



Brazil's Best Energy

Cemig's new management

Mauro Borges Lemos
Chief Executive Officer



February 2015



The Governor of the State of Minas Gerais, Mr. Fernando Pimentel, in his speech at the appointment ceremony of the new Executive Board, gave the following brief description of the guidelines that will orient Cemig's activity in the coming years:

- “There will be full support from the Government of Minas Gerais State for our primary objective, which is to reconcile the legitimate interest of stockholders, productivity, profits and development with the very legitimate interests of the employees – safe working conditions and appropriate salaries – and the interests of consumers in efficiency and quality.”
- “There is no contradiction between seeking to provide for the legitimate desires of the stockholder, and reconciling them with the expectations of consumers and employees. This is Cemig's great challenge, and I believe it is the great challenge for any company that has both the State and legitimate private interests as stockholders. It is a challenge which I am certain both the Board of Directors and the Executive Board will know how to judge.”



Appointments to the Board of Directors follow the criteria of capability and dedication of effort to the growth of the company that is planned for the coming years.

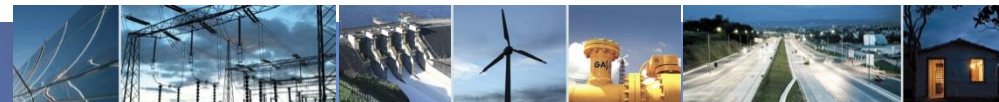
- Ensuring that best corporate governance practices are employed so that decisions are taken with the maximum transparency, information and preparation.
- Intensive use of the skills of the members of the Board of Directors through committees dealing with all aspects of management of the Cemig Group.
- Priority for the long term strategy, with updating of the Long-Term Strategic Plan in view of the new scenario for the economy and for energy.
- Enable wide-ranging action able to achieve objectives in state-wide, nationwide and international integration of the electricity sector.



- **Dividend policy** that meets the needs of stockholders and the need for growth to guarantee the market share of a company of its size.
- **Appropriate selection of investments** based on: the strategy; the composition of the portfolio of businesses, with focus on electricity; and returns compatible with the risk associated with each business.
- **Operational strategy** that meets the criteria for efficiency and quality, with moderate costs that are compatible with best global and Brazilian practices. Compliance with the regulatory requirements will be priority for businesses that are regulated.
- **Financing structure** that is compatible with investment, preserving credit quality and access to the investor market. **Partnership with investors** is vital for Cemig to accelerate its growth.
- **Best practices in management of people** to ensure the level of qualification and skills of the body of employees – who are the motors of growth.



- Clearly the greatest priority in the short term is appropriate handling of the dispute on extension of the concession contracts for the *Jaguara*, *São Simão* and *Miranda* plants. The difficulties are many, but we will seek the best solution for the legal dispute through negotiation with the federal government.
- The imbalances between the various sectors exacerbated by the hydrological crisis cannot be allowed to have consequences that prevent the growth of companies, nor meeting of the growth in demand. It will be necessary to remove obstacles to investments in new projects that are vital for Brazil's economic growth. We will work proactively to seek solutions with the entities of the sector and the federal authorities.
- We have viable alternatives for growth, making use of the opportunities that the sector in crisis offers, as well as those that already represent vigorous growth sectors, such as natural gas, and generation from renewable sources.



(Cemig department titles:)

DVP

DGA

DJR

DRC

DGE

DFN

DDN

DDC

DGT

DCM



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