

# **INTERNAL REGULATIONS OF THE BOARDS OF DIRECTORS**

## ***CHAPTER I***

### ***PURPOSE***

Clause 1 The purpose of these regulations is to specify rules for the working of the Boards of Directors of Companhia Energética de Minas Gerais – CEMIG, Cemig Distribuição S.A. (‘Cemig D’), and Cemig Geração e Transmissão S.A. (‘Cemig GT’) and for their relationship with the other corporate bodies, defining their responsibilities and attributions, subject to the by-laws of these companies, and subject also to Law 6404, of December 15, 1976, as amended, Law 13303, of June 30, 2016, as amended, and Minas Gerais State Decrees 47105, of December 16, 2016, and 47154, of February 20, 2017, and good corporate governance practices.

## ***CHAPTER II***

### ***COMPOSITION OF THE BOARD***

Clause 2 The Company’s Board of Directors has nine members, one being its Chair and one its Deputy Chair, and an equal number of alternate members, elected by the General Meeting of Stockholders, which may dismiss them at any time, for concurrent periods of two years. They may be reelected up to a maximum of three times.

§1 At least 25% (twenty five per cent) of the members must be independent members, or at least one, if there is a decision for the minority stockholders to exercise their option to use the multiple vote mechanism.

§2 The employees have the right to elect one member, under Law 12353 of December 28, 2010, as applicable.

§3 The structure and composition of the Boards of Directors of the wholly-owned subsidiaries Cemig D and Cemig GT shall be identical to those of the Board of Directors of Cemig.

**CHAPTER III**  
**TAKING OFFICE**

- Clause 3 The members of the Board shall take office upon signature of a Term of Investiture in the Book of Minutes of Meetings of the Board of Directors. Signature of the Manager's Term of Consent specified by the Regulations of Level I of the *Novo Mercado* of the B3 (São Paulo Stock Exchange) is a prior condition for investiture.
- §1 The members of the Board of Directors, including the representative of the employees, are subject to all the criteria, obligations, requirements, impediments and prohibitions specified in the legislation referred to in Clause 1 one of these Internal Regulations.
- §2 The members of the Board of Directors must participate, upon taking office and annually, in specific training courses made available by the Company.
- §3 Those who have not, in the preceding two years, participated in annual training made available by the Company, are prohibited from being re-appointed to their positions.
- Clause 4 The Chair and Deputy Chair of the Board of Directors shall be chosen by the members of that Board, at the first meeting of the Board of Directors that takes place after the election of its members.
- Clause 5 The members of the Board shall:
- I keep their personal information updated with the Company's Corporate Law and Governance Office (*Gerência de Direito Societário e de Governança*);
  - II supply a copy of their Identity Card, Individual Taxpayer Card (CPF), résumé and Statement of Assets; and
  - III make the statements required by the by-laws and by the legislation and regulations in force, including, but not limited to:
    - a) a declaration of non-impediment;
    - b) the statement of agreement to the Company's policies for disclosure of material information and trading in the Company's securities; and
    - c) the solemn undertaking and statement of confidentiality in relation to information referred to in the Code of Ethical Conduct of Government Workers and Senior Administration of the State of Minas Gerais.

## ***CHAPTER IV***

### ***IMPEDIMENTS, LEAVE, VACANCIES AND REPLACEMENTS***

- Clause 6 The Deputy Chair of the Board of Directors shall take the place of the Chair when the Chair is absent or impeded from exercising their function.
- Clause 7 In the event of a vacancy on the Board of Directors, the first subsequent General Meeting of Stockholders shall elect a new member, for the period of office that remained to the previous member.
- §1 In this event, if the previous board member was elected by a minority, the new member shall be elected by the same minority; and the same rule shall be obeyed for the member representing the employees.
- Clause 8 The Chair of the Board of Directors has the competency to grant leave to the Board's members, and the other members of the Board have the competency to grant leave to the Chair.

## ***CHAPTER V***

### ***COMPENSATION***

- Clause 9 The global or individual amount of the compensation of the Board of Directors shall be set by the General Meeting of Stockholders, in accordance with the legislation in effect. Payment of any type of percentage or other participation in the profits of the Company to members of the Board of Directors is not permitted, with the exception of the Board member representing the employees.
- §1 The members of the Board of Directors shall be remunerated only by Cemig.
- Clause 10 Board members who are resident outside the municipality of Belo Horizonte shall receive cost assistance to reimburse expenses of travel and accommodation necessary for attendance at meetings or for the carrying out of their functions, and this shall be set by the Ordinary (Annual) General Meeting of Stockholders.

## ***CHAPTER VI***

### ***COMPETENCIES AND DUTIES***

- Clause 11 The competencies and duties of the Board of Directors are specified in the by-laws.
- §1 The Board of Directors may confer delegation of powers to the Executive Board for approval and signature of legal transactions related to the ordinary acts of management, including sale of electricity, in accordance with the legislation in the by-laws.

## ***CHAPTER VII***

### ***MEETINGS***

Clause 12 The Board of Directors shall meet ordinarily at least once a month, to analyze the results of the Company and its wholly-owned and other subsidiaries, and affiliated companies, and to decide on other matters included on the agenda, in accordance with these Internal Regulations. It shall also meet extraordinarily, on convocation by its Chair, or its Deputy Chair, or one-third of its members, or when requested by the Executive Board.

§1 Before the beginning of each business year, the Chair of the Board shall propose the annual timetable of ordinary meetings.

Clause 13 Meetings of the Board of Directors shall be called by its Chair or Deputy Chair, with at least ten days' prior notice, in writing or by email, containing the agenda of the matters to be dealt with, the corresponding proposals of the Executive Board for decision, and any notes submitted by the Board of Directors' Support Committees, when applicable.

§1 Convocation is not necessary when all the members of the Board of Directors are present.

§2 On the basis of urgency and when justified with grounds, meetings of the Board of Directors may be called by the Chair of the Board, with minimum advance notice of 72 hours, provided that all the other members of the Board are informed.

Clause 14 Meetings shall be held at the Company's head office, and may also, exceptionally, take place at a different location.

§1 They may also take place by online conference call.

§2 In any of these situations, Board members shall be considered to be present if they state their position using the means of communication chosen, and their statements and vote shall be considered valid for all legal purposes and recorded in minutes.

Clause 15 The meetings of the Board of Directors shall be held with the presence of at least the majority of its members, and decisions shall always be taken by the majority of those present, the Chair having the casting vote in the event of a tie.

§1 Matters submitted by the Executive Board for inclusion in the agenda, issued by the Executive Board or the Board of Directors in the form of Proposals for Decision (PDs), should be accompanied by recommendations, reports, opinions, drafts of the documents to be signed, and, when applicable, a statement that they comply with the Company's Long-Term Strategic Plan and Multi-Year business Plan and are in the Annual Budget.

§2 Any complementary explanations on matters to be discussed at a meeting may be requested by any Board member in writing, to the Cemig Corporate Law and Governance Office, and the Company must provide the said explanations or send complementary documents, by the start of the meeting.

§3 The previous paragraph shall not encumber the right of any Board member to request explanations and documents at the time of the meeting or at any time afterward.

Clause 16 Matters included on the agenda for a meeting that have been submitted by the Executive Board may be withdrawn from the agenda only at the request of the Chief Executive Officer, or at the request of one-third of the members of the Board of Directors, after preliminary discussion by the members.

Clause 17 A meeting may be adjourned or closed, when the circumstances so require, at the request of any Board member and with the approval of the other Board members present, and the Chair shall set a date, time and place for continuation of the meeting, a further convocation not being necessary.

Clause 18 As well as the members of the Board of Directors, a Secretary for the meeting shall take part in the meeting, without the right to vote.

Clause 19 Members of the Audit Board, members of the Audit Committee, employees and consultants may be invited to take part in meetings, without the right to vote, remaining present during such time as the subject of their area of specialization is in debate.

Clause 20 Meetings of the Board of Directors shall be transcribed in the Book of Minutes of the Meetings of the Board of Directors, and, whenever there is any difference of opinion between Board members on any subject on the agenda, shall be written and signed at the end of each meeting .

§1 In other cases, the draft of the minutes of the meeting shall be sent to the Board members within a maximum of five calendar days, for examination, and they shall be read and signed at the subsequent meeting of the Board.

## ***CHAPTER VIII***

### ***THE SECRETARY***

Clause 21 The Board of Directors shall have a Secretary, for recording of business and to give assistance to the Board members.

§1 The subjects to be considered in a Meeting of the Board of Directors, in accordance with the competencies established in Clause 11 of these Regulations, should be submitted for the agenda to the Chair of the Board, through the Secretary of the Board, at least ten days prior to the date of the meeting.

Clause 22 The Secretary has the following competencies and duties:

- I to accompany the business of meetings, advising the Chair of the Board of Directors on the progress of the activities;
- II to provide the complete logistics for the meetings;
- III to submit the relevant materials in good time;
- IV formally to record the meetings;
- V to write the minutes and take the actions under these regulations that are necessary for dissemination of Proposals for Decision (PDs) by the Executive Board and/or the Board of Directors, and to keep these documents and their attachments in his or her safekeeping;
- VI to file, internally, all the minutes of the meetings of the Board of Directors, and all the documentation upon which the meetings are based;
- VII to file the minutes and summary minutes of the meetings of the Board of Directors at the Commercial Board of the State of Minas Gerais, with subsequent publication in accordance with the applicable legislation.

§1 The minutes and actions taken in accordance with these regulations shall be circulated among the Board members for regular signature at the first subsequent ordinary meeting.

## ***CHAPTER IX***

### ***DUTIES AND RESPONSIBILITIES***

Clause 23 The members of the Board of Directors have the following duties in the exercise of their positions. As well as what is specified in the by-laws and in the legislation and applicable regulations, they must:

- I exercise their functions exclusively in the interest of the Company, subject to satisfaction of the requirements of the public good and the social function of companies;
- II serve the Company, and its wholly-owned and other subsidiaries, and affiliated companies, with diligence and loyalty, and maintain secrecy about their business;
- III maintain secrecy about information not yet disclosed to the market that has been obtained by reason of their position;
- IV state, when signing the term of investiture, the number of shares, warrants, share purchase options and debentures issued by Cemig and/or its wholly-owned or other subsidiaries, and affiliated companies that they hold;
- V reserve and maintain time available in their schedules so as to comply with the convocations of meetings of the Board of Directors, based on the timetable previously published.

Clause 24 Members of the Board must attend meetings having previously prepared, with examination of the documents made available, and participate actively and diligently in the meetings.

Clause 25 A Board member must declare, prior to the related consideration and decision, any private interest or interest conflicting with that of the Company in relation to any matter submitted to their consideration, and abstain from participation in debate and voting on such matter, leaving the room when the matter is discussed.

- §1 The member of the Board of Directors representing the employees shall not take part in debate and decisions on subjects that involve union relationships, compensation and/or benefits, including matters relating to private pension plans and/or other assistance matters, and/or in any other situation in which a conflict of interest is characterized, and leave the room during any such discussions.

Clause 26 Members of the Board of Directors may not:

- I carry out any act of liberality at the Company's expense;
- II take any loan or funds from the Company, or use assets belonging to the company to their own advantage;
- III receive any type of advantage by reason of exercise of their position;
- IV use, to their own benefit or that of another person, with or without loss being caused to the Company or to any of its wholly-owned or other subsidiaries, affiliated companies, or consortia in which the Company participates, any commercial opportunity of which they become aware by reason of the exercise of their position;
- V be omiss in the exercise or protection of rights of the Company or of its wholly-owned or other subsidiaries, or affiliated companies;
- VI acquire, for resale at a profit, an asset or right that they know to be necessary to the Company or which the Company intends to acquire;
- VII make use of confidential information to obtain an advantage for themselves or any other party;
- VIII intervene in any operations or transactions that have an interest conflicting with that of the Company or of any wholly-owned or other subsidiary, affiliated company or consortium in which the Company participates, and in such cases they must state the causes of their impediment in minutes;
- IX directly or indirectly participate in trading of securities issued by the Company or referenced to them:
  - a) before disclosure to the market of any material fact or event that takes place in the Company;
  - b) within fifteen days prior to disclosure of the Company's Quarterly Information (ITR) or annual information (DPF or IAN); or
  - c) whenever there is intention to carry out an absorption, total or partial split, merger, transformation or stockholding reorganization.

Clause 27 Members of the Board of Directors shall be liable, to the Company and to any third parties, in accordance with applicable law and/or regulations, for any damages resulting from omission to comply with their duties, or from any act carried out with negligence or malicious intent.

Clause 28 The Company will provide defense in Court and/or administrative proceedings, on the plaintiff or defendant side, for members and former members of the Board of Directors, the Audit Board, the Executive Board and the Audit Committee, during or after their periods of office, occasioned by events or acts related to the exercise of their specific functions.

§1 Upon decision of the Board of Directors, the Company shall contract third-party liability (D&O) insurance to cover expenses of legal actions, fees of counsel and indemnities arising from the legal or administrative actions referred to in the head paragraph of this clause.

§2 The Company shall issue a Comfort Letter, with the legal status of a Contract for Indemnity, for the members of the Board of Directors, the Audit Board, the Executive Board and the Audit Committee, covering any acts practiced in good faith, subject to the provisions of law, in such a way as to assume the commitment to provide subsidiary indemnity complementing the D&O Insurance.

Clause 29 The members of the Board of Directors must immediately inform the head of the Corporate Law and Governance Office of any changes in their stockholding position in the Company, on the conditions and in the form laid down by the Securities Commission (CVM), in particular as specified in Normative Instruction 358/2002, as amended, and also in accordance with the Company's Information Disclosure Policy.

## ***CHAPTER X***

### ***PERFORMANCE EVALUATION***

Clause 30 Annually, the members of the Board of Directors shall submit to individual and collective evaluation of performance, with a view to enhancing their functions, with the following minimum requirements:

- I submission of a report on acts of management, as to lawfulness and efficacy of management action;
- II contribution to the profit for the period; and
- III achievement of the objectives specified in the Multi-year Business Plan and compliance with the Long-term Strategy and the Annual Budget.

## ***CHAPTER XI***

### ***THE AUDIT COMMITTEE***

Clause 31 The Audit Committee is an independent, consultative body, permanently established, with its own budget allocation. Its objective is to provide advice and assistance to the Board of Directors, to which it reports. It also has the responsibility for such other activities as are attributed to it by the applicable legislation and regulations.

§1 The Audit Committee has four members, the majority of them independent, nominated and elected by the Board of Directors at its first meeting after the Annual General Meeting, for periods of office of three years, not to run concurrently. One re-election is permitted.

- §2 Members of the Board of Directors who are also members of the Audit Committee shall receive only the compensation for membership of the Audit Committee.
- §3 The global or individual amount of compensation of the Audit Committee shall be set by the General Meeting of Stockholders. Payment to members of the Audit Committee of any type of participation in the profits of the Company is not permitted.
- §4 Upon being sworn in, and annually, the members of the Audit Committee must take part in specific training sessions made available by the Company.
- §5 Those who in the two prior years have not participated in annual training made available by the Company are prohibited from being re-appointed to their positions.

Clause 32 The Audit Committee shall meet every two months.

- §1 The minutes must be disclosed, except when the Board of Directors considers that their disclosure might put legitimate interest at risk, and in this case only their summary shall be disclosed.
- §2 The restriction in §1 may not be used against the control and/or inspection bodies to which the Company and its wholly-owned and other subsidiaries are subject – these bodies shall have total and unrestricted access to the content of the minutes of the Audit Committee, subject to the obligation of secrecy and confidentiality.

Clause 33 The Audit Committee may exercise its duties and responsibilities in relation to such wholly-owned and other subsidiaries of the Company as adopt a regime of sharing of a common Audit Committee.

Clause 34 The competencies and duties of the Audit Committee are those specified in the by-laws.

Clause 35 Annually, the members of the Audit Committee shall submit to individual and collective evaluation of performance, with a view to enhancing their functions, with the following minimum characteristics:

- I submission of a report on acts of management, as to lawfulness and efficacy of management action;
- II contribution to the profit for the period; and
- III achievement of the objectives specified in the Multi-year Business Plan and compliance with the Long-term Strategy and the Annual Budget.

## ***CHAPTER XII***

### ***BOARD OF DIRECTORS SUPPORT COMMITTEES***

- Clause 36 The Board of Directors Support Committees shall be constituted by a specific decision by the Board of Directors, to provide in-depth analysis of the subjects within their specialized areas, issuing recommendations to be recorded in the minutes of their meetings.
- Clause 37 The Board of Directors Support Committees do not have an executive function or power of decision. Their purpose is to ensure objectivity, consistency and quality in the decision process, providing in-depth analysis of the matters within their specialized areas, and issuing recommendations for decisions or actions, and opinions, to the Board of Directors.
- §1 The recommendations and orientations resulting from the activities of the Committees are not binding on the members of the Board of Directors.

## ***CHAPTER XIII***

### ***BOARDS OF DIRECTORS AND COMMITTEES OF SUBSIDIARIES AND AFFILIATED COMPANIES***

- Clause 38 Where the subsidiaries and/or affiliated companies of Cemig or Cemig GT have the competency for appointments to their Boards of Directors and/or Executive Boards, these appointments shall be made in accordance with the by-laws.
- §1 Where it is the competency of Cemig or Cemig GT to nominate candidates for positions on the Board of Directors Support Committees of subsidiaries or affiliated companies, these positions shall be filled in accordance with specific regulations, which shall be prepared according to the standard adopted by Cemig, to be approved by the Boards of Directors of the respective subsidiaries or affiliated companies.

## ***CHAPTER XIV***

### ***GENERAL PROVISIONS***

- Clause 39 These Internal Regulations come into effect on the date of their approval by the Board of Directors, and the Board of Directors may change them at any time, by a vote in favor given by the majority of its members present at a meeting that decides on the subject. They shall be filed at the head office of the Company.