

# COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG

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

## MATERIAL ANNOUNCEMENT

**Cemig** (*Companhia Energética de Minas Gerais*, listed in São Paulo, New York and Madrid), in compliance with CVM Instruction 358 of January 3, 2002 as amended, **hereby reports** to the Brazilian Securities Commission (CVM), the São Paulo Stock Exchange (B3) and the market **as follows**:

On February 20, 2020 Cemig's affiliated company Renova Energia S.A. (**'Renova'**) published the following Material Announcement:

“ *Renova Energia S.A. - Under Judicial Reorganization (RNEW3; RNEW 4 and RNEW11) (“Renova” ou “Company”), in compliance to CVM Instruction 358/2002, as amended, informs its shareholders and the market in general as to what follows.*

*As previously disclosed, the Company's Board of Directors established, in March 2018, a Monitoring Committee ("Committee") comprised of members of the Board of Directors and the Fiscal Council to oversee the conduct of an independent investigation ("Internal Investigation"), which initially focused on the facts under investigation by the Belo Horizonte's Civil Police ("Minas Gerais Investigation"), and was later expanded to cover the facts investigated in the "E o Vento Levou" Operation.*

*The Internal Investigation was completed on this date and no concrete evidence of acts of corruption or diversion to political campaigns have been identified. However, the independent investigators found irregularities in business conduct and contract effectiveness by the Company, those occurred between 2014 and 2018, including (i) payments with no evidence of consideration for services, those were rendered in the global amount of approximately R\$ 40 million, (ii) payments in disagreement with the company's internal policies and good governance practices, gathering the global amount of approximately R\$ 137 million, and (iii) failures in the Company's internal controls.*

*In response to the irregularities detected and based on the Committee and the legal advisors hired by the Company's recommendations, the Company's Board of Directors decided on this date to take all acts necessary to preserve the Company's rights, to continue with the measures aimed at obtaining compensation for losses caused to the Company and to strengthen the Company's internal controls.*

*In addition, the Company's Management, with a specialized recruitment consulting agency, is in the process of hiring a Governance, Risk and Compliance Officer who will be responsible, among other duties, for ensuring the Company's internal controls and procedural compliance as well as mitigating risks in the Company's activities, including, but not limited to, the risks of the Company being used to commit illicit acts or being a means to carry out deviations of values to third parties, ensuring adherence to laws, rules, standards and regulations.*

*These measures complement management's attitudes towards strengthening its governance and compliance program and reinforce the Company's commitment to investigations by government authorities.*

*As the Internal Investigation did not aim to evaluate the impacts of the irregularities found in the Company's individual and consolidated financial statements, the Company's Executive Board, together with specialized advisors, will conduct this study based on evidence obtained by independent investigators. Once identified, any accounting impacts will be recognized in the Company's financial statements and disclosed to shareholders and the market in general.*

*The Company has information that the police investigations of Operation "E o Vento Levou" and the Mining Investigation have not yet been concluded, and government authorities may take additional time to conclude all their fact-finding procedures. In this way, new relevant information may be revealed in the future.*

*The Company is available to assist in any way necessary with the work of government authorities. Should a criminal action be filed against agents who have harmed the Company, Renova intends to assist the prosecution in possible criminal proceedings and, subsequently, request civil compensation for the damages suffered.*

*The Company reiterates its commitment to keep shareholders and the market in general duly and timely informed in accordance with applicable legislation, and the investor relations area is at your disposal to provide any clarifications that may be necessary, by calling (+55 11) 3509-1143 and through the channel [ri@renovaenergia.com.br](mailto:ri@renovaenergia.com.br).”*

Belo Horizonte, February 20, 2020.

**Maurício Fernandes Leonardo Júnior**  
Chief Finance and Investor Relations Officer