

COMPANHIA ENERGÉTICA DE MINAS GERAIS CEMIG

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

MARKET ANNOUNCEMENT

Creation of joint Directorate for Compliance and Corporate Risk Management

As part of its commitment to best corporate governance practices, **Cemig** (*Companhia Energética de Minas Gerais*), a listed company with equity securities traded on the stock exchanges of São Paulo, New York and Madrid, **reports** to stockholders and the market **as follows**:

In a further measure to integrate and consolidate its Governance, Risks and Compliance (GRC) practices, reflecting internal and external rules and its own commitment to ethical conduct, Cemig's Executive Board has approved creation of a joint **Compliance and Corporate Risk Management Directorate**.

This new senior management unit, headed by a General Manager, reflects the importance of the subject to the Company. Its duties include:

- Creation and implementation of policies and procedures to maintain the Company's risk exposure within the planned level.
- Continuous best efforts for conformity with law and regulations, and ethical conduct by our professionals.
- Coordination of and support for the Company's compliance and risk management activities, to bring these processes to a further enhanced standard.

This decision, supporting the Company's stance in favor of maintaining compliance with the law and ethical conduct as a constant among the professionals that represent it, is a recognition by Cemig of its responsibility to maintain the strongest possible GRC practices in the current Brazilian context.

This important step reflects a new phase for Cemig in its continuing development of measures to maintain integrity and provide enhanced risk management.

Although Brazil's Anti-corruption Law provides strengthening of support for the GRC practices adopted by Cemig, the Company has adopted the requirements of the Foreign Corrupt Practices Act (FCPA), and the Sarbanes-Oxley Act, of the United States since its shares were first traded on the New York Stock Exchange.

Cemig's existing system of internal controls and compliance includes the following:

- The Cemig Statement of Ethical Principles and Code of Professional Conduct.
- The Cemig Ethics Committee.
- The Cemig Information Hotline.
- The Cemig Anti-fraud Policy.
- A coordinated group of policies, rules and procedures orienting employees' conduct.
- Monitoring and control units, including those dealing with Internal Audits, Risks, Compliance, the Controller's Department, and Information Security.
- Numerous internal committees that assess subjects and submit recommendations on important subjects for decisions by the Executive Board and the Board of Directors.

Cemig continually reviews its processes with the intention that consolidation of best GRC practices in the Company, and strict obedience to legislation, will serve as a benchmark not only for all companies of the Cemig Group, but also suppliers of materials and services and all other companies with which companies of the Group transact business.

Belo Horizonte, March 28, 2016.

Fabiano Maia Pereira
Chief Finance and Investor Relations Officer