

CEMIG GERAÇÃO E TRANSMISSÃO S.A.

NIRE 31300020550 – CNPJ: 06.981.176/000158

PROPOSAL BY MANAGEMENT

TO THE GENERAL MEETING OF DEBENTURE HOLDERS

OF THE

SEVENTH DEBENTURE ISSUE OF CEMIG GERAÇÃO E TRANSMISSÃO S.A.

PRESENTED ON MAY 8, 2020, AND RE-PRESENTED ON MAY 21, 2020.

The management of **CEMIG GERAÇÃO E TRANSMISSÃO S.A.** (**'the Company'** or **'Cemig GT'**), in accordance with Law 6404 of December 15, 1976, as amended (**'the Brazilian Corporate Law'**), hereby presents to holders of the Debentures (**'the Debenture Holders'**) of Cemig GT's seventh issue of non-convertible debentures (with asset guarantee and additional surety, in a single series, for public distribution, with restricted placement efforts – herein **'the Issue'**), this Proposal of Management (**'the Management Proposal'**) to be considered at the General Meeting of Debenture Holders (**'the Meeting'**), to be held, on first convocation, for the benefit of the Debenture Holders, on May 27, 2020, at 11 a.m., by remote meeting, using the Microsoft Teams platform, and which will be recorded.

For the purposes of the Management Proposal, terms starting with a capital letter that are not defined here shall have the meanings attributed to them in the *Private Instrument of Deed of the Seventh Issue of Non-convertible Debentures by Cemig Geração e Transmissão S.A., for Public Distribution, in a Single Series, with Restricted Placement Efforts, Asset Guarantee and Additional Surety Guarantee* (**'The Issue Deed'**).

In the Meeting, the Debenture Holders will decide on the following items ('the Agenda'):

- A. Alteration of the definition of 'Debt', specified in Clause 7.1.2 of the Issue Deed signed on December 20, 2016, as amended on April 11 and December 11, 2017, and April 2, 2018, between Cemig GT, Companhia Energética de Minas Gerais – Cemig, and Planner Trustee Distribuidora de Títulos e Valores Mobiliários Ltda. (**'the Deed'** and **'the Fiduciary Agent'**, respectively).
- B. Signature, by the Fiduciary Agent, jointly with the Company and Cemig, of an amendment to the Issue Deed to reflect the alteration in item 'A' above, if decided, and to authorize the Fiduciary Agent to sign any other instruments necessary for carrying out the decisions taken by the Meeting.

In relation to item 'A' above, the Company's management understands that there is a need for the Debenture Holders present at the Meeting to approve the change of the definition of 'Debt', as per the proposal for inclusion of the **text in bold** below in Clause 7.1.2 of the Issue Deed:

"7.1.2. For the purposes of items (z) and (aa) above, the following terms shall have the following meanings:

- (1) *'Net debt' means the balance on the accounts of loans, financings and debentures (current and non-current liabilities), plus debts owed to the Forluminas pension fund foundation (Fundação Forluminas de Seguridade Social – 'Forluz') plus put options (value updated monthly); less the total of cash, cash equivalents and securities (current and non-current assets); **and less the positive balance (or plus the negative balance, as the case may be) of the hedge position, based on the last consolidated financial statements of the Issuer or of the Surety, as the case may be, presented to the CVM.***

This alteration is needed so that the amounts of the Company's consolidated debt and the Consolidated debt of the Surety faithfully reflect the financial liabilities of those companies, since a hedge transaction was contracted in relation to the Company's foreign-currency-denominated debt arising from its Eurobond issue made in December 2017, to provide protection against foreign exchange variation. The hedge transaction comprises a combination of: a call spread on the principal, in which the Company is protected within an interval; and a swap for the totality of the interest, in which the 9.25% p.a. coupon was exchanged for an average rate of 142% of the Brazilian domestic CDI rate. Thus, to correctly ascertain the credit quality of these companies, as measured by its debt indicators, it is necessary to take into account the contracted foreign exchange protection, as reflected by marking to market of the derivative transaction.

It should be noted that at the time of the Company's Seventh Debenture Issue, in 2016, there was no significant amount of debt in foreign currency, nor any corresponding hedge transaction, so that it was not necessary to include this specificity within the concept of debt. As from December 2017, with the issue of Eurobonds in the amount of US\$1 billion, complemented in June 2018 with a retap of US\$500 million, from that point onward the definition of debt in the financial covenants of the issues of the wholly-owned subsidiaries of Companhia Energética de Minas Gerais – Cemig, which include the Company, has included the creditor or debtor position in the hedge instruments.

Thus, the alteration proposed provides the correct scale of the stock of debt of the companies.

In relation to item 'B' above, the Company's management believes that, once the matter specified in item 'A' above has been approved, there will be a need to sign an amendment to the Deed, and there may be need for the Fiduciary Agent to sign other instruments relating to the decisions of the Meeting.

GENERAL INSTRUCTIONS

As reported in the Material Announcement published by the Company on May 21, 2020, the Debenture Holders may opt to exercise their right to vote by means of a Voting Instruction, as per the form shown in Appendix I to this proposal ('the Voting Instruction'), sending the following documents, in PDF format, to the email address padilha@cemig.com.br, with copy to the Fiduciary Agent at fiduciario@planner.com.br, by 4 p.m. on Tuesday, May 26:

- (i)** digital version of the Voting Instruction duly filled in, initialed and signed, or signed digitally;
- (ii)** in the event of representation by power of attorney, a digital version of the original of the power of attorney, duly formalized and signed by the granting Debenture Holder; and
- (iii)** a digital version of the authenticated copy of the following documents:
 - (a)** For individuals:

valid identity document with photo of the Debenture Holder or their legal representative, as the case may be.
 - (b)** For legal entities:
 - (i) most recent consolidated bylaws or articles of association, duly registered with the competent Commercial Board;
 - (ii) corporate documents that prove the legal representation of the Debenture Holder;
 - (iii) valid identity document with photo of the legal representative.
 - (c)** For investment funds:
 - (i) the latest consolidated regulations of the fund;
 - (ii) by-laws or articles of association of the fund's administrator or manager, as the case may be, in accordance with the fund's voting policy, and corporate documents proving the powers of representation; and
 - (iii) valid identity document with photo of the legal representative.

The Voting Instruction must be filled in if the Debenture Holder opts to exercise their right to vote remotely. These fields in the Voting Instruction must be filled in: full company name or full name of the Debenture Holder; the Debenture Holder's tax number (CNPJ for legal entities, CPF for individuals); email address for any contact; and indication of which individuals may be present on the Microsoft Teams Platform and their respective emails, so that they may, if they wish to, vote at the Meeting: if they do, the Voting Instruction referred to above will be ignored, as per Article 3, Sub-item II, §4, Item II, of CVM Instruction 625 of May 14, 2020.

Additionally, including in relation to the Debenture Holders who have opted not to send the Voting Instruction, for them to be able to participate in the Meeting via Microsoft Teams they should contact the Financial Operations Management Unit of Cemig GT at the email address padilha@cemig.com.br, to:

- (i) send the necessary representation documents (specifying the names of the individuals who will be present on the Microsoft Teams digital platform, and their email addresses and telephone numbers), as indicated in this Proposal, in PDF format; and
- (ii) receive the access credentials and instructions for their identification during the use of the platform. The access via Microsoft Teams will be restricted to those Debenture Holders who registered for receipt of credentials, as described herein (the **Registered Debenture Holders**), and Cemig GT will be obliged to share the list of the Registered Debenture Holders, accompanied by the representation documents, with the Fiduciary Agent. For operational reasons, Debenture Holders interested in participating in the Meeting via Microsoft Teams should send an email and documents, as per the instructions above, at least **two hours before** the Meeting is held, that is to say, before 9 a.m. on May 27, 2020. The individual invitations for admission and participation in the Meeting will be sent to the email addresses indicated in the request for participation and the documents in the manner referred to above. Under the individual invitations, only the Registered Debenture Holders and their representatives or Attorneys (duly appointed in accordance with the Brazilian Corporate Law) will be admitted. If any Debenture Holder does not receive the individual invitation for participation in the related General Meeting of Debenture Holders at least **one hour before** the time of start of the Meeting, they should contact the Financial Operations Management Unit of Cemig GT on the telephone number (31) 9-9617-3721 **before** the time of start of the Meeting for the appropriate support to be given, and, as the case may be, access released for the Debenture Holder by sending of a new individual invitation.

The Company recommends that the Registered Debenture Holders should access the Microsoft Teams digital platform at least **10 minutes** before the start of the Meeting to avoid any operational problems, and that Registered Debenture Holders should familiarize themselves with the Microsoft Teams platform in advance, to avoid any problems with its use on the day of the Meeting. The Company does not accept responsibility for any problems of connection that the Registered Debenture Holder may experience or any other situations that are not under the control of the Company (e.g. unstable connection between the Debenture Holder and the Internet, or incompatibility of Microsoft Teams with the Debenture Holder's equipment). The Registered Debenture Holders that participate via Microsoft Teams in accordance with the instructions of the Company will be considered to be present at the respective Meeting of Debenture Holders, and to be signatories to the related minutes and the attendance book.

DOCUMENTS AND INFORMATION NECESSARY FOR ANALYSIS OF THIS MANAGEMENT PROPOSAL

The documents and information that are necessary for analysis of this Management Proposal, namely the Deed, including its amendments, are available for consultation on the websites of the Company (ri.cemig.com.br), and the Brazilian Securities Commission (<http://www.cvm.gov.br> – under *Sistema Empresas.NET*), and at the Company's head office.

If necessary, including the possibility that the Company finds a need to improve the drafting or expression of points that are the subject of this Management Proposal, the Company's management may make complementary modifications to this Management Proposal, up to the date of the Meeting.

CEMIG GERAÇÃO E TRANSMISSÃO S.A.

Paulo Eduardo Pereira Guimarães
General Manager, Corporate Finance.

**APPENDIX I
VOTING INSTRUCTION**

**GENERAL MEETING OF HOLDERS OF DEBENTURES OF THE
SEVENTH DEBENTURE ISSUE BY CEMIG GERAÇÃO E TRANSMISSÃO S.A. MAY 27, 2020**

NAME OF DEBENTURE HOLDER:

DEBENTURE HOLDER'S TAX NUMBER (Company= 'CNPJ'; Individual = 'CPF')

E-MAIL:

GUIDE TO FILLING THIS FORM:

In the event that the Debenture Holder opts to exercise exercises their right to remote voting, this voting instruction (**the Voting Instruction**) must be filled in by the holder (**the Debenture Holder**) of any debentures (**the Debentures**) of the *Seventh Issue of Non-convertible Debentures for Public Distribution, in a Single Series, with Restricted Placement Efforts, Asset Guarantee and Additional Surety Guarantee* (**the Issue**) by Cemig Geração e Transmissão S.A. (**the Issuer**), issued in accordance with the *Private Instrument of Deed of the Seventh Issue of Non-convertible Debentures by Cemig Geração e Transmissão S.A., for Public Distribution, in a Single Series, with Restricted Placement Efforts, Asset Guarantee and Additional Surety Guarantee* (**the Issue Deed**), signed on December 20, 2016 by the Issuer, by Planner Trustee Distribuidora de Títulos e Valores Mobiliários Ltda. (**the Fiduciary Agent**) as representative of the Debenture Holders, and Companhia Energética de Minas Gerais – Cemig as surety guarantor (**the Surety**), as amended; and the fields above must be filled in with complete name (or formal company name) of the Debenture Holder and Debenture Holder's tax number (CNPJ for legal entities or CPF for individuals), and an email address for contact.

Further, for this Voting Instruction to be considered valid and its votes to be counted in the quorum for the General Meeting of Debenture Holders to be held, on first convocation, on May 27, 2020 (**the Meeting**): **(i)** all the fields below must be properly filled in; **(ii)** all the pages must be initialed, and at the end **(iii)** the Debenture Holder or their legal representative(s), as the case may be and in accordance with the current legislation, must sign the Voting Instruction. Neither recognition of the signatures on the Voting Instruction, nor their consularization, as applicable, will be required.

ORIENTATIONS FOR DELIVERY AND SENDING OF THE VOTING INSTRUCTION DIRECTLY TO THE COMPANY

Any Debenture Holder who opts to exercise their right to remote voting must send directly to the email address of the Company indicated below, with a copy to the email address of the Fiduciary Agent indicated below, the following documents, in digitalized form, in PDF format:

- (i)** Voting Instruction duly filled in, initialed, and signed physically or digitally;
- (ii)** in the event of representation by power of attorney, a digital version of the original instrument of power of attorney duly formalized and signed by the granting Debenture Holder; and
- (iii)** a digital version of the authenticated copy of the following documents:
 - a.** For individuals: valid identity document with photo of the Debenture Holder or their legal representative, as the case may be;
 - b.** For legal entities:
 - (i) the most recent consolidated bylaws or articles of association, duly registered with the competent Commercial Board;
 - (ii) corporate documents proving the legal representation of the Debenture Holder; and
 - (iii) valid identity document with photo of the legal representative.
 - c.** For investment funds:
 - (i) the most recent consolidated regulations of the fund;
 - (ii) bylaws or articles of association of its administrator or manager, as the case may be, in accordance with the fund's voting policy, and corporate documents that prove the powers of representation;
 - (iii) valid identity document with photo of the legal representative.

EMAIL ADDRESS FOR SENDING THE VOTING INSTRUCTION

The Debenture Holder must send their Voting Instruction to the following addresses:

- (i)** to the Company: to the email address padilha@cemig.com.br; and
- (ii)** to the Fiduciary Agent: to the email address fiduciario@planner.com.br.

DECISIONS / ISSUES RELATED TO THE MEETING

1. Alteration of the definition of 'Debt' specified in Clause 7.1.2 of the Deed, which shall now be drafted as follows:

"7.1.2. For the purposes of items (z) and (aa) above, the following terms shall have the following meanings:

*(1) 'Net debt' means the balance on the accounts of loans, financings and debentures (current and non-current liabilities), plus debts owed to the Forluminas Foundation (the Forluz pension fund) plus put options (value updated monthly); less the total of cash, cash equivalents and securities (current and non-current assets), **and less the positive balance (or plus the negative balance, as the case may be) of the hedge position, based on the last consolidated financial statements of the Issuer or the Surety, as the case may be, presented to the CVM.**"*

Approve Reject Abstain

2. Signature of the amendment to the Issue Deed to reflect the decision approved in Item 1 above, and authorization for the Fiduciary Agent to sign any other instruments necessary for execution of the decisions approved in this Meeting.

Approve Reject Abstain

DIGITAL SIGNATURE

This Voting Instruction may be signed digitally, in accordance with Provisional Law 2200-02 of August 24, 2001, as amended.

City: _____

Date: _____

Signature: _____

Name of Debenture Holder: _____

Telephone: _____