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## CEMIG GERAÇÃO E TRANSMISSÃO S.A.

### BYLAWS

#### CHAPTER I

##### **Name, constitution, purpose, headquarters and duration of the Company**

Article 1 – Cemig Geração e Transmissão S.A. is a corporation established as a wholly-owned subsidiary of government-controlled Companhia Energética de Minas Gerais S.A. (“CEMIG”), which shall be governed by these Bylaws and applicable legislation.

Article 2 - The purpose of the Company is to:

- a) study, plan, project, build, operate and explore electricity generation and transmission systems, as well as trade electricity, including retail energy and related services that have been granted, or may be granted in the future, as entitled by law, or granted to companies in which the Company hold a controlling interest;
- b) develop activities in various energy fields, in any of its sources, aimed at economic and commercial exploration;
- c) provide consulting services, within the scope of its area of operation, for companies in Brazil and abroad; and
- d) perform activities directly or indirectly related to its corporate purpose.

Sole Paragraph - The activities provided for in this article may directly be performed by the Company or by companies created by the Company, or even by companies in which the Company may hold majority or minority interests, as resolved by CEMIG’s Board of Directors, pursuant to Article 2 of Minas Gerais State Law 8,655, of September 18, 1984, with wording given by State Law 15,290, of August 4, 2004, and prior authorization granted by the Brazilian Electricity Regulatory Agency - ANEEL.

Article 3 - The Company’s headquarters is located in the City of Belo Horizonte, State of Minas Gerais, Brazil, at Av. Barbacena, 1200, 12º andar, ala B1, Bairro Santo Agostinho, and it may open offices, representations, and any other establishments in the country and abroad, as authorized by its Executive Board.

Article 4 - The Company’s duration is indefinite.

#### CHAPTER II

##### **Share Capital**

Article 5 - The Company’s Share Capital is R\$5,473,723,629.09 (five billion, four hundred and seventy-three million, seven hundred and twenty-three thousand, six hundred and twenty-nine reais and nine centavos), represented by 2,896,785,358 (two billion, eight hundred and ninety-six million, seven hundred and eighty-five thousand, three hundred and fifty-eight) registered common shares, with no par value.

Sole Paragraph - Each common share shall be entitled to 1 (one) vote in the resolutions of the Company’s General Shareholders’ Meetings.

Article 6 – The Company’s Share Capital may be increased up to the limit of 10% (ten percent) of the share capital, established in the Bylaws, regardless of statutory reform and after being resolved by the Board of Directors, with prior assessment by the Audit Board.

Sole Paragraph – In addition to the other conditions relating to the issuance of new shares, the Board of Directors shall be responsible for setting the number of shares to be issued, the share price and the payment terms and conditions.

#### CHAPTER III

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## **General Shareholders' Meeting**

Article 7 – CEMIG, as the Company's sole shareholder, has full powers to decide on all business relating to the Company's corporate purpose and adopt the resolutions deemed necessary to protect its interests and development, and the General Shareholders' Meeting shall meet ordinarily, within the first 4 (four) months of the year, to resolve on the purposes specified by law, and extraordinarily as needed, with the meetings being convened with a minimum advance notice of 15 (fifteen) days informing the date, address, and matters to be resolved.

Sole Paragraph – When legal requirements have different provisions regarding the minimum advance notice, they shall prevail.

## **CHAPTER IV Management**

Article 8 – The Company's management will be run by the Board of Directors and the Executive Board, which will act in accordance with applicable law and these Bylaws.

Paragraph 1 - The positions of the Board of Directors and the Executive Board of subsidiaries and/or affiliates, whose filling is the responsibility of the Company, shall be appointed according to criteria and the eligibility and evaluation policy approved by the Board of Directors.

Paragraph 2 - The positions of the Committees supporting the Board of Directors of subsidiaries and affiliates, whose appointment is the responsibility of the Company, will be filled as per own charters, to be approved by the Boards of Directors of the respective subsidiaries and affiliates.

Paragraph 3 – Members of the Company's Executive Board and the Board of Directors who are also part of CEMIG's management bodies are prohibited from receiving compensation.

Paragraph 4 - The Board of Directors and the Executive Board, in the running of the Company, the other wholly-owned subsidiaries, the subsidiaries, the affiliates and the consortia in which they directly or indirectly participate shall observe the provisions of the Company's Long-Term Strategy.

Paragraph 5 - The Long-Term Strategy shall contain the basis, goals, objectives, and results to be pursued and achieved in the long term by the Company, reflecting its dividend policy and respecting the commitments and requirements established in Article 8, Paragraph 7, of these Bylaws.

Paragraph 6 – The Company's Multi-Year Business Plan shall reflect the assumptions of its Long-Term Strategy, with goals for a period of 5 (five) years, including the Annual Budget.

Paragraph 7 – The Long-Term Strategy, the Multi-Year Business Plan and the Annual Budget shall be reviewed annually by the Executive Board and forwarded for deliberation, until the date of the last ordinary Board of Directors' meeting held in the previous year, pursuant to applicable legislation.

Paragraph 8 – The Executive Board shall observe and comply with the goals and limits relating, in particular, to debt, liquidity, rates of return, investment and regulatory framework established by the Board of Directors.

Paragraph 9 – In cases in which the Company holds equity interests but does not hold the shareholding control, it shall adopt corporate governance and control practices proportional to the relevance, materiality, and risks of the business.

Paragraph 10 – The Long-Term Strategy, the Multi-Year Business Plan and the Annual Budget will be reflected in all the plans, projections, activities, strategies, investments and expenses of

the Company, its wholly-owned subsidiaries, subsidiaries, affiliates and consortia in which they directly or indirectly participate.

Paragraph 11 – The global or individual remuneration for the Board of Directors, the Executive Board and the Audit Committee shall be established at the General Shareholders' Meeting, pursuant to applicable legislation, and the Company is prohibited to pay profit sharing, in any form, to the members of the Audit Committee and the Board of Directors, except to the member representing the employees.

Paragraph 12 – Aimed at bringing enhancements to the Company, the members of its Management and committees must undergo individual and collective performance evaluation on an annual basis, observing the following minimum requirements:

- a) provide a description of the acts carried out by Management, including the legality and effectiveness of the administrative acts;
- b) describe how the members contributed to the result achieved during the year; and
- c) describe if the members achieved the goals established in the Multi-Year Business Plan and if they complied with the Long-Term Strategy and the Annual Budget.

Paragraph 13 – The members of the Company's Management may only take office after subscribing with applicable legal and regulatory terms and documents. Mandates may only be exercised after requirements, prohibitions, and obligations established in applicable legislation and regulations have been observed.

## **Section I**

### **Board of Directors**

Article 9 – The Company's Board of Directors shall be comprised of 9 (nine) members, with 1 (one) member acting as the Chair and 1 (one) member as the Vice Chair.

Paragraph 1 – The Board of Directors members shall be elected and dismissed, at any time, by the General Shareholders' Meeting for a unified term of office of 2 (two) years, with the possibility of a maximum of 3 (three) consecutive reelections, subject to the requirements and limits established in the legislation and applicable regulations.

Paragraph 2 – The Company's Board of Directors members must be the same members sitting on the Board of Directors of CEMIG, with unified terms of office from beginning to end and observing the same applicable rules and limits, but receiving remuneration for just one of the board positions.

Paragraph 3 – Notwithstanding the impediments and prohibitions provided in these Bylaws, the Board of Directors member representing employees shall not participate in discussions and resolutions on matters involving relations with labor unions, remuneration, benefits, and advantages, including supplementary private pension plans and assistance, as well as in other matters that may give rise to a conflict of interest.

Paragraph 4 – The positions of Chair of the Board of Directors and Chief Executive Officer of the Company may not be accumulated by the same person.

Paragraph 5 – The Board of Directors members may carry out other remunerated activities, provided there is no incompatibility of schedules and/or conflict of interests.

Paragraph 6 – The Board of Directors may delegate powers to the Executive Board to approve and sign legal transactions related to ordinary management acts, including the trading of electricity and the provision of transmission services.

Article 10 – In the event of a vacant position on the Board of Directors, the first General Shareholders' Meeting following the date of vacancy will elect a new member, for the term that remains from the previous Board member.

Article 11 - The Board of Directors shall meet, ordinarily and pursuant to its Charter, at least once every month to analyze the results of the Company, its wholly-owned subsidiaries, subsidiaries and affiliates, and resolve on other matters of the meeting's agenda, and shall meet extraordinarily as convened by its Chair, Vice Chair, one third of its members, or when requested by the Executive Board.

Paragraph 1 – The Board of Directors' meetings shall be called by its Chair or Vice Chair by written notice or electronic correspondence, which must be sent 10 (ten) days in advance, containing the agenda with the matters to be discussed, and the call notice is waived in the event all Board members attend the meeting. The Board of Directors' meeting may be called, on an urgent basis, by its Chair without observing the previously mentioned deadline, informing the other members of the Board of Directors.

Paragraph 2 – The resolutions of the Board of Directors will be taken by the majority of votes of the attending members, and the Chair will have the right to a tie-breaking vote, as necessary.

Article 12 – The Chair of the Board of Directors is responsible for granting leave of absence to its members, while the other members are responsible for granting leave of absence to the Chair.

Article 13 – The Chair and Vice Chair of the Company's Board of Directors shall be the same members elected to CEMIG's Board of Directors, in which the Vice Chair has the responsibility of replacing the Chair in the event of his/her absence or impediment.

Article 14 – The Board of Directors shall be responsible for:

- a) determining the general direction of the Company's businesses;
- b) electing, dismissing, and evaluating the Company's Executive Board members, under applicable legislation and in compliance with these Bylaws;
- c) approving the related-party transaction policy;
- d) resolving, as proposed by the Executive Board, on the disposal or constitution of real guarantees over the Company's fixed assets, as well as on the Company providing guarantees to third parties, with individual amounts equivalent to or greater than 1% (one percent) of CEMIG's net equity;
- e) resolving, as proposed by the Executive Board, on the Company's investment projects, signing of contracts and other legal documents, hiring of loans, financing and any other obligation on behalf of the Company which, individually or jointly, have amounts equivalent to or greater than 1% (one percent) of CEMIG's net equity, including investments in wholly-owned subsidiaries, subsidiaries and affiliates, as well as consortiums in which it participates;
- f) convening the General Shareholders' Meeting;
- g) supervising the Executive Board's management, examining, at any time, the Company's books and documents, requesting information on contracts signed or to be signed, or any other corporate acts deemed necessary;
- h) expressing an opinion, in advance, on the Management's report and accounts of the Executive Board;
- i) electing and dismissing the Company's independent auditors among internationally renowned firms authorized by the Brazilian Securities and Exchange Commission to audit publicly-held companies, after consulting the Audit Committee;
- j) authorizing, as proposed by the Executive Board, the initiation of an administrative bidding process or the exemption or non-enforceability of a bidding process, and the corresponding contracts, with amounts equivalent to or greater than 1% (one percent) of CEMIG's net equity or above R\$100,000,000.00 (one hundred million reais), adjusted annually by the IPCA index, if positive;
- k) authorizing, as proposed by the Executive Board, the filing of legal lawsuits, administrative proceedings, and the signing of legal and out-of-court agreements with amounts equivalent to or greater than 1% (one percent) of CEMIG's net equity;
- l) authorizing the issuance of securities, in the domestic or foreign market, to raise funds through non-convertible debentures, promissory notes, and commercial papers, among others;

- m) approving the Long-Term Strategy, Multi-Year Business Plan and the Annual Budget, including their amendments and revisions;
- n) establishing, on an annual basis, the guidelines and limits, including financial, for personnel expenses, considering benefits and collective agreements, without prejudice to the competence attributed to the General Shareholders' Meeting and in accordance with the Annual Budget;
- o) authorizing the exercise of preemptive rights and the shareholders' agreements, or the casting of votes in wholly-owned subsidiaries, subsidiaries and consortiums in which the Company participates;
- p) approving participations in the share capital, the formation and the closing down of any companies, ventures or consortiums;
- q) approving, pursuant to the provisions in its Charter, the establishment of advisory committees to the Board of Directors, whose opinions or deliberations are not mandatory for matters to be resolved within the scope of the Board of Directors;
- r) monitoring the activities carried out by the internal audit;
- s) discussing, approving, and monitoring decisions involving the Company's corporate governance practices, relationships with stakeholders, the people management policy, and the code of conduct;
- t) ensuring that risk management and internal control systems are implemented and monitored, aimed at preventing and mitigating the main risks to which the Company is exposed, including risks related to the integrity of accounting and financial information and the occurrence of corruption and fraud;
- u) establishing a disclosure policy to mitigate the risk of contradiction between the Company's different areas and its Management;
- v) issuing an opinion on the increase in the number of its own members, on the granting of benefits and advantages, on the review of job plans, salaries and careers, including changes in amounts paid as remuneration for commissioned or free positions, and the remuneration of the Executive Board members;
- w) appointing and dismissing, for duly motivated reasons, the head of the Internal Audit area, chosen among the Company's career employees;
- x) electing, at the first Board of Director's meeting held after the General Shareholders' Meeting, the Audit Committee members, who can be dismissed, for dully motivated reasons, at any time, by the absolute majority of votes of the Board of Directors members;
- y) promoting, on an annual basis, an analysis of the goals and results achieved within the scope of the Multi-Year Business Plan and the Long-Term Strategy, disclosing the outcomes and reporting them to the Legislative Assembly of Minas Gerais and the Court of Auditors of the State of Minas Gerais; and
- z) approving, under the terms of these Bylaws, the supplementary policies, including the policy for participating in equity holdings.

Sole Paragraph – The financial limits for resolutions taken by the Board of Directors, corresponding to a percentage of CEMIG's net equity, shall come automatically into effect with the approval of the financial statements of each fiscal year.

## **Section II**

### **Executive Board**

Article 15 – The Executive Board shall be comprised of 7 (seven) members, shareholders or not, all of whom must reside in Brazil, elected by the Board of Directors for a term of office of 2 (two) years, with the possibility of a maximum of 3 (three) consecutive reelections, subject to the requirements and limits established in the legislation and applicable regulations.

Paragraph 1 – The Executive Board members must be members of the Executive Board of CEMIG, and the Vice Presidency, without specific designation, must also be occupied by CEMIG's Vice President of Distribution.

Paragraph 2 - The Executive Board members shall remain in their positions until their duly elected successors take office.

Paragraph 3 – The Executive Board members may carry out other remunerated activities, provided there is no incompatibility of schedules and conflict of interests, and they are not in companies belonging to “Grupo CEMIG”.

Paragraph 4 – The Executive Board members, who are not employees or who have a suspended employment contract, shall be entitled to an annual paid leave, for a period not exceeding 30 (thirty) days, on a non-cumulative basis, in addition to being paid one third of their current monthly compensation.

Paragraph 5 – The Board of Directors may authorize the hiring of non-statutory Executive Officers.

Article 16 – In the event of absence, authorized leave, vacancy, impediment, or resignation of Executive Board members, it may, upon approval by the majority of its members, assign another member of the Executive Board to fill the respective vacant position on a temporary basis during the remaining period of said vacancy.

Sole paragraph – The Executive Board member elected shall fill the vacant position for the remaining term of office of the person being replaced.

Article 17 - The Executive Board shall meet ordinarily, at least twice a month and, extraordinarily as needed, with the meetings being convened by the Chief Executive Officer or 2 (two) Vice-Presidents, by means of a written notice, electronic correspondence, or any other digital means, with a minimum advance notice of 2 (two) days in advance, which, however, will be waived if all Executive Board members are present. The resolutions of the Executive Board will be taken by the majority of votes of its members, and the Chief Executive Officer will have the right to a tie-breaking vote, as necessary.

Article 18 – The Executive Board shall be responsible for the Company’s current Management, in compliance with the Long-Term Strategy, the Multi-Year Business Plan and the Annual Budget, which are prepared and approved according to these Bylaws.

Paragraph 1 – The Multi-Year Business Plan shall consist of plans and projections for a period of 5 (five) fiscal years and must be updated, at most, once a year, addressing the following matters, among others:

- a) the Company's strategies and actions, including any project related to its corporate purpose;
- b) new investments and business opportunities, including those of wholly-owned subsidiaries, subsidiaries, and affiliates of the Company, as well as consortiums in which it participates;
- c) amounts to be invested or originating from its own or third-party resources; and
- d) return rates and profits to be obtained or generated by the Company.

Paragraph 2 – The Annual Budget shall reflect the Multi-Year Business Plan and, consequently, the Long-Term Strategy, and must provide details for operational revenues and expenses, costs and investments, cash flow, amounts to be allocated as dividends, investments using own or third-party resources, and other data deemed necessary by the Executive Board.

Paragraph 3 – The Long-Term Strategy, the Multi-Year Business Plan and the Annual Budget shall be:

- a) prepared under the coordination of the Chief Executive Officer, with all Vice Presidents participating in the process;
- b) prepared and updated on an annual basis, by the end of each fiscal year, coming into effect in the following fiscal year; and
- c) submitted to analysis by the Executive Board and for subsequent approval by the Board of Directors.

Paragraph 4 – The Executive Board shall be responsible for deliberating on the following matters:

- a) approving the Company's organization plan and issuing its corresponding rules and respective alterations;

- b) examining the Long-Term Strategy and the Multi-Year Business Plan, including their revisions, schedules, amounts, and allocation of planned investments, submitting them for approval by the Board of Directors;
- c) examining the Annual Budget, which must reflect the Multi-Year Business Plan in force, including its revisions, submitting it for approval by the Board of Directors;
- d) resolving on the relocation of investments or expenses included in the Annual Budget that, individually or jointly, during the same financial year, are equivalent to less than 1% (one percent) of CEMIG's net equity, subsequently readjusting the goals approved, always in observance of the Multi-Year Business Plan, the Long-Term Strategy and the Annual Budget;
- e) approving the disposal or constitution of real guarantees over the Company's fixed assets, as well as on the Company providing guarantees to third parties, with amounts equivalent to less than 1% (one percent) of CEMIG's net equity;
- f) authorizing the Company's investment projects, signing of contracts and other legal documents, hiring of loans, financing and any other obligation on behalf of the Company, according to the approved Annual Budget, which, individually or jointly, have amounts lower than 1% (one percent) of CEMIG's net equity, including contributions to wholly-owned subsidiaries, subsidiaries and affiliates, and consortiums in which it participates;
- g) authorizing the initiation of an administrative bidding process or the exemption or non-enforceability of a bidding process, and the corresponding contracts, with amounts that are up to 1% (one percent) of CEMIG's net equity, limited to R\$100,000,000.00 (one hundred million reais), adjusted annually by the IPCA index, if positive;
- h) authorizing the filing of legal lawsuits, administrative proceedings, and the signing of legal and out-of-court agreements with amounts lower than 1% (one percent) of CEMIG's net equity;
- i) approving the appointment of the Company's own employees to exercise management positions, upon proposal from the responsible Vice President, observing the provisions of article 19, section I, item "h";
- j) authorizing personnel expenses, agreements and other collective bargaining instruments, respecting the matters that need approval by the General Shareholders' Meeting, guidelines, and limits approved by the Board of Directors and the Annual Budget;
- k) examining and resolving on the hiring of external consultants, as requested by any member of the Executive Board, in compliance with the provisions of article 14, item "j", and article 18, paragraph 4, item "g";
- l) formulating, for resolution by the Board of Directors or the General Shareholders' Meeting, policies that complement these Bylaws, including equity holdings; and
- m) approving nominations for the positions on the Boards of Directors, Fiscal Councils and Executive Boards of the wholly-owned subsidiaries, subsidiaries, affiliates, and the consortiums in which the Company participates.

Paragraph 5 – Acts required for the Company's regular functioning and the signing of contracts and other legal documents must be carried out by the Chief Executive Officer jointly with one Vice President, or by two Vice Presidents, or by a duly appointed representative.

Paragraph 6 – The granting of powers of attorney must be done by the Chief Executive Officer jointly with one Vice President, except for the requirement defined in Article 19, Section I, Item "c", which provides only for the signature of the Chief Executive Officer.

Paragraph 7 – Subject to the provisions of these Bylaws, the Executive Board may delegate powers to approve and sign legal transactions related to ordinary management acts for each business unit, including the trading of electricity.

Paragraph 8 – The financial limits for resolutions taken by the Executive Board, corresponding to a percentage of CEMIG's net equity, shall come automatically into effect with the approval of the financial statements of each fiscal year.

Paragraph 9 – Within the limits of its responsibilities and powers, the Executive Board may formally assign powers to employees of subordinate levels, by establishing technical committees with decision-making capacity on specific matters.

Article 19 – Subject to the provisions established in the preceding articles, and according to good corporate governance practices, each Executive Board member shall be responsible for complying and enforcing compliance with these Bylaws, the resolutions taken at the General Shareholders' Meetings and by the Board of Directors, the Charter and resolutions of the Executive Board, which shall have the following responsibilities, among others:

I - Chief Executive Officer:

- a) to coordinate and administer the Company's activities and all strategic and institutional activities of affiliates, subsidiaries and consortiums of which the Company is part;
- b) to coordinate the preparation, consolidation and implementation of the Long-Term Strategy and the Multi-Year Business Plan of the Company, its affiliates and subsidiaries, in the case of the latter, along with the executive officer in charge, and, in both cases, together with the Vice Presidents;
- c) to legally represent the Company, actively and passively;
- d) to sign, jointly with one of the Vice Presidents, the documents for which the Company is responsible;
- e) to present the annual business report to the Board of Directors and the General Shareholders' Meeting;
- f) to hire and dismiss the Company's personnel;
- g) to be in charge of the Strategic Planning, Compliance, and Corporate Risk Management activities;
- h) to propose to the Executive Board, jointly with the responsible Vice President, nominees for the Company's management positions;
- i) to propose nominees for the Management and Fiscal Council positions of wholly-owned subsidiaries, subsidiaries, affiliates and consortiums of which the Company is part, as well the statutory bodies of Fundação Forluminas de Seguridade Social – Forluz and Cemig Saúde, prior to assessment from the responsible Vice President;
- j) to coordinate the people management policy and actions of the Company, its wholly-owned subsidiaries and subsidiaries;
- k) to coordinate and manage processes and activities related to communication and institutional relations, both externally and internally, within the scope of the Company, wholly-owned subsidiaries and subsidiaries;
- l) to plan and provide for activities related to the supply of materials and services, infrastructure, information technology, telecommunications, and transactional services; and
- m) to manage processes and activities concerning the regulation of the national electricity sector and other related regulated sectors, both internally and externally.

II – The Vice President of Finance and Investor Relations Officer shall be responsible for: managing processes and activities related to the financial and investor relations areas.

III – The Vice President of Legal Affairs shall be responsible for: planning, coordinating, and managing the legal activities of the Company and its wholly owned and controlled subsidiaries, including the activities for the General and Governance Department.

IV – The Vice President without specific designation shall be responsible for: carrying out the appropriate acts provided by applicable legislation and these Bylaws.

V - The Vice President of Cemig Geração e Transmissão shall be responsible for: managing electricity generation and transmission processes and activities.

VI – The Vice President of Trading shall be responsible for: managing the processes and activities related to the trading of energy and the use of the electric power system, market planning, and commercial relationships in the free contracting environment.

VII - Vice President of Equity Holdings shall be responsible for: managing the processes and activities related to the monitoring of management of wholly-owned subsidiaries of the Company, except for Cemig GT and Cemig D, subsidiaries, affiliates, trading and implementation of



partnerships, consortiums, associations and special purpose entities, observing the policy for participating in equity holdings.

Paragraph 1 – As for affiliated companies, the Executive Board members shall carry out their activities under the terms of their respective bylaws or shareholder’s agreements.

Paragraph 2 – The powers to sign contracts and other legal documents and to constitute any obligation on behalf of the Company granted to the Executive Board members under the terms of this article shall not exclude powers of the Executive Board and the Board of Directors, as applicable, nor the need to comply with the provisions of these Bylaws regarding the financial limits and the need to obtain prior authorizations from the Administrative bodies, as applicable.

Paragraph 3 – In addition to exercising the duties set forth in these Bylaws, each Executive Board member shall be responsible for ensuring cooperation, assistance, and support to the other members within the scope of their respective responsibilities, aimed at achieving the Company’s goals and its greater interests.

Paragraph 4 – Each Executive Board member shall be responsible, within the scope of their individual roles, for promoting actions required for the compliance and effective implementation of the occupational safety policies approved by the Company.

Paragraph 5 – The individual duties of each Executive Board member will be established specifically in the Charter, and they shall be responsible for, among others:

- a) submitting to the Executive Board, for approval, or forwarding to the Board of Directors or the General Shareholders’ Meeting, approval for legal transactions related to their areas of activity;
- b) proposing, implementing and managing occupational safety policies within the scope of their activities;
- c) disclosing, at least once a year and within the scope of the Executive Board, performance reports related to the activities coordinated and monitored by them; and
- d) representing the Company before the market, regulatory bodies, associations, and other related entities in the electricity sector, including regulation and inspection agents.

### **Section III**

#### **Audit Committee**

Article 20 – The Audit Committee is a permanent and independent body, with its own budget, with the purpose of advising and reporting directly to the Board of Directors, being also responsible for carrying out other activities attributed by applicable legislation.

Paragraph 1 – The Audit Committee will operate under a shared regime between the Company and CEMIG, pursuant to applicable legislation and CEMIG’s Bylaws.

Paragraph 2 - The Audit Committee shall be comprised of 4 (four) members, most of whom are independent, appointed, and elected by the Board of Directors at the first meeting held after the General Shareholders’ Meeting, for a term of office of 3 (three) years, not overlapping, with the possibility of 1 (one) re-election.

Paragraph 3 - In the first election of the members of the Audit Committee, 1 (one) of the members, exceptionally, shall be elected for a term of office of 2 (two) years.

Paragraph 4 – The minutes of the Audit Committee meetings, which shall be held every two months, must be disclosed, except if the Board of Directors considers that said disclosure could put at risk the Company’s legitimate interests, in which case only the extract of the meeting will be disclosed.

Paragraph 5 – The restriction provided for in Paragraph 4 shall not apply to the control and supervisory bodies to which the Company, its wholly-owned subsidiaries and subsidiaries are

subject, which will have full and unrestricted access to the content of the minutes of the Audit Committee's meetings, subject to the required confidentiality.

Paragraph 6 – The internal control by the State Comptroller General over the Company shall be of ancillary nature, subject to the principles of motivation, reasonableness, adequacy, and proportionality, and must be compatible with the responsibilities of the Internal Audit and the Audit Committee.

Paragraph 7 - The Board of Directors members who are cumulatively part of the Audit Committee shall receive, exclusively, remuneration for the latter role.

Article 21 – The Audit Committee may exercise its duties and responsibilities jointly with CEMIG's wholly-owned and controlled subsidiaries who also adopt a sharing regime for the Audit Committee.

Article 22 – The Audit Committee shall be responsible for:

- a) issuing an opinion on the hiring or dismissal of independent auditors;
- b) overseeing the activities of the independent auditors, so as to assess their independence, the quality of the services provided, and if said services meet the Company's needs;
- c) overseeing the work carried out by the internal control area, the internal audit, and the preparation of the financial statements;
- d) monitoring the quality and integrity of the internal control mechanisms, the financial statements, and the information and measurements disclosed by the Company;
- e) assessing and monitoring the Company's risk exposures, with the right to request, among others, detailed information on policies and procedures relating to management compensation, use of assets, and expenses incurred on behalf of the Company;
- f) assessing and monitoring, jointly with management and the internal audit area, the adequacy of related-party transactions;
- g) preparing an annual report with information on its activities, results, conclusions, and recommendations, recording, if any, material divergences between Management, independent auditors, and the Audit Committee relating to the financial statements;
- h) assessing the reasonableness of the parameters used for actuarial calculations, as well as the actuarial result for benefit plans maintained by the pension fund when the Company is the sponsor of a closed supplementary private pension entity;
- i) providing an opinion so as to assist shareholders in nominating executive officers, members of advisory committees to the Board of Directors, and members of the Fiscal Council on the fulfillment of requirements and the absence of prohibitions for the respective elections; and
- j) verifying compliance of the assessment process of the executive officers, members of advisory committees to the Board of Directors, and members of the Fiscal Council.

Sole Paragraph – In the event the Company establishes an eligibility and evaluation committee, the responsibilities described in items “i” and “j” of this article shall be transferred to this body.

Article 23 – The Statutory Audit Committee has operational autonomy to conduct and determine consultations, evaluations and investigations within the scope of its activities, including for the hiring and use of independent external specialists.

Sole Paragraph – The Audit Committee must have the means to receive internal and external complaints, including confidential ones, related to the Company and within the scope of its activities.

## **CHAPTER V**

### **Control Areas**

Article 24 – The control areas include internal auditing, compliance and corporate risk management.

Sole Paragraph – Control areas must act independently, with the prerogative of reporting directly to the Board of Directors, as applicable, pursuant to applicable legislation.

Article 25 – The internal audit area, linked to the Board of Directors, is aimed at preparing the financial statements, also being responsible for assessing:

- a) the adequacy of internal controls and the effectiveness of risk management and governance processes; and
- b) the reliability of the processes involving collection, measurement, classification, accumulation, recording, and disclosing of events and transactions.

Article 26 – The compliance area, linked to the CEO Office, is responsible for:

- a) managing the Company's compliance program, through prevention, detection, and response to failures to comply with internal and external standards and misconduct; and
- b) coordinating and defining the methodology to be used for the management of internal controls.

Sole Paragraph – The head of the compliance area shall report directly to the Board of Directors when he/she suspects that the Company's CEO is involved in irregularities or avoiding the obligation to adopt necessary measures for situation reported to him/her.

Article 27 – The corporate risk management area, linked to the CEO Office and led by the Vice President, is responsible for:

- a) coordinating the mapping and management of the corporate risk portfolio;
- b) supporting the Company's other areas in adopting the definitions of the corporate risk policy and the risk appetite parameters defined by the Board of Directors; and
- c) defining the methodology to be used in corporate risk management and supporting other areas in its implementation.

Sole paragraph – The risk management area will periodically submit reports to the Audit Committee containing its observations and recommendations.

## **CHAPTER VI**

### **Audit Board**

Article 28 – The Company's Audit Board operates on a permanent basis and shall be comprised of 5 (five) sitting members and their respective alternates, all of whom are also members of CEMIG's Audit Board, elected for a term of office of 2 (two) years.

Paragraph 1 – The Chair of the Audit Board shall also be Chair of the Audit Board of CEMIG, who will convene and conduct the meetings.

Paragraph 2 – The members of the Company's Audit Board who are part of CEMIG's administrative bodies are prohibited from receiving remuneration.

Paragraph 3 - The Fiscal Council's positions of subsidiaries and/or affiliates, whose filling is the responsibility of the Company, shall be appointed according to criteria and the eligibility and evaluation policy approved by the Board of Directors.

Article 29 - In the event of resignation from the position, death or impediment, the sitting member of the Audit Board will be replaced with its respective alternative, until the new member is elected by the General Meeting.

Article 30 – The Audit Board shall be responsible for the attributions defined by applicable legislation, provided it does not conflict with Brazilian legislation, as well as the attributions defined by the laws of the countries in which the Company's shares are listed and traded, among them:

- a) supervising, through any of its members, the actions of the members of management and verifying the fulfillment of their legal and statutory duties;

- b) issuing an opinion on the management's annual report, including the supplementary information deemed necessary or useful for the resolution at a General Meeting;
- c) issuing an opinion on the proposals submitted by the management bodies for the General Shareholders' Meeting or the Board of Directors, as applicable, addressing matters such as changes in share capital, issuance of debentures or subscription warrants, investment plans or capital budgets, distribution of dividends, corporate reorganization, incorporation, merger or spin-off;
- d) reporting, by any of its members, to the management bodies and, if they do not take the necessary measures to protect the Company's interests, reporting to the General Shareholders' Meeting the errors, fraud or crimes discovered, suggesting measures that are useful for the Company;
- e) convening the General Shareholders' Meeting if the management bodies delay the call notice for more than 1 (one) month, and the Extraordinary Shareholders' Meeting for serious or urgent matters, including in the agenda of the Meetings the matters deemed necessary;
- f) analyzing, at least once every quarterly, the balance sheet and other financial statements prepared periodically by the Company;
- g) examining the financial statements for the fiscal year and issuing an opinion; and
- h) exercising these duties during liquidation, considering the special provisions that regulate said procedure.

Article 31 – The global or individual remuneration for the Audit Board members shall be set by the Shareholders' Meeting that elects said members, pursuant to applicable legislation.

## **CHAPTER VII**

### **Fiscal Year**

Article 32 - The fiscal year will coincide with the calendar year, ending on December 31 of each year, when financial statements will be prepared according to applicable legislation. Semi-annual or interim balance sheets may also be prepared for shorter periods.

Article 33 - From the profit for the year, accumulated losses, provision for income tax, social contribution on net profit, and, subsequently, profit sharing for employees and management will be deducted before any distribution.

Sole Paragraph - The net income calculated in each fiscal year shall be allocated as follows:

- a) 5% (five percent) to the legal reserve, up to the maximum limit provided for in law;
- b) at least 50% (fifty percent) shall be distributed, as a mandatory dividend, to the Company's only shareholder, subject to the other provisions of these Bylaws and applicable legislation; and
- c) the balance, after withholding the amounts allocated to investments foreseen in the capital budget and/or investment planning, according to the Company's Long-Term Strategy and the Multi-Year Business Plan, approved by the Board of Directors of Cemig GT, shall be distributed to CEMIG, its only shareholder, as dividends and/or interest on equity, subject to the availability of free cash.

Article 34 – Notwithstanding the mandatory dividend, the Company may declare, on an extraordinary basis, the payment of additional intermediate or interim dividends, subject to applicable legislation and at the discretion of the Board of Directors, to be attributed as a total or partial advance of the mandatory dividend for the current fiscal year.

Article 35 – The Board of Directors may decide to pay interest on equity, according to applicable legislation, as a total or partial replacement of the dividends referred to in the previous article, or as supplementary dividends, with the amounts paid or credited under such title being included in the amounts of dividends distributed by the Company for all legal purposes.

Article 36 - Mandatory or extraordinary dividends declared will 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, within these deadlines, will be responsible for determining the locations and payment processes.

Sole Paragraph - Dividends not claimed within 3 (three) years from the date they have been made available to shareholders will revert to the benefit of the Company.

Article 37 – The Company’s employees are entitled to receive profit sharing, under the criteria defined by the Executive Board based on the guidelines approved by the Board of Directors and the limits established by the General Shareholders’ Meeting, pursuant to applicable legislation.

## **CHAPTER VIII**

### **Management Responsibilities**

Article 38 – Management is accountable to the Company and third parties for their acts during the exercise of their duties, pursuant to applicable laws, regulations and these Bylaws.

Article 39 – The Company will ensure that members and former members of the Board of Directors, Audit Board, Executive Board and Audit Committee are able to defend themselves in legal and administrative proceedings, actively and passively, during or after their respective terms of office, related to facts or acts carried out during the exercise of their duties.

Paragraph 1 – The guarantee provided in the head section of this article extends to employees who were delegated or mandated by the Company’s Management to perform legal acts.

Paragraph 2 – The Company must hire civil liability insurance to cover procedural expenses, legal fees and indemnifications arising from the judicial and administrative proceedings referred to in the head section of this article, as approved by the Board of Directors.

Paragraph 3 – The insurance hired may also cover the defense of the insured parties in other spheres, provided the acts do not entail illegal acts or abuse of power.

Paragraph 4 – As an alternative to hiring or activating insurance claims, the Company may hire a specialized external legal firm to defend challenged acts whenever this option, which includes legal expenses and advisory fees, is cheaper than insurance.

Paragraph 5 – If a member of the Board of Directors, Audit Board, or Executive Board, or if a non-statutory Executive Officer or employee is convicted, with a final and unappealable decision, he/she must reimburse the Company for all costs, expenses, and losses incurred.

Paragraph 6 – The company shall issue a Comfort Letter to the members of the Board of Directors, Audit Board, Executive Board, Audit Committee, and non-statutory Executive Officers addressing the acts carried out in good faith, subject to legal provisions.

## **CHAPTER IX**

### **Resolution of Disputes**

Article 40 – The Company, its shareholders, Management, and Audit Board members undertake to resolve, through arbitration, preceded by mediation, before the Market Arbitration Chamber (CAM) of B3 S.A. – Brasil, Bolsa, Balcão or the FGV Chamber of Mediation and Arbitration, any dispute or controversy that may arise between them, related to or arising in particular from the application, validity, effectiveness, interpretation, violation and its effects, of the provisions contained in applicable legislation, the Company's Bylaws, in any shareholder’s agreements filed at the Company’s headquarters, the rules issued by the Brazilian Securities and Exchange Commission, as well as other rules applicable to the operation of the capital markets in general, in addition to those provided for in B3’s Level 1 Listing Regulation.

Sole Paragraph – Without prejudice to the validity of this arbitration clause, the request for urgent measures, prior to the constitution of the arbitration court, must be sent to the Judiciary Branch, observing the legal jurisdiction of the district of Belo Horizonte, State of Minas Gerais.

## **CHAPTER X**

### **Miscellaneous**

Article 41 – Admission to the Company's permanent workforce shall only take place upon approval in a public competition process.

Sole Paragraph – Employees are subject to applicable employment law and the Company's charters.

Article 42 – When signing contracts and other legal documents between the Company and related parties, including the State of Minas Gerais and CEMIG, the Company's related-party transaction policy must be observed.

Article 43 – The term “applicable legislation” provided for in these Bylaws includes regulatory rules, subject to the prevalence of Law over rules of an infra-legal nature.

Article 44 – Financial covenants currently in effect for the Company must be mentioned in the Company's debt and dividends policy, which must be approved by the General Shareholders' Meeting.

Article 45 – Policies complementary to these Bylaws, required by applicable legislation, must be approved by the Board of Directors, as proposed by the Executive Board.

Article 46 - Management, Fiscal Council members, and Audit Committee members must participate, upon taking office and on an annual basis, in specific training provided by the Company related to:

- a) corporate and capital market legislation;
- b) disclosure of information;
- c) internal control;
- d) code of conduct;
- e) Federal Law 12,846, of August 01, 2013;
- f) bidding process and contracts; and
- g) other matters related to the Company's activities.

Sole Paragraph – Members who have not participated in annual training sessions made available by the Company over the course of 2 (two) years are prohibited from being reelected.

Article 47 – For the purposes of the provisions of Article 17, Paragraph 2, Item IV, and Article 22, Paragraph 1, Item V, of Law 13,303, of June 30, 2016, and Article 26, Item IX, of State Decree 47,154, of February 20, 2017, the hiring of CEMIG and its wholly-owned subsidiaries for activities carried out under a natural monopoly, as a consumer, is not considered an impediment to nominate members for management positions, including independent members.

## **CHAPTER XI**

### **Temporary Provisions**

Article 48 – The rules relating to the members of the Board of Directors, Executive Board, Audit Board and Audit Committee specified in these Bylaws shall be applied to mandates initiating after the amendments to these Bylaws, reflecting the adaptation specified by Law 13,303/2016 and State Decree 47,154/2017.

Paragraph 1 – On an exceptional basis, the first term of office for the members of the Company's Board of Directors, Executive Board and Audit Board shall begin with the election held immediately after the approval of these Bylaws, ending at the 2020 Annual Shareholders' Meeting.

Paragraph 2 – For the purposes of Article 9, Paragraph 2, Article 15, and Article 28, the interregnum period between the last General Shareholders' Meeting held on April 30, 2018, and

the election immediately held after the approval of these Bylaws shall not classify as a new term of office.

Article 49 – Until the specific decisions are taken by the Board of Directors, the internal processes, organizational structure, names and terms being used by the Company on the date of approval of these Bylaws shall be maintained.

Article 50 – Any cases of omission in these Bylaws shall be resolved by the General Shareholders' Meeting, subject to applicable legislation.