidade Jardim, CEP 30110-937, bearer of Identity Card M5345878, issued by the  
Public Safety Department of the State of Minas Gerais, and CPF 787495906-00; and

**José Henrique Maia**

Brazilian, married, engineer, domiciled in Belo Horizonte, Minas Gerais, at Av. do Contorno, 8123, Cidade Jardim, CEP 30110-937, bearer of Identity Card 6093/D, issued by the Regional Council of Engineers and Agronomists of Minas Gerais (CREA-MG), and CPF 007936206-00;

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and as their respective substitute members:

**Bruno Magalhães Menicucci** Brazilian, single, production engineer, domiciled in Belo Horizonte, Minas Gerais, at Av. do Contorno, 8123, Cidade Jardim, CEP 30110-937, bearer of Identity Card MG11890035, issued by the Public Safety Department of the State of Minas Gerais, and  
CPF 081100286-16;

**José Augusto Gomes Campos** Brazilian, married, physicist, domiciled in Belo Horizonte, Minas Gerais, at Av. do Contorno, 8123, Cidade Jardim, CEP 30110-937, bearer of Identity Card M3059793,  
issued by the Public Safety Department of Minas Gerais State, and CPF 505516396-87;

**Marina Rosenthal Rocha** Brazilian, married, civil engineer, domiciled in Belo Horizonte, Minas Gerais, at Av. do Contorno, 8123, Cidade Jardim, CEP 30110-937, bearer of Identity Card MG11781993, issued by the Civil Police of the State of Minas Gerais, and CPF 060.101.836-26; and

**Daniel Alves Ferreira** Brazilian, married, lawyer, domiciled in São Paulo, São Paulo State at Rua Marquês de Paranaguá 348/10th floor, Consolação, CEP 01303-905, bearer of Identity  
Card 10933833 issued by the São Paulo State Public Safety Department, and CPF 205862458-04.

The nominations by the representatives of the stockholder **FIA Dinâmica Energia** and of the stockholder **AGC Energia S.A.** were put to debate, and to the vote, and approved by a majority of votes: 342,063,738 in favor, 55,190,062 abstentions and 1,908,941 against.

The representative of the stockholder **The State of Minas Gerais** and the representative of the stockholder **FIA Dinâmica Energia** then asked for the floor, and proposed election of the following persons to the Board of Directors:

Sitting members:



**José Afonso Bicalho Beltrão da Silva** Brazilian, married, economist, resident and domiciled in Belo Horizonte, MG at Rua Curitiba 2233/501, Lourdes, CEP 30170-122, bearer of Identity Card MG568870, issued by the Minas Gerais State Public Safety Department, and CPF n° 098044046-72;

**Mauro Borges Lemos** Brazilian, married, economist, domiciled in Belo Horizonte, Minas Gerais at Av. Barbacena 1200, 18th floor, A1 Wing, CEP 30190-131, bearer of Identity Card MG992314, issued by the Civil Police of Minas Gerais State, and CPF 316720516-49;

**Allan Kardec de Melo Ferreira** Brazilian, widowed, lawyer, resident and domiciled in Belo Horizonte, MG, at Rua Oscar Versiani Caldeira 239, Mangabeiras, CEP 30210-280, bearer of Identity Card M92892, issued by the Public Safety Department of the State of Minas Gerais, and CPF N° 054541586-15;

**Arcângelo Eustáquio Torres Queiroz** Brazilian, married, electricity employee, resident and domiciled in Belo Horizonte, Minas Gerais, at Rua Carmo do Paranaíba 292/202, Itapuã, CEP 31710-140, bearer of Identity Card MG3632038, issued by the Minas Gerais State Public Safety Department, and CPF 539109746-00;

**Helvécio Miranda Magalhães** Brazilian, single, doctor, resident and domiciled in Belo Horizonte, MG, at Rua Cláudio Manoel 735/1104, Funcionários, CEP 30140-100, bearer of Identity Card 161715-0, issued by the Public Safety Department of Minas Gerais State, and CPF 561966446-53;

**Marco Antônio de Rezende Teixeira** Brazilian, married, lawyer, resident and domiciled in Belo Horizonte, MG, at Rua Senhora das Graças 64/801, Cruzeiro, CEP 30310-130, bearer of Identity Card M611582, issued by the Public Safety Department of Minas Gerais State, and CPF 371515926-04;

**Marco Antonio Soares da Cunha Castello Branco** Brazilian, married, metallurgical engineer, domiciled in Belo Horizonte, MG, at Rua Pium-I 1601/401, Cruzeiro, CEP 30310-080, bearer of Identity Card M753845, issued by the Public Safety Department of Minas Gerais State, and CPF 371150576-72; and

**Nelson José Hubner Moreira**

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Brazilian, married, electrical engineer, resident and domiciled in Brasília, Federal District, at  
AOS 2, Bloco G, Ap. 203, CEP 70660-027, bearer of Identity Card 1413159, issued by the Félix  
Pacheco Institute of the State of Rio de Janeiro, and CPF nº 443875207-87;

and as their respective substitute members:

**Bruno Westin Prado Soares Leal** Brazilian, married, economist, resident and domiciled in Brasília, Federal District, at SQN 107,  
Bloco E, Ap. 110, Asa Norte, CEP 70743-050, bearer of Identity Card 8553405 issued by the  
Minas Gerais State Public Safety Department, and CPF nº 055230506-52;

**Samy Kopit Moscovitch** Brazilian, married, economist, domiciled in Belo Horizonte, Minas Gerais at Av.  
Barbacena  
1200, 18th floor, A1 Wing, CEP 30190-131, bearer of Identity Card 6568-4, issued by the Minas  
Gerais State Regional Council of Economists (Corecon-MG), and CPF  
432564816-04;

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- Luiz Guilherme Piva** Brazilian, married, economist, domiciled in Belo Horizonte, Minas Gerais at Rua Professor Estevão Pinto 555/404, Serra, CEP 30220-060, bearer of Identity Card MG2084020, issued by the Public Safety Department of Minas Gerais State, and CPF 454442936-68;
- Franklin Moreira Gonçalves** Brazilian, married, data processing technologist, domiciled in Belo Horizonte, Minas Gerais at Av. Barbacena 1200, 18th floor, A1 Wing, CEP 30190-131, bearer of Identity Card MG5540831 issued by the Minas Gerais State Civil Police, and CPF 754988556-72;
- Wieland Silberschneider** Brazilian, divorced, economist, domiciled in Belo Horizonte, Minas Gerais, at Rua Herculano de Freitas, 1210/301, Gutierrez, CEP 30441-023, bearer of Identity Card 4040 issued by the Minas Gerais State Regional Council of Economists (Corecon-MG) and CPF 451960796-53;
- Antônio Dirceu Araujo Xavier** Brazilian, married, lawyer, domiciled in Nova Lima, Minas Gerais, at Alameda Monte Cristallo 16, Condomínio Villa Alpina, CEP 34000-000, bearer of Identity Card 14351, issued by the Brazilian Bar Association, Minas Gerais Chapter (OAB/Minas Gerais), and CPF 068412446-72;
- Ricardo Wagner Righi de Toledo** Brazilian, widower, company manager, domiciled in Belo Horizonte, Minas Gerais, at Rua Arquiteto Raffaello Berti 690, Mangabeiras, CEP 30210-120, bearer of Identity Card MG4172543, issued by the Public Safety Department of Minas Gerais State, and CPF 299492466-87;

**Carlos Fernando da Silveira Vianna** Brazilian, single, engineer, domiciled in Belo Horizonte, Minas Gerais, at Rua Pólos 424/700, Santa Lúcia, CEP 30360-530, bearer of Identity Card 23844/D, issued by the Minas Gerais State Regional Council of Engineers and Agronomists (CREA-MG), and CPF 319830656-68.

The nominations of the representative of the stockholder **The State of Minas Gerais** and of the representative of the stockholder **FIA Dinâmica Energia** were put to debate, and to the vote, and approved by a majority of votes: 342,063,738 in favor, 55,190,062 abstentions and 1,908,941 against.

The board members elected declared in advance that they are not subject to any prohibition on exercise of commercial activity, that they do not occupy any post in a company which could be considered to be a competitor of the Company, and that they do not have nor represent any interest conflicting with that of Cemig; and they made a solemn commitment to become aware of, obey and comply with the principles, ethical values and rules established by the Code of Professional Conduct of Companhia Energética de Minas Gerais - Cemig, and the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

The Chair further stated that, as a result of the new composition of the Board of Directors of Cemig, and according to Clause 11, §1, of the head paragraph of Clause 12 of the by-laws of Cemig, and Clause 8, §1 of the by-laws of Cemig Distribuição S.A. (Cemig D) and of Cemig Geração e Transmissão S.A. (Cemig GT), there is a need for change in the composition of the Boards of Directors of the wholly-owned subsidiaries Cemig D and Cemig GT, since the structure and composition of the Boards of Directors of those Companies must be identical to those of Cemig.

The Chair placed in debate the remuneration of the Company's Managers and members of its Audit Board.

Asking for the floor, the representative of the Stockholder **The State of Minas Gerais** asked the Chair to put the following proposal before the stockholders for consideration:

- 1 To allocate as Global Annual Remuneration for Management and the Audit Board, comprising the Board of Directors, the Executive Board and the Audit Board, the amount of R\$ 30,000,000.00 (thirty million Reais), including health insurance for the Chief Officers, to be contracted at the same level of the Health Plan as is in effect for the Company's employees, and variable remuneration; the monthly fees payable to the Chief Executive Officer to be R\$ 60,500.00 (sixty million five hundred thousand Reais); and the monthly fees payable to the other Chief Officers, individually, to be R\$ 46,500.00 (forty six thousand five hundred Reais); and the amounts at present paid to the Chief Officers as paid leave, bonuses and other benefits to be adjusted in the same proportion.

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- 2- To establish that the monthly remuneration of each one of the sitting members of the Board of Directors with the exception of board members who are also Chief Officers, and subject to the condition relating to payment of the *jeton* mentioned in item 4 below shall, for the Deputy Chair of the Board of Directors, be equivalent to thirty per cent of the remuneration of the Chief Executive Officer, that is to say it shall be R\$ 18,150.00 (eighteen thousand one hundred fifty Reais); and for the other sitting members shall be thirty per cent of the average remuneration of a Chief Officer, that is to say it shall be R\$ 14,331.82 (fourteen thousand three hundred thirty one Reais eighty two centavos).
- 3 To establish that the monthly remuneration of each substitute member of the Board of Directors excluding any sitting or substitute members that hold a post of Chief Officer, and subject to the condition relating to payment of the *jeton* referred to in Item 4 below shall be equivalent to 80% (eighty per cent) of the monthly remuneration received by a sitting member of the Board of Directors (when not serving as Chair of the Board of Directors), that is to say it shall be R\$ 11,465.46 (eleven thousand four hundred sixty five Reais and forty six centavos).
- 4 To establish that the sitting and substitute members of the Board of Directors shall receive eighty per cent of the monthly remuneration stipulated, the rest being divided into *jetons* paid to the sitting or substitute members present at meetings. If there is more than one meeting in the month, the *jeton* will be divided proportionately between the number of meetings held in the month; if there is no meeting in the month, the sitting member and the substitute member with receive the total amount of the monthly remuneration.
- 5 To establish that the substitute members of the Board of Directors who take part in meetings of the Board of Directors and who are substituting their sitting member except those board members who hold positions of Chief Officer should receive only the remuneration relating to Item 3 above, even though they are replacing Sitting Members in meetings.
- 6 To establish that the monthly remuneration of each Sitting Member of the Audit Board shall be equivalent to 20% (twenty per cent) of the average remuneration of a Chief Officer of the Company, that is to say shall be R\$ 9,554.54 (nine thousand five hundred fifty four Reais and fifty four centavos); and also that the monthly remuneration of each substitute member of the Audit Board shall be equivalent to 80% (eighty per cent) of the monthly remuneration of the Sitting Member, that is to say shall be R\$ 7,643.63 (seven thousand six hundred forty three Reais and sixty three centavos), in both cases excluding the benefits normally applicable under the Law.

To establish that sitting and substitute Members of the Board of Directors and of the Audit Board who are resident in municipalities other than that of the Company's head office shall be reimbursed such expenses on accommodation and travel (within Brazil) as are necessary for their attendance at the meetings of those Boards or for carrying out their functions or when invited by the CEO to a meeting at the Company, and shall also receive, as cost support for travel, R\$ 800 for each complete trip.

8 To establish that the fees of the members of the Executive Board, the Board of Directors and the Audit Board shall be paid on the same date as the Company adopts for its employees.

9 To establish that the variable remuneration of the Chief Officers and the targets and performance indicators for their calculation shall be stipulated by the Human Resources Committee of the Company's Board of Directors. The above proposal by the representative of the stockholder **The State of Minas Gerais** in relation to the Managers was put to debate, and to the vote, and approved by a majority of votes: 341,586,318 in favor, 54,343,493 abstentions and 644,044 against.

The proposal by the representative of the stockholder **The State of Minas Gerais** in relation to the Audit Board, put to debate, and to the vote, was also approved by a majority of votes: 340,023,505 in favor, 56,450,522 abstentions and 2,700 against.

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The stockholder **Alexandre Luiz Ferreira da Silva** stated that his vote against the proposal arose from the fact that the remuneration proposed for the Chief Officers was lower than the market average usually adopted in consideration of the responsibilities of the Chief Officers of a company with a holding-company function similar to that of Cemig.

The Chair informed the meeting that the publications by Cemig specified in Law 6404 of December 15, 1976, as amended, will be made in the newspapers *Minas Gerais*, the official publication of the Powers of the State, and *O Tempo*, without prejudice to possible publication in other newspapers. The contract with the newspaper *O Tempo* will expire on April 21, 2017, and is able to be extended until April 21, 2018. However if that extension becomes non-viable, the company will provide the information on its substitution as soon as it is decided.

The meeting being opened to the floor, the stockholder **Rubens Antônio França** reiterated his argument in favor of a study on creating three thousand new jobs so as to re-establish the same ratio of number of employees to number of consumers that was the case in the 1980s.

Finally, he lamented the fact that Mr. Luiz Fernando Rolla is no longer a member of the Company's Executive Board, emphasizing the importance of Mr. Rolla's activity over the whole of his professional career with Cemig.

The meeting remaining open to the floor, and since no-one else wished to speak, the Chair ordered the session 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.

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**9. NOTICE OF STOCKHOLDERS DATED APRIL 29, 2016: 2015: PAYMENT OF DIVIDENDS AND  
INTEREST ON EQUITY**

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**LISTED COMPANY CNPJ 17.155.730/0001-64**

**NOTICE TO STOCKHOLDERS**

***2015: Payment of dividends and Interest on Equity***

We hereby advise our stockholders that the Ordinary and Extraordinary General Meetings of Stockholders held, concurrently, on April 29, 2016, decided the following payments:

**DIVIDENDS:**

Of the Net profit for 2015, of R\$ 2,491,375,000, and the balance of Retained earnings, of R\$ 59,536,000, a total of **R\$ 633,968,000** is allocated as the minimum obligatory dividend to stockholders, as follows:

**R\$ 200,000,000** in the form of Interest on Equity, as per Board Decisions CRCA 088/2015 of December 17, 2015, and CRD 432/2015 of January 4, 2016, to be paid in two equal installments, by June 30 and December 30, 2016, to stockholders who were on the Company's Nominal Share Register on December 30, 2015. The shares began to trade ex this right on January 4, 2016.

**R\$ 433,968,000** in the form of dividends for the business year 2015, or R\$ 0.344889593 per share, to be paid by December 30, 2016, depending on availability of cash and at the discretion of the Executive Board, to stockholders of record on April 29, 2016 for shares traded on the São Paulo Stock Exchange (BM&FBovespa). The shares will trade ex this right on May 2, 2016.

Stockholders whose shares are not held in custody by CBLC and whose registration details are not up to date should visit any branch of Banco Itaú Unibanco S.A. (the Institution which administers Cemig's Nominal Share Registry System), carrying their personal identification documents, for the necessary updating.

Belo Horizonte, April 29, 2016.

Fabiano Maia Pereira

**Chief Finance and Investor Relations Officer**

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Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025

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**10. NOTICE TO STOCKHOLDERS DATED MAY 3, 2016: LOWER THAN MANDATORY DIVIDENDS  
FOR 2015**

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**LISTED COMPANY CNPJ 17.155.730/0001-64**

**NOTICE TO STOCKHOLDERS**

*Lower than mandatory dividends for 2015*

The by-laws of Cemig specify, in §1 of Subclause b of Clause 28, that a payment of 50% of Net profit is to be distributed as minimum mandatory dividend to the Company's stockholders, subject to the other provisions of the by-laws and the applicable legislation.

However, the General Meeting of Stockholders held on April 29, 2016 approved a proposal by the Board of Directors that, of the Net profit of R\$ 2,491,375,000 for 2015, the amount paid in dividends will be R\$ 633,968,000, corresponding to calculation based on 25% of the Net profit for 2015.

The proposal made by the Board of Directors informed the Meeting that the payment of a dividend calculated on the basis of 50% of the profit for the year, specified in the by-laws, would not be compatible with the Company's current financial situation. The Company's Net working capital on December 31, 2015 was R\$ 3.709 billion negative. That balance included a part, maturing in the short term, of the Company's total indebtedness of R\$ 6.300 billion. Cash generated by operations in 2015 totaled R\$ 3.007 billion, illustrating the Company's need to roll over a significant part of its debt.

In considering effects of the present macroeconomic situation, the sale prices of electricity in 2016 are expected to be lower than those in previous periods, and the significant increases in final consumers' electricity bills could, in the Company's view, result in an increase in consumer default in the year.

Also, profit forecasts indicate that the debt ratios specified in the by-laws may not be met in 2016.

Thus, the Company's management, in its Proposal, advised the General Meeting of Stockholders that it believed that it would be more prudent, at the present moment, not to allocate a portion of the obligatory dividend specified for payment in the year 2016, so as to reduce indebtedness, with a view to securing the ratios specified in the by-laws, and also guaranteeing the liquidity of its operations, in view of the issues referred to above.

The amounts not distributed as obligatory dividend, of R\$ 633,967,000, calculated on the basis of 25% of the Net profit for the business year 2015, will be held in Stockholders' equity in the Reserve for obligatory dividends not distributed, to be paid as soon as the financial situation so permits, in accordance with Paragraph 5 of Article 202 of Law 6404/1976.

Belo Horizonte, May 3, 2016

**Fabiano Maia Pereira**

**Chief Finance and Investor Relations Officer**

Av. Barbacena 1200 Santo Agostinho 30190-131 Belo Horizonte, MG Brazil Tel.: +55 31 3506-5024 Fax +55 31 3506-5025

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**11. MARKET NOTICE DATED MAY 12, 2016: REPLY TO CVM INQUIRY LETTER  
201/2016-CVM/SEP/GEA-1, OF MAY 11, 2016**

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**  
**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**  
**MARKET NOTICE**

**Reply to CVM Inquiry Letter 201/2016-CVM/SEP/GEA-1, of May 11, 2016**

**Question asked by the Brazilian Securities Commission (CVM)**

Rio de Janeiro, May 11, 2015.

To Mr. Fabiano Maia Pereira

Investor Relations Director

Cia. Energética de Minas Gerais CEMIG

Av. Barbacena 1200 5<sup>th</sup> floor, B1 Wing, Santo Agostinho,

Belo Horizonte, Minas Gerais

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Fax: (31) 3506-5026

Tel.: (31) 3506-5024

E-mail: [ri@cemig.com.br](mailto:ri@cemig.com.br)

c/c: [gre@bvmf.com.br](mailto:gre@bvmf.com.br)

Subject: **Request for information on news media report**

Dear Sir,

1. We refer to the news report in the May 5, 2016 edition of the newspaper *Valor Econômico*, in the section *Empresas*, under the headline: *Companies late delivering documents to US regulator* , which contains the following statements:



*Seven Brazilian companies have not delivered their annual (20-F) reports to the US Securities and Exchange Commission (SEC), the regulator of the United States capital markets. This number of companies is unprecedented for the period since the SEC began to require monitoring of effectiveness of Companies internal controls, in 2002.*

*... This Monday Cemig, ... and ... missed the date for delivery of the document, which is required to be deposited annually by all non-US companies with shares traded on stock exchanges in the United States.*

*The SEC grants an additional period until May 17, for late delivery of the form. After this period any company still not publishing the document is subject to penalties.*

2. We therefore require you to inform us whether this report is true, and if so, to state the reasons why the said document has not yet been delivered, and what steps the issuer has taken to comply with that obligation.

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3. Your statement should be given through the *Empresas.NET* system, in the category: *Market notices*, under the sub-category: *Responses to consultations by CVM/BOVESPA*; subject heading: *Media News Reports*, and should include a transcription of this letter.
4. We notify you that under Sub-item II of Article 9 of Law 6385/1976, and CVM Instruction 452/2007, the Company Relations Supervision Management may apply a coercive fine of R\$ 1,000 (one thousand Reais), without prejudice to other administrative sanctions, in the event of non-compliance with the demand made in this Official Letter within one business day from becoming aware of the content of this communication, now sent by fax and by e-mail.

**Reply by CEMIG**

Dear Madam,

In response to Official Letter N° 201/2016-CVM/SEP/GEA-1, of May 11, 2016, we offer the following information:

Cemig has indeed not filed the 20-F report with the Securities and Exchange Commission (SEC) of the United States within the regular period i.e. by the end of April 2016. And it has requested an extension of the period until May 17, 2016.

The reason for the delay in filing the 20-F is the qualification issued by the external auditors of the financial statements for the business year ended December 31, 2015.

For a fuller understanding, we provide the following further information:

The basis for the qualified opinion issued by the external auditors arises from the following:

Cemig has an indirect investment in Norte Energia S.A. ( **Norte Energia** ), which is valued by the equity method, and is currently the subject of an investigation being carried out by the stockholder Centrais Elétricas Brasileiras S.A. ( **Eletrobras** ), as has been mentioned in Notes 1 and 13 to the financial statements. As a result of this investigation not having been completed, the audit for the year ending December 31, 2015 of the financial statements of Amazônia Energia S.A. ( **Amazônia Energia** ) and Aliança Norte Energia Participações S.A. ( **Aliança Norte** ), investees of Cemig which hold the direct investment in **Norte Energia**, had not been completed by March 28, 2016, the date on which the company published its financial statements dated December 31, 2015.

As a result, the external auditors had not obtained sufficient auditing evidence in relation to the investments held in the investees, in the amount of R\$ 871,442,000 at December 31, 2015, and on the negative equity-method contribution of R\$ 10,261,000 for the business year ended on that date.

Cemig's total investment in the investees referred to represents 2.13% of the Company's total consolidated assets, and 6.71% of the Company's Stockholders' equity, at December 31, 2015.

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As can be seen, the basis for qualification of the opinion is limited in scope exclusively to the effects, if any, of the investigation that is being carried out by Eletrobras in relation to the Company's indirect investment in **Norte Energia**. It is not the result of any disagreement in relation to any accounting practice or criterion for disclosure in the presentation of the financial statements, nor any limitation imposed by the Company's management on access to documents or information, nor any deficiencies in the Company's internal controls related to the management of its holdings in investees.

As mentioned in Note 13 to the financial statements, Eletrobras, which holds 49.98% of the share capital of **Norte Energia**, has contracted a law firm specialized in corporate investigation to ascertain any irregularities in undertakings in which the companies of the Eletrobras Group have a corporate or minority stockholding interest, and this includes the investment in **Norte Energia**. This work was still in progress on March 28, 2016, at the time of the conclusion and approval of the Company's financial statements. Cemig's management is not aware of any preliminary information from these investigations. As and when progress of the investigations produces any significant information, Cemig will assess any impacts on its financial statements.

In view of the SEC's restrictions on filing of the 20-F form with qualifications, the Company believes that it will be necessary, before filing the 20-F Form, to resolve, in the investee, the question that has led to the qualification referred to above.

We would highlight that all the Company's acts and decisions are guided by and based on the most absolute transparency, and in accordance with the laws and regulations to which it is subject.

The Company offers its respectful regards and remains at your disposal to provide any further information which may be thought to be necessary for consideration of this statement.

Belo Horizonte, May 12, 2016

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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**12. SUMMARY OF PRINCIPAL DECISIONS OF THE 662ND MEETING OF THE BOARD OF DIRECTORS HELD ON MAY 13, 2016**

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**  
**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**

**BOARD OF DIRECTORS**

**Meeting of May 13, 2016**

**SUMMARY OF PRINCIPAL DECISIONS**

At its 662<sup>nd</sup> meeting, held on May 13, 2016, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) decided the following:

1. Election of the Chair and Vice-Chair of this Board for the period of office 2016-2018:  
Reelection of Mr. José Afonso Bicalho Beltrão da Silva and Mr. Mauro Borges Lemos as Chair and Vice-Chair of this Board, respectively.

2. Changes in the Executive Board:  
Mr. Eduardo Lima Andrade Ferreira no longer to be the Chief Officer for the Gas Division; election of his substitute member Mr. Felipe Torres do Amaral to complete his period of office (2015-2018).

The members of the Executive Board are now as follows:

Chief Executive Officer:	Mauro Borges Lemos
Deputy CEO:	Mateus de Moura Lima Gomes
Chief Trading Officer:	Evandro Leite Vasconcelos
Chief Business Development Officer:	César Vaz de Melo Fernandes
Chief Distribution and Sales Officer:	Ricardo José Charbel
Chief Finance and Investor Relations Officer:	Fabiano Maia Pereira
Chief Officer for the Gas Division:	Felipe Torres do Amaral
Chief Generation and Transmission Officer:	Franklin Moreira Gonçalves
Chief Corporate Management Officer:	Mário Lúcio Serrano
Chief Counsel:	Raul Lycurgo Leite

Chief Institutional Relations and Communication Officer: Luís Fernando Paroli Santos

3. Submission to the Extraordinary General Meeting of Stockholders of a proposal for change of the by-laws.
4. Convocation of an Extraordinary General Meeting of Stockholders, to be held on June 14, 2016 at 11 a.m. to deal with changes to the by-laws.

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**13. MARKET NOTICE DATED MAY 18, 2016: CEMIG GT SUBSCRIBES SHARES IN RENOVA CAPITAL INCREASE**

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**  
**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**

**MARKET NOTICE**

**Cemig GT subscribes shares in Renova capital increase**

Further to the Material Announcement of February 2, 2016, and in accordance with CVM Instruction 358 of January 3, 2002, as amended, **Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, **hereby informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general, **as follows:**

Cemig's wholly-owned subsidiary *Cemig Geração e Transmissão S.A.* ( **Cemig GT** ) has exercised its right to subscribe shares in its associate Renova Energia S.A. ( **Renova** ).

The Notice to Stockholders published on May 17, 2016 by **Renova** gives details:

In relation to the **Capital Increase** announced in the Material Announcement and Notice to Stockholders published on February 2, 2016, **Renova Energia S.A.** ( the Company ) hereby advises its stockholders and the market in general as follows:

**Expiry of the First Refusal Period; procedure for subscription of Remaining Shares**

The period for existing stockholders to exercise right of first refusal for subscription of shares in the Capital Increase ( the Subscription Preference Period ) began on February 2, 2016, and ended on May 11, 2016. The period for subscription of the Remaining Shares starts on May 18, 2016.

In the Subscription Preference Period stockholders subscribed the following numbers of shares, making payment in full at the issue price of R\$ 6.66 per share (and R\$ 19.98 per Unit), resulting in a total amount of R\$ 240,001,691.40, as follows:

Stockholder	Shares subscribed and paid up		
	Common	Preferred	Units
Cemig Geração e Transmissão S.A. ( Cemig GT )	30,030,029		
Light Energia S.A.		6,006,006	

Other stockholders 127 1193 3

Following that subscription, 45,551,832 common shares and 28,208,821 preferred shares remain unsubscribed, representing a total of R\$ 491,245,948.98 ( the Remaining Shares ). Subscription of these shares will now be distributed pro rata between those stockholders who stated their interest in subscription these remaining shares, in a single round, in proportion to the amounts subscribed, in accordance with Article 171, Paragraph 7, Sub-clause b , of the Corporate Law (Law 6404 of December 15, 1976, as amended).

***Procedure for subscription of the Remaining Shares***

*Subscription of the Remaining Shares may be exercised only by stockholders that made their reservation at the time of subscription in the Subscription Preference Period, by statement to that effect on the related Share Subscription Form, as follows:*

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*Subscription Price: R\$6.66 (six Reais sixty six centavos) per share, for all types of share.*

*Investors who requested subscription in Units are required pay the amount reflecting the composition of Units (i.e. one Unit comprises one common share and two preferred shares).*

*(ii) Payment for the subscription: in Brazilian currency, at the time of subscription.*

*(iii) Proportional right of subscription: Each common share subscribed and paid in the Subscription Preference Period gives its holder the right to subscribe 1.51687120849 new common shares and 0.93934054465 new preferred shares.*

*Each preferred share subscribed and paid up in the Subscription Preference Period gives its holder the right to subscribe 2.45621175314 new preferred shares.*

*(iv) Subscription Period for the Remaining Shares: May 18, 2016 to May 24, 2016, inclusive.*

*(v) Stockholder Service Locations: If the statement of the option for right of preference in subscription of Remaining Shares was made through Banco Itaú Unibanco S.A. ( Itaú ), the stockholder should visit a branch of Itaú for subscription of the new shares. If the first refusal right was exercised through the Assets Deposit Center of the São Paulo stock exchange (BM&FBovespa), stockholders should exercise their right through their custody agents and in accordance with the rules stipulated by that Assets Deposit Center itself, and the periods and conditions in this notice.*

*(vi) Documents required:*

*(i) Individuals: Identity card; Brazilian personal tax number (CPF) card and proof of address.*

*(ii) Legal entities: By-laws or Articles of Association; Minutes of the Stockholders Meeting that elected the managers currently in office, filed with the competent entity of the National Commercial Registry Department; and proof of address.*

*Notes:*

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*Following expiration of the Subscription Period for the Remaining Shares, in accordance with Article 171, §7, Sub-clause b , of Law 6404/76, any of the Remaining Shares not subscribed will be canceled.*

*The period in which stockholders will be able to confirm their decisions to subscribe their portions of the Capital Increase will start after the termination of the Period for Subscription of the Remaining Shares, and will be the subject of a further Notice to Stockholders.*

*After the cancellation of any such remaining shares, the Board of Directors of the Company will hold a further meeting to ratify the capital increase.*

**Additional information** on the Capital Increase may be obtained from the Company's website [www.renovaenergia.com.br/ri](http://www.renovaenergia.com.br/ri) or by email at: [ri@renovaenergia.com.br](mailto:ri@renovaenergia.com.br).

*São Paulo, May 17, 2016. Cristiano Corrêa de Barros*

*Chief Finance, Business Development and Investor Relations Officer*

**Cemig** will keep its stockholders and the market opportunely and appropriately informed on the conclusion of this transaction.

Belo Horizonte, May 18, 2016

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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**14. MARKET NOTICE DATED MAY 18, 2016: 20-F FORM NOT YET FILED**

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

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

**MARKET NOTICE**

**20-F form not yet filed**

Complementing the information in its Market Notice dated May 12, 2016, and in accordance with CVM Instruction 358 of January 3, 2002, as amended, **Cemig** (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, **hereby informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general, **as follows:**

After requesting the allowed extension (until May 17) of the period for filing its 20-F Form with the SEC, Cemig has not filed its 20-F Form within this period.

This is because investigations have not yet been finalized in relation to compliance with law and regulations in Norte Energia S.A. ( Norte Energia ), a company in which Cemig has an indirect equity interest through Amazônia Energia S.A. and Aliança Norte Energia Participações S.A.

Since those investigations are still in progress, the reasons that would cause the Auditors' Opinion on the financial statements at December 31, 2015 to be qualified remain in existence.

Having regard to the SEC's restriction on filing of the 20-F Form with qualification, Cemig believes it is necessary to await the conclusion of the investigations in Norte Energia, so as to eliminate the issue which has given rise to the qualification, and only then to proceed to filing of the 20-F Form.

Cemig will keep its stockholders and the market duly informed of any new information on this subject.

Belo Horizonte, May 18, 2016

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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**15. MARKET NOTICE DATED MAY 19, 2016: REPLY TO CVM INQUIRY LETTER  
217/2016-CVM/SEP/GEA-1, OF MAY 18, 2016**

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**  
**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**  
**MARKET ANNOUNCEMENT**

**Reply to CVM Inquiry Letter 217/2016 CVM/SEP/GEA 1, of May 18, 2016**

**Question asked by the Brazilian Securities Commission (CVM)**

Rio de Janeiro, May 18, 2016.

To Mr. Fabiano Maia Pereira

Investor Relations Director

Cia. Energética de Minas Gerais CEMIG

Av. Barbacena 1200 5<sup>th</sup> floor, B1 Wing, Santo Agostinho,

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c/c: [gre@bvmf.com.br](mailto:gre@bvmf.com.br)

Subject: **Request for explanation on news report** Text of the Subject in bold type

Dear Sir,

1. We refer to the news report published today in *Valor Econômico* newspaper, in the *Empresas [Companies]* section, under the headline: *Cemig seeks sale of assets to reduce debt* , which contains the following statements:

With more than R\$ 11 billion in debt becoming due by 2018 and a significant investment program, the principal alternative open to Cemig for improving its balance sheet continues to be disinvestment.

No transaction of this type has yet been announced, but Cemig's **Investor** Relations Director Fabiano Maia Pereira highlighted, yesterday, at the events for announcement of quarterly results, that Cemig's management is discussing the sale of some of its **Assets**, with a focus on those in which the company does not have **stockholding control**.

[...]

We have been looking at **Assets**, basically those in which we do not have control. The company's planning is to look toward these and offer them for sale, clearly for satisfactory prices, Mr. Pereira said. The company is concentrating efforts on contacts with foreign **Investors**, to make the most of the variation in the exchange rate between the dollar and the Real. The conversations are taking place with **Investors** from Europe, the United States, China and Japan, Pereira said.

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The [Company s] perception is that as soon as they get a clearer view of the Brazilian economy, they will once again invest in the country , he said. In his view the **Investors** that are closest to agreements are **Companies** that know the electricity sector and already have connections with Brazil. In the Company s view, within a maximum of two or three years Cemig will have sold the **Assets** that are for sale.

2. In view of the above, we require you to state whether the news reported is true, and, if its truth is confirmed, you should explain for what reasons you believed that this was not a case of Material Information, to be published in a Material Announcement; and comment on any other information on the subject that may be considered to be important.
3. Your statement should be given through the *Empresas.NET* system, in the category: *Market Announcement*, under the sub-category *Responses to consultations by CVM/Bovespa*, subject heading *Media News Reports*; and should include a transcription of this letter.
4. We warn you that, by order of the Company Relations Supervision Management, using its powers under Sub-item II of Article 9 of Law 6385/1976 and CVM Instruction 452/07, a coercive fine of R\$ 1,000 (one thousand Reais) is applicable, without prejudice to other administrative sanctions, for not complying with the requirement contained in this Official Letter within one business day from becoming aware of its content. It has been sent exclusively by e-mail, notwithstanding the provisions of §1 of Article 6 of CVM Instruction 358/02.

**Reply by CEMIG**

Dear Madam,

In reply to Official Letter 217/2016-CVM/SEP/GEA-1, of May 18, 2016, we inform you that the subject referred to was dealt with during the disclosure of the results for the first quarter of 2016.

This is a case, only, of an intention on the part of the Company. No transaction has been put into concrete effect, and thus no Material Event has been characterized under the terms of Article 2 of CVM Instruction 358/2002.

The Company takes this opportunity to offer its most respectful regards and remains at your disposal to provide any further information which may be considered to be necessary for analysis of this statement.

Belo Horizonte, May 19, 2016

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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**16. CONVOCATION AND PROPOSAL OF EXTRAORDINARY GENERAL MEETING OF  
STOCKHOLDERS TO BE HELD ON MAY 27, 2016**

64

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**  
**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**  
**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**CONVOCATION**

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on May 27, 2016 at 10 a.m., at the company's head office, Av. Barbacena 1200, 21 floor, Belo Horizonte, Minas Gerais, Brazil to decide on the following matter:

Re-ratification of the decision taken by the Extraordinarily General Meeting held on March 24, 2011, to provide that the Put Option granted by the Company on April 11, 2011 to Redentor Fundo de Investimento em Participações (*FIP Redentor*), may be exercised not only by FIP Redentor, but any person who becomes a direct stockholder of Parati S.A. Participações em Ativos de Energia Elétrica (*Parati*), including but not limited to holders of units in FIP Redentor, and/or their affiliated parties, who will become holders of the Put Option and/or the rights arising from it, in relation to the shares in Parati that they hold.

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 May 24, 2016, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with specific powers, at Cemig's Corporate Executive Secretariat Office (*Superintendência da Secretaria Geral e Executiva Empresarial*) at Av. Barbacena 1200 19<sup>th</sup> Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, April 26, 2016.

José Afonso Bicalho Beltrão da Silva

Chair of the Board of Directors

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**PROPOSAL**  
**BY THE BOARD OF DIRECTORS**  
**TO THE**  
**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**  
**TO BE HELD ON MAY 27, 2016**

Dear Stockholders:

*The Board of Directors of Companhia Energética de Minas Gerais - Cemig*

*whereas:*

- a) *Companhia Energética de Minas Gerais (Cemig) owns 25% of the share capital of Parati S.A. Participações em Ativos de Energia Elétrica (Parati) and Redentor Fundo de Investimento em Participações (FIP Redentor) owns the remaining 75%;*
- b) *in 2011, Cemig negotiated the unconditional and irrevocable grant, solely and exclusively to FIP Redentor (and not to any of its Unit Holders), of an option to sell (Put Option), giving FIP Redentor the right, at the end of the 60<sup>th</sup> (sixtieth) month from the date of the subscription of the shares in Parati (the Exercise Date), to sell the totality of the shares owned by FIP Redentor ( the Acquisition Shares ), and Cemig will have the obligation to buy them, or to indicate a third party who shall buy them, by payment of the Exercise Price, which shall be equivalent to the amount paid at the time of subscription of the shares, plus expenses (all those expenses provenly incurred by FIP Redentor and/or by the Administrator of FIP Redentor, for its constitution and as from the date of its constitution, including expenses of auditing, management fees and administration charges), less a total of such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received shall be multiplied by 0.5721 for the calculation), all updated by the change in the average CDI Rate (the rate for Interbank Certificates of Deposit published by the Cetip Custody and Clearing House (Câmara de Custódia e Liquidação), plus 0.9% per year *pro rata tempore*, as from the date of their actual disbursement/payment up to the Exercise Date of the Put Option;*
- c) *it was further negotiated that in the event that the Exercise Price was higher than the amount subscribed by FIP Redentor when subscribing the shares in Parati, an adjustment factor of  $(1/(1 - 0.4279) - 1)$  would be added to the Exercise Price;*

- d) on March 24, 2011, the Extraordinary General Meeting of Stockholders, in the terms of and for the purposes of Article 256 of Law 6404/1976, authorized the unconditional and irrevocable grant by Cemig to FIP Redentor of an option to sell (Put Option) by which FIP Redentor acquired the right, at the end of the 60<sup>th</sup> (sixtieth) month from the date of the subscription of the shares in Parati (the Exercise Date), to sell the totality of the shares owned by FIP Redentor (the Acquisition Shares), and Cemig acquired the obligation to buy them, or to indicate a third party who shall buy them, by payment of the Exercise Price, equivalent to the amount paid at the time of subscription of the shares, plus expenses (all those expenses provenly incurred by FIP Redentor and/or by the Administrator of FIP Redentor, for its constitution and as from the date of its constitution, including expenses of auditing, management fees and administration charges), less a total of such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received to be multiplied by 0.5721 for the calculation), all

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updated by the change in the average CDI Rate plus 0.9% per year *pro rata tempore*, as from the date of their actual disbursement/payment up to the Exercise Date of the Put Option; in the event that the Exercise Price is higher than the amount subscribed by FIP Redentor when subscribing the shares in Parati, an adjustment factor of  $(1/(1 - 0.4279) - 1)$  to be added to the Exercise Price; the parties agreeing to negotiate the situations in which the Exercise Date can be brought forward by FIP Redentor, such conditions to be established in a contractual instrument to be entered into by the parties after the approval by the Board of Directors of Cemig, in the terms of its by-laws; and payment of the Exercise Price and the transfer of the shares of Parati to be conditional upon prior approval of the transaction by the National Electricity Agency (Aneel);

- e) on April 11, 2011, Cemig granted, exclusively to FIP Redentor, unconditionally and irrevocably, an option to sell (Put Option), under which FIP Redentor acquired the right, at the end of the 60<sup>th</sup> (sixtieth) month from the date of the subscription of the shares in Parati (the Exercise Date), to sell the totality of the common and preferred shares in that company belonging to FIP Redentor, and Cemig acquired the obligation to buy them or to indicate a third party to buy them, by payment of the Exercise Price, as authorized by the Board of Directors of the Company on December 6, 2010 and by the Extraordinary General Meeting of Stockholders of March 24, 2011;
- f) in this grant, Notice of Exercise of the Option was to be given by at least 240 (two hundred and forty) days before the Exercise Date;
- g) on September 2, 2015, within the agreed period, FIP Redentor notified Cemig of its interest in exercising the Put Option, by delivery of a Put Option Exercise Notice to the Company;
- h) Cemig has been advised by Banco BTG Pactual S.A. ( BTG Pactual ) of its resignation as administrator of FIP Redentor, which took place on March 30, 2016, and this could result, within 60 (sixty) days, in extinction of this Investment Fund;
- i) as a result of any extinction of FIP Redentor, holders of its Units will become direct holders of the common and preferred shares in Parati;
- j) the Unit Holders of FIP Redentor have the right to sell their unit holdings in FIP Redentor to third parties and wish to preserve this right if and when they become direct shareholders of Parati;

- k) for this purpose and as a consequence of any extinction of FIP Redentor, should it take place, the unit holders of FIP Redentor have requested alteration of certain conditions specified in the Stockholders Agreement, so as to alter the Put Option, which had been granted exclusively to FIP Redentor, in such a way as to permit the Unit Holders of FIP Redentor to become holders of the Put Option, as direct stockholders of Parati, maintaining their rights and obligations, without altering the other conditions of the grant that had been given;
  - l) postponement of the Exercise Date of the Put Option is in the strategic interest of Cemig, for better administration of Cemig's cash flow in the current year;
  - m) the Unit Holders of FIP Redentor have made the negotiation of any postponement of the Exercise Date of the Put Option conditional upon their rights being maintained, as per items j and k, above.
- do now propose to you as follows:*

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***Proposal by the Board of Directors***

Re-ratification of the decision taken by the Extraordinary General Meeting held on March 24, 2011, to provide that the Put Option granted by the company on April 11, 2011, to *Redentor Fundo de Investimento em Participações (FIP Redentor)*, may be exercised not only by FIP Redentor, but by any person who becomes a direct stockholder of *Parati S.A. Participações em Ativos de Energia Elétrica (Parati)*, including but not limited to holders of units in FIP Redentor, and/or their affiliated parties, who will become holders of the Put Option and/or the rights arising from it, in relation to the shares in Parati that they hold.

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, April 26, 2016.

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 Pais Rangel  
Marco Antônio de Rezende Teixeira

Marco Antônio Soares da Cunha Castello Branco  
Nelson José Hubner Moreira  
Bruno Magalhães Menicucci  
José Augusto Gomes Campos  
Marina Rosenthal Rocha  
Marina Rosenthal Rocha  
Newton Brandão Ferraz Ramos  
Tarcísio Augusto Carneiro

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**17. CONVOCATION AND PROPOSAL OF EXTRAORDINARY GENERAL MEETING OF  
STOCKHOLDERS TO BE HELD ON MAY 30, 2016**

**COMPANHIA ENERGÉTICA DE MINAS GERAIS**

**CEMIG**

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

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**MAY 30, 2016**

**CONVOCATION**

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on May 30, 2016 at 10 a.m., at the Company's head office, Av. Barbacena 1200, 2<sup>nd</sup> floor, Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- a) **Re-ratification** of the decision taken by the Extraordinarily General Meeting held on March 24, 2011, to provide that the Put Option granted on April 11, 2011 by Cemig to Redentor Fundo de Investimento em Participações ( FIP Redentor ) be altered as follows:
- 1) To enable the option to be effective in relation to shares in Luce Empreendimentos e Participações S.A. ( Lepsa ) and/or in Rio Minas Energia S.A. ( RME ), in the event that those companies receive all of the assets and liabilities arising from a total split of their controlling and sole stockholder, Parati S.A. Participações em Ativos de Energia Elétrica ( Parati ).
  - 2) To postpone the date of exercise of the said Put Option  
  
from: the last business day of the 60<sup>th</sup> (sixtieth) month following the date of subscription of the shares in Parati,  
  
to: November 30, 2017, the last business day of the 77<sup>th</sup> (seventy seventh) month.
  - 3) To alter the adjustment factor from 0.4279 para 0.4756, to restore the economic-financial equilibrium of the Put Option.

- 4) To offer Units in Transmissora Aliança de Energia S.A. (Taesa) in guarantee of the obligations assumed by Cemig in the transaction, representing R\$ 1,075,000,000.00 (one billion seventy five million Reais), this being the amount corresponding to the cash injection made by FIP Redentor into Parati in 2011.
  - 5) To offer as a support for the guarantee Cemig's holding of 26.06% of the total shares of Light, in guarantee of the obligations assumed by Cemig in the transaction.
- b) **Authorization** for the following ratios to exceed the limits stated in the by-laws, as follows:

the Company's consolidated indebtedness as specified in Subclause a of Paragraph 7 of Clause 11 of the Company's by-laws, to be a maximum of 4.12 (four point one two) times the Company's Ebitda (profit before interest, taxes, depreciation and amortization);

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the ratio established 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 a maximum of 52%; and

the quantity established 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 a maximum of 146% of the Company's Ebitda (profit before interest, taxes, depreciation and amortization). Any stockholder who wishes to be represented by proxy at the said General Meeting of Stockholders should obey the precepts of Article 126 of Law 6406 of 1976, as amended, and of the sole paragraph of Clause 9 of the Company's by-laws, by exhibiting at the time, or depositing, preferably by May 24, 2016, 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, April 28, 2016.

José Afonso Bicalho Beltrão da Silva

Chair of the Board of Directors

**PROPOSAL**

**BY THE BOARD OF DIRECTORS**

**TO THE**

**EXTRAORDINARY GENERAL MEETINGS OF STOCKHOLDERS**

**TO BE HELD ON MAY 30, 2016**

Dear Stockholders:

*The Board of Directors of Companhia Energética de Minas Gerais - Cemig*

*whereas:*

a)

*Companhia Energética de Minas Gerais (Cemig)* owns 25% of the share capital of *Parati S.A. Participações em Ativos de Energia Elétrica (Parati)* and *Redentor Fundo de Investimento em Participações (FIP Redentor)* owns the remaining 75%;

- b) in 2011, Cemig negotiated the unconditional and irrevocable grant, solely and exclusively to FIP Redentor (and not to any of its Unit Holders) of an option to sell ( the Put Option ) by which FIP Redentor acquired the right, at the end of the 60<sup>th</sup> (sixtieth) month from the date of the subscription of the shares in Parati ( the Exercise Date ), to sell the totality of the shares owned by FIP Redentor ( the Acquisition Shares ), and Cemig acquired the obligation to buy them or to indicate a third party to buy them, by payment of the Exercise Price, to be equivalent to the amount paid at the time of subscription of the shares, plus expenses (all those expenses provenly incurred by FIP Redentor and/or by the Administrator of FIP Redentor, for its constitution and as from the date of its constitution, including expenses of auditing, management fees and administration charges), less the total of such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received to be multiplied by 0.5721 for the calculation), all updated by the change in the average CDI Rate (the rate for Interbank Certificates of Deposit published by the Cetip Custody and Clearing House) plus 0.9% per year *pro rata tempore*, as from the date of their actual disbursement/payment up to the Exercise Date of the Put Option;

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- c) it was further negotiated that in the event that the Exercise Price was higher than the amount subscribed by FIP Redentor when subscribing the shares in Parati, an adjustment factor of  $(1/(1 - 0.4279) - 1)$  would be added to the Exercise Price;
- d) Provisional Measure 675 of May 21, 2015 (MP 675/2015), which became Law 13169 of October 6, 2015, altered Federal Law 7689 of December 15, 1988, to increase the Social Contribution tax on Net profit (CSLL) on private companies operating in insurance, and annuities, and those qualifying under Sub-items I to VII, IX and X of §1 of Complementary Law 105 of January 10, 2001, from 15% to 20%, in the period from September 1, 2015 to December 31, 2018;
- e) in the event of changes in legislation that could have an impact on the transactions agreed, the adjustment factor should be altered for the purpose of re-establishing the economic-financial equilibrium of the Put Option;
- f) that, on March 24, 2011, the Extraordinary General Meeting, for the purposes of Article 256 of Law 6404/1976, authorized:
  - 1) **Unconditional and irrevocable grant** by Cemig to FIP Redentor of a Put Option, giving FIP Redentor the right, on the Exercise Date, to sell the totality of the shares owned by FIP Redentor, and Cemig acquired the obligation to buy them or to indicate a third party to buy them, by payment of the Exercise Price, to be equivalent to the amount paid at the time of subscription of the shares, plus expenses (all those expenses provenly incurred by FIP Redentor and/or by the Administrator of FIP Redentor, for its constitution and as from the date of its constitution, including expenses of auditing, management fees and administration charges), less any such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received to be multiplied by 0.5721 for the calculation), all updated by the change in the average CDI Rate (the rate for Interbank Certificates of Deposit published by the Cetip Custody and Clearing House, plus 0.9% per year *pro rata tempore* as from the date of their actual disbursement/payment up to the Exercise Date of the Put Option; and in the event of the Exercise Price being higher than the amount paid by FIP Redentor for subscription of the shares in Parati at the time of that subscription, an adjustment factor of  $(1/(1 - 0.4279) - 1)$  to be applied, by addition, to the Exercise Price; the Option Exercise Date being able to be brought forward in any of the following events:
    - a) Non-compliance by Cemig with any of the obligations contained in the Definitive Document (Subscription Agreement, Stockholders Agreement and Secondary Stockholders Agreement,), provided that the said non-compliance has not been cured within 30 (thirty) calendar days from receipt of the notice of default sent by FIP Redentor;

- b) Sale, transfer or assignment to third parties by Cemig of the Shares owned by itself in Parati or of the rights and obligations arising from them, without prior written authorization of FIP Redentor, with the exception of transactions between subsidiaries and/or wholly-owned subsidiaries of Cemig, provided that Cemig's co-obligation in relation to the obligations originally assumed is preserved;
- c) decision by any authority ordering that a public offer of shares be held for change in the control of Light S.A. Light, unless Cemig bears all the costs and expenses arising from this decision;
- d) termination of concession contracts of Cemig or of its subsidiaries representing a value greater than or equivalent to 40% of the consolidated Ebitda of Cemig in the 12 (twelve) months prior to the date of ascertainment of this condition;
- e) termination of Light's concession contract for distribution services;

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- f) corporate reorganization, privatization, or merger of Cemig such as, in the opinion, with grounds, of FIP Redentor, causes a significant reduction in Cemig's capacity to comply with any obligations assumed in the Definitive Documents;
- g) liquidation, intervention, dissolution or extinction of Cemig;
- h) any new taxes becoming applicable to any transactions, payments due or dividends under the terms of the Definitive Documents;

or increase in rates of taxes or of the taxes already applicable to any transactions specified in the Definitive Documents;

or identification of a tax liability not identified on the present date, such as would cause any transaction specified in the Definitive Documents to be, in the opinion, with grounds, of FIP Redentor, unfeasible or inadvisable;

- i) if the ratio between Financial Debt and Ebitda, measured six-monthly in relation to the prior 12 (twelve) months, based on the reviewed or audited (as applicable) consolidated financial statements of Cemig, is greater than 3.5 times;
- j) non-approval by the Administrative Economic Defense Council (*Conselho Administrativo de Defesa Econômica*) - CADE;
- k) occurrence of any of the following events:
  - k (1) if 100% of the units of Luce Investment Fund (LIF) are not acquired by December 31, 2011, or if such acquisition has been carried out without all the following prerequisites being fulfilled:

LIF to hold at least 75% of the Units of Luce Brasil Fundo de Investimento em Participações (FIP Luce);

FIP Luce to hold not less than 100% of the share capital of Luce Empreendimentos e Participações S.A. (Lepsa);

the latter to hold an equity interest of not less than 13.03% of the share capital of Light; and

Fundação de Seguridade Social Braslight (Braslight) not to have signed any agreement for sale of, nor offered the right to buy, its units in FIP Luce, except in the event of Braslight having given to Parati, through LIF, the first refusal right for acquisition of the said units, and Cemig not having indicated a third party to acquire the interest held by BB Banco de Investimento S.A. (Banco do Brasil) and by Votorantim S.A. (Votorantim) in FIP Redentor for an amount equivalent to the Exercise Price on the date of the actual acquisition, or such indicated third party not being accepted by BTG Alpha Participações Ltda. (BTG Alpha) or Santander (Brasil) S.A. (Santander);

- k (2) in the event that Cemig, by the date of the Put Option Notice, has disposed of the direct equity interest of shares that comprise the controlling block of Light, and the acquirers of that interest are

persons having equity interest, on the date of signature of the Stockholders Agreement, of more than 21.1% of the Units of Fundo de Investimento em Participações PCP ( FIP PCP ) and subject of an administrative judgment against them, against which there is no further appeal, for infringements committed against the Brazilian Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission (CVM),

or holding, on the date of signature of the Stockholders Agreement, more than 88.0% of the unit shares of Enlighted Partners Venture Capital ( Enlighted ) and subject of an administrative judgment against them, against which there is no further appeal, for infringements committed against the Brazilian Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission (CVM),

Cemig not having indicated a third party to acquire the interest held by BB and by Votorantim in FIP Redentor for an amount equivalent to the Exercise Price on the date of the actual acquisition, or such indicated third party not being accepted by BTG or Santander;

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the payment of the Exercise Price and the transfer of the shares of Parati to be conditional upon prior approval of the transaction by the National Electricity Agency (Aneel); and if the authorization of Aneel is not obtained by the date of the transfer of the shareholders, or

if at any moment Aneel expressly refuses authorization for the transfer of the shares, except in the case of negligence or malicious intent on the part of FIP Redentor, then FIP Redentor shall have the right to sell the shares to third parties on the stock exchange or otherwise, and in the event of sale outside the environment of a stock exchange, such sale may take place only if the price decided is equal to or greater than the lowest of the three following amounts resulting from calculations of stock market prices:

average share price of Light in the last trading session prior to the day of closing of the sale;

daily average of closing prices of the shares of Light over the last 30 (thirty) days; and

daily average of closing prices of the shares of Light over the last 90 (ninety) days; if the amount resulting from the said disposal is lower than the Exercise Price, Cemig shall continue to be obliged to pay the difference;

if it is greater than the Exercise Price, and only in the event of Aneel omitting to give approval or expressly refusing the transfer of the Acquisition Shares to the Cemig, and if Cemig has complied with its contractual obligations, Cemig to have the right to receive the positive difference, multiplied by

(1 - the Adjustment Factor).

In any of these events, the expenses incurred by FIP Redentor arising from the process of sale shall be deducted from the amount received as a result of the disposal to third parties: and the penalties specified in Clause 6.5 of the Stockholders Agreement shall not be applicable (arrears interest calculated at the Selic Rate, plus penalty payment of 2% on the Exercise Price, plus the arrears interest).

The decision of the Extraordinary General Meeting that authorized the grant of the Put Option to FIP Redentor led to the possibility of holders of common shares in Cemig who disagreed with that decision having the right to withdraw (the Right to Withdraw). The Right to Withdraw applied only to those stockholders proven to be holders of common shares in Cemig on February 18, 2011.



- 2) **Appointment** of Banco Bradesco BBI S.A. ( Bradesco BBI ) to prepare the Valuation Opinion valuing Parati, in the terms of Article 8, §1 and §6, of Law 6404/1976.
- 3) **Approval** of the Economic and Financial Valuation Opinion on Parati, prepared by Bradesco BBI, in January 2011, in the terms of Article 8, §1 and §6°, of Law 6404/1976.
- g) On April 11, 2011 Cemig granted the said Put Option, solely and exclusively to FIP Redentor, unconditionally and irrevocably;
- h) the Notice of Exercise of the Option was to be given at least 240 (two hundred and forty) days before the Exercise Date;
- i) on September 2, 2015, within the agreed period, FIP Redentor notified Cemig of its interest in exercising the Put Option, by delivery of a Put Option Exercise Notice to the Company;
- j) the scenarios relating to the financial, political, business and market situation in Brazil on the date of the potential exercise of the Put Option in 2011 projected at the time of signature of the Stockholders Agreement and of the consequent granting of the Put Option to FIP Redentor did not materialize, since the conditions existing today are totally different;
- k) the occurrence of unpredictable events, especially Brazil's crisis of water supply and volume, the legislation contained in Provisional Measure 579/2011, the crisis in the Brazilian electricity sector, and, further, the current adverse political-economic situation in Brazil – all of these being events which had a strong negative effect on the electricity sector and the companies in it – contributed to a scenario that was drastically worse than the worst scenario projected in 2011 for the situation of exercise of the Put Option;
- l) these events had a negative effect on the profit and the stock price of all the companies of the electricity sector, including Light and Cemig;

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m) as a result of these events:

- 1) Cemig does not at the moment have sufficient financial resources for payment of the Price of Exercise of the Put Option by FIP Redentor;
  - 2) Cemig currently has high financial leverage and, given the current market conditions, the costs of debt are increasing;
  - 3) The market currently offers a low availability of credit;
  - 4) The price of the shares of Light is lower than the forecast made in 2011;
  - 5) Parati, the dividends of which arise from those distributed by Light, distributed dividends at a lower level than was projected (the dividends distributed by Parati can be deducted from the Exercise Price of the Put Option, under the Stockholders Agreement of Parati); and
  - 6) Cemig has not, at the present moment, found a third party interested in acquiring the shares of Parati instead of itself, as per the Stockholders Agreement of Parati, a situation which would lead to Parati and, consequently, Light, going into State or other public ownership;
- n) if Parati were to come under state, federal or other public control, as a result of the exercise of the Put Option on May 31, 2016, this would result in Light being considered to be a state-controlled company by the lenders of financing and guarantee contracts that have been entered into, which could cause early maturity of those contracts and, as a consequence, early maturities of various other financing and guarantee contracts of Light, that are linked by cross-default clauses;
- o) in this scenario, even as from before notification of the exercise of the Put Option, Cemig has been seeking the optimum solution, considering the business and legal aspects, to soften the negative effects of the exercise, against Cemig, of the Put Option which also indirectly affect Parati and Light;

- p) so as to make use of the profit reserves of Rio Minas Energia S.A. (RME) and of Lepsa to reduce the payment of the Exercise Price, it is intended to carry out a stockholding reorganization of the Parati group of companies ( the Stockholding Reorganization ), involving the total split of Parati, with absorption of part of the assets and liabilities by RME and part by Lepsa;
- q) due to the possibility of a total split of Parati, with absorption of parts by RME and Lepsa, the Put Option will have to be adapted to reflect the shares of RME and Lepsa and no longer those of Parati;
- r) postponement of the Exercise Date of the Put Option is in the strategic interest of Cemig, for better administration of Cemig s cash flow in the current year;
- s) the parties have negotiated to extend the period of the Put Option, altering the period before the Exercise Date to postpone the Exercise Date from the last business day of the 60<sup>th</sup> (sixtieth) month to the last business day of the 77<sup>th</sup> (seventy seventh) month;
- t) Cemig has offered Units in Transmissora Aliança de Energia S.A. (Taesa) in guarantee of the obligations assumed by Cemig in the transaction, representing R\$ 1,075,000,000.00 (one billion seventy five million Reais), the amount corresponding to the cash injection made by FIP Redentor into Parati in 2011; and
- u) Cemig has offered as a support for the guarantee 26.06% of the shares issued by Light, owned by Cemig, in guarantee of the obligations assumed by Cemig in the transaction;
- v) the alterations referred to in the previous sub-item will be submitted to decision by the Board of Directors of Cemig and the Extraordinary General Meeting Stockholders of Cemig, and it is the duty of the Board of Directors to call the General Meeting, under sub-clause f of Clause 17 of the by-laws of Cemig;
- w) 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

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to keep the consolidated ratio (Net debt) / (Net debt + Stockholders' equity) within an upper limit of 40%;

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% of Ebitda (profit before interest, taxes, depreciation and amortization);

- x) 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 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%;

- y) above these limits, including in the case of the limitation of (Consolidated funds allocated to capital investment and acquisition of any assets) to 40% of Ebitda (profit before interest, taxes, depreciation and amortization) in any business year, the targets may be exceeded upon prior justification and specific approval by the stockholders in a General Meeting of Stockholders; and
- z) the annual budget for 2016, which is on the agenda of the meeting of the Board of Directors held in April 2016, referred to indicators above the levels that can be approved by the Board of Directors, as shown below:

*do now propose to you as follows:*

- a) **Re-ratification** of the decision of the Extraordinary General Meeting of Stockholders held on March 24, 2011, with alteration of the terms of the Put Option granted on April 11, 2011 by Cemig to Redentor Fundo de Investimento em Participações ( FIP Redentor ) as follows:

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- 1) To enable the option to be effective in relation to shares in Luce Empreendimentos e Participações S.A. ( Lepsa ) and/or in Rio Minas Energia S.A. ( RME ), in the event that those companies receive all of the assets and liabilities arising from a total split of their controlling and sole stockholder, Parati S.A. Participações em Ativos de Energia Elétrica ( Parati );
- 2) To postpone the date of exercise of the said Put Option from the last business day of the 60<sup>th</sup> (sixtieth) month following the date of subscription of the shares in Parati, until November 30, 2017, the last business day of the 77<sup>th</sup> (seventy seventh) month;
- 3) To alter the adjustment factor from 0.4279 to 0.4756, to restore the economic-financial equilibrium of the Put Option;
- 4) to offer Units in Transmissora Aliança de Energia S.A. (Taesa) in guarantee of the obligations assumed by Cemig in the transaction, representing R\$ 1,075,000,000.00 (one billion seventy five million Reais), this being the amount corresponding to the cash injection made by FIP Redentor into Parati in 2011; and

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5) to offer as a support for the guarantee Cemig's holding of 26.06% of the total shares of Light, in guarantee of the obligations assumed by Cemig in the transaction; and

b) **Authorization** for the following ratios to exceed the limits stated in the by-laws, as follows:

the Company's consolidated indebtedness as specified in Subclause a of Paragraph 7 of Clause 11 of the Company's by-laws: to be a maximum of 4.12 (two point six) times the Company's Ebitda (profit before interest, taxes, depreciation and amortization);

the ratio established in Subclause b of Paragraph 7 of Clause 11 of the by-laws, namely Consolidated  $\{(Net\ debt) / (Net\ debt + Stockholders\ equity)\}$  to be a maximum of 52%; and

the quantity established 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 146% 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, April 28, 2016.

José Afonso Bicalho Beltrão da Silva  
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**18. CONVOCATION AND PROPOSAL OF EXTRAORDINARY GENERAL MEETING OF  
STOCKHOLDERS TO BE HELD ON JUNE 14, 2016**

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**  
**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**  
**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**  
**JUNE 14, 2016**  
**CONVOCATION**

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on June 14, 2016 at 11 a.m., at the company's head office, Av. Barbacena 1200, 2<sup>nd</sup> floor, Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

**1) Changes to the Company's by-laws, as follows:**

Change to Clause 18, to alter the composition of the Executive Board.

Change in Sub-item IV of Clause 22, to change the duties of the Chief Corporate Management Officer.

Change in Sub-item IX of Clause 22, to replace the duties of the Chief Officer for the Gas Division by the duties of the Chief Human Relations and Resources Officer.

Change in Sub-item VIII of Clause 22, to include Sub-clauses t to z, containing new duties of the Chief Business Development Officer.

Change in the drafting of Sub-clause g of Sub-item I of Article 22, to exclude the conduct of activities of internal auditing from the duties of the Chief Executive Officer.

Inclusion of Sub-clause t in Clause 17, so that conduct of activities of internal auditing shall be a duty of the Board of Directors.

**2) Orientation of the representatives of Cemig to vote in favor of the changes in the by-laws on the agenda of:**

the Extraordinary General Meeting of Stockholders of Cemig Distribuição S.A., and

the Extraordinary General Meeting of Stockholders of Cemig Geração e Transmissão S.A., that are to be held on the same date as the General Meeting of Stockholders of Cemig that is held for the purpose of altering the by-laws.

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 June 10, 2016, 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, May 13, 2016

José Afonso Bicalho Beltrão da Silva

Chair of the Board of Directors

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**PROPOSAL**  
**BY THE BOARD OF DIRECTORS**  
**TO THE**  
**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**  
**TO BE HELD ON JUNE 14, 2016**

**Dear Stockholders:**

*The Board of Directors of Companhia Energética de Minas Gerais - Cemig*

*whereas:*

a) it is opportune to alter the Company's by-laws, to:

abolish the post of Chief Officer for the Gas Division;

re-define the duties of the Chief Corporate Management Officer; and

create the office and department of the Chief Officer for Human Relations and Resources;

in order to:

optimize mutual communication with the employees;

increase the specialization of corporate functions in line with best market practice; and

enable agility in taking of decisions;

- b) since the Chief Officer for the Gas Division will no longer be part of the Executive Board, his/her duties will be assumed by the Chief Business Development Officer;
- c) best governance practices in transparency and independence indicate that the functions of internal auditing should be under the coordination and monitoring of the members of the Board of Directors;
- d) Clause 11, Paragraph 1 of the by-laws of Cemig provides as follows:

Clause 11 (...)

§1 *The structure and composition of the Board of Directors and the Executive Board of the Company shall be identical in the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., with the exception that only the wholly-owned subsidiary Cemig Distribuição S.A. shall have a Chief Distribution and Sales Officer, and only the wholly-owned subsidiary Cemig Geração e Transmissão S.A. shall have a Chief Generation and Transmission Officer. ;*

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- e) Cemig Geração e Transmissão S.A. ( **Cemig GT** ) and Cemig Distribuição S.A. ( **Cemig D** ) will hold Extraordinary General Meetings of Stockholders to change their by-laws on the same date on which Cemig changes its by-laws;
- f) Clause 21, Paragraph 4, Subclause g of the by-laws of Cemig states:

Clause 21 (.)

§4 The following decisions shall require a decision by the Executive Board:

- g) *approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters shall be that of the General Meeting of Stockholders, and decisions must obey the provisions of these Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan. ;*

*now proposes to you as follows:*

**D) To make the following changes to the Company's by-laws:**

- a) Alteration of Clause 18, to change the composition of the Executive Board, to the following:

Clause 18 The Executive Board shall be made up of the following 11 (eleven) Executive Officers, who may be stockholders, resident in Brazil, elected by the Board of Directors:

Chief Executive Officer;

Deputy Chief Executive Officer;

Chief Finance and Investor Relations Officer;

Chief Corporate Management Officer;

Chief Distribution and Sales Officer;

Chief Trading Officer;

Chief Business Development Officer;

Chief Generation and Transmission Officer;

Chief Human Relations and Resources Officer;

Chief Counsel; and

Chief Institutional Relations and Communication Officer.

The period of office of the Executive Officers shall be 3 (three) years, and re-election is permitted. The Executive Officers shall remain in their posts until their duly elected successors take office. .

- b) Alteration of Sub-item IV of Clause 22, to change the duties of the Chief Corporate Management Officer, with the following drafting:

Clause 22 (.)

IV To the Chief Corporate Management Officer:

- a) to decide, conduct and supervise the Company's telecommunications and information technology policy;

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- b) to plan, put in place and maintain the Company's telecommunications and information technology systems;
  - c) to decide policies and rules on support services such as transport, administrative communication, security guarding, and provision of adequate quality in the workplace for the Company's personnel;
  - d) to provide the Company with infrastructure and administrative support resources and services;
  - e) to coordinate the policies, processes and means of property security and security guarding approved by the Company;
  - f) to administer the process of acquisition and disposal of materials, equipment and real estate property, contracting of works and services and construction and inspection of works on buildings;
  - g) to effect quality control of the material acquired and of the qualification of contracted service providers;
  - h) to administer and control the stock of material, and to arrange for separation and recovery of used material, and sales of excess and unusable material, and scrap;
  - i) to arrange for and implement programs to increase, develop and continually improve suppliers of materials and services of interest to the company, alone or in cooperation with other Chief Officers or development agencies or industry associations, in the ambit of the State of Minas Gerais;
  - j) to authorize opening of administrative tender proceedings and proceedings for exemption from or non-requirement for tender, and the corresponding contracts, in amounts up to R\$ 2,800,000.00 (two million eight hundred thousand Reais).
- c) Alteration of Sub-item IX of Clause 22, to replace the references to the duties of the Chief Officer for the Gas Division with a specification of the duties of the Chief Human Relations and Resources Officer, with the following drafting:

Clause 22 (...)

IX To the Chief Officer for Human Relations and Resources:

- a) to ensure the provision of appropriate personnel to the Company;
- b) to decide the Company's human resources policy and to orient and promote its application;
- c) to coordinate the policies, processes and means of work safety approved by the Company;
- d) to orient and conduct the activities related to organizational studies and their documentation;
- e) to carry out the negotiations of collective work agreements, in accordance with the guidelines and limits approved by the Board of Directors, submitting the proposals negotiated for approval by the Executive Board;
- f) to propose to the Chief Executive Officer, for submission to the Executive Board for approval, from among the employees of the Company and of the other companies involved in the negotiations, appointments of employees to the Union Negotiation Committee, and also the appointment of its coordinator;
- g) to present to the Executive Board the assessments received from a leadership succession development program, put in place by the Company, for the purpose of giving the Executive Board input for its decisions on appointments of employees to management posts. .

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- d) Alteration of Sub-item VIII of Clause 22, to include Sub-clauses t to z , containing new duties of the Chief Business Development Officer, with the following drafting:

Clause 22 (...)

VIII To the Chief Business Development Officer: (...)

- t) to coordinate, in the name of the Company and its wholly-owned and other subsidiaries, all the activities related to exploration, acquisition, storage, transport, distribution and sale of oil and gas or oil products and by-products, directly or through third parties;
- u) to propose to the Executive Board guidelines and general rules and plans for operation, prospecting, exploration, acquisition, storage, transport, distribution and sale of activities of the oil and gas business;
- v) to carry out research, analyses and studies of investments and new technologies related to oil and gas and studies and development of business in that sector;
- w) to develop a structure of rules and standardization for projects in the field of oil and gas;
- x) to consolidate the management of the work safety policies of Gasmig and of other special-purpose companies, in the ambit of the oil and gas activities;
- y) to carry out research, studies, analyses and market projections of interest to the Company in the ambit of the oil and gas activities;
- z) to represent the Company in the various entities that bring together the companies of the oil and gas sector. .

- e) Alteration in the drafting of Sub-clause g of Sub-item I of Article 22, to exclude the conduct of activities of internal auditing from the duties of the Chief Executive Officer, with the following drafting:

Clause 22 (...)

I To the Chief Executive Officer (...)

g) to manage and direct the Corporate Executive Office, and activities of strategic planning; .

- f) Inclusion of Sub-clause t in Clause 17, so that conduct of activities of internal auditing shall be a duty of the Board of Directors, with the following drafting:

Clause 17 (...)

t) to manage and direct the activities of internal auditing. .

**II) Orientation** of Cemig's representatives to vote in favor of the agenda of changes in the by-laws at:

the Extraordinary General Meeting of Stockholders of Cemig D, and

the Extraordinary General Meeting of Stockholders of Cemig GT,  
that are to be held on the same date as the General Meeting of Stockholders of Cemig that is held for the purpose of altering the by-laws.

Belo Horizonte, May 13, 2016

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**Appendix 1**

**CVM Instruction 481/09, Article 11**

**I Copy of the by-laws, containing the proposed changes highlighted:**

**Below are the original by-laws of Cemig approved by the General Meeting for Formation of the Company, on May 22, 1952,**

**the minutes of which were filed with the Minas Gerais Commercial Board (JUCEMG) on May 27, 1952, under No. 57386**

**including all changes made since that date.**

**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**CNPJ 17.155.730/0001-64 NIRE 31300040127**

**BY LAWS**

**CHAPTER I**

**Name, constitution, objects, head office and duration**

Clause 1 Companhia Energética de Minas Gerais Cemig, constituted on May 22, 1952 as a corporation with mixed private and public sector stockholdings, is governed by these Bylaws and by the applicable legislation, and its objects are: to build, operate and commercially operate systems of 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 the development and commercial operation of telecommunication and information systems.

§1 The activities specified in this Clause may be exercised directly by Cemig or, as intermediary, by companies constituted by it or in which it may hold a majority or minority stockholding interest, upon decision by the Board of Directors, under State Laws 828 of December 14, 1951, 8655 of September 18, 1984, 15290 of August 4, 2004 and 18695 of January 5, 2010.

- §2 No subsidiary of Cemig, wholly-owned or otherwise, may take any action which might affect the condition of the State of Minas Gerais as controlling stockholder of the Company, in the terms of the Constitution of the State of Minas Gerais and the legislation from time to time in force.
- §3 Since the Company's securities are traded in the special listing segment referred to as Level 1 Corporate Governance of the BM&FBovespa Stock, Commodities and Futures Exchange, the Company, its stockholders, Managers and members of its Audit Board are subject to the provisions of the BM&FBovespa Level 1 Differentiated Corporate Governance Practice Regulations.

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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.

Clause 3 The Company shall have indeterminate duration.

## **CHAPTER II**

### **Capital and shares**

Clause 4 The share capital of the Company is R\$ 6,294,208,270.00, (six billion two hundred ninety four million two hundred eight thousand two hundred seventy Reais), represented by:

- 420,764,708 (four hundred twenty million seven hundred sixty four thousand seven hundred eight) nominal common shares each with nominal value of R\$ 5.00; and

- 838,076,946 (eight hundred thirty eight million seventy six thousand nine hundred forty six) nominal preferred shares, each with nominal value of R\$ 5.00

§1 The right to vote shall be reserved exclusively for the common shares, and each common share shall have the right to one vote in decisions of the General Meeting of Stockholders.

Clause 5 The preferred shares shall have right of preference in the event of reimbursement of shares and shall have the right to a minimum annual dividend of the greater of the following amounts:

a) 10% (ten percent) of their nominal value;

b) 3% (three percent) of the value of the stockholders equity corresponding to the shares.

Clause 6



The common shares and the preferred shares shall have equal rights to distribution of bonuses and stock dividends.

§1 Capitalization of monetary adjustment to the value of the registered capital shall require a decision by the General Meeting of Stockholders, but shall be obligatory when the limit specified in Article 297 of Law 6404 of December 15, 1976 is reached.

Clause 7 In the business years in which the Company does not obtain sufficient profit to pay dividends to its stockholders, the State of Minas Gerais shall guarantee to the shares issued by the Company up to August 5, 2004 and held by individual persons a minimum dividend of 6% (six percent) per year, in accordance with Clause 9 of State Law 828 of December 14, 1951, and State Law 15290 of August 4, 2004.

Clause 8 The State of Minas Gerais shall at all times obligatorily be the owner of the majority of the shares carrying the right to vote, and the capital subscribed by it shall be paid in in accordance with the legislation from time to time in force. The capital subscribed by other parties, whether individuals or legal entities, shall be paid in as specified by the General Meeting of Stockholders which decides on the subject.

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§ 1 The Executive Board may, in order to obey a decision by a General Meeting of Stockholders, suspend the services of transfer and registry of shares, subject to the legislation from time to time in force.

§2 The stockholders shall have the right of preference in subscription of increases of capital and in the issue of the Company's securities, in accordance with the applicable legislation. There shall, however, be no right of preference when the increase in the registered capital is paid with funds arising from tax incentive systems, subject to the terms of §1 of Article 172 of Law 6404 of December 15, 1976.

### **CHAPTER III**

#### **The General Meeting of Stockholders**

Clause 9 The General Meeting of Stockholders shall be held, ordinarily, within the first 4 (four) months of the year, for the purposes specified by law, and extraordinarily whenever necessary, and shall be called with minimum advance notice of 15 (fifteen) days, and the relevant provisions of law shall be obeyed in its convocation, opening and decisions.

§1 Stockholders may be represented in General Meetings of Stockholders in the manner specified in Article 126 of Law 6404, as amended, by showing at the time of the meeting, or by previously depositing at the Company's head office, proof of ownership of the shares, issued by the depositary financial institution, accompanied by the proxy's identity document and a power of attorney with specific powers.

Clause 10 The ordinary or extraordinary General Meeting of Stockholders shall be chaired by a stockholder elected by the General Meeting from among those present, who shall choose one or more secretaries.

### **CHAPTER IV**

#### **Management of the Company**

Clause 11 The management of the Company shall be exercised by a Board of Directors and an Executive Board.

§1 The structure and composition of the Board of Directors and the Executive Board of the Company shall be identical in the wholly-owned subsidiaries Cemig Distribuição S.A and Cemig Geração e Transmissão S.A., with the exception that only the wholly-owned subsidiary Cemig Distribuição S.A. shall have a Chief Distribution and Sales Officer, and only the wholly-owned subsidiary Cemig Geração e Transmissão S.A. shall have a Chief Generation and Transmission Officer.

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- §2 Appointments to positions on the Boards of Directors of the Company's subsidiary or affiliated companies, the filling of which is the competency of the Company, shall be made as determined by the Board of Directors.
- §3 Positions on the support committees to the Boards of Directors of the subsidiaries and affiliated companies, the filling of which is the competency of the Company, shall be filled by Members of the Boards of the respective subsidiaries or affiliated companies. The Chief Business Development Officer shall always be appointed as one of the members of such committees, and shall always act in shared activity with the Chief Finance and Investor Relations Officer or any other Chief Officer.
- §4 The Board of Directors and the Executive Board, in the management of the company and of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., and of the other subsidiaries or affiliates and of the consortia in which they have direct or indirect holdings, shall obey the provisions of the Company's Long-Term Strategic Plan, especially the dividend policy therein contained, as approved by the Board of Directors.
- §5 The Long-Term Strategic Plan shall contain the long-term strategic planning and fundamentals, and the targets, objectives and results to be pursued and attained by the company and its dividend policy, and shall obey the commitments and requirements specified in § 7 below.
- §6 The Long-Term Strategic Plan shall be revised annually by the Executive Board and approved by the Board of Directors and shall be reflected in all the plans, forecasts, activities, strategies, capital expenditure and expenses of the Company and its subsidiaries and affiliates, and the consortia in which it directly or indirectly participates, including the Company's Multi-year Strategic Implementation Plan and the Annual Budget, which shall be approved by the Board of Directors.
- §7 In the administration of the Company and in the exercise of the right to vote in subsidiaries, affiliated companies and consortia, the Board of Directors and the Executive Board shall faithfully obey and comply with the following targets:
- a) to keep the Company's consolidated indebtedness equal to or less than 2 (two) times the Company's Ebitda (earnings before interest, taxes, depreciation and amortization);

- b) to keep the consolidated ratio  $\{\text{Net debt} / (\text{Net debt} + \text{Stockholders' equity})\}$  equal to or less than 40% (forty per cent);
  
- c) to limit the consolidated balance of funds recognized in Current assets, for the purposes of Clause 30 of these Bylaws or otherwise, to the equivalent of a maximum of 5% (five per cent) of the Company's Ebitda (Earnings before interest, taxes, depreciation and amortization);
  
- d) to limit the consolidated amount of funds destined to capital expenditure and the acquisition of any assets, in each business year, to the equivalent of a maximum of 40% (forty per cent) of the Company's Ebitda (Earnings before interest, taxes, depreciation and amortization);
  
- e) to invest only in distribution, generation and transmission projects which offer real minimum internal rates of return equal to or more than those specified in the Company's Long-Term Strategic Plan, subject to the legal obligations;

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f) to maintain the expenses of the wholly-owned subsidiary Cemig Distribuição S.A. and of any distribution subsidiary at amounts not greater than the amounts recognized in the tariff adjustments and reviews;

g) to maintain the revenues of the wholly-owned subsidiary Cemig Distribuição S.A. and of any subsidiary which operates in distribution at the amounts recognized in the tariff adjustments and reviews.

§8 The targets specified in §7 above shall be calculated on the consolidated basis, taking into account the Company and its permanent investments in the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., subsidiaries, affiliated companies and consortia.

§9 The targets established in Sub-clauses a , b , c and d of § 7 above may be exceeded for reasons related to temporarily prevailing conditions, upon justification by grounds and prior specific approval by the Board of Directors, up to the following limits:

a) the Company's consolidated debt to be less than or equal to 2.5 (two point five) times the Company's Ebitda (Earnings before interest, taxes, depreciation and amortization);

b) the consolidated ratio  $\{\text{Net debt} / (\text{Net debt} + \text{Stockholders' equity})\}$  to be limited to 50% (fifty per cent);

c) the consolidated balance of the funds recognized in Current assets, for the purposes of Clause 30 of these Bylaws or otherwise, to be the equivalent of a maximum of 10% (ten per cent) of the Company's Ebitda (Earnings before interest, taxes, depreciation and amortization); and

d) the consolidated amount of the funds allocated to capital expenditure and to the acquisition of any assets, only in the business years of 2006 and 2007, to be limited to maximum values of 65% (sixty-five per cent) and 55% (fifty-five per cent), respectively, of the Company's Ebitda (Earnings before interest, taxes, depreciation and amortization).

## **Section I**

### **The Board of Directors**

Clause 12 The Company's Board of Directors shall be made up of 14 (fourteen) members and an equal number of substitute members. One of the members shall be its Chairman and another its Vice-Chairman, and all shall be elected for the same concurrent period of office of 2 (two) years, may be dismissed at any time by the General Meeting of Stockholders, and may be reelected.

§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.

§2 The global or individual amounts of the remuneration of the Board of Directors shall be fixed by the General Meeting of Stockholders, in accordance with the legislation from time to time in force.

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- §3 The minority holders of common shares, and the holders of preferred shares, each have the right to elect 1 (one) member of the Board of Directors, in a separate vote, in accordance with the law.
- §4 The Boards of Directors of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A. shall, obligatorily, be made up of the members and substitute members elected to the Board of Directors of the Company.
- §5 The posts of Chairman of the Board of Directors and Chief Executive Officer of the Company may not be held by the same person.
- § 6 The members of the Board of Directors shall not take office unless they have previously signed the Managers Consent Undertaking, as specified in the Level 1 Regulations of the BM&FBovespa, and are also compliant with the applicable legal requirements.
- Clause 13 In the event of a vacancy on the Board of Directors, the first subsequent General Meeting of Stockholders shall elect a new member, for the period of office which was remaining to the previous member.
- §1 In this event, if the previous Board member was elected by a minority, the new member shall be elected by the same minority.
- Clause 14 The Board of Directors shall meet ordinarily once a month, to analyze the results of the Company and its subsidiaries and affiliated companies, and to decide on other matters included on the agenda in accordance with its internal regulations. It shall also meet extraordinarily, on convocation by its Chairman, or its Vice-Chairman, or one-third of its members, or when requested by the Executive Board.
- §1 The meetings of the Board of Directors shall be called by its Chairman or its Vice-Chairman, by written advice sent with 5 (five) business days notice, containing the agenda to be discussed. Meetings of the Board of Directors called on the basis of urgency may be called by its Chairman without being subject to the above-mentioned period provided that the other members of the Board are unequivocally aware of the convocation.



§2 Decisions of the Board of Directors shall be taken by the majority of the votes of the Board Members present, and in the event of a tie the Chairman shall have the casting vote.

Clause 15 The Chairman of the Board of Directors has the competency to grant leave to the Board's members, and the other members of the Board have the competency to grant leave to the Chairman.

Clause 16 The Chairman and Vice-Chairman of the Board of Directors shall be chosen by their peers, 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.

Clause 17 The Board of Directors shall have the following attributions:

a) to fix the general orientation of the Company's business;

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- b) to elect or dismiss the Executive Officers of the Company, subject to these Bylaws;
- c) to decide, prior to the Company entering into them, on contracts between the Company and any of its stockholders, or any company that exercises control or joint control of such stockholder;
- d) to decide, upon a proposal put forward by the Executive Board, on disposal or placement of a charge upon any of the Company's property, plant or equipment, and on the giving by the Company of any guarantee to any third party of which the individual value is greater than or equal to R\$ 14,000,000.00 (fourteen million Reais);
- e) to decide, upon a proposal put forward by the Executive Board, on the Company's investment projects, signing of contracts and other legal transactions, contracting of loans or financings, or the constitution of any obligations in the name of the Company which, individually or jointly, have value of R\$ 14,000,000.00 (fourteen million Reais) or more, including injections of capital into wholly-owned or other subsidiaries or affiliated companies or the consortia in which the Company participates;
- f) to call the General Meeting of Stockholders;
- g) to monitor and inspect the management by the Executive Board: the Board of Directors may, at any time, examine the books and papers of the Company, and request information on contracts entered into or in the process of being entered into, and on any other administrative facts or acts which it deems to be of interest to it;
- h) to give a prior opinion on the report of management and the accounts of the Executive Board of the Company;
- i) to choose and to dismiss the Company's auditors, from among companies with international reputation authorized by the Securities Commission (CVM) to audit listed companies;
- j) to authorize, upon a proposal by the Executive Board, commencement of administrative tender proceedings, and proceedings for dispensation from or non-requirement of tender, and the corresponding

contracts, for amounts of R\$ 14,000,000.00 (fourteen million Reais) or more;

k) to authorize, upon a proposal put forward by the Executive Board, filing of legal actions, or administrative proceedings, or entering into court or out-of-court settlements, for amounts of R\$ 14,000,000.00 (fourteen million Reais) or more;

l) to authorize the issue of securities, in the domestic or external markets, for the raising of funding, in the form of debentures, promissory notes, medium-term notes and other instruments;

m) to approve the Company's Long-Term Strategic Plan, the Multi-year Strategic Implementation Plan, and the Annual Budget, and alterations and revisions to them;

n) annually, to set the directives and establish the limits, including financial limits, for spending on personnel, including concession of benefits and collective employment agreements, subject to the competency of the General Meeting of Stockholders and the Annual Budget approved;

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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 of Stockholders has the competency for decision on these matters;

p) to approve the declarations of vote in the General Meetings of Stockholders and the orientations for voting in the meetings of the boards of directors of the subsidiaries, affiliated companies and the consortia in which the Company participates, when participation in the capital of other companies or consortia is involved, and the decisions must, in any event and not only in matters relating to participation in the capital of other companies or consortia, obey the provisions of these Bylaws, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan;

q) to approve the constitution of, and participation in the equity capital of, any company, undertaking or consortium;

r) to approve the institution of committees, in accordance with its Internal Regulations, and each respective committee shall, prior to the decision by the Board of Directors, give its opinion, which shall not be binding: (i) on the matters over which competence is attributed to it by the Internal Regulations; and (ii) in relation to any matter whenever requested by at least 2/3 (two thirds) of the members of the Board of Directors, or the whole number of Members of the Board immediately below the number resulting from that quotient in the event that it is not a whole number; and

s) to authorize provisions in the Company's accounts, in amounts of R\$ 14,000,000.00 (fourteen million Reais) or more, upon proposal by the Executive Board.

t) to manage and direct the activities of internal auditing.

§1 The Board of Directors, by specific resolutions, may delegate to the Executive Board the power to authorize entering into contracts for sales of electricity or for provision of distribution or transmission services, in accordance with the legislation.

§2 The financial limits for decision by the Board of Directors shall be adjusted, in January of each year, by the IGP-M (General Market Price) inflation index, published by the Getúlio Vargas Foundation.

**Section II**

*The Executive Board*

Clause 18 The Executive Board shall be made up of the following 11 (eleven) Executive Officers, who may be stockholders, resident in Brazil, elected by the Board of Directors:

Chief Executive Officer;  
Deputy Chief Executive Officer;

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Chief Finance and Investor Relations Officer;

Chief Corporate Management Officer;

Chief Distribution and Sales Officer;

Chief Trading Officer;

Chief Business Development Officer;

Chief Generation and Transmission Officer;

Chief Human Relations and Resources Officer;

Chief Counsel; and

Chief Institutional Relations and Communication Officer.

The period of office of the Executive Officers shall be 3 (three) years, and re-election is permitted. The Executive Officers shall remain in their posts until their duly elected successors take office.

- §1 No member of the Executive Board may take office without previously signing the Managers' Consent Undertaking, as specified in the Level 1 Regulations, and being compliant with the applicable legal requirements.
- §2 The global or individual amount of the remuneration of the Executive Board, including benefits of any type, shall be fixed by the General Meeting of Stockholders, in accordance with the legislation from time to time in force.

§3 The Executive Officers shall exercise their positions as full-time occupations in exclusive dedication to the service of the Company. They may at the same time exercise non-remunerated positions in the management of the Company's wholly-owned or other subsidiaries or affiliated companies, at the option of the Board of Directors. They shall, however, obligatorily hold and exercise the corresponding positions in the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A.

§4 Executive Officers who are not employees shall have the right to an annual period of not more than 30 (thirty) days remunerated leave. This leave may not be accumulated, and its remuneration shall be augmented by one-third of the monthly remuneration currently in effect. This leave shall be granted to them by the Chief Executive Officer; the leave of the Chief Executive Officer shall be granted by the Board of Directors.

Clause 19 In the event of absence, leave, resignation or vacancy of the post of the Chief Executive Officer, this post shall be exercised by the Deputy Chief Executive Officer, for whatever period the absence or leave may last, and, in the case of the post being vacant, of prevention of its exercise, or of resignation, until the post is filled by the Board of Directors.

§1 In the event of absence, leave, resignation or vacancy of the post of any of the other members of the Executive Board, the Executive Board may, by approval of a majority of its members, attribute the exercise of the respective functions to another Executive Officer, for as long as the period of absence or leave or, in the event of vacancy, the impediment or resignation lasts, until the post is filled by the Board of Directors.

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§2 The Chief Executive Officer or a member of the Executive Board elected in the way described in this clause shall hold the position for the time which remains of the period of office of the Executive Officer who is substituted.

Clause 20 The Executive Board shall meet, ordinarily, at least 2 (two) times per month and, extraordinarily, whenever called by the Chief Executive Officer or by 2 (two) Executive Officers with prior notice of at least 2 (two) days, but this notice shall not be necessary if all the Executive Officers are present. Unless stated to the contrary in the Bylaws, the decisions of the Executive Board shall be taken by a vote of the majority of its members, and in the event of a tie the Chief Executive Officer shall have a casting vote and the Board of Directors must be advised that the casting vote has been used.

Clause 21 The Executive Board is responsible for the current management of the Company's business, subject to the obligation to obey the Long-Term Strategic Plan, the Multi-year Strategic Implementation Plan and the Annual Budget, prepared and approved in accordance with these Bylaws.

§1 The Company's Multi-year Strategic Implementation Plan shall reflect the Company's Long-Term Strategic Plan and contain the plans and projections for a period of 5 (five) business years, and must be updated at least once a year, and shall deal in detail with the following subjects, among others:

- a) the Company's strategies and actions, including any project related to its objects;
- b) new investments and business opportunities, including those of the Company's wholly-owned and other subsidiaries, and affiliated companies, and of the consortia in which it participates;
- c) the amounts to be invested or in any other way contributed from the Company's own funds or funds of third parties; and
- d) the rates of return and profits to be obtained or generated by the Company.

§2 The Company's Annual Budget shall reflect the Company's Multi-year Strategic Implementation Plan and, consequently, the Long-Term Strategic Plan, and must give details of the operational revenue and



expenses, the costs and capital expenditure, the cash flow, the amount to be allocated to the payment of dividends, investments of cash from the Company's own funds or funds of third parties, and any other data that the Executive Board considers to be necessary.

§3 The Company's Multi-year Strategic Implementation Plan and the Annual Budget shall be prepared and updated annually, by the end of each business year, to be in effect in the following business year. They shall be prepared in coordination with the Chief Executive Officer and the Chief Finance and Investor Relations Officer, respectively, and, in relation to the affiliates and subsidiaries, jointly with the Chief Business Development Officer, and at all times, in all aspects, with the participation of all the Chief Officers' Departments. The Multi-Year Strategic Implementation Plan and the Annual Budget shall be submitted to examination by the Executive Board and, subsequently, to approval by the Board of Directors.

§4 The following decisions shall require a decision by the Executive Board:

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- a) approval of the plan of organization of the Company and issuance of the corresponding rules and any changes to them;
- b) examination, and submission to the Board of Directors, for approval, of the Company's Multi-year Strategic Implementation Plan, and revisions of it, including timetables, amount and allocation of the capital expenditure specified in it;
- c) examination, and submission to the Board of Directors, for approval, of the Annual Budget, which must reflect the Multi-year Strategic Implementation Plan at the time in force, and revisions of it;
- d) decision on reallocation of investments or expenditure specified in the Annual Budget which amount, individually or in aggregate, in a single financial year, to less than R\$ 14,000,000.00 (fourteen million Reais), with consequent adaptation of the targets approved, obeying the multi-year Strategic Implementation Plan and the Annual Budget;
- e) approval of disposal of or placement of a charge upon any of the Company's property, plant or equipment, and the giving of guarantees to third parties, in amounts less than R\$ 14,000,000.00 (fourteen million Reais);
- f) authorization of the Company's capital expenditure projects, signing of agreements and legal transactions in general, contracting of loans and financings and the creation of any obligation in the name of the Company, based on the Annual Budget approved, which individually or in aggregate have values less than R\$ 14,000,000.00 (fourteen million Reais), including injection of capital into wholly-owned or other subsidiaries, affiliated companies, and the consortia in which the Company participates, subject to the provisions of Sub-clause o of Sub-item IV of Clause 22;
- g) approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters shall be that of the General Meeting of Stockholders, and decisions must obey the provisions of these Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the Multi-year Strategic

Implementation Plan;

- h) authorization to open administrative tender proceedings and proceedings for exemption from or non-requirement for tender, and the corresponding contracts, in amounts greater than or equal to R\$ 2,800,000.00 (two million eight hundred thousand Reais) and less than R\$ 14,000,000.00 (fourteen million Reais);
- i) authorization to file legal actions and administrative proceedings, and to enter into Court and out-of-court settlements, for amounts less than R\$ 14,000,000.00 (fourteen million Reais);
- j) authorization of the provisions in the Company's accounts of less than R\$ 14,000,000 (fourteen million Reais), upon proposal by the Chief Finance and Investor Relations Officer;
- k) approval of the nominations of employees to hold management posts in the Company, upon proposal by the Chief Officer concerned, subject to the provisions of Sub-clause h of Sub-item I of Clause 22;

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l) authorization of expenditure on personnel expenses and collective employment agreements, subject to the competency of the General Meeting of Stockholders, the directives and limits approved by the Board of Directors and the Annual Budget approved; and

m) examination and decision on the contracting of external consultants, when requested by the office of any Chief Officer, subject to the provisions of Clause 17, Sub-clause j, and Clause 21, §4, Sub-clause h.

§5 Actions necessary for the regular functioning of the Company, entering into contracts, and other legal transactions shall be carried out by the Chief Executive Officer, jointly with one Executive Officer, or by a person holding a valid power of attorney.

§6 Powers of attorney must be granted by the Chief Executive Officer, jointly with an Executive Officer, except for the power described in Sub-clause c of Sub-item I of Clause 22, for which only the signature of the Chief Executive Officer is required.

§7 The financial limits for decision by the Executive Board shall be adjusted, in January of each year, by the IGP-M (General Market Price) inflation index, published by the Getúlio Vargas Foundation.

Clause 22 Subject to the provisions of the previous clauses, the following are the functions and powers attributed to the members of the Executive Board:

**I To the Chief Executive Officer:**

a) to oversee and direct the work of the Company;

b) to coordinate the preparation, consolidation and implementation of the Company's Multi-year Strategic Implementation Plan; in the case of the affiliated companies and jointly-controlled subsidiaries, jointly with the Chief Business Development Officer; and in both cases with the participation of the other Chief Officers of the Company;

- c) to represent the Company in the Courts, on the plaintiff or defendant side;
- d) to sign, jointly with one Chief Officer, documents which bind the Company;
- e) to present the annual report on the Company's business to the Board of Directors and to the Ordinary General Meeting of Stockholders;
- f) to hire and dismiss employees of the Company;
- g) to manage and direct the Corporate Executive Office, and activities of strategic planning;
- h) to propose to the Executive Board, for approval, jointly with the Chief Officer to whom the employee is linked, nominations for management positions in the Company; and
- i) to propose the appointments to positions of Management and positions on the Audit Boards of the wholly-owned subsidiaries, and of Fundação Forluminas de Seguridade Social Forluz, after hearing the Chief Finance and Investor Relations Officer, and of the Company's subsidiaries and affiliated companies and of the consortia in which the Company participates, after hearing the Chief Business Development Officer, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the provisions of §4 of Clause 12 and §3 of Clause 18 of these Bylaws prevail.

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**II To the Deputy Chief Executive Officer:**

- a) to substitute the Chief Executive Officer if he is absent, on leave, temporarily impeded from exercising his functions, or has resigned or his post is vacant;
- b) to promote improvement of the Company's social responsibility and sustainability policies;
- c) to set the policies and guidelines for the environment, technological development, alternative energy sources and technical standardization;
- d) to co-ordinate the Company's strategy for operations in relation to social responsibility, the environment, technological processes and strategic management of technology;
- e) to coordinate the putting in place and maintenance of the Company's quality control systems;
- f) to promote the implementation of programs for the Company's technological development; and
- g) to monitor the management of the plans for compliance with the guidelines for the environment, technology and improvement of quality.

**III To the Chief Finance and Investor Relations Officer:**

- a) to make available the financial resources necessary for the operation and expansion of the Company, in accordance with an Annual Budget, conducting the processes of contracting of loans and financing, and the related services;

- b) to coordinate the preparation and consolidation of the Company's Annual Budget, in the case of the affiliated companies and jointly-controlled subsidiaries, jointly with the Chief Business Development Officer, and in both cases with the participation of the other Chief Officers of the Company;
- c) to arrange for economic and financial valuation of the Company's capital expenditure investment projects, except those that are the responsibility of the Chief Business Development Officer;
- d) to accompany the economic-financial performance of investment projects, according to targets and results approved by the Executive Board and the Board of Directors;
- e) to carry out the accounting of, monitor and control the economic-financial transactions of the Company, including its wholly-owned and other subsidiaries;
- f) to determine the cost of the service and to establish a policy on insurance, as set out in the Company's Multi-year Strategic Implementation Plan;
- g) to prepare the short-, medium- and long-term financial programming in detail, as specified in the Company's Multi-year Strategic Implementation Plan and Annual Budget;
- h) to monitor and control the Company's registered capital, and to propose to the Executive Board, for decision or for submission to the Board of Directors or the General Meeting of Stockholders, subject to the provisions of these Bylaws, the governance policy in relation to the market, and the dividend policy, of the Company and its subsidiaries, and to suggest the same for the affiliated companies;

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- i) to coordinate the preparation and negotiation of the tariffs for supply and distribution of electricity, and the revenues from transmission, with the National Electricity Agency, Aneel;
  
- j) to be responsible for the provision of information to the investing public, to the Securities Commission (CVM) and to the Brazilian and international stock exchanges and over-the-counter markets, and the corresponding regulation and inspection entities, and to keep the Company's registrations with these institutions updated;
  
- k) to represent the Company to the CVM, the stock exchanges and other entities of the capital markets;
  
- l) to arrange for the financial management of the Company and of its wholly-owned and other subsidiaries, and affiliated companies, and of the consortia in which the company participates, within the criteria of good corporate governance and making continual efforts for compliance with their business plans, subject to the provisions of these Bylaws;
  
- m) to monitor the economic and financial results of the Company's holdings in the subsidiaries and affiliated companies;
  
- n) to propose to the Executive Board, for approval or submission to the Board of Directors or to the General Meeting of Stockholders, depending on the competency specified in these Bylaws:
  - (i) injections of capital into the wholly-owned subsidiaries; and
  
  - (ii) jointly with the Chief Business Development Officer, injections of capital, exercise of the right of preference, and signing of voting agreements, in the subsidiaries, in the affiliated companies and in the consortia in which the Company participates;
  
- o) to take part in the negotiations that involve constitution or alteration of corporate documents of all the companies in which the Company has any equity holding;



p) to coordinate, jointly with the Chief Business Development Officer, the processes of disposal of stockholding interests held by the Company, subject to the provisions of the legislation and regulations from time to time in force; and

q) to monitor and evaluate the financial performance of the subsidiaries and affiliates, and of the consortia in which the company participates, and to disseminate it within the Executive Board.

**IV To the Chief Corporate Management Officer:**

a) to decide, conduct and supervise the Company's telecommunications and information technology policy;

b) to plan, put in place and maintain the Company's telecommunications and information technology systems;

c) to decide policies and rules on support services such as transport, administrative communication, security guarding, and provision of adequate quality in the workplace for the Company's personnel;

d) to provide the Company with infrastructure and administrative support resources and services;

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- e) to coordinate the policies, processes and means of property security and security guarding approved by the Company;
- f) to administer the process of acquisition and disposal of materials, equipment and real estate property, contracting of works and services and construction and inspection of works on buildings;
- g) to effect quality control of the material acquired and of the qualification of contracted service providers;
- h) to administer and control the stock of material, and to arrange for separation and recovery of used material, and sales of excess and unusable material, and scrap;
- i) to arrange for and implement programs to increase, develop and continually improve suppliers of materials and services of interest to the company, alone or in cooperation with other Chief Officers or development agencies or industry associations, in the ambit of the State of Minas Gerais;
- j) to authorize opening of administrative tender proceedings and proceedings for exemption from or non-requirement for tender, and the corresponding contracts, in amounts up to R\$ 2,800,000.00 (two million eight hundred thousand Reais).

**V To the Chief Distribution and Sales Officer:**

- a) to make continuous efforts on behalf of the quality of supply of energy to consumers that are directly linked to the Company's distribution system;
- b) to prepare the planning of the Company's distribution system;
- c) to manage the implementation of the distribution facilities, including preparation and execution of the plan, construction and assembly;

- d) to operate and maintain the electricity distribution system and the associated systems of supervision and remote control;
- e) to manage the Company's work safety policy in the ambit of his/her activities;
- f) to propose and implement the policies for service to consumers served by this Chief Officer's Department;
- g) to develop programs and actions with captive consumers with demand lower than 500kW, with a view to the most efficient use of electricity;
- h) to establish commercial relationships with and coordinate the sale of electricity and services to captive consumers with demand lower than 500 kW;
- i) to carry out environmental programs and actions within the scope of this Chief Officer's Department; and
- j) to represent the Company in the Brazilian Electricity Distributors Association (Abradee) and with other entities of the distribution sector;
- k) to propose policies and guidelines to ensure the physical security of the distribution facilities, and to manage the asset security of these facilities;
- l) to seek continuous improvement of the processes of operation and maintenance, through the use of new technologies and methods, aiming to improve the quality and reduce the cost of those activities; and
- m) to monitor and evaluate the technical and operational performance of the Company's wholly-owned subsidiaries, and disseminate this information within the Executive Board.

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**VI To the Chief Generation and Transmission Officer:**

- a) to make continuous efforts on behalf of the quality of supply of electricity to consumers that are directly linked to the transmission system;
- b) to prepare the planning of generation and transmission;
- c) to operate and maintain the generation and transmission systems and the associated systems of supervision and remote control;
- d) to carry out environmental programs and actions within the scope of this Chief Officer's Department;
- e) to develop and conduct such hydro-meteorological activities as are of interest to the Company;
- f) to manage the operations arising from interconnection of the Company's electricity transmission system with those of other companies, and the connection of agents to the Company's basic network;
- g) to represent the Company in relations with the National System Operator (ONS), the Brazilian Electricity Generators Association (Abrage) and other entities representing the electricity generation and transmission sector;
- h) to manage the Company's central laboratories and workshops;
- i) to coordinate and put in place projects for refurbishment, modernization, improvement, reactivation and de-activation in the generation and transmission facilities;
- j) to propose and implement measures that aim to ensure the connectivity of the various agents of the electricity sector, linked to the Company's transmission system;

- k) to propose and implement the policies and guidelines that aim to ensure the physical security of the generation and transmission facilities, and to manage the industrial safety of those facilities;
- l) to manage and promote the Company's work safety policy within the scope of his/her activities;
- m) to manage and put in place the undertakings for expansion of generation, transmission and co-generation, arranging for planning, construction and assembly, and ensuring the proper physical and financial performance of those undertakings;
- n) to supply technical support to negotiations for making possible the projects for expansion of generation, transmission and co-generation, and to take part in the negotiation of documents of the consortia of entrepreneurs and special-purpose companies; and
- o) to monitor and evaluate the technical and operational performance of the Company's wholly-owned subsidiaries, and disseminate this information within the Executive Board.

**VII To the Chief Trading Officer:**

- a) to carry out research, studies and projections on the markets of interest to the Company;
- b) to coordinate the planning and execution of the purchase of electricity to serve the Company's market and the sale of energy from its own generation sources;

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- c) to coordinate the purchase and sale of electricity in its different forms and modalities, including importation, exportation and holdings in all the segments of markets specialized in energy;
- d) to coordinate the provision of services of intermediation of business transactions related to the sale of electricity to any authorized agent;
- e) to represent the Company in the Electricity Trading Chamber (CCEE), taking responsibility for the transactions carried out in the ambit of that chamber, and to represent the Company in relations with the other electricity trading entities;
- f) to coordinate the establishment of the prices for purchase and sale of electricity, and to propose them to the Executive Board for approval;
- g) to establish commercial relations with and coordinate the sale of electricity and services to individual consumers, or groups of consumers, served at voltages of 2.3kV or more and contracted demand of 500kW or more, and also business groups;
- h) to identify, measure and manage the risks associated with the trading of electricity;
- i) to negotiate and manage the commercial transactions involved in transport and connection of any party accessing the distribution system;
- j) to negotiate and manage the Contracts for Use of the Transmission System with the National System Operator (ONS) and for connection to the Distribution System with transmission companies;
- k) to manage the trading of the Company's carbon credits, in coordination with the Office of the Chief Business Development Officer; and
- l) to monitor and evaluate the technical and operational performance of the Company's wholly-owned subsidiaries, and disseminate this information within the Executive Board.

**VIII To the Chief Business Development Officer:**

- a) to arrange for search, analysis and development of new business of the Company in the areas of generation, transmission and distribution of electricity, and oil and gas, and in other activities directly or indirectly related to the Company's objects;
- b) to arrange for technical, economic-financial, and environmental feasibility studies of new business for the Company, in coordination with the Chief Officer's Departments related to those businesses;
- c) to coordinate negotiations and implement partnerships, consortia, special-purpose companies and other forms of association with public- or private-sector companies necessary for the development of new business, and also the negotiation of contracts and corporate documents of those projects;
- d) to coordinate, jointly with the Chief Executive Officer, the preparation and consolidation of the Company's Multi-Year Strategic Implementation Plan; and with the Chief Finance and Investor Relations Officer, of the Annual Budget in relation to the affiliated companies and subsidiaries;
- e) to coordinate the participation of the Company in tender proceedings for obtaining grant of concessions in all the areas of its activity;
- f) to seek, coordinate, evaluate and structure the opportunities for acquisition of new assets in all the sectors and activities directly or indirectly related to the company's Objects;

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- g) to coordinate the Company's participation in the auctions of new business opportunities held by any person or legal entity, under public or private law, including regulatory agencies;
- h) to promote the search for, and analysis of, business opportunities related to the use of carbon credits, within the ambit of the company;
- i) to prepare the planning and the Capital Expenditure Program of new business in all the sectors and activities directly or indirectly related to the Company's objects;
- j) to represent the Company in relations with the entities for planning of expansion of the electricity sector in its areas of operation;
- k) to accompany Brazil's energy planning, within the Company;
- l) to propose to the Executive Board, for approval or submission to the Board of Directors, assumptions for new investments to be made by the Company (IRR, payback, cost of capital, and any other indicators of risk/return that may be necessary);
- m) to propose, jointly with the Chief Finance and Investor Relations Officer, to the Executive Board, for approval or for submission to the Board of Directors or to the General Meeting of Stockholders, depending on the competency specified in these Bylaws, matters relating to injections of capital, exercise of the right of preference and making of voting agreements in the subsidiaries and affiliates and in the consortia in which the company participates;
- n) to coordinate, within the ambit of the Company, negotiations that involve constitution and alteration of stockholding documents of the subsidiaries and affiliates, and of the consortia in which the Company participates;
- o) to monitor and supervise the management and development of the subsidiaries and affiliates, within the criteria of good governance and making efforts at all times for compliance with their business plans, subject to the provisions of these Bylaws;

- p) to coordinate, jointly with the Chief Finance and Investor Relations Officer, processes of disposal of equity interests held by the Company, subject to the provisions of the legislation and regulations from time to time in force;
- q) to monitor and evaluate the technical-operational performance of the subsidiaries and affiliates and of the consortia in which the company participates, and to disseminate it within the Executive Board;
- r) to represent the Company, in the terms of §3 of Clause 11 of these Bylaws, in the support committees to the Boards of Directors of its subsidiaries and affiliates; and
- s) to coordinate matters relating to new business and the management of the equity holdings of the Company and of its subsidiaries and affiliates, and of the consortia in which the company participates, in interaction with the other Chief Officers of the Company.
- t) to coordinate, in the name of the Company and its wholly-owned and other subsidiaries, all the activities related to exploration, acquisition, storage, transport, distribution and sale of oil and gas or oil products and by-products, directly or through third parties;
- u) to propose to the Executive Board guidelines and general rules and plans for operation, prospecting, exploration, acquisition, storage, transport, distribution and sale of activities of the oil and gas business;

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v) to carry out research, analyses and studies of investments and new technologies related to oil and gas and studies and development of business in that sector;

w) to develop a structure of rules and standardization for projects in the field of oil and gas;

x) to consolidate the management of the work safety policies of Gasmig and of other special-purpose companies, in the ambit of the oil and gas activities;

y) to carry out research, studies, analyses and market projections of interest to the Company in the ambit of the oil and gas activities;

z) to represent the Company in the various entities that bring together the companies of the oil and gas sector.

**IX To the Chief Officer for Human Relations and Resources:**

a) to ensure the provision of appropriate personnel to the Company;

b) to decide the Company's human resources policy and to orient and promote its application;

c) to coordinate the policies, processes and means of work safety approved by the Company;

d) to orient and conduct the activities related to organizational studies and their documentation;

e) to carry out the negotiations of collective work agreements, in accordance with the guidelines and limits approved by the Board of Directors, submitting the proposals negotiated for approval by the Executive Board;

f) to propose to the Chief Executive Officer, for submission to the Executive Board for approval, from among the employees of the Company and of the other companies involved in the negotiations, appointments of employees to the Union Negotiation Committee, and also the appointment of its coordinator;

g) to present to the Executive Board the assessments received from a leadership succession development program, put in place by the Company, for the purpose of giving the Executive Board input for its decisions on appointments of employees to management posts.

**X To the Chief Counsel:**

a) to coordinate the legal activities of the Company, and of its wholly-owned and other subsidiaries, in accordance with Article 116, Sub-clauses a and b, of Law 6404/1976, comprising:

organization and supervision of the legal services of the companies in the areas of litigation and consultation, in all the areas of law;

establishment of directive guidelines, issuance of legal orientations and preventive activity in legal matters in the interest of the Companies;

adoption of measures aiming for integration and synergy of the legal areas of the Companies;

promotion of the defense of the interests of the companies in the Courts and in the administrative sphere; and

decision on strategies in law and in case procedure to be adopted by the companies;

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- b) to support the other areas of the Company, and of its wholly-owned and other subsidiaries, in accordance with Article 116, Sub-clauses a and b, of Law 6404/1976, in legal and juridical matters;
- c) to propose and implement the directive guidelines for contracting of external legal services, coordinating and supervising their execution; and
- d) to coordinate the information relating to the Company's legal actions, proceedings in the administrative sphere and services of legal consultancy; and of those of the Company's wholly-owned and other subsidiaries, in accordance with Article 116, Sub-clauses a and b, of Law 6404/1976; and periodically or when requested, to inform the Executive Board and the Board of Directors on the strategy adopted in terms of proceedings and law, and the progress and development of such proceedings.

**XI To the Chief Institutional Relations and Communication Officer:**

- a) to coordinate the representation of the Company and of its wholly-owned subsidiaries within the scope of its regulatory attributions in relations with the regulatory agencies, the Mining and Energy Ministry, and forums and associations of the sector;
- b) to coordinate the institutional relationships of the Company and of its wholly-owned subsidiaries, including the principal forums of legislation and development of public policies associated with the electricity sector;
- c) to coordinate the processes of inspection, and notices, originating from the regulatory agencies related to the Company and its wholly-owned subsidiaries, jointly with the Chief Officers' Departments involved;
- d) to coordinate, based on the Company's Strategic Planning, the disclosure of institutional and corporate information about the Company and its wholly-owned subsidiaries;
- e) to coordinate the accompaniment of proposals for legislation and regulations, and also the statements of position of the Company and its wholly-owned subsidiaries, jointly with the Chief Officer's Departments involved;

- f) to coordinate analysis and arrangements made for preparation of regulatory scenarios, ensuring that the impacts on the business of the Company's wholly-owned subsidiaries are evaluated, to provide supporting input for the Company's strategic corporate planning;
- g) to coordinate and align the corporate communication actions of the Company and of its wholly-owned subsidiaries to preserve the Company's culture and values in relations with stockholders, employees, communities, clients, suppliers, government and opinion-formers, also ensuring alignment with the Company's Strategic Plan;
- h) to coordinate the corporate communication efforts and actions of the Company and of its wholly-owned subsidiaries, aiming to maintain and strengthen the brand and sustain the addition of value in the relationships with the Company's significant publics in such a way as to ensure a strong and positive reputation;
- i) to coordinate actions on defining and implementing the use of the brands of the Company and of its wholly-owned subsidiaries, to guarantee the value and strengthening of the Company;

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- j) to coordinate actions in relation to preservation of the *Memory Project* of the Company and of its wholly-owned subsidiaries, making continuous efforts on behalf of the physical collections of the Company and of its wholly-owned subsidiaries;
- k) to coordinate the monitoring, control and disclosure of institutional and corporate information;
- l) to coordinate, in accordance with the directives established by the Board of Directors, the use of funds for cultural projects, especially those of social responsibility, with funds under incentive laws;
- m) to coordinate the disclosure of programs for energy efficiency and other programs directed to needy communities; and
- n) to carry out the function and activities of the Company's Ombudsman.

§1 The competencies of representation before technical and administrative bodies and associations granted to the Chief Officers under this clause do not exclude the Chief Executive Officer's competency of representation, nor the need for obedience to the provisions in these Bylaws in relation to prior obtaining of authorizations from the management bodies to contract obligations in the name of the Company.

§2 The competencies to enter into contracts and other legal transactions and for constitution of any obligation in the name of the Company given to the Chief Officers under this Clause do not exclude the competency of the Executive Board and of the Board of Directors, as the case may be, nor the need for obedience to the provisions in these Bylaws in relation to the financial limits and to prior obtaining of authorizations from the management bodies, when required.

§3 As well as the exercise of the attributions set for them in these Bylaws, each Chief Officer's Department has the competency to ensure the cooperation, assistance and support of the other Chief Officer's Departments in the areas of their respective competencies, with the aim of success in the greater objectives and interests of the Company.

§4

The projects developed by the Company in the area of the Office of the Chief Business Development Officer, once structured and constituted, must be assumed by the respective Chief Officer's Departments responsible for their construction, execution, operation and sales, as defined in these Bylaws.

- §5 It is the competency of each Chief Officer, within the area of his/her activity, to arrange for the actions necessary for compliance with and effective implementation of the work safety policies approved by the Company.
- §6 The financial limit set by Sub-clause o of Item IV of this clause shall be adjusted, in January of each year, by the IGP-M (General Market Price) inflation index, produced by the Getúlio Vargas Foundation.

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## **CHAPTER V**

### **The Audit Board**

- Clause 23 The Company's Audit Board shall function permanently and shall be made up of between 3 (three) and 5 (five) members and their respective substitute members, who shall be elected annually, on the occasion of the Annual General Meeting, and may be re-elected.
- §1 The Audit Board shall elect its Chairman from among its members, and the Chairman shall call and chair the meetings.
- Clause 24 In the event of resignation of the position, death or impediment, a member of the Audit Board shall be replaced by his or her respective substitute, until the new member is elected, and such member shall be chosen by the same party that appointed the substitute.
- Clause 25 The responsibilities and powers of the Audit Board are those set by the Corporate Law, and also, to the extent that they do not conflict with Brazilian legislation, those required by the laws of the country in which the Company's shares are listed and traded, in accordance with its Regulations.
- Clause 26 The remuneration of the members of the Audit Board shall be fixed by the General Meeting of Stockholders which elects it, in accordance with the legislation from time to time in force.

## **CHAPTER VI**

### **The business year**

- Clause 27 The business year shall coincide with the calendar year, closing on 31 December of each year, when the Financial Statements shall be prepared, in accordance with the relevant legislation. Financial statements for periods of six months or interim statements for shorter periods may be prepared.
- Clause 28 Before any other sharing of the profit, there shall be deducted from the result for the business year, in this order: retained losses, the provision for income tax, the Social Contribution tax on Net Profit and the profit shares of the employees and the managers.

§1 The net profit ascertained in each business year shall be allocated as follows:

- a) 5% (five percent) to the legal reserve, up to the limit specified by law;
- b) 50% (fifty percent) distributed as obligatory dividends to the stockholders of the Company, subject to the other terms of these Bylaws and the applicable legislation; and
- c) the balance, after the retention specified in a capital expenditure and/or investment budget prepared by the Company's management, in compliance with the Company's Long-Term Strategic Plan and the dividend policy contained therein and duly approved, shall be applied in the constitution of a profit reserve for the purpose of distribution of extraordinary dividends, in accordance with Clause 30 of these Bylaws, up to the maximum limit specified by Clause 199 of the Corporate Law.

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Clause 29 The dividends shall be distributed in the following order:

- a) the minimum annual dividend guaranteed to the preferred shares;
- b) the dividend for the common shares, up to a percentage equal to that guaranteed to the preferred shares.

§1 Once the dividends specified in Sub-clauses a and b of the head paragraph of this clause have been distributed, the preferred shares shall have equality of rights with the common shares in any distribution of additional dividends.

§2 The Board of Directors may declare interim dividends, in the form of interest on equity, to be paid from retained earnings, profit reserves or profits ascertained in six-monthly or interim financial statements.

§3 The amounts paid or credited as Interest on Equity, in accordance with the relevant legislation, shall be imputed as on account of the amounts of the obligatory dividend or of the dividend payable under the Bylaws to the preferred shares, being for all purposes of law a part of the amount of the dividends distributed by the Company.

Clause 30 Without prejudice to the obligatory dividend, every two years, starting from the business year of 2005, or more frequently if the Company's availability of cash so permits, the Company shall use the profit reserve specified in Sub-clause c of Clause 28 of these Bylaws for the distribution of extraordinary dividends, up to the limit of cash available, as determined by the Board of Directors, in obedience to the Company's Long-Term Strategic Plan and the Dividend Policy contained therein.

Clause 31 The dividends declared, obligatory or extraordinary, shall be paid in 2 (two) equal installments, the first by June 30 and the second by December 30 of each year, and the Executive Board shall decide the location and processes of payment, subject to these periods.

§1 Dividends not claimed within a period of 3 (three) years from the date on which they are placed at the disposal of the stockholder shall revert to the benefit of the Company.

Clause 32 The employees have the right to a share in the profits or results of the Company, upon criteria authorized by the Executive Board based on the guidelines approved by the Board of Directors and limits established by the General Meeting of Stockholders, in accordance with the specific legislation.

Clause 33 It is the competency of the General Meeting of Stockholders to set, annually, the limits to sharing by the managers in the profits of the Company, subject to the provisions of §1 of Article 190 of Law 6404 of December 15, 1976.

## CHAPTER VII

### Liabilities of the Management Officers

Clause 34 The management officers are liable to the Company and to third parties for the actions which they take in the exercise of their functions, as specified by the law and by these Bylaws.

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Clause 35 The Company guarantees defense of members of the Board of Directors, the Audit Board and the Executive Board in Court and/or administrative proceedings, on the plaintiff or defendant side, during or after their periods of office, occasioned by events or acts related to the exercise of their specific functions which do not violate the provisions of law or of these Bylaws.

§1 The guarantee given in the head paragraph of this clause extends to employees who legally carry out actions by delegation from the Company's management officers.

§2 The Company may contract third-party liability insurance to cover the expenses of proceedings, fees of counsel and indemnities arising from the legal or administrative proceedings referred to in the head paragraph of this Clause, upon decision by the Board of Directors.

§3 Any member of the Board of Directors or the Audit Board, or any Chief Officer or employee against whom a Court judgment subject to no further appeal is given must reimburse the Company all the costs, expenses and losses caused to it.

**END**

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**Appendix 2**

**CVM Instruction 481/09**

**II Report detailing the origin and justification of the proposed alterations and analyzing their legal and economic effects**

**Alteration of the by-laws of Cemig:**

**Justifications:**

a) It is opportune to make changes to the Company's by-laws, to abolish the position of Chief Officer for the Gas Division;

to re-define the duties of the Chief Corporate Management Officer; and

to create the office and department of Chief Officer for Human Relations and Resources;

in order to:

optimize mutual communication with the employees;

increase the specialization of corporate functions in line with best market practices; and

enable agility in taking of decisions.

b) Since the Chief Officer for the Gas Division will no longer be part of the Executive Board, his/her duties will be assumed by the Chief Officer for Business Development.

c) Best governance practices in relation to transparency and independence indicate that the functions of internal auditing should be under the coordination and monitoring of the members of the Board of Directors.

d) Clause 11, Paragraph 1 of the by-laws of Cemig states:  
*Clause 21 (...)*

§1 *The structure and composition of the Board of Directors and the Executive Board of the Company shall be identical in the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., with the exception that only the wholly-owned subsidiary Cemig Distribuição S.A. shall have a Chief Distribution and Sales Officer, and only the wholly-owned subsidiary Cemig Geração e Transmissão S.A. shall have a Chief Generation and Transmission Officer. ;*

e) Cemig Geração e Transmissão S.A. ( Cemig GT ) and Cemig Distribuição S.A. ( Cemig D ) will hold Extraordinary General Meetings of Stockholders to change their by-laws on the same date on which Cemig changes its by-laws;

f) Clause 21, Paragraph 4, Subclause g of the by-laws of Cemig states:  
*Clause 21 (...)*

§4 *The following matters shall require a decision by the Executive Board: (...)*

g) *approval, upon proposal by the Chief Executive Officer, prepared jointly with the Chief Business Development Officer and the Chief Finance and Investor Relations Officer, of the statements of vote in the General Meetings of the wholly-owned and other subsidiaries, affiliated companies and in the consortia in which the Company participates, except in the case of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., for which the competency to decide on these matters shall be that of the General Meeting of Stockholders, and decisions must obey the provisions of these Bylaws, the decisions of the Board of Directors, the Long-term Strategic Plan and the Multi-year Strategic Implementation Plan;*

**Economic and legal effects:**

None

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**19. EARNINGS RELEASE 1Q 2016**

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**PUBLICATION OF RESULTS****CEMIG REPORTS****1Q16 EBITDA OF****R\$ 643 MILLION**

## Main factors in the quarter

- ¡ Change in profile of allocation of supply in 2016
- ¡ Spot price significantly lower this year
- ¡ Significantly lower sales of gas to industry and thermal generation plants
- ¡ Negative equity contribution from Renova: significant impact

<b>Indicators (GWh)</b>	<b>1Q16</b>	<b>1Q15</b>	<b>Change %</b>
Electricity sold, GWh (excluding CCEE)	13,284	15,782	(15.83)

<b>Indicators R\$ 000</b>	<b>1Q16</b>	<b>1Q15</b>	<b>Change %</b>
Sales on CCEE	2,630	1,010,932	(99.74)
Net debt	13,249,246	11,731,593	12.94
Gross revenue	7,354,294	7,941,700	(7.40)
Net revenue	4,451,660	5,849,279	(23.89)
Ebitda (IFRS)	643,331	2,578,893	(75.05)
Net profit in the quarter	5,207	1,484,627	(99.65)
Earnings per share	(0.004)	1.18	
Ebitda margin	14.44	44.09	(29.65 p.p.)

**Conference call**

**Publication of 1Q16 results**

**Video webcast and conference call**

**May 17, 2016 (Tuesday) : 11 AM, Brasília time**

This transmission on Cemig's results will have simultaneous translation into English and can be seen in real time by Video Webcast, at <http://ri.cemig.com.br> or heard by conference call on:

**+ 55 (11) 2188-0155 (1<sup>st</sup> option) or**

**+ 55 (11) 2188-0188 (2<sup>nd</sup> option)**

**Password: CEMIG**

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Site:

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Telephone: (+55-11) 2188-0400

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CEMIG Português

Available from May 17 to June 1, 2016

**Cemig Investor Relations**

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**Cemig stock price performance**

<b>Security</b>	<b>Ticker</b>	<b>Currency</b>	<b>Close of March 31, 2016</b>	<b>Close of 2015</b>	<b>Change in the period %</b>
Cemig PN	CMIG4	R\$	7.68	5.67	35.49%
Cemig ON	CMIG3	R\$	7.42	5.98	24.18%
ADR PN	CIG	US\$	2.15	1.38	55.28%
ADR ON	CIG.C	US\$	2.15	1.70	26.74%
Ibovespa	Ibovespa		50,055	43,349	15.47%
IEEX	IEEX		27,859	24,803	12.32%

Source: *Economática*.

Trading volume in Cemig's preferred shares (CMIG4) totaled R\$ 2.84 billion in 1Q16, a daily average of R\$ 47.40 million. They handle in both its common (ON) and preferred (PN) shares, Cemig was the Brazilian electricity company with the highest trading liquidity, and one of the most traded Brazilian stock market.

On the New York Stock Exchange the volume traded in ADRs for Cemig's preferred shares (CIG) in 1Q16 was US\$ 442.3 million: we see this as reflecting recognition by the investor market of Cemig as a global investment option.

The São Paulo stock exchange (Bovespa) index the Ibovespa rose 15.47% in the quarter, closing the quarter at 50,055 points. Cemig's shares outperformed the principal Brazilian stock index and also the electricity sector index: the common (ON) shares rose 24.18% in the quarter, and the preferred (PN) shares rose 35.49%. The strengthening of both the Bovespa index and Cemig's share prices reflected the change in market expectations.

**Cemig's long-term ratings**

This table shows credit risk ratings and outlook for Cemig's companies as provided by the principal rating agencies:

**Brazilian rating:**

Agency	Cemig		Cemig D		Cemig GT	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Fitch	AA (bra)	Negative	AA (bra)	Negative	AA (bra)	Negative
S&P	brA	Negative	brA	Negative	brA	Negative
Moody's	A2.br	Negative	A2.br	Negative	A2.br	Negative

**Global Rating:**

Agency	Cemig		Cemig D		Cemig GT	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
S&P	BB-	Negative	BB-	Negative	BB-	Negative
Moody's	Ba3	Negative	Ba3	Negative	Ba3	Negative

Note: Fitch gives only Brazilian not global ratings.

On February 25, 2016, Moody's downgraded its Brazilian ratings for Cemig and its wholly-owned subsidiaries Cemig D and Cemig GT, and their debenture issues, from Aa2.br to A2.br; and their global ratings from Ba1 to Ba3. The outlook was changed to negative.

**Adoption of IFRS**

The results presented below are prepared in accordance with the new Brazilian accounting rules, which embody a process of harmonization between Brazilian accounting rules and IFRS (International Financial Reporting Standards).

### PROFIT AND LOSS ACCOUNTS

Consolidated R\$ 000	1Q16	1Q15	Change %
<b>REVENUE</b>	<b>4,451,660</b>	<b>5,849,279</b>	<b>(23.89)</b>
<b>OPERATING COSTS</b>			
Personnel	(413,407)	(336,438)	22.88
Employees and managers profit shares		(80,973)	
Post-retirement liabilities	(75,186)	(57,609)	30.51
Materials	(10,980)	(13,882)	(20.90)
Raw materials and inputs for production of electricity	(18)	(77,518)	(99.98)
Outsourced services	(208,004)	(198,829)	4.61
Electricity purchased for resale	(1,931,361)	(2,421,404)	(20.24)
Depreciation and amortization	(199,033)	(247,121)	(19.46)
Operating provisions	(251,770)	(43,164)	483.29
Charges for use of the National Grid	(258,706)	(241,389)	7.17
Gas bought for resale	(237,863)	(262,008)	(9.22)
Infrastructure construction costs	(235,021)	(233,573)	(0.62)
Other operational expenses, net	(128,086)	(128,221)	(0.11)
<b>TOTAL COST</b>	<b>(3,949,435)</b>	<b>(4,342,129)</b>	<b>(9.04)</b>
Equity method gain (loss)	(57,927)	90,092	
Gain (loss) on reorganization Aliança		734,530	
<b>Operational profit before Financial income (expenses) and taxes</b>	<b>444,298</b>	<b>2,331,772</b>	<b>(80.95)</b>
Financial revenues	226,580	290,302	(21.95)
Financial expenses	(639,138)	(563,752)	13.37
<b>Profit before income tax and Social Contribution tax</b>	<b>31,740</b>	<b>2,058,322</b>	
Current and deferred income tax and Social Contribution tax	(26,533)	(573,695)	(95.38)
<b>NET PROFIT FOR THE PERIOD</b>	<b>5,207</b>	<b>1,484,627</b>	<b>(99.65)</b>
Interest of the controlling stockholders	5,119	1,484,482	
Interest of non-controlling stockholder	88	145	
<b>NET PROFIT FOR THE PERIOD</b>	<b>5,207</b>	<b>1,484,627</b>	
Fair value gain (loss) on stockholding transaction		(573,182)	

<b>ADJUSTED NET PROFIT FOR THE PERIOD</b>	<b>5,207</b>	<b>911,445</b>	<b>(99.43)</b>
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### **Cemig's consolidated electricity market**

The **Cemig Group** sells electricity through its distribution company, *Cemig Distribuição S.A.* ( **Cemig D** ), its generation and transmission company *Cemig Geração e Transmissão S.A.* ( **Cemig GT** ), and other wholly-owned subsidiaries: *Horizontes Energia*, *Termelétrica Ipatinga* (up to January 2015), *Sá Carvalho*, *Termelétrica de Barreiro*, *Cemig PCH*, *Rosal Energia* and *Cemig Capim Branco Energia* (up to March 2015).



The total for sales in Cemig's consolidated electricity market comprises sales to:

- (I) Captive consumers in Cemig's concession area in the State of Minas Gerais;
- (II) Free Consumers in both the State of Minas Gerais and other States of Brazil, in the Free Market (*Ambiente de Contratação Livre*, or ACL);
- (III) other agents of the electricity sector – traders, generators and independent power producers, also in the ACL;
- (IV) Distributors, in the Regulated Market (*Ambiente de Contratação Regulada*, or ACR); and
- (V) the wholesale trading chamber (*Câmara de Comercialização de Energia Elétrica*, or CCEE) (eliminating transactions between companies of the Cemig Group).

In 1Q16 the Cemig group sold a total volume of 13,284 GWh. This volume was 15.8% less than its total sales volume in 1Q15.

Sales of electricity to final consumers plus Cemig's own consumption totaled 10,587 GWh, or 9.9% less than in 1Q15.

Overall, electricity consumption has been affected since 1Q15 by adverse Brazilian political and economic circumstances; and, in the captive market, by the successive increases in electricity rates charged to consumers, associated with application of the Tariff Flag system, resulting in significant increases in consumers' electricity bills.

Sales to distributors, traders, other generating companies and independent power producers totaled 2,697 GWh – or 33.2% less than in 1Q16.

In March 2016 the Cemig group invoiced 8,120,322 clients – a growth of 1.9% in the consumer base in the year since March 2015. Of these, 8,120,262 are final consumers, including Cemig's own consumption; and 60 are other agents in the Brazilian electricity sector.

This chart shows the breakdown of the Cemig Group's sales to final consumers in the quarter, by consumer category:

**Total consumption of electricity (GWh)**

	MWh			Average	Average
	1Q16	1Q15	Change, %	price 1Q16 R\$	price 1Q15 R\$
<b>Consolidated</b>					
Residential	2,490,519	2,563,143	(2.83)	812.54	603.46
Industrial	4,837,976	5,816,894	(16.83)	278.43	220.93
Commercial, Services and Others	1,687,814	1,696,604	(0.52)	689.19	499.13
Rural	723,827	794,723	(8.92)	445.62	319.80
Public authorities	215,405	217,588	(1.00)	624.15	486.26
Public lighting	329,062	331,051	(0.60)	418.96	302.52
Public service	292,885	316,384	(7.43)	467.58	343.97
<b>Subtotal</b>	<b>10,577,488</b>	<b>11,736,387</b>	<b>(9.87)</b>	<b>497.82</b>	<b>361.92</b>
Own consumption	9,452	9,819	(3.74)		
Wholesale supply to agents in Free and Regulated Markets (*)	2,696,632	4,035,551	(33.18)	204.61	209.96
<b>Total</b>	<b>13,283,572</b>	<b>15,781,757</b>	<b>(15.83)</b>	<b>445.27</b>	<b>325.63</b>

(\*) Includes Regulated Market Electricity Sale Contracts (CCEARs) and bilateral contracts with other agents.

## The electricity market of Cemig D

Electricity billed to captive clients and electricity transported for Free Clients and distributors with access to Cemig D's networks in 1Q16 totaled 10,460 GWh, or 3.3% less than in 1Q15.

There are two components of this reduction: Consumption by the captive market 5.5% lower year-on-year, and use of the network by Free Clients 0.5% lower.

In March 2016 Cemig billed 8,120,073 consumers, or 1.9% more consumers than in March 2015. Of this total, 445 are Free Consumers using the distribution network of Cemig D.

Consolidated	Number of clients		Change, %
	1Q16	1Q15	
Residential	6,566,165	6,429,953	2.1
Industrial	74,922	75,736	-1.1
Commercial, Services and Others	713,951	713,759	
Rural	684,988	671,531	2.0
Public authorities	62,994	62,506	0.8
Public lighting	4,438	3,794	17.0
Public service	11,414	10,459	9.1
<b>Total</b>	<b>8,118,872</b>	<b>7,967,738</b>	<b>1.9</b>

Comments on the various consumer categories:

### Residential

Residential consumption was 2,491 GWh of the electricity transacted by Cemig, or 2.83% less than in 1Q15.

The lower level of residential consumption is due to:

- ; Increases in rates, and application of the Tariff Flag rates as from January 2015.
- ; Reduction in families' disposable income over the year 2015 and in the first quarter of 2016.
- ; Deterioration in family confidence.
- ; Fewer calendar days in first quarter 2016 (90.2 days) than in first quarter 2015 (91.8 days).



- ; Lower temperatures in 1Q16 than 1Q15, resulting in less use by consumers of air conditioners and ventilators in their homes.

Average monthly consumption per consumer in 1Q16 was 126.4 KWh/month, or 4.6% lower than the average for 2015 (132.4 KWh/month).

### Industrial

Electricity used by captive clients was 7.9% of the volume of electricity distributed by Cemig, totaling 831 GWh in 1Q16, 12.6% less than 1Q15.

This is in line with the continuing retraction of economic activity both in Minas Gerais and in the whole of Brazil, and the performance of the international market:

- ; lower physical production, reflecting undesired inventory levels and less demand, leading to idle manufacturing capacity and lower use of labor;
- ; lack of entrepreneur confidence, and low levels of public and private investment;
- ; uncertainties in the Brazilian political and economic situation; and

; high cost of corporate credit due to high interest rates, and banks being more selective in granting loans. The decline in consumption is seen in most areas of economic activity: food products (-3.9%), nonmetallic minerals ( - 17.0%), mining ( - 8.6%), chemicals ( - 11.6%), metallurgy/pig-iron ( - 30.1%) and metal products ( - 13.8%).

### **The electricity market of Cemig GT**

Cemig GT's sales volume in 1Q16 was affected by termination of concession of plants. As from the termination, Cemig GT received payment for this output was under the Physical Guarantee Quota regime, and via settlement on the spot market.

Cemig GT's market comprises sales of power as follows:

- (I) in the Free Market (*Ambiente de Contratação Livre* - ACL) to Free Clients, either located in Minas Gerais or in other States;
- (II) to other agents in the electricity sector - traders, generators and independent power producers (in the Free Market);
- (III) to electricity distributors (in the Regulated Market - ACR); and
- (IV) sales in the CCEE (Wholesale Electricity Trading Chamber).

The total supply billed by Cemig GT in 1Q16 was 6,703 GWh, or 24.6% less than in 1Q15.

The number of clients billed by Cemig GT was 28.6% higher than at the end of March 2015, totaling 684. Of these: 623 were industrial and commercial clients, 47 were distribution companies, and 14 were companies in the category of traders, generators and independent power producers.

Free clients consumed 3,975 GWh in 1Q16, or 59.3% of the total electricity provided by Cemig GT, and 16.9% less than in 1Q15 - on the following main factors:

- reduction of consumption by industrial clients due to the continuous retraction in economic activity at state and national level in Brazil, and the performance of the international economy;
  - lower availability of power for sale due to the conditions for renewal of concessions, as per Law 1303/2050 this supply was redirected to the Physical Guarantee Quota regime; and
  - shutdown of a mining operation in Minas Gerais state.
- In 1Q16 Cemig GT added 113 new clients in the *Commercial* category, mainly outside the state of Minas Gerais.

Sales and trading transactions in electricity with other agents of the electricity sector in the Free Market lead to selling opportunities, which lead to short-term sales contracts. In 1Q16 total sales of electricity were 2,049 GWh, or 18.7% less than in 1Q15.

Sales in the Regulated Market, including sales to Cemig D, were 57.3% lower than in 1Q15, for several reasons:

- i Cessation of contracts entered into as a result of the corporate reorganization of the Cemig group, with the transfer of assets from Cemig GT to Aliança Energia; and
  - j Termination of contracts made at the 18th Adjustment Auction, held in the first half of 2015, and the second Existing Supply Auction, held in 2005 at governing the period 2005 2015.
- Since September 15, 2015 the *São Simão* Plant has been serving the Regulated Market under the quota regime, in accordance with Ministerial Order 432/2015. The company now recognizes only the revenue from provision of the services of operation and maintenance of the plant.

**Physical totals of transport and distribution MWh**

Description	MWh		Change %
	1Q16	1Q15	
<b>Total energy carried</b>			
Electricity transported for distributors	84,955	87,127	(2.49)
Electricity transported for free clients	4,141,925	3,837,319	7.94
Own load			
Consumption by captive market	6,407,724	6,722,478	(4.68)
Losses in distribution network	NA	1,397,458	

## **QUALITY INDICATORS SAIDI AND SAIFI**

Cemig is continuously taking action to improve operational management, organization of the logistics of its emergency services, and its permanent regime of preventive inspection and maintenance of substations, lines and distribution networks. It also invests in training of its staff for improved qualifications, state-of-the-art technologies, and standardization of work processes, aiming to uphold the quality of electricity supply, and as a result maintain the satisfaction of clients and consumers.

The charts below show Cemig's indicators for duration and frequency of outages – SAIDI (System Average Interruption Duration Index, in hours), and SAIFI (System Average Interruption Frequency Index, in number of outages), since January 2015.



**Consolidated operational revenue**Revenue from supply of electricity:

Total revenue from supply of electricity to final consumers in 1Q16 was R\$ 5.915 billion, or 15.10% more than the total revenue of R\$ 5.139 billion in 2015.

*Final consumers*

Total revenue from electricity sold to final consumers, excluding Cemig's own consumption, in 1Q16 was R\$ 5.307 billion, or 23.65% more than the figure for 1Q15, of R\$ 4.292 billion.

The main factors affecting revenue in 1Q16 were:

- ; The Extraordinary Tariff Adjustment (RTE) for Cemig D (Distribution), which resulted in an average impact on consumers' tariffs of 28.76%, applicable from March 2, 2015.
- ; An annual tariff adjustment, with average effect on consumer tariffs of 7.07%, effective from April 8, 2015.
- ; Volume of electricity sold 15.83% lower.

	R\$			Average price		Change %
	1Q16	1Q15	Change %	1Q16 R\$	1Q15 R\$	
Residential	2,023,634	1,546,762	30.83	812.54	603.46	34.65
Industrial	1,347,060	1,285,151	4.82	278.43	220.93	26.03
Commercial, Services and Others	1,163,232	846,832	37.36	689.19	499.13	38.08
Rural	322,553	254,149	26.91	445.62	319.80	39.35
Public authorities	134,446	105,804	27.07	624.15	486.26	28.36
Public lighting	137,865	100,151	37.66	418.96	302.52	38.49
Public service	136,947	108,826	25.84	467.58	343.97	35.94
<b>Subtotal</b>	<b>5,265,737</b>	<b>4,247,675</b>	<b>23.97</b>	<b>497.82</b>	<b>361.92</b>	<b>37.55</b>
Supply not yet invoiced, net	41,021	44,055	(6.89)			
Wholesale supply to other concession holders (*)	551,762	847,299	(34.88)	204.61	209.96	(2.55)
Wholesale supply not yet invoiced, net	56,293	212	26.453.3			
<b>Total</b>	<b>5,914,813</b>	<b>5,139,029</b>	<b>15.09</b>	<b>445.27</b>	<b>325.63</b>	<b>36.74</b>

(\* Includes Regulated Market Electricity Sale Contracts (CCEARs) and bilateral contracts with other agents.

Revenue from Use of Distribution Systems (the TUSD charge)

The revenue of Cemig D (Distribution) from the TUSD in 1Q16 was R\$ 409 million, or 94.76% higher than in 1Q15 (R\$ 210 million). This reflects the impact of the tariff adjustments in 2015 – an increase of 96.21% for Free Consumers. The 2015 increases were mainly due to passing through of the CDE (Energy Development Account) amounts to the tariffs paid by consumers.

Revenue from transactions in the Wholesale Trading Chamber (CCEE)

Revenue from transactions in electricity on the CCEE in 1Q16 was R\$ 3 million, compared to R\$ 1.01 billion – a reduction of 99.7% year-on-year. This is mainly due to the spot price (*Preço de Liquidação de Diferenças*, or PLD) being 91.07% lower year-on-year in the wholesale market (at R\$ 34.69/MWh in 2016 compared to R\$ 388.48/MWh in 2015); and the lower quantity of electricity available for settlement in the wholesale market in 2016.

CVA and Other financial components in tariff adjustment

Due to the alteration in the concession contracts of the distributors, Cemig started to recognize balances of non-controllable costs to be passed through to Cemig D's next tariff adjustment. These comprised a reversal of R\$ 132 million in operational revenue in 1Q16. This compares with operational revenue of R\$ 550 million in 2015. This variation is principally due to the reduction of the costs of electricity acquired in auctions.

**Sector / Regulatory charges – deductions from revenue**

The sector charges that are effectively deductions from reported revenue totaled R\$ 2.903 billion in 1Q16, compared to R\$ 2.092 billion in 2015 – an increase of 38.77%. This principally results from the increase in the charges under the Energy Development Account (CDE), and the Tariff Flag charges.

The Energy Development Account – CDE

Payments to the Energy Development Account (CDE) are decided by an Aneel Resolution. The expenses included in the CDE are: concession indemnities, tariff subsidies, subsidy for balanced tariff reduction, low-income consumer subsidy, coal consumption subsidy, and the Fuels Consumption Account (CCC).

Charges for the CDE in 1Q16 were R\$ 600 million, compared to R\$ 298 million in 1Q15. This is the result of the new budget for the CDE since March 2015, in which Aneel increased the annual amount to be paid by Cemig D (which is passed through to the consumer in the Sector Charges component of tariffs).

Consumer charges – the Tariff Flag system

With the creation of the *Tariff Flag* mechanism, Cemig had an account under Consumer Charges related to the Tariff Flag payments, totaling R\$ 273 million in 1Q16, compared to R\$ 87 million in 1Q15.

The Flag Account ( *Conta Bandeira* ) was created on February 5, 2015, to manage the funds collected from captive customers of utilities of the national grid holding electricity distribution concessions and permissions – these were paid, on behalf of the CDE, directly to the Flag Account. The resulting funds are passed through by the Wholesale Trading Chamber (CCEE) to distribution agents, based on the differences between:

- (i) realized costs of thermal generation and exposure to short term market prices, and
- (ii) the amounts covered by the tariff.

The other deductions from revenue are taxes, calculated as a percentage of amounts invoiced. Thus their variations are, substantially, proportional to the changes in revenue.

## **Operational costs and expenses**

Operational costs and expenses, excluding Financial revenue (expenses), totaled R\$ 3.949 billion in 1Q16, or 9.05% more than in 1Q15 (R\$ 4.342 billion).

The following paragraphs comment on the main variations:

### Electricity purchased for resale

The expense on electricity bought for resale in 1Q16 was R\$ 1.931 billion, or 20.24% more than in 1Q15 (R\$ 2.421 billion). The main factors in the higher figure are:

#### **Cemig D:**

- i Expense on electricity acquired in auctions 42.57% lower, at R\$ 665 million in 1Q16, compared to R\$ 1.159 billion in 1H15, mainly on lower expenditure on fuel for generation by the thermal plants.
- i Expense on electricity from Itaipu Binacional 14.36% lower, at R\$ 316mn in 1Q16, compared to R\$ 370mn in 1Q15. This is mainly due to (i) the lower tariff, which was US\$38.07/kw/month in 1Q15, but US\$25.78/kw/month as from January 2016; and (ii) the volume of electricity bought being 5.25% lower.
- i The cost of purchases of supply in the short-term market was lower by 64.74% at R\$ 86 million in 1Q16, vs. R\$ 245 million in 1Q15) reflecting the lower cost of electricity in the wholesale market in 2015.

### **Cemig GT:**

The expense on electricity bought for resale in 1Q16 was R\$ 660 million, or 8.55% more than in 1Q15 (R\$ 608 million). This reflects a higher average price per MWh (R\$ 134.74 in 2016, vs. R\$ 179.94 in 2015), with an offsetting effect from volume of electricity purchased in 1Q16 25.12% lower (4,510,660 MWh), compared to 1Q15 (3,669,685 MWh).

### Operating provisions

Operational Provisions 486.05% higher year-on-year in the quarter an expense of R\$ 252mn in 1Q16, compared to R\$ 43mn in 1Q15. The main factors in this result are:

- i Higher provisions for doubtful receivables: R\$ 76 million in 1Q16, compared to R\$ 27 million in 1Q15 mainly reflecting a higher level of default, influenced by the significant increase in consumer electricity rates put in place in 2015, and also the Brazilian macroeconomic context.
- i Higher provisions for contingencies: in particular for employment-law litigation totaling R\$ 50 million in 1Q16, compared to R\$ 16 million in 1Q15. There was also an increase in regulatory provisions at R\$ 21 million in 1Q16, compared to R\$ 3 million in 2015, reflecting an infringement claim issued by Aneel, in the administrative sphere, related to assessment of electricity distribution services.
- i This change mainly reflected provisions for the put options on equity interests in Parati (R\$ 79 million), and SAAG R\$ 9 million), respectively.

a) Put options for Units in FIP Melbourne

Option Contracts for sale of Units ( the Put Options ) were signed between Cemig GT and the pension plan entities that participate in the investment structure of SAAG, which those entities may exercise in the 84th month from June 2014. The exercise price of the Put Options will correspond to the amount invested by each pension plan company in the Investment Structure, updated *pro rata temporis* by the IPCA inflation index (*Índice Nacional de Preços ao Consumidor Amplo*, published by the Brazilian Geography and Statistics Institute – IBGE), plus 7% per year, less such dividends and Interest on Equity as have been paid by SAAG to the pension plan entities.

To decide the method to be used for measuring the fair value of that option, since Madeira Energia is an unlisted company, the Company adopted the discounted cash flow method to measure the fair value of the options. The fair value of this option has been calculated on the basis of the estimated exercise price on the day of exercise of the option, less the fair value of the shares that are the subject of the put option, also estimated for the date of exercise, brought to present value at the interim reporting date, at the effective rate of 8% p.a. (discounting inflation effects). Based on the studies made, a liability of R\$ 157 million is recorded in Cemig GT, for the difference between the the exercise price and the estimated fair value of the assets.

b) FIP Redentor

Cemig granted to Fundo de Participações Redentor, which is a stockholder of Parati, an option to sell the totality of the shares which that fund holds in Parati, exercisable in May 2016. The exercise price of the option is calculated from the sum of the value of the amounts injected by the Fund into Parati, plus the running expenses of the fund, less Interest on Equity, and dividends, distributed by Parati. The exercise price is subject to monetary updating by the CDI (Interbank CD) Rate plus financial remuneration at 0.9% per year.

To decide the method to be used in measuring the fair value of this option, the Company observed the daily trading volume of the shares of Light, and also the fact that such option, if exercised by the Fund, will require the sale to the Company, in a single transaction, of shares in Light in a quantity higher than the daily exchange trading averages. Thus, the Company has adopted the discounted cash flow method for measurement of the fair values of the options. The fair value of that option was calculated as the amount of the exercise price estimated on the date of exercise, less the fair value of the shares subject of the put option, also estimated on the date of the exercise of the option, brought to present value on the reporting date, at an effective rate of 7.5% p.a. (discounting inflation effects).

Based on the studies made, a liability of R\$ 1.324 billion is recorded in Cemig itself (the holding company), for the difference between the the exercise price and the estimated fair value of the assets.

On May 27, 2016, there will be an Extraordinary General Meeting of Stockholders to decide on changes in the agreement with FIP Redentor, including postponement of the date of exercise of the put option. For more details see the Convocation Notice:

[http://cemig.infoinvest.com.br/enu/13511/conv\\_proposta\\_AGE27-05-16\\_ing.pdf](http://cemig.infoinvest.com.br/enu/13511/conv_proposta_AGE27-05-16_ing.pdf)

### Personnel

Personnel expenses were R\$ 413 million in 1Q16, compared to R\$ 336 million in 1Q15, an increase of 22.92%. This arises mainly from the following items:

- i Salary increases of 3% from March 2015, as a result of the collective negotiation decided by the courts on application from organizations representing the employees;
- i Salary increases, under the Collective Agreement, of 10.33%, as from November 2015.

### **Number of employees**



Gas bought for resale

The expense Cemig reports for Gas bought for resale was R\$ 238 million in 1Q16, vs. R\$ 262 million in 1Q15. This is basically due to a lower quantity of gas purchased (287,594m<sup>3</sup> in 1Q16, compared to 380,666m<sup>3</sup> in 1Q15) reflecting Brazil's economic downturn, which affected the industrial market, and also led to gas-fired thermoelectric generation plants being de-activated.

Market ( 000 m <sup>3</sup> /day)	2012	2013	2014	2015	1Q16
Residential		0.17	0.72	1.04	1.57
Commercial	24.73	20.38	23.15	22.42	20.63
Industrial	2,740.00	2,734.95	2,849.24	2,422.78	2,116.84
Other	114.09	106.33	99.64	119.87	118.13
<b>Total market excluding thermal plants</b>	<b>2,878.82</b>	<b>2,861.83</b>	<b>2,972.75</b>	<b>2,566.11</b>	<b>2,257.17</b>
Thermal plants	746.09	1,214.50	1,223.99	1,309.13	918.21
<b>Total</b>	<b>3,624.91</b>	<b>4,076.33</b>	<b>4,196.74</b>	<b>3,875.24</b>	<b>3,175.38</b>

In the industrial market, the lower daily average of sales reflects reductions in economic activity in many of the industries served by Gasmig. Examples are:

- i Metallurgy ( 32%);
- j Manufacture of machines and equipment ( 26%); and
- k Textiles and textile products ( 16%).

The thermoelectric generation plants, which had been operating uninterruptedly since 2012, and now less in demand due to the lower demand for electricity, and also the higher levels of rainfall in the current rainy period.

Supply of gas for the residential market, which began in 2013, was connected to 4,645 homes in March 2016 (3,820 homes at December 31, 2015).

Fair value gain (loss) on stockholding transaction

In 2015 the Company posted a gain of R\$ 735 million arising from the constitution of *Aliança Geração de Energia*. On February 27, 2015, the transaction of association between Vale S.A. and Cemig GT by subscription of shares in Aliança Geração de Energia S.A. was completed. The two companies subscribed their shares in Aliança by transfer to it of their interests in the following generation assets: *Porto Estrela, Igarapava, Funil, Capim Branco I, Capim Branco II, Aimorés* and *Candongá*. Aliança has installed hydroelectric generation capacity of 1,158 MW in operation (assured offtake level 652 MW), as well as other generation projects.

Since its creation, Aliança Geração de Energia has made a positive contribution to Cemig GT. In 1Q16 this interest provided Cemig GT with a gain of R\$ 24 million.

**Equity gain (loss) in subsidiaries**

In 1Q16 Cemig posted a net equity method gain of R\$ 58 million, which compares with a net gain of R\$ 90 million in 1Q15. This is mainly due to a loss of R\$ 152 million in 1Q16 in the jointly-controlled entity Renova Energia.

**Investment in Renova Loss due to impairment of assets available for sale**

*Option contract*

A contract was signed on September 18, 2015 giving Renova the option to sell to SunEdison up to 7,000,000 shares in TerraForm Global, which Renova had received under the agreement in the first phase of the related asset exchange transaction.

The exercise price of this option was set at R\$ 50.48 or US\$15.00, at the exchange rate of the day, at SunEdison's choice. The contract also gave SunEdison an option to buy the same 7 million shares on the same terms.

Renova priced the option using the Black-Scholes mathematical model, the future expectation for the exchange rate, and the credit risk. Based on this valuation, a loss of R\$ 217 million has been recognized in 1Q16. Cemig's impact is R\$ 59 million, according to its 27.35% interest in Renova's stake.

*Investment in TerraForm pricing of the shares*

The company also posted a loss in 1Q16, of R\$ 272 million, resulting from the fall in the stock price of TerraForm, in which Renova holds an equity interest of 11.42%, valued on the basis of the market price of the shares.

The figures above refer to the full impact on the financial statements of Renova. The effect for Cemig was proportional to its interest in the investee, valued by the equity method.

**Financial revenue (expense s)**

Cemig reports net financial expenses of R\$ 413 mn in 1Q16, compared to net financial expenses of R\$ 273mn in 1Q15. The main factors are:

- i Lower gain on updating of financial assets reported for the Remuneration Assets Base (BRR): R\$ 2mn in 1Q16, vs. R\$ 92mn in 1Q15. This is due to the BRR being lower, following the renewal of the concession contract in December 2015: on March 31, 2016 the amount of R\$ 164 million was classified in Financial assets (compared to R\$ 6.21 billion on March 31, 2015).
- i Recognition of monetary updating on deposits linked to legal actions, representing a gain in Financial revenue of R\$ 31mn in 1Q16.
- i Charges for loans and financings 46.08% higher, at R\$ 428 million in 1Q16, compared to R\$ 293mn in 1Q15. This mainly reflects higher debt indexed to the CDI Rate; and also the higher variation provided by the CDI rate, itself, at 3,25% in 1Q16 compared to 2.81% in 1Q15.

**EBITDA**

Cemig's consolidated Ebitda in 1Q16 was 24.95% of its value in 1Q15 – a reduction of 75.05%. This mainly reflects: (i) recognition in 1Q15 of a gain of R\$ 735 million from calculation of fair value in a stockholding transaction; and (ii) much lower revenue from wholesale transactions on the CCEE – at R\$ 3 million in 1Q16, compared to R\$ 1.01 billion in 1Q15, due to the lower volume of supply de-contracted.

<b>Ebitda R\$ 000</b>	<b>1Q16</b>	<b>1Q15</b>	<b>Change, %</b>
Profit (loss) for the quarter	5,207	1,484,627	(99.65)
+ Income tax and Social Contribution tax	26,533	573,695	(95.38)
+ Net financial revenue (expenses)	412,558	273,450	50.87
+ Depreciation and amortization	199,033	247,121	(19.46)
<b>= EBITDA</b>	<b>643,331</b>	<b>2,578,893</b>	<b>(75.05)</b>

## DEBT

The Company's consolidated total debt on March 31, 2016 was R\$ 15.300 billion, 0.88% less than at December 31, 2015.

Cemig D has rolled over the greater part of its short-term debt: the balance payable in 2016 is R\$ 918 million. On March 22, 2016, Cemig D contracted with Caixa Econômica Federal a debt of R\$ 750 million at 132.14% of the CDI rate for a total of 48 months, with grace period of 18 months. On March 28, 2016, Cemig D concluded its fourth issue of non-convertible debentures, for a total of R\$ 1.615 billion, with maturity at three years. These funds were used to settle its eighth issue of Notes. Both these contracts allow for early payment without penalty.

On April 22, 2016 Cemig D rolled over debt of R\$ 600 million with Banco do Brasil, for interest of 128.00% of the CPI rate, and final maturity in April 2018.

Cemig GT has loans of R\$ 2.919 billion maturing in 2016, most of it in December.

<b>Cemig GT</b>		<b>Maturity</b>	<b>Annual financial cost</b>	<b>Total R\$ mn</b>
			<b>%</b>	
Promissory Notes	6th Issue	12/2016	120% of the CDI Rate	1,472
Debentures	4th Issue, 1st Series	12/2016	CDI + 0.85%	519

## FINANCIAL STATEMENTS SEPARATED BY COMPANY AND BY OPERATIONAL SEGMENT

## FINANCIAL STATEMENTS SEPARATED BY COMPANY AT MARCH 31, 2016

Group D	Gasmig	Cemig Telecom	Sá Carvalho	Rosal	Other subsidiaries	Eliminations / transfers	Total, subsidiaries	Taesa	Light	Madeira
2,718	2,045,269	314,112	158,008	136,541	291,495	(10,146,584)	41,421,976	4,742,200	4,955,128	2,506,600
5,146	57,610	1,712	5,596	4,413	43,934		1,192,976	262,513	243,930	14,230
5,168	83,935	16,528	6,384	5,656	3,636	(17,116)	3,544,854	101,294	853,458	32,320
4,435	52,657	17,655	13,039	10,237	83,536		857,335	2,213		
3,301	56,910	16,855	136	459	1,181		2,482,183	289,362	389,849	68,330
0,813	470,918	5,619	4,956	1,642	33,318	(833,004)	3,531,999	42,993	639,513	160,840
3,855	1,323,239	255,743	127,897	114,134	125,890	(9,296,464)	29,812,629	4,043,825	2,828,378	2,230,900
2,718	2,045,269	314,112	158,008	136,541	291,495	(10,146,584)	41,421,976	4,742,200	4,955,128	2,506,600
4,149	237,137	8,729	8,920	3,884	3,507	(21,690)	1,559,413	15,507	453,517	137,210
5,209	350,376	38,048					15,299,557	1,777,201	2,366,183	1,473,940
5,105	45,667		2,464		25,466	(821,207)	1,296,006	1	14,287	
2,831					1		3,306,281		14,491	
5,343	301,325	10,175	38,087	2,654	10,457		2,790,953	833,985	393,608	41,720
9,374	167,682	76,776	722	681	9,548	(7,240)	4,191,990	107,619	521,502	104,150
3,707	943,082	180,384	107,815	129,322	242,516	(9,296,447)	12,977,776	2,007,887	1,191,540	749,620
3,707	939,016	180,384	107,815	129,322	242,515	(9,265,402)	12,973,710	2,007,887	1,191,540	749,620
	4,066						4,066			

9,600	312,235	24,124	16,458	14,763	38,853	(45,800)	4,451,660	231,420	828,034	64,100
(5,718)	(275,477)	(22,006)	(9,457)	(6,866)	(7,192)	41,358	(3,949,435)	(22,827)	(753,981)	(44,520)
(5,015)			(1,296)	(260)	122	6,406	(1,931,361)		(510,714)	(3,970)
(3,345)				(829)	(84)	29,528	(258,706)			(13,010)
	(237,863)						(237,863)			
(3,594)	(9,739)						(235,021)	(352)	(104,405)	
(3,395)	(9,737)	(4,728)	(270)	(374)	(2,359)		(413,407)	(12,645)	(28,578)	(1,810)
(9,963)							(75,186)			
(3,215)	(297)	(19)	(72)	(72)	(75)		(10,998)	(1,360)	(4,900)	(3,110)
(5,977)	(2,719)	(5,446)	(942)	(1,169)	(2,082)	8,656	(208,004)	(4,487)	(42,348)	(2,460)
(1,845)	(13,124)	(8,123)	(1,404)	(1,093)	(2,541)	(3,814)	(199,033)	(535)	(39,723)	(15,680)
(4,560)		163					(251,770)	64	(25,801)	(6,110)
(7,809)	(1,998)	(3,853)	(5,473)	(3,069)	(173)	582	(128,086)	(3,512)	2,488	(1,020)
3,882	36,758	2,118	7,001	7,897	31,661	(4,442)	502,225	208,593	74,053	19,600
		(7,398)				36,211	(57,927)	258	(27,811)	
3,918	4,249	1,042	455	306	3,724		226,580	68,471	(1,599)	4,900
(3,675)	(11,738)	(1,522)	(62)	(9)	(49)		(639,138)	(134,363)	(30,612)	(42,110)
(5,875)	29,269	(5,760)	7,394	8,194	35,336	31,769	31,740	142,959	14,031	(17,600)
(1,266)	(8,738)	(539)	(2,505)	(693)	(5,201)		(26,533)	(32,962)	(13,568)	3,110
(7,141)	20,531	(6,299)	4,889	7,501	30,135	31,769	5,207	109,997	463	(14,400)
(7,141)	20,443	(6,299)	4,889	7,501	30,135	31,769	5,119	109,997	463	(14,400)



7,141)	20,531	(6,299)	4,889	7,501	30,135	31,769	5,207	109,997	463	(14,4
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## INFORMATION BY MARKET SEGMENT ON MARCH 31, 2016

Item	Electricity						Eliminations	TOTAL
	GENERATION	TRANSMISSION	DISTRIBUTION	Telecoms	Gas	Others		
<b>ASSETS OF THE SEGMENT</b>	<b>14,563,360</b>	<b>4,449,991</b>	<b>17,800,671</b>	<b>314,112</b>	<b>2,520,566</b>	<b>2,614,718</b>	<b>(841,442)</b>	<b>41,421,976</b>
<b>ADDITIONS TO THE SEGMENT</b>	<b>2,696,071</b>	<b>6,688</b>	<b>218,594</b>	<b>7,574</b>	<b>9,739</b>			<b>2,938,666</b>
<b>Investments in subsidiaries and jointly-controlled entities</b>	<b>6,084,311</b>	<b>2,516,500</b>	<b>1,527,953</b>			<b>23,483</b>		<b>10,152,247</b>
<b>NET REVENUE</b>	<b>1,333,349</b>	<b>106,559</b>	<b>2,689,600</b>	<b>24,124</b>	<b>312,235</b>	<b>31,599</b>	<b>(45,806)</b>	<b>4,451,660</b>
<b>COST OF ELECTRICITY AND GAS</b>								
Electricity purchased for resale	(661,751)		(1,276,015)				6,405	(1,931,361)
Charges for use of the National Grid	(74,801)	(88)	(213,345)				29,528	(258,706)
Gas bought for resale					(237,863)			(237,863)
<b>Operational costs, total</b>	<b>(736,552)</b>	<b>(88)</b>	<b>(1,489,360)</b>		<b>(237,863)</b>		<b>35,933</b>	<b>(2,427,930)</b>
<b>OPERATIONAL COSTS AND EXPENSES</b>								
Personnel	(68,237)	(29,869)	(288,395)	(4,728)	(9,737)	(12,441)		(413,407)
Post-retirement liabilities	(11,712)	(4,869)	(49,963)			(8,642)		(75,186)
Materials	(1,990)	(446)	(8,215)	(19)	(297)	(31)		(10,998)
Outsourced services	(32,902)	(6,635)	(166,977)	(5,446)	(2,719)	(1,981)	8,656	(208,004)
Depreciation and amortization	(51,995)		(121,845)	(8,123)	(13,124)	(3,946)		(199,033)
Operational provisions (reversals)	(19,349)	(2,490)	(144,560)	163		(85,534)		(251,770)
Construction costs		(6,688)	(218,594)		(9,739)			(235,021)
Other operational expenses, net	(29,141)	(1,252)	(87,809)	(3,853)	(1,998)	(5,250)	1,217	(128,086)
<b>Total cost of operation</b>	<b>(215,326)</b>	<b>(52,249)</b>	<b>(1,086,358)</b>	<b>(22,006)</b>	<b>(37,614)</b>	<b>(117,825)</b>	<b>9,873</b>	<b>(1,521,505)</b>

<b>OPERATIONAL COSTS AND EXPENSES</b>	<b>(951,878)</b>	<b>(52,337)</b>	<b>(2,575,718)</b>	<b>(22,006)</b>	<b>(275,477)</b>	<b>(117,825)</b>	<b>45,806</b>	<b>(3,949,435)</b>
<b>Operational profit before Equity gains (losses) and Financial revenue (expenses)</b>	<b>381,471</b>	<b>54,222</b>	<b>113,882</b>	<b>2,118</b>	<b>36,758</b>	<b>(86,226)</b>		<b>502,225</b>
Equity method gain (loss)	(150,175)	113,116	(13,163)	(7,398)		(307)		(57,927)
Financial revenues	44,636	603	143,918	1,042	4,249	32,132		226,580
Financial expenses	(330,941)	(1,662)	(283,675)	(1,522)	(11,738)	(9,600)		(639,138)
<b>PRE-TAX PROFIT</b>	<b>(55,009)</b>	<b>166,279</b>	<b>(39,038)</b>	<b>(5,760)</b>	<b>29,269</b>	<b>(64,001)</b>		<b>31,740</b>
Income tax and Social Contribution tax	(27,028)	(16,221)	(1,266)	(539)	(8,738)	27,259		(26,533)
<b>Net profit</b>	<b>(82,037)</b>	<b>150,058</b>	<b>(40,304)</b>	<b>(6,299)</b>	<b>20,531</b>	<b>(36,742)</b>		<b>5,207</b>
<b>Interest of the controlling stockholders</b>	<b>(82,037)</b>	<b>150,058</b>	<b>(40,304)</b>	<b>(6,299)</b>	<b>20,443</b>	<b>(36,742)</b>		<b>5,119</b>
<b>Interest of non-controlling stockholder</b>					<b>88</b>			<b>88</b>
	<b>(82,037)</b>	<b>150,058</b>	<b>(40,304)</b>	<b>(6,299)</b>	<b>20,531</b>	<b>(36,742)</b>		<b>5,207</b>

### **Mining and Energy Ministry Ministerial Order 120**

The Mining and Energy Ministry, through its Ministerial Order 120, of April 20, 2016, has set the criteria for indemnity of transmission assets. It states that the amounts that are approved shall be received in a period of eight years as from the 2017 tariff adjustment, and will be updated by the variation in the IPCA inflation index, and remunerated on the basis of the specific cost of capital of the transmission segment as defined by Aneel in the processes of periodic Tariff Review, estimated at 10.44% p.a. The Companies in the sector are in the process of obtaining more detailed explanations from the regulator on the criteria related to monetary updating and receipt of the indemnity.

The Valuation Opinion delivered to Aneel on July 31, 2014 represented an indemnity to the Company of R\$ 1.169 billion, at the base date of December 31, 2012.

On February 23, 2015, Aneel sent the Company the Report of Inspection with the preliminary review of the Opinion sent by the Company, corresponding to a price of R\$ 1.157 billion, of which R\$ 285 million was received in the first quarter of 2013 – the remaining balance being R\$ 872 million. Updating of this amount by the IGP M inflation index to March 31, 2016 results in the amount of R\$ 1.085 billion (R\$ 1.054 billion at December 31, 2015).

Cemig GT is still in process of assessing the effects of the Ministerial Order, and has an estimate of an impact of approximately R\$ 500 million in financial revenue – which will be posted in the second quarter of 2016.

## Generating plants

Plant	Type	Company	Cemig Interest	Assured Energy		Assured Energy		Year Concession Expires
				Installed Capacity (MW)	(average MW)*	Installed Capacity (MW)*	(average MW)*	
São Simão	Hydroelectric	CEMIG GT	100.0%	1,710.00	1,281.00	1,710.00	1,281.00	1/11/2015
Emborcação	Hydroelectric	CEMIG GT	100.0%	1,192.00	497.00	1,192.00	497.00	7/23/2025
Nova Ponte	Hydroelectric	CEMIG GT	100.0%	510.00	276.00	510.00	276.00	7/23/2025
Jaguara	Hydroelectric	CEMIG GT	100.0%	424.00	336.00	424.00	336.00	8/28/2013
Miranda	Hydroelectric	CEMIG GT	100.0%	408.00	202.00	408.00	202.00	12/23/2016
Irapé	Hydroelectric	CEMIG GT	100.0%	399.00	210.70	399.00	210.70	2/28/2035
Três Marias	Hydroelectric	CEMIG GT	100.0%	396.00	239.00	396.00	239.00	1/4/2046
Volta Grande	Hydroelectric	CEMIG GT	100.0%	380.00	229.00	380.00	229.00	2/23/2017
Igarapé	Thermal	CEMIG GT	100.0%	131.00	71.30	131.00	71.30	8/13/2024
Salto Grande	Hydroelectric	CEMIG GT	100.0%	102.00	75.00	102.00	75.00	1/4/2046
Itutinga	Hydroelectric	CEMIG GT	100.0%	52.00	28.00	52.00	28.00	1/4/2046
Camargos	Hydroelectric	CEMIG GT	100.0%	46.00	21.00	46.00	21.00	1/4/2046
Piau	SHP	CEMIG GT	100.0%	18.01	13.53	18.01	13.53	1/4/2046
Gafanhoto	SHP	CEMIG GT	100.0%	14.00	6.68	14.00	6.68	1/4/2046
Peti	SHP	CEMIG GT	100.0%	9.40	6.18	9.40	6.18	1/4/2046
Rio de Pedras	SHP	CEMIG GT	100.0%	9.28	2.15	9.28	2.15	9/19/2024
Poço Fundo	SHP	CEMIG GT	100.0%	9.16	5.79	9.16	5.79	8/19/2025
Tronqueiras	SHP	CEMIG GT	100.0%	8.50	3.39	8.50	3.39	1/4/2046
Joasal	SHP	CEMIG GT	100.0%	8.40	5.20	8.40	8.40	1/4/2046
Martins	SHP	CEMIG GT	100.0%	7.70	1.84	7.70	1.84	1/4/2046
Cajuru	SHP	CEMIG GT	100.0%	7.20	2.69	7.20	2.69	1/4/2046
Ervália	SHP	CEMIG GT	100.0%	6.97	3.03	6.97	3.03	1/4/2046
São Bernardo	SHP	CEMIG GT	100.0%	6.82	3.42	6.82	3.42	8/19/2025
Neblina	SHP	CEMIG GT	100.0%	6.47	4.66	6.47	4.66	1/4/2046
Cel. Domiciano	SHP	CEMIG GT	100.0%	5.04	3.59	5.04	3.59	1/4/2046
Paraúna	SHP	CEMIG GT	100.0%	4.28	1.90	4.28	1.90	
Pandeiros	SHP	CEMIG GT	100.0%	4.20	0.47	4.20	0.47	9/22/2021
Paciência	SHP	CEMIG GT	100.0%	4.08	2.36	4.08	2.36	1/4/2046
Marmelos	SHP	CEMIG GT	100.0%	4.00	2.74	4.00	2.74	1/4/2046
Dona Rita	SHP	CEMIG GT	100.0%	2.40	1.03	2.40	1.03	1/4/2046
Salto de Moraes	SHP	CEMIG GT	100.0%	2.39	0.60	2.39	0.60	7/1/2020
Sumidouro	SHP	CEMIG GT	100.0%	2.12	0.53	2.12	0.53	
Anil	SHP	CEMIG GT	100.0%	2.08	1.10	2.08	1.10	
Xicão	SHP	CEMIG GT	100.0%	1.81	0.61	1.81	0.61	8/19/2025

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Luiz Dias	SHP	CEMIG GT	100.0%	1.62	0.61	1.62	0.61	8/19/2025
Sinceridade	SHP	CEMIG GT	100.0%	1.42	0.35	1.42	0.35	1/4/2046
Central								
Mineirão	Solar	CEMIG GT	100.0%	1.42		1.42		
Poquim	SHP	CEMIG GT	100.0%	1.41	0.39	1.41	0.39	7/8/2015
Santa Marta	SHP	CEMIG GT	100.0%	1.00	0.58	1.00	0.58	7/8/2015
Pissarrão	SHP	CEMIG GT	100.0%	0.80	0.55	0.80	0.55	
Jacutinga	SHP	CEMIG GT	100.0%	0.72	0.57	0.72	0.57	
Santa Luzia	SHP	CEMIG GT	100.0%	0.70	0.23	0.70	0.23	2/25/2026
Lages*	SHP	CEMIG GT	100.0%	0.68		0.68		
Bom Jesus								
do Galho	SHP	CEMIG GT	100.0%	0.36	0.13	0.36	0.13	
Pai Joaquim	SHP	CEMIG PCH	100.0%	23.00	4.26	23.00	4.26	4/1/2032
Salto Voltão	SHP	Horizontes Energia	100.0%	8.20	6.63	8.20	6.63	10/4/2030
Salto do								
Paraopeba	SHP	Horizontes Energia	100.0%	2.46		2.46		10/4/2030
Salto do								
Passo Velho	SHP	Horizontes Energia	100.0%	1.80	1.06	1.80	1.06	10/4/2030
Machado								
Mineiro	SHP	Horizontes Energia	100.0%	1.72	1.03	1.72	1.03	7/8/2025
Rosal	Hydroelectric	Rosal Energia	100.0%	55.00	30.00	55.00	30.00	5/8/2032
Sá Carvalho	Hydroelectric	Sá Carvalho	100.0%	78.00	58.00	78.00	58.00	12/1/2024
Barreiro	Thermal	Usina Termelétrica Barrei	100.0%	12.90	11.37	12.90	11.37	4/30/2023
Queimado	Hydroelectric	CEMIG GT	82.5%	105.00	58.00	86.63	47.85	1/2/2033
Praias de								
Parajuru	Wind Farm	CEMIG GT	49.0%	28.80	8.39	14.11	4.11	9/24/2032
Praia do								
Morgado	Wind Farm	CEMIG GT	49.0%	28.80	13.20	14.11	6.47	12/26/2031
Paracambi	SHP	CEMIG GT	49.0%	25.00	19.53	12.25	9.57	2/16/2031
Volta do								
Rio	Wind Farm	CEMIG GT	49.0%	42.00	18.41	20.58	9.02	12/26/2031
Santo								
Antônio	Hydroelectric	Santo Antônio Energia	17.7%	2,714.72	2,218.00	480.06	392.22	6/12/2046
Aimorés	Hydroelectric	ALIANÇA	45.0%	330.00	172.00	148.50	77.40	12/20/2035
Amador								
Aguiar I								
(Capim Bra	Hydroelectric	ALIANÇA	39.3%	240.00	155.00	94.36	60.94	8/29/2036
Amador								
Aguiar II								
(Capim Br	Hydroelectric	ALIANÇA	39.3%	210.00	131.00	82.56	51.50	8/29/2036
Igarapava	Hydroelectric	ALIANÇA	23.7%	210.00	136.00	49.75	32.22	12/30/2028
Funil	Hydroelectric	ALIANÇA	45.0%	180.00	89.00	81.00	40.05	12/20/2035
Candongá	Hydroelectric	ALIANÇA	22.5%	140.00	64.50	31.50	14.51	5/25/2035
Porto								
Estrela	Hydroelectric	ALIANÇA	30.0%	112.00	55.80	33.60	16.74	7/10/2032
Baguari	Hydroelectric	BAGUARI ENERGIA	34.0%	140.00	80.20	47.60	27.27	8/15/2041
Cachoeirão	SHP	Hidrelétrica Cachoeirão	49.0%	27.00	16.37	13.23	8.02	7/25/2030
Pipoca	SHP	Hidrelétrica Pipoca	49.0%	20.00	11.90	9.80	5.83	9/10/2031
Retiro								
Baixo	Hydroelectric	Retiro Baixo Energia	25.0%	82.00	38.50	20.46	9.61	8/25/2041
	Hydroelectric	Lightger	49.0%	855.14	637.00	419.02	312.13	

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SHP	Lightger	25.0%	25.00	19.53	6.25	4.88
SHP	Brasil PCH	31.2%	291.00	188.85	90.67	20.31
Wind Farm	Renova Energia	35.2%	680.50	325.91	239.21	114.56
SHP	Renova Energia	35.2%	41.80	18.74	14.69	6.59

\* The installed capacity and the assured energy are already on Cemig's share.

**Generation: Annual Permitted Revenue (RAP)****Resolução Homologatoria ANEEL - nº 1.313\***

<b>Receita Anual Permitida - RAP</b>	<b>RAP</b>	<b>% Cemig</b>	<b>Cemig Consolidado</b>	<b>Cemig GT</b>
Cemig GT	234.340.198	100,0%	234.340.198	234.340.198
Cemig Itajuba	36.345.194	100,0%	36.345.194	36.345.194
Centroeste	15.420.427	51,0%	7.864.418	
Transirapé	26.287.112	24,5%	6.440.342	
Transleste	36.163.304	25,0%	9.040.826	
Transudeste	22.414.358	24,0%	5.379.446	
Taesa	43,36%			
ETEO	155.851.060	43,4%	67.576.823	
ETAU	38.433.513	22,8%	8.762.945	
NOVATRANS	460.994.392	43,4%	199.886.586	
TSN	449.086.299	43,4%	194.723.252	
GTESA	8.238.429	43,4%	3.572.172	
PATESA	18.930.852	43,4%	8.208.394	
Munirah	32.335.023	43,4%	14.020.425	
Brasnorte	22.865.011	16,8%	3.833.291	
São Gotardo	4.594.930	43,4%	1.992.356	
Abengoa				
NTE	135.672.013	43,4%	58.827.214	
STE	72.452.041	43,4%	31.415.113	
ATEI	132.046.398	43,4%	57.255.152	
ATEII	204.000.305	43,4%	88.454.275	
ATEIII	102.659.854	43,4%	44.513.183	
TBE				
EATE	381.289.719	21,7%	82.634.235	
STC	36.934.709	17,3%	6.403.873	
Lumitrans	23.591.101	17,3%	4.090.187	
ENTE	199.517.005	21,7%	43.245.595	
ERTE	44.785.760	21,7%	9.706.942	
ETEP	86.906.931	21,7%	18.835.509	
ECTE	84.200.833	8,3%	6.970.657	
EBTE	40.614.511	32,3%	13.118.164	
ESDE	11.542.416	21,7%	2.501.610	
ETSE	19.741.437	8,3%	1.634.316	
Light	7.924.732	32,6%	2.581.878	
Transchile**	21.396.000	49,0%	10.484.040	
<b>RAP TOTAL CEMIG</b>			<b>1.284.658.610</b>	<b>270.685.392</b>



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\*Receitas anuais permitidas com vigência entre 1º de julho de 2015 e 30 de junho de 2016.

\*\* A receita de transmissão da Transchile é dada em Dólar Norte Americano e é corrigida, anualmente, de acordo com o Decreto N° 163

([http://www.cne.cl/images/stories/normativas/otros%20niveles/electricidad/DOC65\\_-\\_decreto163obrasurgentes.pdf](http://www.cne.cl/images/stories/normativas/otros%20niveles/electricidad/DOC65_-_decreto163obrasurgentes.pdf)).

## DEFAULT

In 2015, to achieve economic and financial equilibrium for the companies of the sector, and synchronization between tariffs and the real variable costs of electricity, Aneel implemented the system of Tariff Flags , and also enacted an Extraordinary Tariff Increase, in March. These measures had an impact on electricity rates, involving as it did a pass-through of costs to final consumers.

In this context of an exceptional increase in electricity rates, Cemig has seen an increase in amounts invoiced that are not paid by final consumers, and this has resulted in growth in the stock of debt to levels higher than the average of recent months.

The average level of default during the month of January 2016 was 25% higher than in January 2015. This increased percentage of default has had a negative effect on the Company's cash flow.

Due to the present economic context, default has remained at a level that is high for the Company. The rate of default in January was 3.91%.

The Company uses various tools of communication and collection to prevent increase in default. These include telephone contact, sending of e-mails, use of text messages, and collection letters. We are also making efforts with the credit protection services Serasa (*Serviço de Proteção ao Crédito*) and CDL (*Câmara de Dirigentes Lojistas*) to register these arrears on their records for defaulting clients; and we are also applying disconnection of supply. Aneel Resolution 414 allows supply to be cut off after 15 days from receipt of a notice to the defaulting consumer.

## Appendices

### Cemig D Tables (R\$ million)

Quarter	CEMIG D Market (GWh)			GW
	Captive Consumers	TUSD ENERGY1	T.E.D2	TUSD PICK3
4Q13	6.615	4.975	11.591	29
1Q14	6.744	4.464	11.208	29
2Q14	6.646	4.485	11.132	29
3Q14	6.686	4.298	10.984	27
4Q14	6.935	4.201	11.136	29
1Q15	6.780	4.034	10.814	30
2Q15	6.371	3.896	10.268	28
3Q15	6.471	3.803	10.274	29
4Q15	6.850	3.937	10.787	28
1Q16	6.408	4.053	10.460	29

1. Refers to the quantity of electricity for calculation of the regulatory charges charged to free consumer clients ( Portion A )

2. Total electricity distributed

3. Sum of the demand on w hich the TUSD is invoiced, according to demand contracted ( Portion B ).

Operating Revenues	1Q16	1Q15	Change%
Sales to end consumers	4.331	3.389	28
TUSD	417	226	84
CVA and Other financial components in tariff adjustment	(132)	550	(124)
Construction revenue	219	203	8
Others	297	248	20
<b>Subtotal</b>	<b>5.131</b>	<b>4.616</b>	<b>11</b>
Deductions	(2.442)	(1.551)	57
<b>Net Revenues</b>	<b>2.690</b>	<b>3.065</b>	<b>(12)</b>

Operating Expenses	1Q16	1Q15	Change%
Personnel/Administrators/Councillors	288	228	26
Employee Participation		62	
Forluz Post-Retirement Employee Benefits	50	42	20
Materials	8	10	(16)
Contracted Services	167	157	6
Purchased Energy	1.276	1.838	(31)
Depreciation and Amortization	122	112	9
Operating Provisions	145	40	260

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Charges for Use of Basic Transmission Network	213	195	9
Cost from Operation	219	203	8
Other Expenses	88	98	(10)
<b>Total</b>	<b>2.576</b>	<b>2.984</b>	<b>(14)</b>

<b>Statement of Results</b>	<b>1Q16</b>	<b>1Q15</b>	<b>Change%</b>
Net Revenue	2.690	3.065	(12)
Operating Expenses	2.576	2.984	(14)
<b>EBIT</b>	<b>114</b>	<b>81</b>	<b>40</b>
<b>EBITDA</b>	<b>236</b>	<b>193</b>	<b>22</b>
Financial Result	(140)	(65)	117
Provision for Income Taxes, Social Cont & Deferred Income	(1)	(11)	(89)
<b>Net Income</b>	<b>(27)</b>	<b>5</b>	

**Cemig GT Tables (R\$ million)**

<b>Operating Revenues</b>	<b>1Q16</b>	<b>1Q15</b>	<b>Change%</b>
Sales to end consumers	945	913	3
Supply	592	808	(27)
Gain on monetary updating of Concession Grant Fee	81		
Transactions in the CCEE	4	1.000	(100)
Revenues from Trans. Network	94	80	18
Construction revenue	7	31	(78)
Transmission indemnity revenue	31		
Others	6	5	28
<b>Subtotal</b>	<b>1.760</b>	<b>2.837</b>	<b>(38)</b>
Deductions	(359)	(434)	(17)
<b>Net Revenues</b>	<b>1.401</b>	<b>2.403</b>	<b>(42)</b>

<b>Operating Expenses</b>	<b>1Q16</b>	<b>1Q15</b>	<b>Change%</b>
Personnel/Administrators/Councillors	97	83	17
Employee Participation		15	
Forluz Post-Retirement Employee Benefits	17	13	31
Materials	2	3	(34)
Raw Materials and Supplies Energy Production		78	(100)
Contracted Services	36	32	11
Depreciation and Amortization	47	76	(38)
Operating Reserves	22	(5)	
Charges for Use of Basic Transmission Network	74	72	2
Purchased Energy	660	608	9
Construction Cost	7	31	(78)
Other Expenses	22	9	131
<b>Total</b>	<b>983</b>	<b>1.015</b>	<b>(3)</b>



<b>Statement of Results</b>	<b>1Q16</b>	<b>1Q15</b>	<b>Change%</b>
Net Revenue	1.401	2.403	(42)
Operating Expenses	(983)	(1.015)	(3)
<b>EBIT</b>	<b>418</b>	<b>1.388</b>	<b>(70)</b>
Equity equivalence results	(150)	(37)	303
Fair value gain (loss) on stockholding transaction		735	
<b>EBITDA</b>	<b>315</b>	<b>2.161</b>	<b>(85)</b>
Financial Result	(290)	(212)	37
Provision for Income Taxes, Social Cont & Deferred Income Tax	(39)	(560)	(93)
<b>Net Income</b>	<b>(61)</b>	<b>1.313</b>	

**Cemig Tables (R\$ million)**

<b>Energy Sales (Consolidated)(GWh)</b>	<b>1Q16</b>	<b>1Q15</b>	<b>Change%</b>
Residential	2.491	2.563	(3)
Industrial	4.838	5.817	(17)
Commercial	1.688	1.697	(1)
Rural	724	795	(9)
Others	837	865	(3)
<b>Subtotal</b>	<b>10.577</b>	<b>11.736</b>	<b>(10)</b>
Own Consumption	9	10	(4)
Supply	2.697	4.036	
<b>TOTAL</b>	<b>13.284</b>	<b>15.782</b>	<b>(16)</b>

<b>Energy Sales</b>	<b>1Q16</b>	<b>1Q15</b>	<b>D%</b>
Residential	2.024	1.547	31
Industrial	1.347	1.285	5
Commercial	1.163	847	37
Rural	323	254	27
Others	409	315	30
<b>Electricity sold to final consumers</b>	<b>5.266</b>	<b>4.248</b>	<b>24</b>
Unbilled Supply, Net	97	44	120
Supply	552	847	(35)
<b>TOTAL</b>	<b>5.915</b>	<b>5.139</b>	<b>15</b>

<b>Operating Revenues</b>	<b>1Q16</b>	<b>1Q15</b>	<b>D%</b>
Sales to end consumers	5.307	4.292	24
TUSD	409	210	95
Supply	608	848	(28)
Transactions in the CCEE	3	1.011	(100)
CVA and Other financial components in tariff adjustment	(132)	550	
Gain on monetary updating of Concession Grant Fee	81		
Revenues from Trans. Network	73	63	16
Construction revenue	235	234	1
Gas supply	379	426	(11)
Transmission Indemnity Revenue	31		
Others	361	309	17
<b>Subtotal</b>	<b>7.354</b>	<b>7.942</b>	<b>(7)</b>
Deductions	(2.903)	(2.092)	39
<b>Net Revenues</b>	<b>4.452</b>	<b>5.849</b>	<b>(24)</b>
<b>Operating Expenses</b>	<b>1Q16</b>	<b>1Q15</b>	<b>D%</b>
Personnel/Administrators/Councillors	413	336	23
Employee Participation		81	
Forluz Post-Retirement Employee Benefits	75	58	31
Materials	11	14	(21)
Raw materials and inputs for production of electricity		78	(100)
Contracted Services	208	199	5
Purchased Energy	1.931	2.421	(20)
Depreciation and Amortization	199	247	(19)
Operating Provisions	252	43	483
Charges for Use of Basic Transmission Network	259	241	7
Gas bought for resale	238	262	(9)
Cost from Operation	235	234	1
Other Expenses	128	128	(0)
<b>TOTAL</b>	<b>3.949</b>	<b>4.342</b>	<b>(9)</b>



<b>Financial Result Breakdown</b>	<b>1Q16</b>	<b>1Q15</b>	<b>D%</b>
<b>Financial revenues</b>	<b>227</b>	<b>290</b>	<b>(22)</b>
Revenue from cash investments	59	39	51
Arrears penalty payments on electricity bills	74	47	58
Exchange rate	15	53	(72)
Monetary updating	48	5	943
Monetary updating - CVA	20	40	(51)
Taxes applied to Financial Revenue	(12)		
Monetary updating of the Financial Asset of the Concession	2	92	(98)
Other	22	15	47
<b>Financial expenses</b>	<b>(639)</b>	<b>(564)</b>	<b>13</b>
Costs of loans and financings	(428)	(293)	46
Exchange rate	(17)	(62)	(72)
Monetary updating loans and financings	(116)	(135)	(14)
Monetary updating paid concessions	(1)	(6)	
Charges and monetary updating on Post-employment obligations	(37)	(38)	(1)
Other	(38)	(31)	25
<b>Financial revenue (expenses)</b>	<b>(413)</b>	<b>(273)</b>	<b>51</b>
<b>Statement of Results</b>	<b>1Q16</b>	<b>1Q15</b>	<b>D%</b>
Net Revenue	4.452	5.849	(24)
Operating Expenses	3.949	4.342	(9)
<b>EBIT</b>	<b>502</b>	<b>1.507</b>	<b>(67)</b>
Equity gain in subsidiaries	(58)	90	
Gain on stockholding reorganization		735	
Depreciation and Amortization	199	247	(19)
<b>EBITDA</b>	<b>643</b>	<b>2.580</b>	<b>(75)</b>
Financial Result	(413)	(273)	51
Tax	(27)	(574)	(95)
<b>Net Income</b>	<b>5</b>	<b>1.485</b>	<b>(100)</b>

<b>Cash Flow Statement</b>	<b>2015</b>	<b>2014</b>	<b>Change%</b>
<b>Cash at beginning of period</b>	<b>925</b>	<b>887</b>	<b>4</b>
<b>Cash generated by operations</b>	<b>600</b>	<b>332</b>	<b>80</b>
Net profit	5	1.485	(100)
Current and deferred income tax and Social Contribution tax	27	574	(95)
Depreciation and amortization	199	247	(19)
Gain on the Aliança stockholding reorganization		(735)	
Passthrough from CDE	404	(63)	(740)
Equity gain (loss) in subsidiaries	58	(90)	(164)
Provisions (reversals) for operational losses	252	43	483
Dividends received from equity holdings	42	27	58
Other adjustments	(387)	(1.155)	(67)
<b>Financing activities</b>	<b>147</b>	<b>(583)</b>	<b>(125)</b>
Financings obtained and capital increase	1.921	200	861
Interest on Equity, and dividends	(22)	(26)	(15)
Payments of loans and financings	(1.752)	(757)	131
<b>Investment activity</b>	<b>(478)</b>	<b>(19)</b>	<b>2.460</b>
Securities - Financial Investment	206	524	
Acquisition of ownership interest and future capital commitments	(480)	(331)	45
Fixed and Intangible assets	(205)	(211)	(3)
<b>Cash at end of period</b>	<b>1.193</b>	<b>618</b>	<b>93</b>
<b>Total Cash</b>	<b>2.050</b>	<b>3.435</b>	

<b>BALANCE SHEETS (CONSOLIDATED) - ASSETS</b>	<b>03/31/2016</b>	<b>12/31/2015</b>
<b>CURRENT</b>	<b>7.479</b>	<b>9.377</b>
Cash and cash equivalents	1.193	925
Securities	796	2.427
Consumers, Traders and Concession holders Transport of electricity	3.409	3.764
Financial assets of the concession	704	874
Tax offsetable	207	175
Income tax and Social Contribution tax recoverable	345	306
Dividends receivable	35	62
Linked funds		0
Inventories	38	37
Passthrough from CDE (Energy Development Account)	72	72
Other credits	681	735
<b>NON-CURRENT</b>	<b>33.943</b>	<b>31.503</b>
Securities	61	84
Consumers, Traders and Concession holders Transport of electricity	136	134
Tax offsetable	220	258
Income tax and Social Contribution tax recoverable	175	206
Deferred income tax and Social Contribution tax	1.535	1.498

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Escrow deposits in legal actions	1.856	1.813
Other credits	851	868
Financial assets of the concession	4.752	2.660
Investments	10.152	9.768
PP&E	3.885	3.940
Intangible assets	10.320	10.275
<b>TOTAL ASSETS</b>	<b>41.422</b>	<b>40.880</b>

<b>BALANCE SHEETS LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>03/31/2016</b>	<b>12/31/2015</b>
<b>CURRENT</b>	<b>11.999</b>	<b>13.086</b>
Suppliers	1.559	1.901
Regulatory charges	439	517
Profit shares	89	114
Taxes	670	740
Income tax and Social Contribution tax	9	11
Interest on Equity, and dividends, payable	1.296	1.318
Loans, financings and debentures	4.911	6.300
Payroll and related charges	217	221
Post-retirement liabilities	178	167
Other obligations	1.307	551
Provisions for losses on investments	1.324	1.245
<b>NON-CURRENT</b>	<b>16.445</b>	<b>14.795</b>
Regulatory charges	253	226
Loans, financings and debentures	10.389	8.866
Taxes	740	740
Income tax and Social Contribution tax	681	689
Provisions	828	755
Post-retirement liabilities	3.128	3.086
Provisions for losses on investments	157	148
Other obligations	269	285
<b>STOCKHOLDERS EQUITY</b>	<b>12.974</b>	<b>12.995</b>
Share capital	6.294	6.294
Capital reserves	1.925	1.925
Profit reserves	4.676	4.674
Adjustments to Stockholders' equity	60	102
Retained earnings	19	
<b>NON-CONTROLLING STOCKHOLDER'S EQUITY</b>	<b>4</b>	<b>4</b>
<b>TOTAL LIABILITIES</b>	<b>41.422</b>	<b>40.880</b>

**20. 1Q 2016 RESULTS PRESENTATION**

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**21. MARKET ANNOUNCEMENT MAY 24, 2016: XXI ANNUAL MEETING CEMIG-APIMEC SUPPLY AND DEMAND CEMIG GT AND THE NATIONAL GRID**

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**22. MARKET ANNOUNCEMENT DATED MAY 24, 2016: XXI ANNUAL MEETING  
CEMIG-APIMEC GUIDANCE 2016-2020**

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**23. MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS HELD ON MAY  
27, 2016**

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**CNPJ 17.155.730/0001-64 NIRE 31300040127**

**MINUTES  
OF THE  
EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS  
HELD ON  
MAY 27, 2016**

On the twenty-seventh day of May, two thousand and sixteen, at 10 a.m., 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, 2<sup>nd</sup> 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, for the Office of the Advocate General of the State of Minas Gerais, by the Acting Advocate General, Mr. Sérgio Pessoa de Paula Castro, in accordance with 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 Eustáquio Sydney Horta** 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, recognizing the presence of Mr. Bruno Cirilo Mendonça de Campos, a member of the Audit Board, and invited me, Anamaria Pugedo Frade Barros, a stockholder, to be Secretary of the meeting, asking me to read the convocation notice, published on April 27, 28 and 29 of this year, in the newspapers *Minas Gerais*, official publication of the Powers of the State, on pages 40, 41 and 23, respectively, and *O Tempo*, on pages 41, 45 and 33, respectively, the content of which is as follows:

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

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

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**CONVOCATION**

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on May 27, 2016 at 10 a.m., at the company's head office, Av. Barbacena 1200, 2<sup>nd</sup> floor, Belo Horizonte, Minas Gerais, Brazil to decide on the following matter:

Re-ratification of the decision taken by the Extraordinarily General Meeting held on March 24, 2011, to provide that the Put Option granted by the Company on April 11, 2011 to Redentor Fundo de Investimento em Participações (*FIP Redentor*), may be exercised not only by FIP Redentor, but any person who becomes a direct stockholder of Parati S.A. Participações em Ativos de Energia Elétrica (*Parati*), including but not limited to holders of units in FIP Redentor, and/or their affiliated parties, who will become holders of the Put Option and/or the rights arising from it, in relation to the shares in Parati that they hold.

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 May 24, 2016, proofs of ownership of the shares, issued by a depositary financial institution, and a power of attorney with specific powers, at Cemig's Corporate Executive Secretariat Office (*Superintendência da Secretaria Geral e Executiva Empresarial*) at Av. Barbacena 1200 19<sup>th</sup> Floor, B1 Wing, Belo Horizonte, Minas Gerais.

Belo Horizonte, April 26, 2016.

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, and also to read the Opinion of the Audit Board thereon. The contents of these documents are as follows:

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**PROPOSAL**  
**BY THE BOARD OF DIRECTORS**  
**TO THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**  
**TO BE HELD ON MAY 27, 2016**

**Dear Stockholders:**

*The Board of Directors of Companhia Energética de Minas Gerais - Cemig*

*whereas:*

- a) *Companhia Energética de Minas Gerais (Cemig) owns 25% of the share capital of Parati S.A. Participações em Ativos de Energia Elétrica (Parati) and Redentor Fundo de Investimento em Participações (FIP Redentor) owns the remaining 75%;*
- b) *in 2011, Cemig negotiated the unconditional and irrevocable grant, solely and exclusively to FIP Redentor (and not to any of its Unit Holders), of an option to sell (Put Option), giving FIP Redentor the right, at the end of the 60<sup>th</sup> (sixtieth) month from the date of the subscription of the shares in Parati (the Exercise Date), to sell the totality of the shares owned by FIP Redentor ( the Acquisition Shares ), and Cemig will have the obligation to buy them, or to indicate a third party who shall buy them, by payment of the Exercise Price, which shall be equivalent to the amount paid at the time of subscription of the shares, plus expenses (all those expenses provenly incurred by FIP Redentor and/or by the Administrator of FIP Redentor, for its constitution and as from the date of its constitution, including expenses of auditing, management fees and administration charges), less a total of such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received shall be multiplied by 0.5721 for the calculation), all updated by the change in the average CDI Rate (the rate for Interbank Certificates of Deposit published by the Cetip Custody and Clearing House (Câmara de Custódia e Liquidação), plus 0.9% per year *pro rata tempore*, as from the date of their actual disbursement/payment up to the Exercise Date of the Put Option;*
- c) *it was further negotiated that in the event that the Exercise Price was higher than the amount subscribed by FIP Redentor when subscribing the shares in Parati, an adjustment factor of  $(1/(1 - 0.4279)) - 1$  would be added to the Exercise Price;*

- d) on March 24, 2011, the Extraordinary General Meeting of Stockholders, in the terms of and for the purposes of Article 256 of Law 6404/1976, authorized the unconditional and irrevocable grant by Cemig to FIP Redentor of an option to sell (Put Option) by which FIP Redentor acquired the right, at the end of the 60<sup>th</sup> (sixtieth) month from the date of the subscription of the shares in Parati (the Exercise Date), to sell the totality of the shares owned by FIP Redentor (the Acquisition Shares), and Cemig acquired the obligation to buy them, or to indicate a third party who shall buy them, by payment of the Exercise Price, equivalent to the amount paid at the time of subscription of the shares, plus expenses (all those expenses provenly incurred by FIP Redentor and/or by the Administrator of FIP Redentor, for its constitution and as from the date of its constitution, including expenses of auditing, management fees and administration charges), less a total of such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received to be multiplied by 0.5721 for the calculation), all updated by the change in the average CDI Rate plus 0.9% per year *pro rata tempore*, as from the date of their actual disbursement/payment up to the Exercise Date of the Put Option; in the event that the Exercise Price is higher than the amount subscribed by FIP Redentor when subscribing the shares in Parati, an adjustment factor of  $(1/(1 - 0.4279) - 1)$  to be added to the Exercise Price; the parties agreeing to negotiate the situations in which the Exercise Date can be brought forward by FIP Redentor, such conditions to be established in a contractual instrument to be entered into by the parties after the approval by the Board of Directors of Cemig, in the terms of its by-laws; and payment of the Exercise Price and the transfer of the shares of Parati to be conditional upon prior approval of the transaction by the National Electricity Agency (Aneel);

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- e) on April 11, 2011, Cemig granted, exclusively to FIP Redentor, unconditionally and irrevocably, an option to sell (Put Option), under which FIP Redentor acquired the right, at the end of the 60<sup>th</sup> (sixtieth) month from the date of the subscription of the shares in Parati (the Exercise Date), to sell the totality of the common and preferred shares in that company belonging to FIP Redentor, and Cemig acquired the obligation to buy them or to indicate a third party to buy them, by payment of the Exercise Price, as authorized by the Board of Directors of the Company on December 6, 2010 and by the Extraordinary General Meeting of Stockholders of March 24, 2011;
- f) in this grant, Notice of Exercise of the Option was to be given by at least 240 (two hundred and forty) days before the Exercise Date;
- g) on September 2, 2015, within the agreed period, FIP Redentor notified Cemig of its interest in exercising the Put Option, by delivery of a Put Option Exercise Notice to the Company;
- h) Cemig has been advised by Banco BTG Pactual S.A. ( BTG Pactual ) of its resignation as administrator of FIP Redentor, which took place on March 30, 2016, and this could result, within 60 (sixty) days, in extinction of this Investment Fund;
- i) as a result of any extinction of FIP Redentor, holders of its Units will become direct holders of the common and preferred shares in Parati;
- j) the Unit Holders of FIP Redentor have the right to sell their unit holdings in FIP Redentor to third parties and wish to preserve this right if and when they become direct shareholders of Parati;

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- k) for this purpose and as a consequence of any extinction of FIP Redentor, should it take place, the unit holders of FIP Redentor have requested alteration of certain conditions specified in the Stockholders' Agreement, so as to alter the Put Option, which had been granted exclusively to FIP Redentor, in such a way as to permit the Unit Holders of FIP Redentor to become holders of the Put Option, as direct stockholders of Parati, maintaining their rights and obligations, without altering the other conditions of the grant that had been given;
- l) postponement of the Exercise Date of the Put Option is in the strategic interest of Cemig, for better administration of Cemig's cash flow in the current year;
- m) the Unit Holders of FIP Redentor have made the negotiation of any postponement of the Exercise Date of the Put Option conditional upon their rights being maintained, as per items j and k, above.

*do now propose to you as follows:*

***Proposal by the Board of Directors***

Re-ratification of the decision taken by the Extraordinary General Meeting held on March 24, 2011, to provide that the Put Option granted by the company on April 11, 2011, to *Redentor Fundo de Investimento em Participações (FIP Redentor)*, may be exercised not only by FIP Redentor, but by any person who becomes a direct stockholder of *Parati S.A. Participações em Ativos de Energia Elétrica (Parati)*, including but not limited to holders of units in FIP Redentor, and/or their affiliated parties, who will become holders of the Put Option and/or the rights arising from it, in relation to the shares in Parati that they hold.

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, April 26, 2016.

José Afonso Bicalho Beltrão da  
Silva

Mauro Borges Lemos

Allan Kardec de Melo Ferreira

Arcângelo Eustáquio Torres  
Queiroz

Marco Antônio Soares da Cunha Castello Branco

Nelson José Hubner Moreira

Bruno Magalhães Menicucci

José Augusto Gomes Campos

Marina Rosenthal Rocha

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Helvécio Miranda Magalhães Junior

Tarcísio Augusto Carneiro

José Pais Rangel

Marco Antônio de Rezende Teixeira

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### **OPINION OF THE AUDIT BOARD**

The undersigned members of the Audit Board of Companhia Energética de Minas Gerais - Cemig, in the performance of their duties under the law and under the by-laws, have examined the Proposal by the Board of Directors to the Extraordinary General Meetings of Stockholders to be held on May 27, 2016, in relation to:

Re-ratification of the decision taken by the Extraordinary General Meeting held on March 24, 2011, to provide that the Put Option granted by the Company on April 11, 2011 to Redentor Fundo de Investimento em Participações (FIP Redentor), may be exercised not only by FIP Redentor, but by any person who becomes a direct stockholder of Parati S.A. - Participações em Ativos de Energia Elétrica (Parati), including but not limited to holders of units in FIP Redentor, and/or their affiliated parties, who will become holders of the Put Option and/or the rights arising from it, in relation to the shares in Parati that they hold.

After carefully analyzing the said proposal and further taking into account that the applicable rules governing the subject have been complied with, it is the opinion of the members of the Audit Board that the proposal should be approved by the said General Meeting of Stockholders.

Belo Horizonte, April 27, 2016.

Signed:

Charles Carvalho Guedes,  
Ronaldo Dias,

Edson Moura Soares,  
Bruno Gonçalves Siqueira.

Márcio Almeida do Amaral,

The above proposal was put to debate, and subsequently to a vote, and was approved unanimously.

There being no further business, the Chair opened the meeting to the floor, and since no-one wished to make any statement, ordered the meeting suspended for the time necessary for production 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.

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**24. MATERIAL ANNOUNCEMENT DATED MAY 27, 2016: STOCKHOLDERS AGREEMENT OF PARATI S.A.**

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**  
**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**

**MATERIAL ANNOUNCEMENT**

Cemig (**Companhia Energética de Minas Gerais**), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, in accordance with CVM Instruction 358 of January 3, 2002, as amended, **hereby informs** the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (BM&F Bovespa S.A.) and the market in general **as follows**:

On March 30, 2016 **Cemig** and *Redentor Fundo de Investimento em Participações* ( **FIP Redentor** ) signed the First Amendment to the Stockholders Agreement of *Parati S.A. Participações em Ativos de Energia Elétrica* ( **Parati** ), the effects of which were subject to the suspensive condition that the agreed alterations to the Put Option granted by Cemig to FIP Redentor as per the Extraordinary General Meeting of Stockholders of March 24, 2011 (previously announced to the market) should be approved by an Extraordinary General Meeting of Stockholders of Cemig to be held by May 25, 2016.

On May 24, 2016, the Second Amendment to Stockholders Agreement of Parati was signed, altering the period for compliance with the suspensive condition specified in the First Amendment to the Stockholders Agreement of Parati from May 25, 2016 to May 27, 2016.

The EGM held on this date amended the decision of the Extraordinary General Meeting of Stockholders held on March 24, 2011, to provide that the Put Option granted by the Company on April 11, 2011 to Redentor Fundo de Investimento em Participações (FIP Redentor), may be exercised not only by FIP Redentor, but by any person who becomes a direct stockholder of Parati S.A. Participações em Ativos de Energia Elétrica (Parati), including but not limited to holders of units in FIP Redentor, and/or their affiliated parties, who will become holders of the Put Option and/or the rights arising from it, in relation to the shares in Parati that they hold.

Cemig will keep its stockholders and the market duly informed on all new information on this subject.

Belo Horizonte, May 27, 2016

Fabiano Maia Pereira

Chief Finance and Investor Relations Officer

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**25. SUMMARY OF PRINCIPAL DECISIONS OF THE 665TH MEETING OF THE BOARD OF DIRECTORS HELD ON MAY 30, 2016**

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**  
**LISTED COMPANY CNPJ 17.155.730/0001-64 NIRE 31300040127**

**BOARD OF DIRECTORS**

**Meeting of May 30, 2016**

**SUMMARY OF PRINCIPAL DECISIONS**

At its 665<sup>th</sup> meeting, held on May 30, 2016, the Board of Directors of **Cemig** (*Companhia Energética de Minas Gerais*) decided the following:

1. Signature of a commitment undertaking with Fundo de Investimentos em Participações Coliseu FIP Coliseu.
2. Signature of a new version of the terms of Amendment to the Stockholders Agreement of Parati.

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**26. MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS HELD ON  
MAY 30, 2016**

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

**CNPJ 17.155.730/0001-64 NIRE 31300040127**

**MINUTES**

**OF THE**

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**HELD ON**

**MAY 30, 2016**

On the thirtieth day of May two thousand and sixteen, at 10 a.m. at the Company's head office, Av. Barbacena 1200, 21<sup>st</sup> Floor, Santo Agostinho, Belo Horizonte, Minas Gerais, Brazil, 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, 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 Mr. Roney Luiz Torres Alves da Silva, Procurator of the State of Minas Gerais, for the office of the Advocate-general of the State, in accordance with the 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 Eustáquio Sydney Horta** 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, recognizing the presence of Mr. Ronaldo Dias and Mr. Marcos Túlio de Melo, members of the Audit Board, and invited me, **Anamaria Pugedo Frade Barros**, a stockholder, to be Secretary of the meeting, asking me to read the convocation notice, published on April 29 and 30 and May 3 of this year, in *Minas Gerais*, official publication of the Powers of the State, on pages 23, 67 and 33, respectively, and in the newspaper *O Tempo*, on April 29 and 30 and May 2, on pages 46, 16 and 20, respectively.

The content of the convocation notice is as follows:

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**COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG**

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

**EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**MAY 30, 2016**

**CONVOCATION**

Stockholders are hereby called to an Extraordinary General Meeting of Stockholders to be held on May 30, 2016 at 10 a.m., at the Company's head office, Av. Barbacena 1200, 2<sup>nd</sup> floor, Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- a) **Re-ratification** of the decision taken by the Extraordinary General Meeting held on March 24, 2011, to provide that the Put Option granted on April 11, 2011 by Cemig to Redentor Fundo de Investimento em Participações ( FIP Redentor ) be altered as follows:
- 1) To enable the option to be effective in relation to shares in Luce Empreendimentos e Participações S.A. ( Lepsa ) and/or in Rio Minas Energia S.A. ( RME ), in the event that those companies receive all of the assets and liabilities arising from a total split of their controlling and sole stockholder, Parati S.A. Participações em Ativos de Energia Elétrica ( Parati ).
  - 2) To postpone the date of exercise of the said Put Option  
  
from: the last business day of the 60<sup>th</sup> (sixtieth) month following the date of subscription of the shares in Parati,  
  
to: November 30, 2017, the last business day of the 77<sup>th</sup> (seventy seventh) month.
  - 3) To alter the adjustment factor from 0.4279 para 0.4756, to restore the economic-financial equilibrium of the Put Option.

4) To offer Units in Transmissora Aliança de Energia S.A. (Taesa) in guarantee of the obligations assumed by Cemig in the transaction, representing R\$ 1,075,000,000.00 (one billion seventy five million Reais), this being the amount corresponding to the cash injection made by FIP Redentor into Parati in 2011.

5) To offer as a support for the guarantee Cemig's holding of 26.06% of the total shares of Light, in guarantee of the obligations assumed by Cemig in the transaction.

b) **Authorization** for the following ratios to exceed the limits stated in the by-laws, as follows:

the Company's consolidated indebtedness as specified in Subclause a of Paragraph 7 of Clause 11 of the Company's by-laws, to be a maximum of 4.12 (four point one two) times the Company's Ebitda (profit before interest, taxes, depreciation and amortization);

the ratio established 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 a maximum of 52%; and

the quantity established 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 a maximum of 146% of the Company's Ebitda (profit before interest, taxes, depreciation and amortization).

Any stockholder who wishes to be represented by proxy at the said General Meeting of Stockholders should obey the precepts of Article 126 of Law 6406 of 1976, as amended, and of the sole paragraph of Clause 9 of the Company's by-laws, by exhibiting at the time, or depositing, preferably by May 24, 2016, 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, April 28, 2016.

José Afonso Bicalho Beltrão da Silva

Chair of the Board of Directors.

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The representative of the majority stockholder stated that the Board of Directors should decide on signature of the Third amendment to the Stockholders Agreement of Parati S.A. Participações em Ativos de Energia Elétrica before decision by the stockholders on the Proposal by the Board of Directors to this Extraordinary General Meeting of Stockholders.

Since the meeting of that body had begun at 9 a.m. that day and was to be resumed at 5 p.m. on that same day, he said it would be opportune to adjourn this present Meeting of Stockholders until that Meeting of the Board of Directors had completed debate and decision on the subject.

The Chair thus proposed, with the consent of the other stockholders present, that the present meeting should be adjourned, and resumed on the same day at 6 p.m., at the Company's head office. This was approved unanimously.

The meeting was resumed at 6 p.m. on May 30, 2016 at the Company's head office, at Av. Barbacena 1200, 2<sup>nd</sup> floor, Santo Agostinho, Belo Horizonte, Minas Gerais, with all the stockholders who had initially signed the Stockholders Attendance Book present, and Mr. Marcos Túlio de Melo, a member of the Audit Board, also present. The Chair then invited me, **Anamaria Pugedo Frade Barros**, a stockholder, to continue to be secretary of the meeting.

The Chair asked me to read the Proposal by the Board of Directors, which deals with the agenda, and also to read the Opinion of the Audit Board thereon. The contents of these documents are as follows:

### **PROPOSAL**

#### **BY THE BOARD OF DIRECTORS TO THE**

#### **EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON MAY 30, 2016**

Dear Stockholders:

*The Board of Directors of Companhia Energética de Minas Gerais - Cemig*

*whereas:*

- a) Companhia Energética de Minas Gerais (**Cemig**) owns 25% of the share capital of Parati S.A. *Participações em Ativos de Energia Elétrica* (**Parati**) and Redentor Fundo de Investimento em Participações (**FIP Redentor**) owns the remaining 75%;

- b) in 2011, Cemig negotiated the unconditional and irrevocable grant, solely and exclusively to FIP Redentor (and not to any of its Unit Holders) of an option to sell ( the Put Option ) by which FIP Redentor acquired the right, at the end of the 60<sup>th</sup> (sixtieth) month from the date of the subscription of the shares in Parati ( the Exercise Date ), to sell the totality of the shares owned by FIP Redentor ( the Acquisition Shares ), and Cemig acquired the obligation to buy them or to indicate a third party to buy them, by payment of the Exercise Price, to be equivalent to the amount paid at the time of subscription of the shares, plus expenses (all those expenses provenly incurred by FIP Redentor and/or by the Administrator of FIP Redentor, for its constitution and as from the date of its constitution, including expenses of auditing, management fees and administration charges), less the total of such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received to be multiplied by 0.5721 for the calculation), all updated by the change in the average CDI Rate (the rate for Interbank Certificates of Deposit published by the Cetip Custody and Clearing House) plus 0.9% per year *pro rata tempore*, as from the date of their actual disbursement/payment up to the Exercise Date of the Put Option;
- c) it was further negotiated that in the event that the Exercise Price was higher than the amount subscribed by FIP Redentor when subscribing the shares in Parati, an adjustment factor of  $(1/(1 - 0.4279) - 1)$  would be added to the Exercise Price;

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- d) Provisional Measure 675 of May 21, 2015 (MP 675/2015), which became Law 13169 of October 6, 2015, altered Federal Law 7689 of December 15, 1988, to increase the Social Contribution tax on Net profit (CSLL) on private companies operating in insurance, and annuities, and those qualifying under Sub-items I to VII, IX and X of §1 of Complementary Law 105 of January 10, 2001, from 15% to 20%, in the period from September 1, 2015 to December 31, 2018;
- e) in the event of changes in legislation that could have an impact on the transactions agreed, the adjustment factor should be altered for the purpose of re-establishing the economic-financial equilibrium of the Put Option;
- f) on March 24, 2011, the Extraordinary General Meeting, for the purposes of Article 256 of Law 6404/1976, authorized:
  - 1) **Unconditional and irrevocable grant** by Cemig to FIP Redentor of a Put Option, giving FIP Redentor the right, on the Exercise Date, to sell the totality of the shares owned by FIP Redentor, and Cemig acquired the obligation to buy them or to indicate a third party to buy them, by payment of the Exercise Price, to be equivalent to the amount paid at the time of subscription of the shares, plus expenses (all those expenses provenly incurred by FIP Redentor and/or by the Administrator of FIP Redentor, for its constitution and as from the date of its constitution, including expenses of auditing, management fees and administration charges), less any such dividends and Interest on Equity as are received in the period (in the case of Interest on Equity, the amount received to be multiplied by 0.5721 for the calculation), all updated by the change in the average CDI Rate (the rate for Interbank Certificates of Deposit published by the Cetip Custody and Clearing House, plus 0.9% per year *pro rata tempore* as from the date of their actual disbursement/payment up to the Exercise Date of the Put Option; and in the event of the Exercise Price being higher than the amount paid by FIP Redentor for subscription of the shares in Parati at the time of that subscription, an adjustment factor of  $(1/(1 - 0.4279) - 1)$  to be applied, by addition, to the Exercise Price;

the Option Exercise Date being able to be brought forward in any of the following events:

- a) Non-compliance by Cemig with any of the obligations contained in the Definitive Document (Subscription Agreement, Stockholders Agreement and Secondary Stockholders Agreement), provided that the said non-compliance has not been cured within 30 (thirty) calendar days from receipt of the notice of default sent by FIP Redentor;

- b) Sale, transfer or assignment to third parties by Cemig of the Shares owned by itself in Parati or of the rights and obligations arising from them, without prior written authorization of FIP Redentor, with the exception of transactions between subsidiaries and/or wholly-owned subsidiaries of Cemig, provided that Cemig's co-obligation in relation to the obligations originally assumed is preserved;
- c) decision by any authority ordering that a public offer of shares be held for change in the control of Light S.A. Light, unless Cemig bears all the costs and expenses arising from this decision;
- d) termination of concession contracts of Cemig or of its subsidiaries representing a value greater than or equivalent to 40% of the consolidated Ebitda of Cemig in the 12 (twelve) months prior to the date of ascertainment of this condition;
- e) termination of Light's concession contract for distribution services;
- f) corporate reorganization, privatization, or merger of Cemig such as, in the opinion, with grounds, of FIP Redentor, causes a significant reduction in Cemig's capacity to comply with any obligations assumed in the Definitive Documents;
- g) liquidation, intervention, dissolution or extinction of Cemig;
- h) any new taxes becoming applicable to any transactions, payments due or dividends under the terms of the Definitive Documents;

or increase in rates of taxes or of the taxes already applicable to any transactions specified in the Definitive Documents;

or identification of a tax liability not identified on the present date, such as would cause any transaction specified in the Definitive Documents to be, in the opinion, with grounds, of FIP Redentor, unfeasible or inadvisable;

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- i) if the ratio between Financial Debt and Ebitda, measured six-monthly in relation to the prior 12 (twelve) months, based on the reviewed or audited (as applicable) consolidated financial statements of Cemig, is greater than 3.5 times;
- j) non-approval by the Administrative Economic Defense Council (*Conselho Administrativo de Defesa Econômica*) CADE;
- k) occurrence of any of the following events:

k(1) if 100% of the units of Luce Investment Fund (LIF) are not acquired by December 31, 2011, or if such acquisition has been made without all the following prerequisites being fulfilled:

LIF to hold at least 75% of the Units of Luce Brasil Fundo de Investimento em Participações (FIP Luce);

FIP Luce to hold not less than 100% of the share capital of Luce Empreendimentos e Participações S.A. (Lepsa);

the latter to hold an equity interest of not less than 13.03% of the share capital of Light; and

Fundação de Seguridade Social Braslight (Braslight) not to have signed any agreement for sale of, nor offered the right to buy, its units in FIP Luce, except in the event of Braslight having given to Parati, through LIF, the first refusal right for acquisition of the said units, and Cemig not having indicated a third party to acquire the interest held by BB Banco de Investimento S.A. (Banco do Brasil) and by Votorantim S.A. (Votorantim) in FIP Redentor for an amount equivalent to the Exercise Price on the date of the actual acquisition, or such indicated third party not being accepted by BTG Alpha Participações Ltda. (BTG Alpha) or Santander (Brasil) S.A. (Santander);

- k(2) in the event that Cemig, by the date of the Put Option Notice, has disposed of the direct equity interest of shares that comprise the controlling block of Light, and the acquirers of that interest are



persons having equity interest, on the date of signature of the Stockholders Agreement, of more than 21.1% of the Units of Fundo de Investimento em Participações PCP ( FIP PCP ) and subject of an administrative judgment against them, against which there is no further appeal, for infringements committed against the Brazilian Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission (CVM),

or holding, on the date of signature of the Stockholders Agreement, more than 88.0% of the unit shares of Enlighted Partners Venture Capital ( Enlighted ) and subject of an administrative judgment against them, against which there is no further appeal, for infringements committed against the Brazilian Financial System, inspected by the Brazilian Central Bank, and/or the securities market, inspected by the Brazilian Securities Commission (CVM),

Cemig not having indicated a third party to acquire the interest held by BB and by Votorantim in FIP Redentor for an amount equivalent to the Exercise Price on the date of the actual acquisition, or such indicated third party not being accepted by BTG or Santander;

the payment of the Exercise Price and the transfer of the shares of Parati to be conditional upon prior approval of the transaction by the National Electricity Agency (Aneel); and if the authorization of Aneel is not obtained by the date of the transfer of the shareholders, or

if at any moment Aneel expressly refuses authorization for the transfer of the shares, except in the case of negligence or malicious intent on the part of FIP Redentor, then FIP Redentor shall have the right to sell the shares to third parties on the stock exchange or otherwise, and in the event of sale outside the environment of a stock exchange, such sale may take place only if the price decided is equal to or greater than the lowest of the three following amounts resulting from calculations of stock market prices:

average share price of Light in the last trading session prior to the day of closing of the sale;

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daily average of closing prices of the shares of Light over the last 30 (thirty) days; and

daily average of closing prices of the shares of Light over the last 90 (ninety) days; if the amount resulting from the said disposal is lower than the Exercise Price, Cemig shall continue to be obliged to pay the difference;

if it is greater than the Exercise Price, and only in the event of Aneel omitting to give approval or expressly refusing the transfer of the Acquisition Shares to the Cemig, and if Cemig has complied with its contractual obligations, Cemig to have the right to receive the positive difference, multiplied by

(1 - the Adjustment Factor).

In any of these events, the expenses incurred by FIP Redentor arising from the process of sale shall be deducted from the amount received as a result of the disposal to third parties: and the penalties specified in Clause 6.5 of the Stockholders Agreement shall not be applicable (arrears interest calculated at the Selic Rate, plus penalty payment of 2% on the Exercise Price, plus the arrears interest).

The decision of the Extraordinary General Meeting that authorized the grant of the Put Option to FIP Redentor led to the possibility of holders of common shares in Cemig who disagreed with that decision having the right to withdraw (the Right to Withdraw). The Right to Withdraw applied only to those stockholders proven to be holders of common shares in Cemig on February 18, 2011.

- 2) **Appointment** of Banco Bradesco BBI S.A. ( Bradesco BBI ) to prepare the Valuation Opinion valuing Parati, in the terms of Article 8, §1 and §6, of Law 6404/1976.
  - 3) **Approval** of the Economic and Financial Valuation Opinion on Parati, prepared by Bradesco BBI, in January 2011, in the terms of Article 8, §1 and §6°, of Law 6404/1976.
- g) On April 11, 2011 Cemig granted the said Put Option, solely and exclusively to FIP Redentor, unconditionally and irrevocably;
- h) the Notice of Exercise of the Option was to be given at least 240 (two hundred and forty) days before the Exercise Date;

- i) on September 2, 2015, within the agreed period, FIP Redentor notified Cemig of its interest in exercising the Put Option, by delivery of a Put Option Exercise Notice to the Company;
- j) the scenarios relating to the financial, political, business and market situation in Brazil on the date of the potential exercise of the Put Option in 2011 projected at the time of signature of the Stockholders Agreement and of the consequent granting of the Put Option to FIP Redentor did not materialize, since the conditions existing today are totally different;
- k) the occurrence of unpredictable events, especially Brazil's crisis of water supply and volume, the legislation contained in Provisional Measure 579/2011, the crisis in the Brazilian electricity sector, and, further, the current adverse political-economic situation in Brazil – all of these being events which had a strong negative effect on the electricity sector and the companies in it – contributed to a scenario that was drastically worse than the worst scenario projected in 2011 for the situation of exercise of the Put Option;
- l) these events had a negative effect on the profit and the stock price of all the companies of the electricity sector, including Light and Cemig;
- m) as a result of these events:
  - 1) Cemig does not at the moment have sufficient financial resources for payment of the Price of Exercise of the Put Option by FIP Redentor;
  - 2) Cemig currently has high financial leverage and, given the current market conditions, the costs of debt are increasing;
  - 3) The market currently offers a low availability of credit;
  - 4) The price of the shares of Light is lower than the forecast made in 2011;

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- 5) Parati, the dividends of which arise from those distributed by Light, distributed dividends at a lower level than was projected (the dividends distributed by Parati can be deducted from the Exercise Price of the Put Option, under the Stockholders Agreement of Parati); and
- 6) Cemig has not, at the present moment, found a third party interested in acquiring the shares of Parati instead of itself, as per the Stockholders Agreement of Parati, a situation which would lead to Parati and, consequently, Light, going into State or other public ownership;
- n) if Parati were to come under state, federal or other public control, as a result of the exercise of the Put Option on May 31, 2016, this would result in Light being considered to be a state-controlled company by the lenders of financing and guarantee contracts that have been entered into, which could cause early maturity of those contracts and, as a consequence, early maturities of various other financing and guarantee contracts of Light, that are linked by cross-default clauses;
- o) in this scenario, even as from before notification of the exercise of the Put Option, Cemig has been seeking the optimum solution, considering the business and legal aspects, to soften the negative effects of the exercise, against Cemig, of the Put Option which also indirectly affect Parati and Light;
- p) so as to make use of the profit reserves of Rio Minas Energia S.A. (RME) and of Lepsa to reduce the payment of the Exercise Price, it is intended to carry out a stockholding reorganization of the Parati group of companies ( the Stockholding Reorganization ), involving the total split of Parati, with absorption of part of the assets and liabilities by RME and part by Lepsa;
- q) due to the possibility of a total split of Parati, with absorption of parts by RME and Lepsa, the Put Option will have to be adapted to reflect the shares of RME and Lepsa and no longer those of Parati;
- r) postponement of the Exercise Date of the Put Option is in the strategic interest of Cemig, for better administration of Cemig's cash flow in the current year;
- s) the parties have negotiated to extend the period of the Put Option, altering the period before the Exercise Date to postpone the Exercise Date from the last business day of the 60<sup>th</sup> (sixtieth) month to the last business day of the 77<sup>th</sup> (seventy seventh) month;

- t) Cemig has offered Units in Transmissora Aliança de Energia S.A. (Taesa) in guarantee of the obligations assumed by Cemig in the transaction, representing R\$ 1,075,000,000.00 (one billion seventy five million Reais), the amount corresponding to the cash injection made by FIP Redentor into Parati in 2011; and
- u) Cemig has offered as a support for the guarantee 26.06% of the shares issued by Light, owned by Cemig, in guarantee of the obligations assumed by Cemig in the transaction;
- v) the alterations referred to in the previous sub-item will be submitted to decision by the Board of Directors of Cemig and the Extraordinary General Meeting Stockholders of Cemig, and it is the duty of the Board of Directors to call the General Meeting, under sub-clause f of Clause 17 of the by-laws of Cemig;
- w) 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 (Net debt) / (Net debt + Stockholders' equity) within an upper limit of 40%;

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% of Ebitda (profit before interest, taxes, depreciation and amortization);

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- x) 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 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%;

- y) above these limits, including in the case of the limitation of (Consolidated funds allocated to capital investment and acquisition of any assets) to 40% of Ebitda (profit before interest, taxes, depreciation and amortization) in any business year, the targets may be exceeded upon prior justification and specific approval by the stockholders in a General Meeting of Stockholders; and
- z) the annual budget for 2016, which is on the agenda of the meeting of the Board of Directors held in April 2016, referred to indicators above the levels that can be approved by the Board of Directors, as shown below:

*do now propose to you as follows:*

- a) **Re-ratification** of the decision of the Extraordinary General Meeting of Stockholders held on March 24, 2011, with alteration of the terms of the Put Option granted on April 11, 2011 by Cemig to Redentor Fundo de Investimento em Participações ( FIP Redentor ) as follows:
- 1) To enable the option to be effective in relation to shares in Luce Empreendimentos e Participações S.A. ( Lepsa ) and/or in Rio Minas Energia S.A. ( RME ), in the event that those companies receive all of the assets and liabilities arising from a total split of their controlling and sole stockholder, Parati S.A. Participações em Ativos de Energia Elétrica ( Parati );
  - 2) To postpone the date of exercise of the said Put Option from the last business day of the 60<sup>th</sup> (sixtieth) month following the date of subscription of the shares in Parati, until November 30, 2017, the last business day of the 77<sup>th</sup> (seventy seventh) month;

- 3) To alter the adjustment factor from 0.4279 to 0.4756, to restore the economic-financial equilibrium of the Put Option;
- 4) to offer Units in Transmissora Aliança de Energia S.A. (Taesa) in guarantee of the obligations assumed by Cemig in the transaction, representing R\$ 1,075,000,000.00 (one billion seventy five million Reais), this being the amount corresponding to the cash injection made by FIP Redentor into Parati in 2011; and
- 5) to offer as a support for the guarantee Cemig's holding of 26.06% of the total shares of Light, in guarantee of the obligations assumed by Cemig in the transaction; and

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b) **Authorization** for the following ratios to exceed the limits stated in the by-laws, as follows:

the Company's consolidated indebtedness as specified in Subclause a of Paragraph 7 of Clause 11 of the Company's by-laws: to be a maximum of 4.12 (two point six) times the Company's Ebitda (profit before interest, taxes, depreciation and amortization);

the ratio established in Subclause b of Paragraph 7 of Clause 11 of the by-laws, namely Consolidated  $\{(Net\ debt) / (Net\ debt + Stockholders\ equity)\}$  to be a maximum of 52%; and

the quantity established 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 146% 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, April 28, 2016.

José Afonso Bicalho Beltrão da Silva  
Mauro Borges Lemos  
Allan Kardec de Melo Ferreira  
Arcângelo Eustáquio Torres Queiroz  
Helvécio Miranda Magalhães Junior  
José Henrique Maia

José Pais Rangel  
Marco Antônio de Rezende Teixeira  
Marco Antônio Soares da Cunha Castello Branco  
Saulo Alves Pereira Junior  
Bruno Magalhães Menicucci  
Carlos Fernando da Silveira Vianna

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**OPINION  
OF THE AUDIT BOARD**

The undersigned members of the Audit Board of Companhia Energética de Minas Gerais - Cemig, in 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 of Stockholders to be held on May 30, 2016, as follows:

Re-ratification of the decision of the Extraordinary General Meeting of Stockholders held on March 24, 2011, with the terms of the Put Option granted on April 11, 2011 by Companhia Energética de Minas Gerais - Cemig to Redentor Fundo de Investimento em Participações ( FIP Redentor ) being altered as follows:

- 1) to enable the put option to be effective in relation to shares in Luce Empreendimentos e Participações S.A. ( Lepsa ) and/or in Rio Minas Energia S.A. ( RME ), in the event that those companies receive all of the assets and liabilities arising from a total split of their controlling and sole stockholder, Parati S.A. Participações em Ativos de Energia Elétrica ( Parati );
- 2) to postpone the date of exercise of the said put option from the last business day of the 60th (sixtieth) month following the date of subscription of the shares in Parati, until November 30, 2017, corresponding to the last business day of the 77th (seventy seventh) month;
- 3) to alter the adjustment factor from 0.4279 to 0.4756, to restore the economic-financial equilibrium of the put option;
- 4) to offer *Units* in Transmissora Aliança de Energia S.A. (Taesa) in guarantee of the obligations assumed by Cemig in the transaction, representing R\$ 1,075,000,000.00 (one billion seventy five million Reais), this being the amount corresponding to the cash injection made by FIP Redentor into Parati in 2011; and
- 5) to offer as a support for the guarantee Cemig's holding of 26.06% of the total shares of Light, in guarantee of the obligations assumed by Cemig in the transaction.

After carefully analyzing the said proposal and further taking into account that the applicable rules governing the subject have been complied with, it is the opinion of the members of the Audit Board that the proposal should be approved by the said General Meetings of Stockholders.

Belo Horizonte, May 19, 2016

Signed: Charles Carvalho Guedes Edson Moura Soares  
Manuel Jeremias Leite Caldas Rafael Amorim de Amorim.

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 make any statement, ordered the meeting suspended for the time necessary for production 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.

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