

POLICY ON REMUNERATION OF EXECUTIVE OFFICERS OF THE CEMIG GROUP

1. INTRODUCTION

The Policy for Remuneration of Executive Officers of the Cemig Group establishes directives for fixed and variable remuneration of the members of the Executive Boards of Cemig and its subsidiaries, in accordance with the by-laws of those companies, based on the Long-term Strategy, the Multi-year Business Plan, and the Annual Budget.

2. DEFINITIONS

2.1 The following definitions apply in this Policy:

2.1.1 **Executive Board** (*Diretoria Executiva*):

The Executive Board is a committee body comprising the statutory directors, also referred to as Executive Officers, who are elected by the Board of Directors in accordance with the Company's by-laws.

2.1.2 **Fixed compensation** (*Remuneração Fixa – 'RF'*):

Payment made in accordance with the rules specified in this Policy. Its purpose is to provide direct compensation of services provided, in line with market practices.

2.1.3 **Variable Compensation** (*Remuneração Variável – 'RVA'*):

Bonus or extra compensation to members of the Executive Board, dependent on delivery of measurable results for a given period which lead to the success of the Company.

2.1.4 **Indicators and targets** (*Indicadores e Metas*) **for the year**:

These are approved by the Board of Directors, based on the Long-term Strategy, the Multi-year Business Plan, and the Company's Annual Budget.

3. OBJECTIVE AND SCOPE

3.1 This Policy governs the form of the RF and the RVA of the Executive Officers of Cemig and, when applicable, its subsidiaries, aligning their interests and objectives with those of the Company.

4. PRINCIPLES AND GUIDELINES

4.1 The principles and directives that guide this Policy include the following:

4.1.1 Application of technical criteria for recognition of value, and meritocracy, in the compensation of the Executive Officers of Cemig and its subsidiaries.

4.1.2 Maintenance of internal and external standards for balance in relation to best practices adopted by the market.

4.1.3 Assumption of risks that ensure the sustainability of the companies in the long term.

4.1.4 Compensation compatible with the responsibilities of each position, proportional to the scale, stockholders' equity and results of the companies.

5. GENERAL PROVISIONS

- 5.1 The amount allocated to the RF and RVA of the Executive Board is specified as the Global Annual Compensation of the Managers, which is set by the Annual General Meeting, in accordance with the Brazilian Corporate Law.
- 5.2 Fixed compensation:
- 5.2.1 The members of the Executive Boards are entitled to the monthly RF as set by the Annual General Meetings of the Companies.
 - 5.2.2 The RF of the Executive Officers shall take into account market surveys of companies of the same nature and size.
 - 5.2.3 The RF compensates the function carried out and the group of responsibilities, and shall reflect the experience and skills necessary for the post.
 - 5.2.4 The maximum limit of the RF of the Executive Officers of the wholly-controlled and other subsidiaries of Cemig is equal to the RF of the Executive Officers of Cemig.
- 5.3 Variable Compensation:
- 5.3.1 The members of the Executive Board of Cemig and its subsidiaries, as applicable, are entitled to the annual RVA on the basis of performance as a reward for the results of the Company.
 - 5.3.2 The value of the RVA should result from compliance with annual targets established in Targets Contracts decided by the Board of Directors of each company.
 - 5.3.3 The Target Contracts shall comprise performance indicators specified in the Multi-year Business Plan and in the Annual Budget of the companies for the year in question.
 - 5.3.4 The performance indicators of the Targets Contracts shall be monitored in accordance with the frequency of calculation of each indicator, according to table specified in the RVA Program of the Executive Officers, and monitored in the monthly meetings of the Executive Board, and the quarterly meetings of the Board of Directors.
 - 5.3.5 The RVA for the companies shall be calculated in accordance with the RVA Program for the Executive Officers.
 - 5.3.6 The RVA Program for the Executive Officers shall be submitted for decision of the Board of Directors by the end of each business year, to be in effect in the next business year.

6. FINAL PROVISIONS

- 6.1 Any alteration or revision of this Policy must be submitted to Board of Directors of Cemig.
- 6.2 Any cases of omission are also be decided by the Board of Directors of Cemig.

ADÉZIO DE ALMEIDA LIMA
Chair of the Board of Directors