



COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

MARKET ANNOUNCEMENT

Changes to the by-laws – enhancing corporate governance

Cemig (*Companhia Energética de Minas Gerais*), a listed company with securities traded on the stock exchanges of São Paulo, New York and Madrid, **hereby informs** the public, the CVM (the Brazilian Securities Commission) and the São Paulo stock exchange (B3) **as follows**:

The Extraordinary General Meeting of Stockholders of Cemig held on June 11, approved alteration of the Company's by-laws, to formalize best practices in corporate governance, and provide formal compliance with Law 13306/2016 (the 'State Companies Law').

The improvements now formally incorporated in the by-laws include:

- Reduction of the number of members of the Board of Directors from 15 to 9 – reflecting the Best Corporate Governance Practices Code of the Brazilian Corporate Governance Institute (*Instituto Brasileiro de Governança Corporativa*, IBGC), and the Corporate Sustainability Assessment Manual of the Dow Jones Sustainability Index.
- Creation of the Audit Committee (*Comitê de Auditoria*). The Audit Board (*Conselho Fiscal*) remains in existence.
- The Eligibility and Assessment Policy for appointments to the Board of Directors or Executive Board of subsidiaries or affiliated companies.
- The Related Party Transactions Policy.
- Formal designation for the Board of Directors to ensure implementation of and supervision of the Company's systems of risks and internal controls.
- Optional power for the Executive Board to expand technical committees on which members are career employees and which have autonomy to make decisions on specific subjects.
- The CEO to be responsible for directing compliance and corporate risk management.
- Greater emphasis on the company's control functions: internal audit, compliance, and corporate risk management.
- Adoption of an arbitration chamber for resolution of any disputes between the company, its stockholders, managers, and/or members of the Audit Board.

These changes to the by-laws show the commitment of the controlling and minority stockholders to enhancement of the process of management and corporate governance practices, as a means of ensuring Cemig's sustainability and profitability in the long term.

Belo Horizonte, June 12, 2018.

Maurício Fernandes Leonardo Júnior
Chief Finance and Investor Relations Officer