

**PROPOSAL  
BY THE BOARD OF DIRECTORS  
TO THE  
EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS  
TO BE HELD ON  
OCTOBER 19, 2020**

Dear Stockholders:

The Board of Directors of Companhia Energética de Minas Gerais – Cemig submits the following proposals to the Extraordinary General Meeting of Stockholders:

- I – Approval and authorization of signature of the Protocol of Absorption and Justification, with Cemig Geração Distribuída S.A. – Cemig GD, to specify the terms and conditions that will govern the absorption of Cemig GD by Cemig;
- authorization for absorption of Cemig GD by Cemig; and subsequently, extinction of the absorbed company; and
  - ratification of the appointment of the following three expert analysts:

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Andréa de Lourdes Pereira – Brazilian, married, accountant, holder of Identity Card M-4.591.486, CPF 646.074.296-00, and CRC/MG 67.602;

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Leonardo Felipe Mesquita – Brazilian, married, accountant, holder of Identity Card 7.113.448, CPF 027.614.426- 01, and CRC/MG 85.260; and

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Mário Lúcio Braga – Brazilian, married, accountant, holder of Identity Card MG-3.632.149, CPF 469.088.896- 53, and CRC/MG 47.822,

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to provide a valuation, under and for the purposes of Article 8 of Law 6404/1976, of the Stockholders' equity of Cemig GD; and approval of the Valuation Opinion valuing the stockholders' equity of Cemig GD, carried out in accordance with Law 6404/1976.

- II Election of one member of the Audit Board of the Company, since Mr. Marco Aurélio de Barcelos Silva, who had been nominated by the majority stockholder and elected at the Annual General Meeting held on July 31, 2020, has not been sworn in within the legally-required period.

As can be seen, the objective of these proposals is to meet the legitimate interests of the stockholders and of the Company, and for this reason it is the hope of the Board of Directors that it will be approved.

Belo Horizonte, September 18, 2020

Márcio Luiz Simões Utsch  
Chair of the Board of Directors

**APPENDICES:**

- I** Protocol of Absorption and Justification of Absorption
- II** Approval of the Valuation Opinion valuing the Stockholders' Equity of Cemig Geração Distribuída S.A – Cemig GD
- III** Opinion of the Audit Board

**PRIVATE INSTRUMENT OF PROTOCOL AND  
JUSTIFICATION OF ABSORPTION OF  
CEMIG GERAÇÃO DISTRIBUÍDA S.A.  
BY COMPANHIA ENERGÉTICA DE MINAS GERAIS**

Agreed between

**CEMIG GERAÇÃO DISTRIBUÍDA S.A.**

as Acquiror

and

**COMPANHIA ENERGÉTICA DE MINAS GERAIS**

as Acquiree

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BELO HORIZONTE, SEPTEMBER 18,  
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PRIVATE INSTRUMENT OF PROTOCOL AND JUSTIFICATION OF ABSORPTION  
OF CEMIG GERAÇÃO DISTRIBUÍDA S.A. BY COMPANHIA ENERGÉTICA DE  
MINAS GERAIS – CEMIG

By this private instrument and for the full purposes of law,

- (a) **COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG**, with head office at Avenida Barbacena 1200, CEP 30190-131 Belo Horizonte, Minas Gerais Brazil, registered in the CNPJ/MF Under N<sup>o</sup> 17.155.730/000164, herein represented in accordance with its Articles of Association (**‘Cemig’** or **‘the Acquiror’**), and
- (b) **CEMIG GERAÇÃO DISTRIBUÍDA S.A. – Cemig GD**, with head office at Avenida Barbacena Suite 1200, Basement 1, 30190-131 Belo Horizonte, Minas Gerais Brazil, registered in the CNPJ/MF under No. 04.036.939/0001-67-27, herein represented in accordance with its Articles of Association (**‘Cemig GD’** or **‘the Acquiree’**)

(jointly, **‘the Companies’**)

hereby agree, under the terms of Articles 224, 225, 226 and 227 of Law 6404 of December 15, 1976, as amended (**‘the Brazilian Corporate Law’**) to enter into this

*Private Instrument of Protocol and Justification of Absorption of Cemig Geração Distribuída S.A. by Companhia Energética de Minas Gerais,*

which, subject to the terms and conditions herein, will be submitted to consideration by the respective Extraordinary General Meetings of Stockholders of the Acquiror and Acquiree (**‘the Protocol and Justification’**).

The objective of this Instrument of Protocol and Justification is to state the justifications, terms, clauses and conditions governing absorption of **Cemig GD** by **Cemig**, such that Cemig GT will cease to exist, and Cemig, continuing to exist, will be successor of the Acquiree for all purposes, and in all the goods, rights, claims, abilities, powers, immunities, actions, exceptions, duties, debts, obligations, subjections, encumbrances, and responsibilities of the Acquiree, in accordance with the terms of Article 227 of the Brazilian Corporate Law (**‘The Absorption’** or **‘the Transaction’**).

## CORPORATE OBJECTS OF THE COMPANIES

1. **Cemig** is a Brazilian Corporation with the following Objects:
  - a) to build, operate and commercially operate systems of generation, transmission, distribution and sale of electricity, and related services;
  - b) to operate in the various fields of energy, from whatever source, with a view to economic and commercial operation;
  - c) to provide consultancy services within its field of operation, to companies in and outside Brazil; and
  - d) to carry out activities directly or indirectly related to its Objects, including development and commercial operation of communication and information systems, technological research and development, and innovation.
  
2. **Cemig GD** is a Brazilian Corporation of which the Objects comprise the following activities:
  - a) to build, install, operate, maintain and lease undertakings, projects and equipment of micro and mini distributed generation;
  - b) to format businesses, and develop physical and financial products and solutions associated with improvement of energy efficiency and micro and mini distributed generation;
  - c) to provide consultancy, technical assistance and engineering services, and to carry out studies for installation and leasing of distributed generation undertakings, projects and equipment, and to provide for consumers to join the system of offsetting of electric power supply, comprising analysis of technical, regulatory and economic feasibility;
  - d) to carry out business, activities and commercial transactions and provide services directly or indirectly associated, linked or necessary, in whole or in part, related to performance of its corporate objects.

## JUSTIFICATION AND OBJECTIVES OF THE ABSORPTION

3. In June 2019 Cemig approved the Strategic Planning for Cemig GD: the Board of Directors of Cemig decided on a new technical and commercial structure for Cemig GD, considering potential gains from sharing of activities within Cemig Soluções Inteligentes em Energia S.A. – Cemig SIM.
4. Cemig SIM contracted the company A. T. Kearney Consultoria Estratégica Ltda. ('AT Kearney') to provide specialized technical consultancy services in developing a new Strategic Planning and Business Plan to obtain a portfolio of businesses promoting the sustainability of the company and alignment with the Company's Strategic Plan.
5. The Strategic Planning and Business Plan proposed by AT Kearney envisaged unification and sharing of structures between Cemig SIM and Cemig GD, representing an estimated annual saving of R\$ 5 million.
6. The company incurs costs in management of Cemig GD, such as budget analyses, orientations of votes, the cost of the Audit Board, and other costs, estimated to represent an annual total of R\$ 90,000.00 (ninety thousand Reais).
7. Cemig GD has a receivable credit under a court decision against which there is no further appeal, in case No. 00104324720094013800. The original value of this judgment was R\$ 491,106.89 (four hundred ninety one thousand one hundred six Reais eighty nine centavos), which after monetary adjustment up to May 2020 now has the value of R\$ 1,100,870.36 (one million one hundred thousand eight hundred seventy Reais and thirty six centavos).
8. This credit refers to the expansion of the calculation base of the PIS and Cofins taxes, charged on financial revenue, over the period January 2005 to April 2009. The final judgment against which no further appeal lies was given on October 28, 2015, and qualification for offsetting of the amount was granted in case number 15504.724627/2019-74, on September 27, 2019, for commencement of tax offsetting through an Offsetting Declaration (a 'DCOMP').
9. It was decided that Cemig GD should offset the credits recognized by the court, since the period for expiry of the right begins on the day of the final judgment against which there is no further appeal.

10. However, the credits were authorized only for offsetting against any taxes administered by the Federal Revenue Authority (*Secretaria da Receita Federal*), in contrast with the normal tax credits that accrue to the Company through overpayment of corporate income tax or the Social Contribution on Net Profit (CSLL), which may be offset or restituted as and when it is in the Company's interest to do so.

## **BASES FOR THE ABSORPTION**

11. The credit and debit accounts of the Acquiree, which currently constitute its assets and liabilities, will, after implementation of the Absorption, become part of the books of account of the Acquiror, being transferred to the corresponding lines in its accounts, subject to any necessary adaptations.

12. The absorption will provide gains from synergies, and reduce financial, operational and administrative costs through concentration of existing administrative structures in the Acquiror, which will increase the means for the Acquiror to effectively utilize available resources.

13. The Absorption will produce effects only after approval by the General Meeting of Stockholders of the Acquiror that approves the Absorption ('the Absorption Effective Date'), regardless of the date on which any other necessary approvals are obtained.

14. On the Absorption Effective Date, Cemig GD will cease to exist in law.

## ORGANIZATION AND COMPOSITION OF THE COMPANIES

15. The Acquiror is a listed Brazilian corporation, with share capital of R\$ 7,593,763,005.00 (seven billion five hundred ninety three million seven hundred sixty three thousand five Reais), represented by:
- a) 507,670,289 (five hundred seven million six hundred seventy thousand two hundred eighty nine) nominal common shares each with nominal value of R\$ 5.00 (five Reais); and
  - b) 1,011,082,312 (one billion eleven million eighty two thousand three hundred twelve) nominal preferred shares each with nominal value of R\$ 5.00 (five Reais).
16. The Acquiree is a Brazilian corporation registered with the CVM (Brazilian Securities Commission) with share capital of R\$ 10,511,051.11 (ten million five hundred eleven thousand fifty one Reais eleven centavos), represented by 10,511,051 (ten million five hundred eleven thousand fifty one) nominal common shares without par value, all owned by the Acquiror.

## EQUITY VALUATION

17. In accordance with Article 8 of the Brazilian Corporate Law, for valuation of the net Stockholders' equity of the Acquiree at book value, the managers of the Companies, subject to ratification by the stockholders of the companies, appoint the following accountants:

**Andréa de Lourdes Pereira** – Brazilian, married, accountant, holder of Identity Card M-4.591.486 issued by SSP-MG, registered in the Brazilian registry of individual taxpayers (CPF/MF) under number 646.074.296-00, and inscribed in the Regional Accounting Council of Minas Gerais State (CRC/MG) under number 67.602;

**Leonardo Felipe Mesquita** – Brazilian, married, accountant, holder of Identity Card 7.113.448, registered in the CPF/MF under number 027.614.426- 01, and inscribed in the Regional Accounting Council of Minas Gerais State (CRC/MG) under number 85.260; and



**Mário Lúcio Braga** – Brazilian, married, accountant, holder of Identity Card MG3.632.149 issued by SSP-MG, registered in the CPF under number 469.088.896-53, and inscribed in the Regional Accounting Council of Minas Gerais State (CRC/MG) under number 47.822

(‘the Expert Accountants’).

18. In the terms of the current legislation, the Expert Accountants certify that:
- (i) they do not hold, directly or indirectly, any security, or derivative instrument referenced to any security, issued by the Acquiror or the Acquiree;
  - (ii) they do not have any conflict of interest that would diminish their necessary independence for performance of their functions; and
  - (ii) they are not subject, on the part of the controlling stockholders or managers of either of the Companies, to any type of limitation in carrying out the necessary work.
19. The elements of the equity of the Acquiree to be vested in the Acquiror, in the absorption of the Acquiree, have been valued at their accounting book value, based on the financial statements of the Acquiree at May 31, 2020.
20. Having been previously informed of their appointment as valuers, *ad referendum* the stockholders of the Companies, the Expert Accountants determined that the accounting book value of the assets and liabilities of the Acquiree, based on the financial statements at May 31, 2020, is:
- R\$ 11,535,353.55 (eleven million five hundred thirty five thousand three hundred fifty three Reais and fifty five centavos).**
21. Any change in the value of the net equity after the date of those financial statements will be absorbed by the Acquiror on the Absorption Effective Date.

## **HOLDINGS IN COMMON AND SUBSTITUTION OF SHARES**

22. Since the Acquiror is the holder of 100% (one hundred per cent) of the share capital of the Acquiree, there will be no substitution of shares of the Acquiree by shares of the Acquiror. With the extinction of the shares in the Acquiree, the value of the investment recorded in the assets of the Acquiror will be replaced by the equity value of the Acquiree, as valued. The Absorption will not result in alteration of the net equity of the Acquiror since the net equity value of the Acquiree is already reflected in its entirety in the Stockholders' equity of the Acquiree due to application of the Equity Method of accounting. Consequently there will be no increase in the share capital of the Acquiror, nor any issue of new shares.
23. Since this is an absorption of a wholly-owned subsidiary by its parent company, and there are no other shareholders of the Acquiree, and since there is no increase in capital of the Acquiror, there will be no need to examine parameters for the purposes of an exchange ratio, and no need for any further information to be made available to the stockholders of the Acquiror.

## **FINAL PROVISIONS**

24. Approval of this Protocol by the shareholder of the Acquiree and by the shareholders of the Acquiror will result in the Acquiree ceasing to exist on the Absorption Effective Date, with cancellation of all the shares in the Acquiree. The management of the Acquiror will be responsible for filing of all the corporate documents necessary for registry of the Absorption with the competent bodies.
25. When the Absorption comes into effect, on the Absorption Effective Date, all the goods, rights, amounts receivable, obligations and responsibilities of the Acquiree will automatically become components of the assets and liabilities of the Acquiror, which shall be the successor of the Acquiree in all its rights and obligations, independently of any formalities other than those specified in Law.
26. The provisions relating to the right to withdraw and reimbursement of shares do not apply, since:
  - (i) in relation to the Acquiree, the Acquiror owns the totality of the shares in its share capital, and hence there is no stockholder dissenting in relation to the Absorption; and
  - (ii) in relation to the Acquiror, there is no provision of law or the by-laws that confers the right to withdraw on any dissenting party.

Being thus agreed and contracted the parties sign this instrument, produced in six copies of equal form and content, to produce its legal and regulatory effects.

Belo Horizonte, September 18, 2020.

By the **ACQUIROR**:

**COMPANHIA ENERGÉTICA DE MINAS GERAIS – CEMIG**

\_\_\_\_\_  
Rafael Falcão Noda

Chief Officer for CemigPar

\_\_\_\_\_  
Leonardo George de Magalhães

Chief Finance and Investor Relations  
Officer:

By the **ACQUIREE**:

**CEMIG GERAÇÃO DISTRIBUÍDA S.A. – CEMIG GD**

\_\_\_\_\_  
Danilo Gusmão Araújo

Chief Executive Officer

\_\_\_\_\_  
João Paulo Dionísio Campos

Director

Witnesses \_\_\_\_\_

1.

Name: \_\_\_\_\_

CPF: \_\_\_\_\_

Identity Card – Number and Issuer:  
\_\_\_\_\_

2.

Name: \_\_\_\_\_

CPF: \_\_\_\_\_

Identity Card – Number and Issuer:  
\_\_\_\_\_

## Valuation Opinion: Valuation of Stockholders' Equity at Book Value

To the Management of  
Companhia Energética de Minas Gerais – Cemig  
Leonardo George de Magalhães  
Chief Finance and Investor Relations Officer  
Av. Av. Barbacena, 1200 – 18th floor  
Belo Horizonte, Minas Gerais, Brazil

### Details of the expert accountant analysts

The following accountants were appointed to value the Stockholders' Equity of Cemig Geração Distribuída S.A., at the base-date of May 31, 2020, and have prepared this present Valuation Opinion in accordance with Technical Notice CTG 2002, approved by the Federal Accounting Council (CFC):

- Andréa de Lourdes Pereira – Brazilian, married, accountant, holder of Identity Card M-4.591.486 issued by SSP-MG, registered in the Brazilian registry of individual taxpayers (CPF) under number 646.074.296-00, and inscribed in the Regional Accounting Council of Minas Gerais State (CRC/MG) under number 67.602;
  - Leonardo Felipe Mesquita – Brazilian, married, accountant, holder of Identity Card 7.113.448, registered in the CPF under number 027.614.426- 01, and inscribed in the Regional Accounting Council of Minas Gerais State (CRC/MG) under number 85.260;
- and
- Mário Lúcio Braga – Brazilian, married, accountant, holder of Identity Card MG3.632.149, issued by SSP-MG, registered in the CPF under number 469.088.896-53, and inscribed in the Regional Accounting Council of Minas Gerais State (CRC/MG) under number 47.822.

The accounting inspection was carried out in accordance with CTG 2002, and comprised: (a) planning of the work, (b) application of the procedures judged to be necessary in the circumstances, and (c) issuance of the expert valuation opinion on the stockholders' equity to be absorbed.

The objective of CTG 2002 is to establish the concept, structure and procedures for preparation and presentation of an Expert Accounting Opinion. It is to be executed by a qualified accountant who is duly registered with the Regional County Council. The Expert Accounting Opinion is a written document in which the expert accountant must give a wide-ranging representation of content of the expert inquiry and state in particular the aspects and minutiae that the assignment involves.

### Objective of the valuation

The objective of the valuation of the Stockholders' equity of Cemig Geração Distribuída S.A. ('Cemig GD') on May 31, 2020, is pricing of the corporate stockholding restructuring transactional intended by Cemig, in which Cemig GD will be transferred to Cemig, for financial consideration.

1. Cemig Geração Distribuída S.A. ('Cemig GD' or 'the Company') is a Brazilian corporation (S.A.) and a wholly-owned subsidiary of Companhia Energética de Minas Gerais S.A. – Cemig. Its corporate objects are to carry out the following activities:

- a) to build, install, operate, maintain and lease undertakings, projects and equipment of micro and mini distributed generation;
- b) to format businesses, and develop physical and financial products and solutions associated with improvement of energy efficiency and micro and mini distributed generation;
- c) to provide consultancy, technical assistance and engineering services, and to carry out studies for installation and leasing of distributed generation undertakings, projects and equipment, and for consumers to join the system of offsetting of electric power supply, comprising analysis of technical, regulatory and economic feasibility; and
- d) to carry out business, activities and commercial transactions and provide services directly or indirectly associated, or linked to or necessary, in whole or in part, for performance of its corporate objects.

#### Management's responsibility for the accounting information

The Company's management is responsible for preparation of the Company's books of record, and preparation of the accounting information in accordance with Brazilian accounting practices, and for the material internal controls that it has decided are necessary to enable preparation of the financial statements free of material distortion, whether caused by fraud or error. There is a summary of the principal accounting practices adopted by the Company in Appendix I to the Valuation Opinion.

#### Scope of the work and responsibility of the account

Our responsibility is to express a conclusion on the Stockholders' equity of the Company at book value on May 31, 2020, based on the work carried out in accordance with Technical Notice CTG 2002. That Notice specifies application of procedures for examination of the balance sheet for issuance of a Valuation Opinion. Thus, we carried out the examination of the said balance sheet of the Company in accordance with the applicable accounting rules, which require the accountant to comply with ethical requirements, and that the work be planned and executed for the purpose of obtaining reasonable certainty that the net Stockholders' equity found for the preparation of our Valuation Opinion is free of material distortion.

To ensure accuracy of the accounting values of the asset and liability elements that comprise the balance sheet of Cemig GD at May 31, 2020, we adopted the following procedures:

- Reading of the Financial Statements at December 31, 2019;
- Reading of the Report by the Independent Auditor, Ernst & Young Auditores Independentes, issued on May 26, 2020 on the Financial Statements, without qualification in relation to the Balance Sheet at December 31, 2019.
- Reading and review of the analytical trial balance at May 31, 2020.

On Sunday, May 31, 2020 the accounting records of Cemig GD were in compliance with the pertinent legal formalities and are written in accordance with accounting practices adopted in Brazil.

The expert accountants used historic information and data audited by third parties and data supplied by the management of Cemig GD, via email or through the SAP system. This being so, we assume that the data and information obtained for this Opinion is true.

This Opinion was prepared for use solely and exclusively by Cemig, for the objective stated herein.

## Conclusion

As a result of the procedures and analyses carried out, we conclude that the value of the stockholders' equity of Cemig GD on May 31, 2020 is R\$ 11,535,353.55 (eleven million five hundred thirty five thousand three hundred fifty three Reais and fifty five centavos).

[ Electronic signature]  
23/07/2020 14:15 UTC  
 *A. L. Pereira*  
64607429600  
Andréa de Lourdes Pereira

Expert accountant: Andréa de Lourdes Pereira  
CRC-MG 67.602

[ Electronic signature]  
23/07/2020 14:06 UTC  
 *Leonardo Mesquita*  
02761442601  
Leonardo Felipe Mesquita

Expert accountant: Leonardo Felipe  
Mesquita  
CRC-MG 85.260

[ Electronic signature]  
23/07/2020 14:13 UTC  
 *Mario Lucio Braga*  
46908889653  
Mário Lúcio braga

Expert accountant: Mário Lúcio  
Braga  
CRC-MG 47.822

Belo Horizonte, July 1, 2020.

## APPENDIX I

### STATEMENTS OF FINANCIAL POSITION AT MAY 31, 2020 AND DECEMBER 31, 2019 (In thousands of Reais) ASSETS

	May 31, 2020	December 31, 2019
<b>CURRENT</b>		
Cash and cash equivalents	11,073	11,968
Income and Social Contribution taxes recoverable	1,294	194
<b>TOTAL, CURRENT</b>	<b>12,367</b>	<b>12,162</b>
<b>NON-CURRENT</b>		
Deferred income tax and Social Contribution tax	3	3
Recoverable taxes	517	513
Escrow deposits	56	56
<b>TOTAL, NON-CURRENT</b>	<b>576</b>	<b>572</b>
<b>TOTAL ASSETS</b>	<b>12,943</b>	<b>12,734</b>

### STATEMENTS OF FINANCIAL POSITION AT MAY 31, 2020 AND DECEMBER 31, 2019 (In thousands of Reais) LIABILITIES

	May 31, 2020	December 31, 2019
<b>CURRENT</b>		
Suppliers	241	791
Taxes	27	146
Income tax and Social Contribution tax	153	–
Dividends payable	944	944
Salaries and related charges	–	8
Other obligations	33	33
<b>TOTAL, CURRENT</b>	<b>1,398</b>	<b>1,922</b>
Taxes	–	4
Provisions	10	10
<b>TOTAL, NON-CURRENT</b>	<b>10</b>	<b>14</b>
<b>TOTAL LIABILITIES</b>	<b>1,408</b>	<b>1,936</b>
Share capital	174	174
Profit reserves	287	287
Advance against future capital increase	10,337	10,337
Retained earnings	737	–
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>11,535</b>	<b>10,798</b>
<b>Total liabilities</b>	<b>12,943</b>	<b>12,734</b>

## A – Principal accounting practices

The accounting policies relating to the Company's present operations that require judgment and the use of specific valuation criteria are the following:

### a) Income and Social Contribution taxes:

Current:

Advances, or amounts subject to offsetting, are posted in current or non-current assets, in accordance with the expected date of their realization up to the close of the current business period, when taxes are duly calculated and offset against the advances made.

Deferred:

Deferred tax liabilities are recognized for all the inter-temporal tax differences. Deferred tax assets are recognized for all the temporary differences deductible to the extent that it is probable that future taxable profit will be available for the temporary differences to be offset.

Deferred income tax and Social Contribution tax assets are reviewed at each reporting date, and are reduced to the extent that their realization is no longer probable.

### b) Impairment:

In assessing impairment of financial assets, the Company uses historic trends of the probability of default, timing of recovery and the amount of loss incurred, adjusted to reflect management's judgment as to whether current assumptions and economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Additionally, management revises, annually, the net book value of the non-financial assets, for the purpose of assessing events or changes in the economic, operational or technological circumstances that could indicate impairment. When such evidence is identified and when the book value exceeds the recoverable value, a provision is made for impairment, adjusting the net book value to the recoverable value. In this event the recoverable value of an asset or a given cash generating unit is defined as being the greater of the value in use or the net value for sale.

On December 31, 2019 no indications were observed that the Company's material assets were posted at a value higher than their net recoverable value.

### c) Financial revenues and expenses

These are principally: revenue from investments of cash, and financial updating of tax credits. Interest income is recognized in the Income statement using the effective interest method. Financial expenses are principally banking expenses.



## B – Composition of net assets and liabilities

The components of net equity of Cemig GD at May 31, 2020 are represented, in summary form, by the following account lines:

<b>ASSETS</b>	<b>In Reais (R\$)</b>
Current and non-current assets	12,943,629.82
<b>LIABILITIES</b>	
Current and non-current liabilities	1,408,276.27
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>11,535,353.55</b>

## OPINION OF THE AUDIT BOARD

The undersigned members of the Audit Board of Companhia Energética de Minas Gerais – Cemig, in performance of their functions under the law and under the by-laws, have examined the following Proposal made by the Board of Directors to the Extraordinary General Meeting of Stockholders:

- 1) Ratification of the appointment of the expert accountants in accordance with Article 8 of Law 6404/1976.
- 2) Approval of the Protocol of Justification and Absorption of Cemig Geração Distribuída S.A. ('Cemig GD'), by the Company, in accordance with Article 224 of Law 6404/1976.
- 3) Approval of the Valuation Opinion which has valued the Stockholders' Equity of Cemig GD, prepared by the accountants nominated by the Company.
- 4) Authorization for absorption of Cemig GD by the Company, and, subsequently, the consequent extinction of Cemig GD.

After carefully analyzing the said proposal and further taking into account that the applicable rules governing the subject have been complied with, it is the opinion of the members of the Audit Board that the proposal should be approved by the said General Meeting of Stockholders.

Belo Horizonte, September 17, 2020

Gustavo de Oliveira Barbosa – Chair

Carlos Eduardo Amaral Pereira da Silva – Member

Cláudio Morais Machado – Member

Elizabeth Jucá e Mello Jacometti – Member

Michele da Silva Gonsales Torres – Member

12.5	<b>Fernando Sharlack Marcato</b>	
a. Name		
b. Date of birth		December 19, 1978
c. Profession		Lawyer
d. CPF or passport		265.227.628-03
e. Proposed elected position		Member of the Audit Board
f. Date of election		October 19, 2020
g. Swearing-in date		October 19, 2020
h. Period of office		Up to the AGM of 2022
i. Other positions held or functions exercised in the Issuer		None
j. Whether elected by the controlling stockholder or not		Yes
k. Independent member / criterion		
l. Number of consecutive periods of office		0
m. Professional details		
i. Principal professional experience in the last 5 years, indicating: Company's name and business sector; position; whether the company is part of (i) the same economic group as the Issuer, or (ii) is controlled by a stockholder of the Issuer that holds a direct or indirect equity interest of 5% or more in any one class of security of the Issuer.	<p><b>2020 to date:</b> Secretary of the Government of the State of Minas Gerais – State Secretary for Infrastructure and Mobility in the Government of the State of Minas Gerais.</p> <p>2012 to date: <b>Getúlio Vargas Foundation</b> – Graduation Course lecture in Public Law; and Coordinator of Study Groups on PPPs, Concession and Privatizations of São Paulo Law School. He also served as Academic Coordinator of the first specialization course in Infrastructure Law: he organized courses of the same nature for the Office of the Attorney General of the State of Bahia, and for the Brazilian Highway Concession Holders' Association.</p> <p>2011–2020 <b>GO Associados</b> – Founding partner of this consultancy specialized in infrastructure and multidisciplinary projects with a focus on the legal, economic, financial and technical modeling of PPPs, Concessions and privatizations.</p>	
ii. State all the administrative positions that the candidate occupies in other companies or organizations of the third sector	Secretary of the Government of the State of Minas Gerais – State Secretary for Infrastructure and Mobility in the Government of the State of Minas Gerais	
n. Description of any of the following events that have taken place in the last 5 years:		
i. any criminal conviction	None	
ii. any guilty judgment in an administrative proceeding of the CVM, and penalties applied	None	
iii. any court or administrative judgment against which there is no further appeal which has suspended or disqualified the person from carrying out any professional or commercial activity.	None	
12.6. For each of the people who acted as a member of the Board of Directors or the Audit Board in the last business year, state, in the form of a table, the percentage of participation in meetings held by each body in the period, subsequent to being sworn in to the position.	Not applicable.	
12.7. Please supply the information mentioned in item 12.5 in relation to the members of the committees formed under the by-laws, and also of the audit committee, the risk committee, the finance committee and the remuneration committee, even if such committees or structures are not created by the by-laws	Not applicable.	

12.8. If the candidate acted as a member of any of the committees established under the by-laws, or the audit, risk, financial or remuneration committee/s, even if such committees are not required to exist under the bylaws, state in the form of a table the percentage of meetings of each body that the candidate attended in the period, after being sworn in	Not applicable.
<b>12.9. Information on the existence of any conjugal relationship, stable union or family relationship up to the second level of proximity, between:</b>	
a) managers of the Issuer	None
b. (i) manager of the Issuer and (ii) managers of a direct or indirect subsidiary of the Issuer	None
c. (i) managers of the Issuer or of its direct or indirect subsidiaries or (ii) direct or indirect controlling stockholders of the Issuer	None
d. (i) managers of the Issuer and (ii) managers of direct or indirect controlling stockholders of the Issuer	None
<b>12.10. Information on relationships of subordination, provision of service or control existing in the last three business years between managers of the Company and:</b>	
a. any direct or indirect subsidiary of the Issuer, except where the Issuer directly or indirectly holds 100% of the share capital	None
b. direct or indirect controlling stockholder of the Issuer	No
c. if material, any supplier, client, debtor or creditor of the Issuer, or of any of its subsidiaries, or of the parent companies or subsidiaries of any of these	None