

COMPANHIA ENERGÉTICA DE MINAS GERAIS

CEMIG

CNPJ 17.155.730/0001-64 - NIRE 31300040127

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS HELD ON

JUNE 11, 2018

On the eleventh day of June of the year two thousand and eighteen at 11 a.m., at Avenida Barbacena 1,219, 23rd Floor, B Wing, 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 the State Procurator Ms. Ana Paula Muggler Rodarte, for the Office of the General Attorney of the State of Minas Gerais, in accordance with the current legislation.

Initially, Ms. **Anamaria Pugedo Frade Barros**, a stockholder, and 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 representative of the stockholder **Carlos Henrique Cordeiro Finholdt, Luciano de Araújo Ferraz**, to chair the meeting.

The proposal of the representative of the stockholder **The State of Minas Gerais** was put to debate, and subsequently to the vote, and approved unanimously, that is to say by 387,300,267 votes.

The Chair then declared the Meeting open and invited me, **Anamaria Pugedo Frade Barros**, to be Secretary of the meeting, asking me to read the convocation notice, published on May 10, 11 and 12 of this year, in the newspapers *Minas Gerais*, official publication of the Powers of the State, on pages 36, 40 and 54, respectively, and *O Tempo*, on pages 27, 29 and 24, respectively, the content of which is as follows:

“ COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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 June 11, 2018 at 11 a.m., at the Company’s head office, Av. Barbacena 1219, 23rd floor, Belo Horizonte, Minas Gerais, Brazil, to decide on the following matters:

- 1) Changes to the by-laws, in accordance with Law 13303/2016 and Minas Gerais State Decree 47154/2017, with improvement of the provisions of the by-laws.
- 2) Election of the Board of Directors, for a new period of office, if the change to the by-laws is approved.
- 3) Election of the Audit Board, for a new period of office, if the change to the by-laws is approved.
- 4) Adjustment to the Annual Global Allocation for remuneration of the Managers, members of the Audit Board and of the Audit Committee, if the change to the by-laws is approved.
- 5) Setting of the compensation of the representatives of the Audit Committee, if the change to the by-laws is approved.
- 6) Orientation of representatives of Cemig, at the Extraordinary General Meeting of Cemig Distribuição S.A., to vote in favor of the changes to the by-laws and the resulting recomposition of the Board of Directors and of the Audit Board, if changes are made to the by-laws and to the composition of the Board of Directors and the Audit Board of the sole stockholder, Cemig.
- 7) Orientation of representatives of Cemig, at the Extraordinary General Meeting of Cemig Geração e Transmissão S.A., to vote in favor of the changes to the by-laws and the resulting recomposition of the Board of Directors and of the Audit Board, if changes are made to the by-laws and to the composition of the Board of Directors and the Audit Board of the sole stockholder, Cemig.

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

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

Any stockholder wishing to be represented by proxy at the said General Meeting of Stockholders should obey the precepts of Article 126 of Law 6406 of 1976, and of §1 of Clause 9 of the Company’s by-laws, by exhibiting at the time, or depositing, preferably by June 7, 2018, 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*), Av. Barbacena, 1219, 23rd Floor, Belo Horizonte, Minas Gerais, Brazil.

Belo Horizonte, May 8, 2018

Adézio de Almeida Lima
Chair of the Board of Directors”

The representative of the stockholder **The State of Minas Gerais** stated that the Office of the General Attorney of the State, as formal representative of the controlling stockholder, would make a statement of position to this Meeting in the terms of Official Letter OF.SEF.GAB.SEC nº 433/2018, and without technical assessment immediately make a copy of this document available.

He also referred to the issuance of Opinion CJ/AGE 15977/2018, on the subject of changes in by-laws.

In accordance with CVM Instruction 481/2009, the Chair then asked the Secretary to read the spreadsheet of summary consolidated voting, recording the votes given by Remote Voting Forms, published to the Market on June 7 of this year, which will be at the disposal of stockholders for any consultation.

The Chair then stated that, under Federal Law 13303 of June 30, 2016 and Minas Gerais State Decree 47154 of February 20, 2017, Cemig is required to adapt its by-laws to the provisions of that legislation, and it is thus appropriate to improve the provisions of the by-laws.

For this purpose he requested me, Secretary, to read the Proposal by the Board of Directors which deals with items 1, 6 and 7 of the agenda, the content of which is as follows:

“ PROPOSAL
BY THE BOARD OF DIRECTORS
TO THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS
TO BE HELD ON JUNE 11, 2018 AT 11 A.M.

Dear Stockholders:

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

– *whereas:*

- a) Federal Law 13303, in effect from June 30, 2016, makes provisions on the legal form of by-laws of a publicly-owned company, a mixed-economy company and their subsidiaries, whether public ownership is at Federal, State, Federal District, or Municipal level. The State Companies Law, as it is known, regulated Article 173 §1 of the Constitution of 1988, covering subjects such as governance, corporate organization, control, bids/tenders, and contracts, applicable to state-controlled companies;
- b) the State Companies Law establishes a series of corporate governance and transparency mechanisms to be obeyed by the state-controlled companies, with the rules for publication of information, risk management practices, codes of conduct, forms of oversight by the State and by society, constitution and functioning of Boards, and minimum requirements for appointment of managers;
- c) the State Companies Law orders adaptation of the by-laws of the companies to which it applies, to follow good corporate governance practices, which range from criteria for financial performance to social and environmental responsibility.
- d) the strong point of the State Companies Law has been to give detailed rules on oversight and control with a view to greater transparency in corporate governance, to avoid conflicts of interests and to allow timely control by the State company of strategic decisions;
- e) Minas Gerais State Decree 47154 came into force on February 20, 2017, governing the legal structure of by-laws of a public company, a mixed-economy company and subsidiaries, at the level of Minas Gerais State, in the terms of Federal Law 13303/2016;
- f) the State Decree regulated the State Companies Law, dealing with its provisions to adapt to the context of the Minas Gerais state companies, and for this reason Cemig is required to obey its provisions;
- g) the new rules are to be applied after the revision of the by-laws, to take place within 24 (twenty four) months, and this period closes on June 30, 2018 – the transition period was granted to enable the state companies to review their internal rules and corporate management procedures;

- h) due to Law 13303/2016 and State Decree 47154/2017, Cemig has to make the necessary adaptation to the by-laws to comply with the said legislation;
- i) the proposed drafting not only makes the by-laws compliant with the legislation, but also enhances the provisions therein;
- j) under Clause 21, §4, Sub-clause ‘g’ of the by-laws of Cemig, orientation of vote in General Meetings of Stockholders of Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A. is made by Extraordinary General Meeting of Stockholders of Cemig – the sub-clause states:
- §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;” – ; and
- k) Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A. are wholly-owned subsidiaries of Cemig and will hold Extraordinary Annual General Meetings of Stockholders to change the by-laws.

– *do now propose to you:*

I Approval of change in the Company’s by-laws in their entirety, adapting them to the requirements of Federal Law 13303/2016 and State Decree 47154/2017, providing for best corporate governance practices, and improvement of the drafting, as follows:

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 make commercial use of systems for generation, transmission, distribution and sale of electricity, and related services;
 - to operate in the various fields of energy, from whatever source, with a view to economic and commercial operation;
 - to provide consultancy services within its field of operation to companies in and outside Brazil; and
 - to carry out activities directly or indirectly related to its objects, including development and commercial operation of telecommunication and information systems, technological research and development, and innovation.
- §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 or make any decision 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 on the special listing section known as Corporate Governance Level 1 on the Sao Paulo Stock Exchange (B3 S.A. – Brasil, Bolsa, Balcão), the Company, its stockholders, managers and members of the Audit Board are subject to the provisions of the *Level 1 Corporate Governance Regulations* of the B3 (under this or any name attributed to it in future).
- Clause 2 The Company shall have its head office and management at Av. Barbacena 1219, Santo Agostinho, 30190-131 Belo Horizonte, Minas Gerais, and may open offices, representations or any other establishment in or outside Brazil upon authorization by the Executive Board.
- Clause 3 The Company shall have indeterminate duration.

CHAPTER II Share Capital

- Clause 4 The share capital of the Company is
R\$ 7,293,763,005.00 (seven billion two hundred ninety three million seven hundred sixty three thousand and five Reais),
represented by:
- a) 487,614,213 (four hundred eighty seven million six hundred fourteen thousand two hundred thirteen)
nominal common shares each with nominal value of R\$ 5.00 (five Reais); and
 - b) 971,138,388 (nine hundred seventy one million one hundred thirty eight thousand three hundred eighty eight)
nominal preferred shares each with nominal value of R\$ 5.00 (five Reais).
- §1 The right to vote is reserved exclusively for the common shares; each common share has the right to one vote in decisions of the General Meeting of Stockholders.
- Clause 5 The preferred shares 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 have equal rights to distribution of bonuses and stock dividends.
- Clause 7 In business years in which the Company does not make enough profit to pay dividends to its stockholders, the State of Minas Gerais guarantees 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, under Clause 4 of State Law 15290/2004.
- Clause 8 The shares subscribed by the State of Minas Gerais shall at all times, obligatorily, be the majority of the shares carrying the right to vote, and shall be subscribed in accordance with the applicable legislation. Payment for subscription of shares by other parties, whether individuals or legal entities, shall be made as specified by the General Meeting of Stockholders which decides on the subject.
- §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 applicable legislation.
- §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 resources arising from tax incentive systems, subject to the terms of §1 of Article 172 of Law 6404 of December 15, 1976, as amended.
- Clause 9 The Company's authorized share capital may be increased by up to 10% (ten per cent) of the Company's share capital, without the need for any change in the by-laws, upon decision by the Board of Directors, after prior consultation of the Audit Board.
- §1 As well as the other conditions relating to the issuance of new shares, the competency to determine the number of shares to be issued, the issue price, and the period and conditions of paying for their subscription shall be held by the of the Board of Directors.

CHAPTER III The General Meeting of Stockholders

- Clause 10 The General Meeting of Stockholders shall be held, ordinarily, within the first 4 (four) months of the year, for the purposes specified by the applicable legislation, and extraordinarily whenever necessary, and shall be called with minimum advance notice of 15 (fifteen) days. The relevant provisions of law shall be obeyed in its convocation, opening and decisions.
- §1 In the event that a provision of law or regulations alters this minimum period for convocation, it shall prevail.
- §2 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 11 Ordinary or extraordinary General Meetings of Stockholders shall be chaired by a stockholder elected by the Meeting from among those present, who shall choose one or more secretaries.

CHAPTER IV Management

- Clause 12 The Company shall be managed by the Board of Directors and the 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 occasional exceptions if approved by the Board of Directors.
- §2 Where filling of appointments to positions on the Board of Directors and/or Executive Board of the Company's subsidiary or affiliated companies is the competency of the Company, it shall do so in accordance with criteria and a policy of eligibility and assessment approved by the Board of Directors.

- §3 Where filling of positions on the support committees to the Boards of Directors of the subsidiaries and affiliated companies is the competency of the Company, it shall do so in accordance with specific regulations, to be approved by the Boards of Directors of the respective subsidiaries or affiliated companies.
- §4 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 any of them have direct or indirect holdings, the Board of Directors and the Executive Board shall obey the provisions of the Company's Long-term Strategic Plan.
- §5 The Long-term Strategy shall contain (i) fundamentals grounds, targets, goals and results to be pursued and achieved in the long term by the Company, and (ii) the Company's dividend policy; and shall comply with the commitments and prior requirements in §7 of Clause 12 of these by-laws.
- §6 The Company's Multi-year Business Plan shall reflect the assumptions and premises of the Long-term Strategy, and shall contain the targets for 5 (five) years, including the Annual Budget.
- §7 The Long-term Strategy, the Multi-year Business Plan and the Annual Budget shall be reviewed annually by the Executive Board and submitted, at the latest, to the last ordinary meeting of the Board of Directors of the prior year, for decision, and the Company must disclose its conclusions, in accordance with the applicable law, subject to secrecy for strategic information whose disclosure might be prejudicial to the Company's interests.
- §8 The Executive Board shall obey and comply with targets and limits established by the Board of Directors, especially in relation to indebtedness, liquidity, rates of return, investment and regulatory compliance.
- §9 In companies in which the Company has an interest, whether controlling or otherwise, practices of governance and control must be adopted that are in proportion to the importance, materiality and the risks of the business.
- §10 The Long-term Strategy, the Multi-year Business Plan and the Annual Budget shall be reflected in all plans, projections, activities, strategies, investments and expenses of the Company and its wholly-owned or other subsidiaries, affiliated companies or consortia in which it directly or indirectly holds an interest.
- §11 The global or individual amount of the compensation of the Board of Directors, the Executive Board and the Audit Committee shall be set by the General Meeting of Stockholders, in accordance with the applicable legislation. Payment of any type of percentage or other participation in the profits of the Company to any member of the Audit Board or the Board of Directors is forbidden, with the exception of the Board member representing the employees.
- §12 For the purpose of improving the Company, every year the managers and the members of the committee shall undergo individual and collective performance evaluation, with the following minimal requirements:
- a) description of acts of management practiced, as to lawfulness and efficacy of administrative action;
 - b) contribution to the profit for the period; and
 - c) pursuit and achievement of the objectives established in the Multi-year Business Plan and compliance with the Long-term Strategy.
- §13 The managers of the company may not be sworn in unless they have agreed to and signed the applicable legal and regulatory terms and documents. In all practice of their responsibilities they shall obey the requirements, prohibitions and obligations specified in the applicable legislation and regulations.

Section I

The Board of Directors

- Clause 13 The Board of Directors of the Company comprises 9 (nine) sitting members and the same number of substitute members. One shall be the Chair, and another shall be the Vice-Chair.
- §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 members of the Board of Directors shall be elected for concurrent periods of office of 2 (two) years, and may be dismissed at any time, by the General Meeting of Stockholders. Re-election for a maximum of 3 (three) consecutive periods of office is permitted, subject to the requirements and prohibitions established in the applicable legislation and regulations.
- §3 The composition of the Board of Directors must obey the following rules:
- a) The minority holders of common shares, and the holders of preferred shares, have the right to elect, in separate votes, one member each, in accordance with the applicable legislation.
 - b) At least 25% (twenty five per cent) of the members must be independent; and at least one, in the event that the minority stockholders decide to exercise the option of multiple vote, in the terms of Article 141 of Law 6404/1976.
 - c) The employees have the right to elect one member, subject to the provisions of Federal Law 12353 of December 28, 2010, as applicable.
 - d) In any event, the majority of the members shall be elected by the controlling stockholder of the Company.
- §4 For election and for holding of office, the member of the Board of Directors representing the employees is subject to all the criteria, requirements, impediments and prohibitions specified in Law 6404/1976, Law 13303 of June 30, 2016, and regulations made under those laws.
- §5 Without prejudice to the impediments and prohibitions specified in these by-laws, the member of the Board of Directors representing the employees shall not take part in debate and decisions on subjects that involve union relationships, remuneration, and/or benefits, including matters relating to private pension plans and/or other assistance plans, and/or in any other situation in which a conflict of interest is characterized.

- §6 The Boards of Directors of the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A. shall, be made up of the same members and substitute members elected to the Board of Directors of the Company, for periods running concurrently from start to termination, being remunerated for only one of these positions.
- §7 The posts of Chairman of the Board of Directors and Chief Executive Officer of the Company may not be held by the same person.
- §8 The members of the Board of Directors shall be allowed to exercise other remunerated activity, as long as there is no incompatibility of time and/or conflict of interests.
- §9 Subject to the provisions of these by-laws, the Board of Directors may delegate powers to the Executive Board for approval and signature of legal transactions related to the ordinary acts of management, including sale of electricity.
- Clause 14 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 that remained 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; the same rule shall be obeyed for the member representing the employees.
- Clause 15 The Board of Directors shall meet, ordinarily, in accordance with its Regulations, at least 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; and shall meet in extraordinary meeting, if called by its Chair or its Vice-Chair, or by one third of its members, or when requested by the Executive Board.
- §1 Meetings of the Board of Directors shall be called by its Chair or Vice-Chair, with at least 10 (ten) days' prior notice in writing or by email, containing the agenda. Convocation is not necessary when all the members of the Board of Directors, or their substitute members, are present. The Chair may call meetings of the Board of Directors on the basis of urgency without their being subject to this period of notice, provided that the other members of the Board are advised of the convocation.
- §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 Chair shall have the casting vote.
- Clause 16 The Chair 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 Chair.
- Clause 17 The Chair and Vice-Chair of the Board of Directors shall be chosen by the members of that Board, at the first meeting of the Board of Directors that takes place after the election of its members, and the Vice-Chair shall take the place of the Chair when the Chair is absent or impeded from exercising his/her functions.
- Clause 18 The following are functions of the Board of Directors:
- a) to set the general orientation of the Company's business;
 - b) to elect, dismiss and evaluate the Executive Officers of the Company, in accordance with the applicable legislation, subject to the by-laws;
 - c) to approve the policy on transactions with the related parties;
 - d) to decide, upon proposal by the Executive Board, on disposal of, or placement of a charge upon, any of the Company's property, plant or equipment, and on the Company giving any guarantee to any third party of which the individual value is equal to 1% (one per cent) or more of the Company's Stockholders' equity;
 - e) to decide, upon proposal 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 equal to 1% (one per cent) or more of the Company's Stockholders' equity, 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 Executive Board's report of management and accounts of the Company;
 - i) to choose and to dismiss the Company's auditors, from among companies with international reputation that are authorized by the Securities Commission (CVM) to audit listed companies, subject to statement of position by the Audit Board;
 - j) upon proposal by the Executive Board, to authorize commencement of administrative tender proceedings, and proceedings for dispensation from or non-requirement of tender, and the corresponding contracts, for amounts equal to 1% (one per cent) or more of the Company's Stockholders' equity;
 - k) upon proposal by the Executive Board, to authorize filing of legal actions, or administrative proceedings, or entering into court or out-of-court settlements, for amounts equal to 1% (one per cent) or more of the Company's Stockholders' equity;
 - l) to authorize 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 Long-term Strategy, the Multi-year Business 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 subject to the Annual Budget;
 - 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 participation in the share capital of, and constitution or extinction of, any company, undertaking or consortium;
 - q) to approve, in accordance with its Internal Regulations, the institution of committees supporting the Board of Directors – the opinions or decisions of which are not a necessary condition for decision on the matters by the Board of Directors;
 - r) to accompany the activities of internal auditing;
 - s) to discuss, approve and monitor decisions that involve corporate governance practices, relationship with interested parties, people management policy and code of conduct;
 - t) to ensure implementation of, and to supervise, the systems for management of risks and internal controls established for the prevention and mitigation of the principal risks to which the Company is exposed, including the risks related to safety and security of accounting and financial information and the occurrence of corruption or fraud;
 - u) to establish an information disclosure policy to mitigate the risk of contradiction between the various areas and the managers of the Company;
 - v) to make statements on any increase in number of the Company's own staff, concession of benefits or advantages, or revision of a salaries and careers plan, including alteration in the amount paid for commissioned posts or free appointments, and compensation of Chief Officers;
 - w) to appoint, and to dismiss, in both cases with grounds, the head of the Internal Audit Unit, from among the Company's career employees;
 - x) to elect the members of the Audit Committee, at the first meeting held after the Annual General Meeting, and to dismiss them, at any time, upon vote given with grounds by absolute majority of the members of the Board of Directors;
 - y) to analyze, every year, the success in meeting targets and results in execution of the Multi-year Business Plan and the Long-term Strategy, and to publish its conclusions and state them to the Legislative Assembly of Minas Gerais State and to the Minas Gerais State Audit Court; and
 - z) to approve the complementary policies, including the policy on holdings, in accordance with the terms of these by-laws.
- §1 The financial limits relating to decisions by the Board of Directors that are identified by a percentage of the Company's Stockholders' equity shall be automatically adopted when the financial statements of each year are approved.

Section II

The Executive Board

- Clause 19 The Executive Board comprises 11 (eleven) Executive Officers, who may be stockholders, resident in Brazil, elected by the Board of Directors for a period of two years, subject to the requirements of the applicable legislation and regulations. Re-election for a maximum of three consecutive periods of office is permitted.
- §1 The Executive Officers shall remain in their posts until their duly elected successors take office.
 - §2 The Executive Officers shall exercise their positions as full-time elections 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. In particular they shall also obligatorily hold the corresponding positions in the wholly-owned subsidiaries Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A.
 - §3 Executive Officers who are not employees shall have the right to an annual paid leave of not more than 30 (thirty) days. This leave may not be accumulated, and its remuneration shall be augmented by one-third of the monthly compensation currently in effect.
- Clause 20 In the event of absence, leave, vacancy, impediment or resignation of the Chief Executive Officer, this post shall be exercised by the Deputy Chief Executive Officer.
- §1 In the event of absence, leave, vacancy, impediment or resignation of any of the other members of the Executive Board, the Executive Board may, on approval of the 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 lasts.
 - §2 The Chief Executive Officer or member of the Executive Board elected in this way shall hold the position for the remaining time of the period of office of the Executive Officer who is substituted.
- Clause 21 The Executive Board shall meet, ordinarily, at least two times per month; and, extraordinarily, whenever called by the Chief Executive Officer or by two Executive Officers with at least two days' prior notice in writing or by email or other digital medium, such notice not being required if all the Executive Officers are present. The decisions of the Executive Board shall be taken by vote of the majority of its members, and in the event of a tie the Chief Executive Officer shall have a casting vote.
- Clause 22 The Executive Board is responsible for current management of the Company's business, subject to obedience to the Long-term Strategy, the Multi-year Business Plan, and the Annual Budget, prepared and approved in accordance with these Bylaws.
- §1 The Multi-year Business Plan shall comprise plans and projections for the period of 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 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 Annual Budget shall reflect the Company's Multi-year Business Plan and, consequently, the Long-term Strategy, and must give details of operational revenue and expenses, costs, capital expenditure, cash flow, the amount to be allocated to the payment of dividends, investments of cash from the Company's own funds or from funds of third parties, and any other data that the Executive Board considers to be necessary.
- §3 The Long-term Strategy, the Multi-year Business Plan, and the Annual Budget shall be:
- a) prepared under coordination by the Chief Executive Officer, with participation of all the Chief Officers;
 - b) prepared and updated annually, by the end of each business year, to take effect in the following business year;
 - c) submitted to examination by the Executive Board and, subsequently, to approval by the Board of Directors.
- §4 The following matters shall require a decision by the Executive Board:
- 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 Long-term Strategy and the Multi-year Business Plan, and revisions of them, 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 Business Plan in force at the time, 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 1% (one per cent) of the Company's Stockholders' equity, with consequent adaptation of the targets approved, obeying the Multi-year Business Plan, the Long-term Strategy 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/or giving of guarantees to third parties, in amounts less than 1% (one per cent) of the Company's Stockholders' equity;
 - f) authorization of the Company's capital expenditure projects, or signing of agreements and legal transactions in general, or 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 1% (one per cent) of the Company's Stockholders' equity, including injection of capital into wholly-owned or other subsidiaries, affiliated companies, and the consortia in which the Company participates;
 - g) authorization to open administrative tender proceedings, and proceedings for dispensation from or non-requirement of tender, and contract, for amounts of up to 1% (one per cent) of the Company's Stockholders' equity, limited to R\$ 100,000,000.00 (one hundred million Reais), adjusted annually by the IPCA (expanded Consumer Price) index, if it is positive;
 - h) authorization to file legal actions and administrative proceedings, and to enter into Court and out-of-court settlements, for amounts less than 1% (one per cent) of the Company's Stockholders' equity;
 - i) 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 23;
 - j) authorization of expenditure on personnel, and collective agreements and other employment instruments, 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;
 - k) examination of and decision on contracting of external consultants, when requested by the office of any Chief Officer's Department, subject to the provisions of Clause 18, Sub-clause 'j', and Clause 22, §4, Sub-clause 'g';
 - l) formulation, for decision by the Board of Directors or the General Meeting of Stockholders, of policies complementary to these by-laws, including the policy on stockholding interests.
- §5 Acts that are necessary for the regular functioning of the Company, signature of contracts, and other legal transactions, shall be carried out by the Chief Executive Officer, jointly with one Executive Officer, or by two Executive Officers, or by a person holding a valid power of attorney.
- §6 Powers of attorney must be granted by the Chief Executive Officer, jointly with one Executive Officer, except for the power described in Sub-clause 'c' of Sub-item I of Clause 23, for which only the signature of the Chief Executive Officer is required.
- §7 Subject to the provisions of these by-laws the Executive Board may delegate powers to approve and sign legal transactions relating to matters in the remit of the bodies pertaining to each Executive Officer, for ordinary acts of management, including sale of electricity.
- §8 The financial limits for decision by the Executive Board that correspond to a percentage of the Company's Stockholders' equity shall be automatically adopted upon approval of the financial statements of each year.
- §9 At the limits of its competencies and areas of autonomy, the Executive Board may attribute, by formal act, limits of autonomy to lower levels, upon composition of technical committees with decision capacity in specific subjects.
- Clause 23 Subject to the provisions in the preceding Clauses and good corporate governance practices, it shall be the duty of each member of the Executive Board to comply with these by-laws, the decisions of the General Meeting of Stockholders and of the Board of Directors, the Internal Regulations and the decisions of the Executive Board, and cause others to comply with them. The duties of the members of the Executive Board, among others, are as follows:

I - Duties of the Chief Executive Officer:

- a) to coordinate and manage the work of the Company, and all the strategic and institutional activities of the affiliated companies, subsidiaries and consortia in which the Company has an interest;
- b) to coordinate preparation, consolidation and implementation of the Company's Long-term Strategy and Multi-year Business Plan, and those of the affiliated and subsidiary companies – in the latter case, jointly with the Chief Officer responsible, and in both cases with the participation of the other Chief Officers;
- 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 conduct the activities of the Governance Office, Strategic Planning, Compliance, and Corporate Risk Management;
- h) jointly with the Chief Officer responsible, to propose to the Executive Board nominations for management positions in the Company; and
- i) to propose the nominations for positions of Management and on the Audit Boards of the wholly-owned and other subsidiaries, affiliated companies and consortia in which the Company has an interest, and of the statutory bodies of *Fundação Forluminas de Seguridade Social (Forluz)* and *Cemig Saúde*, after consultation of the Chief Officer responsible.

II - Duties of the Deputy CEO:

To substitute the CEO in the event of absence, leave, vacancy, impediment or resignation, and other functions.

III - Duties of the Chief Finance and Investor Relations Officer:

To manage the processes and activities relating to the financial area and relations with investors.

IV - Duties of the Chief Corporate Management Officer:

To plan and arrange the activities relating to supply of materials and services, infrastructure, information technology, telecommunications and transactional services.

V - Duties of the Chief Distribution and Trading Officer:

To manage the processes and activities of distribution and sales of electricity.

VI - Duties of the Chief Generation and Transmission Officer:

To manage the processes and activities of generation and transmission of electricity.

VII - Duties of the Chief Trading Officer:

To manage the processes and activities relating to trading of electricity and the electricity system, market planning, and commercial relationship, in the Free Market for electricity in Brazil.

VIII - Duties of the Chief Officer for Management of Holdings:

To manage the processes and activities relating to accompaniment of the management of the Company's wholly-owned subsidiaries with the exception of Cemig GT and Cemig D, other subsidiaries, affiliated companies, and negotiation and implementation of partnerships, consortia, associations and special-purpose companies, obeying the Policy on Holdings.

IX - Duties of the Chief Officer for Human Relations:

To coordinate the policy and actions in the management of people of the Company, its wholly owned subsidiaries and other subsidiaries.

X - Duties of the Chief Counsel:

To plan, coordinate and manage the legal activities of the Company and its wholly-owned subsidiaries and subsidiaries.

XI - Duties of the Chief Officer for Institutional Relations and Communication:

To coordinate and administer processes and activities related to communication and institutional relations, externally and internally, in the area related to the Company and its wholly-owned and other subsidiaries.

§1 In relation to the affiliated companies the Executive Officers shall act at all times in obedience to the related by-laws or articles of association and stockholders' agreements.

§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 exercise of the duties set for them in these Bylaws, each Chief Officer's Department has the right to cooperation, assistance and support of the other Chief Officer's Departments in the areas of its respective competencies, aiming for the Company's success in its greater objectives and interests.

§4 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.

§5 The individual attributions of each Chief Officer are set specifically in the Internal Regulations of the Executive Board. Among others, these include the following:

- a) to propose to the Executive Board, for approval or submission to the Board of Directors or the General Meeting of Stockholders, approval of legal transactions in the Chief Officer's area of activity;
- b) to propose, implement and manage the work safety policy within the scope of his/her activities;

- c) to disclose, at least annually, to the Executive Board, the reports on performance related to the activities which he/she coordinates and monitors; and
- d) to represent the Company in relations with the market, the bodies, associations and other related entities of the electricity sector, including those of regulation and inspection.

Section III

The Audit Committee

- Clause 24 The Audit Committee is an independent, consultative, permanent body, with its own budget allocation. Its objective is to provide advice and support to the Board of Directors, to which it reports. It also has the responsibility of other activities attributed to it by legislation.
- §1 The Audit Committee has three members, the majority of them independent, nominated and elected by the Board of Directors, in the first meeting after the Annual General Meeting, for periods of office of three years, not to run concurrently. One re-election is permitted.
- §2 Exceptionally, in the first election of the members of the Audit Committee, one member shall be elected for a period of office of two years.
- §3 The minutes of the meetings of the Audit Committee, which shall be every two months, must be disclosed, except when the Board of Directors considers that disclosure might put legitimate interest at risk, and in this case only its summary shall be disclosed.
- §4 The restriction in §3 may not be used in opposition to the control and/or inspection bodies to which the Company, and its wholly-owned and other subsidiaries, are subject – these shall have total and unrestricted access to the content of the minutes of the Audit Committee, subject to the obligation of secrecy and confidentiality.
- §5 The internal control over the Company entrusted to the Office of the General Inspector (*‘Controladoria’*) of Minas Gerais State shall be of a subsidiary nature, and shall be subject to the principles of motivation, reasonableness, appropriateness and proportionality, and it must make itself compatible with the duties of the Internal Audit Unit and the Audit Committee.
- Clause 25 The Audit Committee may exercise its duties and responsibilities in relation to such wholly-owned and other subsidiaries of the Company as adopt the regime of sharing of a Common Audit Committee.
- Clause 26 The following are attributions and duties of the Audit Committee:
- a) to state opinion on contracting, and dismissal, of external auditors;
 - b) to supervise the activities of the independent auditors, evaluating their independence, the quality of the services provided and the appropriateness of such services to the Company’s needs;
 - c) to supervise the activities carried out in the areas of internal control, internal audit and preparation of the financial statements;
 - d) to monitor the quality and integrity of the internal control mechanisms, the financial statements and the information and measurements disclosed by the Company;
 - e) to evaluate and monitor the Company’s exposures to risk – it may requisition, among other matters, detailed information on policies and procedures relating to compensation of the management, utilization of assets, and expenditures incurred in the name of the Company;
 - f) to evaluate and monitor, jointly with the management and the Internal Audit Unit, the appropriateness of the transactions with related parties;
 - g) to prepare an annual report with information on its activities, results, conclusions and recommendations, reporting any significant divergence between management, the independent auditors and the Audit Committee in relation to the financial statements;
 - h) to assess the reasonableness of the parameters on which the actuarial calculations are based, and the actuarial result of the benefit plans maintained by the pension fund, when the Company is sponsor of a closed private pension plan entity;
 - i) to give opinion, in such a way as to assist the stockholders – in their appointment of managers, members of the Board of Directors’ support committees, and members of the Audit Board – on compliance with the requirements of, and absence of prohibitions for the related elections; and
 - j) to verify compliance in the process of evaluation of managers, members of the Board of Directors’ support committees, and members of the Audit Board.
- §1 If an eligibility and evaluation committee is created, the competencies described in sub-clauses ‘i’ and ‘j’ of this Clause shall be transferred to that body.
- Clause 27 The Audit Committee has operational autonomy to conduct or decide on carrying out of consultations, evaluations and investigations within the scope of its activities, including contracting and use of independent external specialists.
- §1 The Audit Committee must have the means for receiving accusations, including those of a confidential nature, internal and external to the Company, on subjects related to its area of duties.

CHAPTER V Control Areas

- Clause 28 The following are Control Areas: Internal Audit, Compliance, and Corporate Risk Management.
- §1 The Control Areas operate with independence, and have the prerogative of reporting directly to the Board of Directors, as applicable, in accordance with the applicable legislation.
- Clause 29 The Internal Audit Unit is linked to the Board of Directors, with a view to preparation of the financial statements, and is responsible for assessing:
- appropriateness of internal controls, and the effectiveness of risk management and the governance process; and
 - reliability of the process of collection, measurement, classification, accumulation, recording and disclosure of events and transactions.
- Clause 30 The Compliance Area, linked to the Chief Executive Officer, is responsible for:
- managing the Company's compliance program, exercising prevention, detection of and response to failures in compliance with the internal and external rules and any deviation of conduct; and
 - coordinating and defining the methodology to be used in the management of internal controls.
- §1 The officer responsible for the Compliance Area reports directly to the Board of Directors in any situations in which involvement of the Chief Executive Officer in irregularities is suspected or when that Officer, having received a report of a situation, evades the obligation to adopt measures that are necessary in relation to it.
- Clause 31 The Corporate Risk Management Area, linked to the CEO and led by a statutory director, is responsible for:
- coordinating and mapping the management of the portfolio of corporate risks;
 - supporting the other areas of the Company in adoption of the decisions on the corporate risk policy and adoption of the risk appetite parameters decided by the Board of Directors; and
 - deciding the methodology to be used in corporate risk management and supporting the other areas in its implementation.
- §1 The risk management area shall periodically send reports to the Audit Committee containing its indications and recommendations.

CHAPTER VI The Audit Board

- Clause 32 The Audit Board shall function permanently, and shall comprise five sitting members and their respective substitute members, who shall be elected for a period of office of two years, when a General Meeting of Stockholders is held.
- §1 The following rules for appointment must be obeyed in the composition of the Audit Board:
- The minority holders of common shares, and the holders of preferred shares, both have the right to elect, in separate votes, one member each, in accordance with the applicable legislation.
 - The majority of the members shall be elected by the controlling stockholder of the Company, and at least one shall be a government employee with a permanent link to the Public Administration.
- §2 The Audit Board shall elect its Chair from among its members, and the Chair shall call and chair the meetings.
- §3 Where appointment of members of the Audit Board of subsidiary and/or affiliated companies is a competency of the Company, this shall be done according to criteria and an eligibility and assessment policy approved by the Board of Directors.
- Clause 33 In the event of resignation, 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 34 The Audit Board shall have the attributions set by the applicable legislation and, to the extent that they do not conflict with Brazilian legislation, those required by the laws of the countries in which the Company's shares are listed and traded, including the following:
- to monitor and inspect, through any one of its members, the acts of the managers and to verify compliance with their duties under the law and by-laws;
 - to give opinion on the annual report of management, and to include in such opinion any such complementary information that it deems to be necessary or useful to the decision of the General Meeting of Stockholders;
 - to give opinion on any proposals made by the management bodies, to be submitted to the General Meeting of Stockholders or the Board of Directors, as the case may be, in relation to change in share capital, issue of debentures or warrants, investment plans and/or capital budgets, distribution of dividends, transformation, absorption, merger or split;
 - to report, through the person of any of its members, to the management bodies and, if these do not take the measures necessary for the protection of the Company's interests, to the General Meeting of Stockholders, any errors, frauds or crimes that they discover, and suggest measures that will be useful to the Company;
 - to call the Annual General Meeting, if the management bodies delay its convocation by more than 1 (one) month, and to call an Extraordinary Meeting of Stockholders whenever there are serious or urgent reasons, and include on the agenda of such Meetings whatever matters they consider to be necessary;
 - to analyze, at least quarterly, a trial balance and other financial statements prepared periodically by the Company;

- g) to examine the financial statements for the business year and to give opinion on them; and
 h) to carry out these functions during liquidation, having in mind the special provisions that regulate that procedure.
- Clause 35 The global or individual compensation of the members of the Audit Board shall be set by the General Meeting of Stockholders which elects it, in accordance with the applicable legislation.

CHAPTER VII

The Business Year

- Clause 36 The business year shall coincide with the calendar year, closing on December 31 of each year, when the Financial Statements shall be prepared, in accordance with the applicable legislation. Financial statements for periods of six months or interim statements for shorter periods may be prepared.
- Clause 37 Before any 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 then, successively, employees' and managers' profit shares.
- §1 The net profit ascertained in each business year shall be allocated as follows:
- 5% (five per cent) to the legal reserve, up to the maximum limit specified by law;
 - 50% (fifty per cent) distributed as mandatory dividend to the stockholders of the Company, subject to the other terms of these Bylaws and the applicable legislation; and
 - 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 Strategy 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 by-laws, up to the maximum limit specified by Clause 199 of the Corporate Law.
- Clause 38 The dividends shall be distributed in the following order:
- the minimum annual dividend guaranteed to the preferred shares;
 - 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, on account of retained earnings, profit reserves or profit reported in half-yearly or interim statements of financial position.
- §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 mandatory 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 39 Without prejudice to the mandatory dividend, every two years, 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 37 of these by-laws 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 Strategy and the dividend policy contained therein.
- Clause 40 The dividends declared, mandatory 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 41 The employees have the right to a share in the profits or results of the Company, on 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 applicable legislation.

CHAPTER VIII

Liability of Management

- Clause 42 Under the applicable law and regulations, and these by-laws, members of the Company's management are accountable to the Company and to third parties for actions they take in exercise of their functions.
- Clause 43 The Company will provide defense, on the plaintiff or defendant side, for members and former members of the Board of Directors, the Audit Board and the Executive Board in Court and/or administrative proceedings, during or after their periods of office, occasioned by events or acts related to the exercise of their specific functions.
- §1 This guarantee also extends to employees who legally carry out actions by delegation or acting under authority from members of the Company's Management.
- §2 Upon decision by the Board of Directors, the Company may contract third-party liability insurance to cover procedural expenses, fees of counsel and indemnities arising from legal or administrative actions referred to in the head paragraph of this Clause.
- §3 Contracting of insurance may also cover defense of the insured parties in other spheres, provided that the acts in question do not show manifest illegality or abuse of power.
- §4 If funding of procedural expenses, fees and/or other expenses is less expensive than contracting or activation of insurance, the Company may contract a specialized external office for defense in relation to the acts being impugned.

- §5 Any member of the Board of Directors or the Audit Board, or any Chief Officer or employee, who is convicted of a crime in a final judgment against which there is no further appeal, must reimburse the Company all the costs, expenses and losses caused to it.

CHAPTER IX

Resolution of disputes

- Clause 44 The Company, its stockholders, managers and members of the Audit Board undertake to resolve through arbitration, preceded by mediation, before the Market Arbitration Chamber (CAM) of the B3 or the FGV Mediation and Arbitration Chamber, all and any dispute or controversy that may arise between them related to or arising from, in particular, the application, validity, efficacy, interpretation or violation of the provisions contained in the applicable legislation and regulations, the by-laws, any stockholders' agreements filed at the head office, the rules issued by the Brazilian Securities Commission, or the other rules applicable to the functioning of the capital markets in general, as well as those contained in the Level 1 Regulations of the B3.
- §1 Without prejudice to the validity of this arbitration clause, application for urgency measures, before the arbitration tribunal has been constituted, should be remitted to the Judiciary, through the courts of the legal district of Belo Horizonte, Minas Gerais.

CHAPTER X

General provisions

- Clause 45 Admission to the permanent staff of employees of the Company shall be by approval in a public competition.
- §1 The employees are subject to the applicable employment law and the internal regulations of the Company.
- Clause 46 In contracts entered into, and other legal transactions, between the Company and its related parties, including the State of Minas Gerais, the Company's policy of transactions with related parties shall be obeyed.
- Clause 47 References to the term 'applicable legislation' in these by-laws includes reference to the regulatory rules, subject to the prevalence of Law over rules of an infra-legal nature.
- Clause 48 Financial covenants currently in effect for the Company must obligatorily be mentioned in the Company's policy on dividends and indebtedness, to be approved by the General Meeting of Stockholders.
- Clause 49 Policies complementary to these by-laws, required by the applicable legislation, shall be approved by the Board of Directors upon proposal by the Executive Board.
- Clause 50 Upon being sworn in, and annually, management, members of the Audit Board and members of the Audit Committee, including the representatives of employees and minorities, must take part in specific trainings made available by the Company on the following subjects:
- corporate law and the capital markets;
 - disclosure of information;
 - internal controls;
 - code of conduct;
 - Federal Law 12846 of August 1, 2013;
 - tenders and contracts;
 - other subjects related to the Company's activities.
- §1 Those who have not participated in annual training made available by the Company in the last two years are prohibited from being re-appointed to their positions.
- Clause 51 For the purposes of the provisions of Article 17, §2, IV and Article 22, §1, V of Law 13303/2016 and Article 26, IX of State Decree 47154 of February 20, 2017, contracting of Cemig or its wholly-owned subsidiaries for activities carried out under natural monopoly, in the role of consumer, are not considered to be activities preventing appointment as managers, nor as independent managers.

CHAPTER XI

Transitory provisions

- Clause 52 The rules relating to the members of the Board of Directors, the Executive Board, the Audit Board and the Audit Committee specified in the by-laws shall be applied as from the first periods of office beginning after the change in these by-laws, reflecting the adaptation specified by Law 13303/2016 and State Law 47154/2017.
- §1 Exceptionally, the first period of office of the members of the Board of Directors, the Executive Board and the Audit Board shall begin with the election held immediately after the approval of these by-laws, ending at the Annual General meeting of 2020.
- §2 The inter-regnum period between the Annual General Meeting held on April 30, 2018 and the election immediately after the approval of these by-laws shall not be considered as a new period of office for the purposes of Clause 13, §2, Clause 19 and Clause 32 of these by-laws.
- Clause 53 Until the representative of the employees on the Board of Directors is chosen in accordance with sub-clause 'c' of §3 and §4 of Clause 13 of these by-laws, an employee who complies with these specific requirements shall be designated as substitute member, and the unions representing the various groups of employees shall be advised of the designation.

- Clause 54 The internal processes, organizational structure, names and terms used in the Company on the date of approval of these by-laws shall remain operative until the Board of Directors lays down the specific new arrangements.
- Clause 55 Any cases of omission in these by-laws shall be resolved by the General Meeting of Stockholders, subject to the applicable legislation.

II. Orientation, of the representatives of Cemig at the Extraordinary General Meetings of Cemig Distribuição S.A. and Cemig Geração e Transmissão S.A., to vote in favor of the change to the by-laws and election of the members of the Board of Directors and Audit Board.

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

Belo Horizonte, May 8, 2018

Adézio de Almeida Lima	Luiz Guilherme Piva
Marco Antônio Soares da Cunha Castello Branco	Marcelo Gasparino da Silva
Bernardo Afonso Salomão de Alvarenga	Marco Aurélio Crocco Afonso
Daniel Alves Ferreira	Patrícia Gracindo Marques de Assis Bentes
José Pais Rangel ”	

The Chair then placed the said Proposal by the Board of Directors to this Meeting in debate.

The representative of the stockholder **The State of Minas Gerais** then presented adjustments in the version of the by-laws contained in the said Proposal, to:

A) change the drafting:

- 1) of sub-clause ‘c’ of §12 of Clause 12 of the by-laws, to read as follows:

“Clause 12 – [...]

§ 12 [...]

c) achievement of the objectives established in the Multi-year Business Plan and in accordance with the long-term Strategy and Annual Budget.”
- 2) of §9 of Clause 13 of the by-laws, to read as follows:

“Clause 13 –

§9 The Board of Directors may confer delegation of powers to the Executive Board for approval and signature of legal transactions related to the ordinary acts of management, including sale of electricity.”
- 3) of Clause 15 of the by-laws, to read as follows:

“Clause 15 The Board of Directors shall meet ordinarily, in accordance with its Internal regulations, at least once a month, to analyze the results of the Company and its wholly-owned and other subsidiaries and affiliated companies, and to decide on other matters included on the agenda. It shall also meet extraordinarily, on convocation by its Chair, or by its Vice-Chair, or by one-third of its members, or when requested by the Executive Board.”
- 4) of §3 of Clause 19 of the by-laws, to read as follows:

“Clause 19 – [...]

§3 – Those members of the Executive Board who are not employees, or those with employment contracts suspended, shall have the right to annual paid leave of not more than 30 (thirty) days, non-cumulative, receiving an additional one-third of the current monthly remuneration.”
- 5) of Sub-items V and VII of Clause 23, to read as follows:

“Clause 23 [...]

V – To the Chief Officer for Distribution and Sales: To manage the processes and activities of distribution of electricity and sales in the Regulated Market.

[...]

VII – To the Chief Trading Officer: To generate the processes and activities related to trading and sale of electricity and the use of the electricity system, market planning, and commercial relationship in the Free Market.”; and

B) to include §6 in Clause 24, with the following drafting:

“§6 – Members of the Board of Directors who are also members of the Audit Committee shall receive only the remuneration of the latter.”

The representative of **BNDES Participações S.A. (BNDESPar)** also presented adjustments to the version of the by-laws contained in the Proposal by the Board of Directors to this meeting, to alter the drafting as follows:

1. In the head paragraph of clause 9, to provide for a limit to the authorized capital expressed in amount or in number of shares, as per Article 168 of Law 6404/1976, as amended and, if the percentage form is maintained, it should be based on the value of the share capital fixed in the by-laws, so that the authorization is not unlimited.
2. In Clause 12, §3, to provide that the positions on the committees of support to the Board of Directors in the subsidiaries and affiliated companies should be filled by members of the boards of directors of the company, in line with best corporate governance practices.
3. In Clause 12, §5, to specify a minimum period of 5 (five) years as projection for the long-term strategy, not including the dividends policy because, under Clause 48 of the by-laws contained in the Proposal under discussion, that policy must be approved by the General Meeting of Stockholders and not by the Board of Directors.
4. In Clause 12, §7, exclusion of the final part, because what should be published and submitted to the Legislative Assembly and the Audit Court of the State of Minas Gerais is the annual analysis, made by the Board of Directors, in terms of achievement of targets and results in the execution of the long-term strategy and the business plan – and not its approval, which is provided for in Clause 18, Sub-clause ‘y’ of the by-laws under examination.
5. In §9 of Article 13, since the generic delegation by the Board of Directors to the Executive Board for approval of legal transactions should be treated on the basis of restriction or dispensation of the need for prior statement of opinion by the Board of Directors on certain legal transactions, or with increase of the level of autonomy of the body over this type of matter, provided that there is clear specification of the situations in which it is applicable, otherwise a competency that is exclusive to the body specified in the by-laws itself would be violated.
6. In Clauses 18, Sub-clause ‘j’, and 22, §4, Sub-clause ‘g’, to be aligned in terms of the limits of autonomy set for the Executive Board and Board of Directors, as well as making reference to the situations of dispensation or non-requirement of tender, or of the non-applicability of the duty to hold a tender, specified in Law 13303/2016.
7. In Clause 18, Sub-clause ‘l’, to state that the competency of the Board of Directors for issuance of debentures is restricted to those not convertible into shares, under Law 6404/1976.
8. In Clause 18, Sub-clause ‘q’, to provide that the committees of support to the Board of Directors should give their opinion before the decisions of that Board on the matters applicable to them, even if of a non-binding nature, because to the contrary the function of these committees would be null.
9. In Clause 20, §1, of by-laws, which should completely regulate the process of replacement of members of the Executive Board, including new election, and not only in the matter of redistribution of function in the event of a post being vacant; and that body should function with a minimum number of 3 members, under Law 13303/2016.
10. In Clauses 23, I, Sub-clause ‘g’, and 30, of the by-laws, which should specify that the areas of compliance and risk management, separated in the proposal, should be linked to the chief executive officer, but led by a statutory director, as specified in Law 13303/2016.
11. In Clause 23, II, to provide that the Deputy CEO should have functions additional to substitution of the CEO.

12. Exclusion of §5 of Clause 24, since the by-laws do not have the power to regulate or limit the activity of the central body of internal control of the Executive Power, the competences of which arise from Law.
13. Exclusion of §1 of Clause 26, permanently setting the duties specified in Sub-clauses ‘i’ and ‘j’ in the ambit of the Audit Committee, as specified in State Decree 47154/2017, or to create a separate committee with the duties defined in Article 10 of Law 13303/2016, with the status of a body under the by-laws.
14. In Clause 33, to provide for election by the General Meeting of Stockholders to fill the post of a member of the Audit Board in the event of vacancy, in line with the competencies set by Article 161, §3, of Law 6404/1976;
15. Exclusion of Clause 52, since it aims to regulate prior situations unnecessarily, and contrary to statements by the CVM (Securities Commission) on the immediate applicability of the requirements and prohibitions on the members of the bodies under the by-laws as from Law 13303/2016 coming into effect.
16. Clause 54 – to provide for a period for adaptation of processes and internal structures to the new by-laws, in the absence of which its coming into full effect might be suspended indefinitely.

The Chair then stated that, in relation to §5 of Clause 24 of the by-laws, the draft portrays the orientation received from the General Attorney of the State of Minas Gerais which, through Opinion AGE 15964/2018 concludes that the control exercised by the General Comptroller of the State, in relation to state-controlled companies, is subsidiary to the internal control of the company, provided that any act in question obeys the requirements of motive, reasonability, appropriateness and proportionality.

The Proposal by the Board of Directors was submitted to debate and, subsequently, to the vote and was approved by a majority, containing the alterations presented by the representative of the State of Minas Gerais and the alterations presented and referred to in items 1, 3, 4, 6, 7, 9, 10, 11 and 14 above by the representative of **BNDESPar**, that is to say, by 302,823,138 votes in favor, 10,632,956 against and 69,730,102 votes of abstention; the other alterations suggested by the representative of **BNDESPar** being rejected, by majority, that is to say, by 259,113,102 votes against, 54,342,992 votes in favor, and 69,730,102 votes of abstention.

The Chair stated that, for the purposes of decision on item 1 of the agenda of this meeting, there were left out of account 4,114,071 shares, since they were cases of decision using remote voting.

On this matter, the Chair requested the transcript of the alterations approved in relation to the Proposal by the Board of Directors to this Meeting arising from the adjustments presented by the representative of **BNDESPar** and approved, namely the following:

“Clause 9 – The Company’s Share Capital may be increased by up to a limit of 10% (ten percent) of the share capital set in the by-laws, without need for change in the by-laws and upon decision of the Board of Directors, having previously heard statement of opinion by the Audit Board.

“Clause 12 – [...]

§5 – The Long-term Strategy shall contain fundamentals, targets, goals and results to be pursued and achieved in the long term by the Company, reflecting its dividend policy, and must obey the commitments and requirements specified in §7 of Clause 12 of these by-laws.

[...]

§7 – The Long-term Strategy, the Multi-year Business Plan and the Annual Budget shall be revised annually by the Executive Board and submitted no later than the last ordinary meeting of the Board of Directors of the prior year, in the terms of the applicable legislation.

[...]”;

“Clause 18 – [...]

j) to authorize, upon proposal by the Executive Board, opening of administrative tender proceedings, or proceedings for dispensation or non-requirement of tender, or of non-

applicability of the duty to tender, and the corresponding contractings, when the amount is 1% (one percent) or more of the Company's Stockholders' equity, or more than R\$ 100,000,000.00 (one hundred million Reais), as adjusted annually by the IPCA Inflation Index, if positive; [...];

- l) to authorize the issuance of securities in the Brazilian or external market, for raising of funding in the form of non-convertible debentures, promissory notes, commercial papers and other instruments; [...];

“Clause 20 –

- §1 – In the event of any of the other members of the Executive Board being absent, on leave, their seat being vacant, impediment of their position or resignation, that Board may, on approval by the majority of its members, attribute the temporary exercise of the related functions to another member of the Executive Board.

[...];

“Clause 23 – [...]

- I - To the Chief Executive Officer:

[...]

- g) to be responsible for the activities of the Management Units controlling Governance, Strategic Planning, Compliance and Corporate Risk Management; [...].

- II – To the Deputy Chief Executive Officer: to assist the CEO in the exercise of his functions and substitute him in the event of absence, leave, his position being vacant or impeded, or resignation.

[...].”;

“Clause 30 – The Compliance Management Unit, responsible to the Chief Executive Officer and led by a Chief Officer, is responsible for:

- a) managing the Company's compliance program, with prevention and detection of, and response to, any failings in compliance with internal or external rules and/or inappropriate contact; and
- b) to coordinate and define the methodology to be used in the management of internal controls.

- §1 – The person responsible for the Compliance Management Unit shall report directly to the Board of Directors in any situation in which it is suspected that the Chief Executive Officer is involved in irregularities, or when the CEO omits to act on his obligation to adopt necessary measures in relation to the situation reported to him.”;

“Clause 33 – In the event of resignation, 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.

In relation to Clauses 12, §3; 13, §9; 18, sub-clause ‘q’; 26, §1 and 52 of the Proposal by the Board of Directors to this Meeting, the representative of BNDESPar presented a statement of opinion contrary to their approval.

The Chair then explained that in functional terms the duties and functions of the Internal Audit Unit are subordinated to the Board of Directors; but that the Internal Audit Unit shall be administratively subordinated to the office of the Chief Executive Officer.

He further stated that, under the recently-approved provision of the by-laws, it would not be a function of this Meeting to orient any vote by the representative(s) of Cemig in the Extraordinary General Meeting of Stockholders of Cemig Distribuição S.A. or Cemig Geração e Transmissão S.A., on changes to the by-laws or election of members of the Board of Directors or the Audit Board, for which reason items 6 and 7 of the Convocation are not successful.

The Chair then stated that, as a result of the change to the by-laws that had just been decided and in accordance with Item 2 of the convocation, it was necessary to elect the members of the Board of Directors, for a new period of office of 2 (two) years, exceptionally to end at the Annual General Meeting of 2020.

Finally, the Chair pointed out that it will be necessary first and in view of §3 of Clause 13 of the by-laws, to elect the sitting member and respective substitute nominated by representatives of the holders of preferred shares, and only then to apply the instrument of Multiple Vote to fill the remaining vacancies on the Board of Directors.

Since there was found not to be the minimum legally required quorum of preferred shares for nomination of a sitting and substitute member of the Board of Directors, the Chair stated that Multiple Vote would be adopted for election of 8 members and their respective substitutes to that Board.

The Chair stated that adoption of Multiple Vote had been requested by the stockholder **Fundo de Investimentos em Ações Dinâmica Energia – FIA Dinâmica**, as per a letter in the Company's possession, and that 43,033,363 shares would be necessary for the election of each member of the Board of Directors.

Then, and by adoption of Multiple Vote, the representative of the stockholder **BNDESPar**, as per the voting spreadsheet, attributed, for sitting member of the Board of Directors, 54,342,998 shares, to:

Ms Patrícia Gracindo Marques de Assis Bentes	– Brazilian, divorced, company manager, domiciled in Rio de Janeiro, RJ, at Rua Ministro Ramos Monteiro 37/701 B, Leblon, CEP 22430-100, bearer of Identity Card 59879098-6, issued by the Public Safety Department of São Paulo State, and CPF nº 810318827-15;
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her substitute member not to be elected at this opportunity.

The representative of the stockholder The State of Minas Gerais, as per the voting spreadsheet, then attributed, per sitting member of the Board of Directors, 43,033,364 shares to complement the Board of Directors, electing the following:

Sitting members:

Adézio de Almeida Lima	– Brazilian, married, economist, domiciled in Brasília, Federal District, at SQN 311, Bloco F, apto. 102, Asa Norte, CEP 70765-100, bearer of Identity Card 2514340, issued by the Public Safety Department of the Federal District, and CPF 342530507-78;
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Marco Antônio Soares da Cunha Castello Branco	– Brazilian, married, engineer, domiciled in Belo Horizonte, MG, at Rua Pium-I 1601/401, Cruzeiro, CEP 30310-080, bearer of Identity Card M753845, issued by the Minas Gerais State Public Safety Department, and CPF 371150576-72;
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Bernardo Afonso Salomão de Alvarenga	– Brazilian, married, economist, domiciled in Belo Horizonte, Minas Gerais at Av. Barbacena 1,219, 22nd floor, B Wing, CEP 30190-130, bearer of Identity Card MG-899851, issued by the Public Safety Department of Minas Gerais State, and CPF 154691316-53;
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Luiz Guilherme Piva	– Brazilian, married, engineer, domiciled in Belo Horizonte, MG, at Rua Professor Estevão Pinto 555/404, Serra, CEP 30220-060, bearer of Identity Card MG2084020, issued by the State Public Safety Department of Minas Gerais State, and CPF 454442936-68; and
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Marco Aurélio Crocco Afonso	– Brazilian, in stable union, economist, domiciled in Belo Horizonte, MG, at Rua Cristina 303/301, Sion, CEP 30310-800, bearer of Identity Card M1624401, issued by Minas Gerais Public Safety Department, and CPF 382386166-20;
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– and as substitute members:

José Maria Rabelo	– Brazilian, married, lawyer, resident and domiciled in Brasília, Federal District, at SQN 214, Bloco F, Ap. 207, Asa Norte, CEP 70873-030, bearer of Identity Card 851287 issued by the Minas Gerais State Public Safety Department, and CPF nº 232814566-34;
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Ricardo Wagner Righi de Toledo	– Brazilian, widower, manager, domiciled in Belo Horizonte, Minas Gerais, at Rua Arquiteto Rafaello Berti 690, Mangabeiras, CEP 30210-120, bearer of Identity Card MG4172543, issued by the Minas Gerais State Public Safety Department, and CPF 299492466-87;
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Geber Soares de Oliveira	– Brazilian, legally separated, accountant, domiciled in Belo Horizonte, MG, at R. Carlos Turner 275/202, Silveira, CEP 31140-520, bearer of Identity Card
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MG1673562, issued by the Public Safety Department of the State of Minas Gerais, and CPF 373022806-49; and

Cristian Regis Duarte Silva – Brazilian, married, communications executive, domiciled in Belo Horizonte, MG, at Rua Bolivia 357, Apto. 102, São Pedro, CEP 30330-360, bearer of Identity Card M4414313, issued by the State Public Safety Department of Minas Gerais State, and CPF 583432616-15; and

Alcione Maria Martins Comonian – Brazilian, married, teacher, resident and domiciled in Belo Horizonte, Minas Gerais at Rua Icarai 365, Caiçara, CEP 30770-160, bearer of Identity Card MG2511807, issued by the Public Safety Department of Minas Gerais State, and CPF 482072096-15; respectively.

Two seats still being vacant, the Chair said that Law 6404/1976 omits to specify the manner of decision in relation to the leftover balance of shares that took part in the composition of the Board of Directors through adoption of Multiple Vote.

On this matter, and considering that the by-laws also have no rule for distribution of these leftover shares, the holders of voting rights present at the meeting decided at this time to adopt, as the criterion for filling the two remaining vacancies on the Board of Directors resulting from the distribution of shares by Multiple Vote, the use of the highest proportion of leftover shares relative to the distribution of the six previously-filled seats.

As candidate for one of the seats on the Board of Directors, Mr. Anderson Carlos Koch, as per the voting spreadsheet, attributed 42,431,983 shares to complement the Board of Directors, electing:

José Pais Rangel – Brazilian, married, lawyer, domiciled in Rio de Janeiro, Rio de Janeiro State, at Av. Presidente Vargas 463/13º andar, 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, RJ, at Av. Presidente Vargas 463, 13th floor, Centro, CEP 20071-003, bearer of Identity Card 1439471-1, issued by the Public Safety Department of São Paulo State, and CPF 245730788-00.

Then, the representative of the State of Minas Gerais, as per the voting spreadsheet, attributed 33,313,326 shares to complement the Board of Directors, electing the following:

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;

– and as his substitute member:

Manoel Eduardo Lima Lopes – Brazilian, married, lawyer and accountant, domiciled in Rio de Janeiro, RJ, at Av. Presidente Vargas 463/13th Floor, Centro, CEP 20071-003, bearer of Identity Card 1767127, issued by the Félix Pacheco Institute of Rio de Janeiro State, and CPF 046227237-00.

Then, and as per Clause 53 of the recently-decided by-laws, the seat as substitute member of the Board of Directors attributed to a representative of the employees was allocated to Mr.

Márcio José Peres – Brazilian, married, engineer, bearer of Identity Card 12729567-7, issued by SSP/SP, and CPF 713401066-04, domiciled in Belo Horizonte, MG, at Av. Barbacena 1200, 12th Floor, Santo Agostinho, CEP 30190-131;

the related seat of a sitting member remaining unfilled, with 249,015,057 votes in favor, 13,006,245 against and 125,278,965 votes of abstention.

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 stated that assumption of these posts is conditional on presentation of the statements contained in the relevant federal and state legislation.

He then said that as a result of the new composition of the Board of Directors, and as stated by Clause 12, §1 of the by-laws of Cemig just approved, there was a need to change the composition of the Board of Directors of the wholly-owned subsidiaries Cemig Distribuição S.A. (“Cemig D”) and Cemig Geração e Transmissão S.A. (“Cemig GT”), since the structure and composition of the Boards of Directors of those Companies are required to be identical to those of Cemig.

The Chair then dealt with items 4 and 5 of the agenda, relating to the setting of compensation of the representatives of the Audit Committee, and adjustment of the Annual Global Allocation for compensation of the Managers, Members of the Audit Board, and members of the Audit Committee, and proposed as follows:

- 1) To set the Annual Global allocation for Compensation of the members of the Board of Directors, the Executive Board, the Audit Board and the Audit Committee at the amount of up to R\$ 30,766,415.00 (thirty million seven hundred sixty-six thousand four hundred fifteen Reais), the other amounts and criteria remaining the same as those approved by the Ordinary (Annual) and Extraordinary General Meetings of Stockholders of Cemig held, concurrently, on April 30 of this year.
- 2) To establish that the monthly remuneration of each one of the members of the Audit Committee shall be equivalent to R\$ 20,590.90 (twenty thousand five hundred ninety Reais and ninety centavos).
- 3) To establish that the members of the Board of Directors that are also members of the Audit Committee shall receive only the compensation of the latter.

The proposal by the representative of the stockholder The State of Minas Gerais being placed in debate, the representative of BNDESPar recorded his view that this item of the agenda should not pass because in the convocation the amounts and the criteria to be considered had not been stated.

The proposal of the representative of the stockholder The State of Minas Gerais was put to vote and approved by majority, as follows:

249,015,057 votes in favor, 13,006,245 against and 125,278,965 votes of abstention.

Then, considering Item 3 of the convocation, the Chair stated that it was necessary to elect the members of the Audit Board, for a new period of office of 2 (two) years, exceptionally ending with the Annual General Meeting to be held in 2020.

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 holder of preferred shares, the representative of the stockholder **FIA Dinâmica** nominated the following persons to be members of the Board of Directors:

Sitting member:

Rodrigo de Mesquita Pereira – Brazilian, married, lawyer, domiciled in São Paulo, São Paulo State at Rua Dr. Fernandes Coelho 85, 6º Andar, Pinheiros, CEP 05423-040, bearer of Identity Card 8364447-7 issued by the São Paulo State Public Safety Department (SSPSP), and CPF 091622518-64;

and, as his substitute member,

Michele da Silva Gonsales – Brazilian, married, lawyer, domiciled in São Paulo, SP, at Rua Sabará 402/42, Higienópolis, CEP 01239-010, bearer of Identity Card 33347425-9, issued by the São Paulo State Public Safety Department, and CPF 324731878-00.

The Chair then put the above nominations to debate, and, subsequently, to a vote – separately, i.e. with only holders of the preferred shares participating – and they were approved by a majority of votes, with 77,663,677 votes in favor, 92,860,436 abstentions, and no votes against.

The Chair stated that, for the purposes of composition of the Audit Board, there were left out of account 203,675,889 shares, since candidates for the Audit Board to be elected by the holders of preferred shares, separately, were not included on the remote voting form.

Asking for the floor, the representative of **FIA Dinâmica**, for the minority of common stockholders with the right to vote, proposed the following names for the Audit Board:

Sitting member:

Manuel Jeremias Leite Caldas – Brazilian, married, engineer, domiciled in Rio de Janeiro, RJ, 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 Traffic Department (Detran), and CPF 221285307-68.

Asking for the floor, the representative of the stockholder BNDESPar, also for the minority of common stockholders with the right to vote, proposed the following appointments to the Audit Board:

As sitting member:

Cláudio Morais Machado – Brazilian, married, accountant, domiciled in Porto Alegre, RS, at Rua General Rondon 411, Assunção, CEP 91900-120, bearer of Identity Card 9002545292, issued by the Public Safety Department of the State of Rio Grande do Sul, and CPF 070068530-87;

and as his substitute member,

Carlos Roberto de Albuquerque Sá – Brazilian, divorced, engineer, domiciled in São Paulo, SP, at Alameda Jauaperi 755/132, Moema, CEP 04523-013, bearer of Identity Card 2321952, issued by the Felix Pacheco Institute of Rio de Janeiro and CPF 212107217-91.

The above nominations were put to debate, and, subsequently, to a vote, separately, by the minority of holders of voting shares, and the nominations of the representative of the stockholder BNDESPar received 54,342,992 votes in favor, while the nominations of the representative of **FIA Dinâmica** received 42,431,983 votes, there having been counted in relation to these nominations 37,931,075 abstentions, and no votes against.

The Chair then stated that the nomination by the majority stockholder of members of the Audit Board was at this time not successful, due to the provision in CVM Official Letter 227/2018/CVM/SEP/GEA-1, of June 7, 2018, which states a decision by the CVM that the prohibitions established by Article 17, §2, of Law 13303/2016, are applicable also to candidates to the Audit Board of public companies and mixed-economy companies.

For this reason, the representative of the stockholder **The State of Minas Gerais** stated that the majority stockholder will proceed to a re-composition of the Audit Board at another time in the future.

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 be 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 noted that their taking office is conditional upon presentation of the statements contained in the relevant federal and state legislation.

The meeting being opened to the floor, since no-one else wished to speak, the Chair ordered the session suspended for the time necessary for the writing of these 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 unanimously, that is to say by 387,300,267 votes, 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.