

SPECIFIC COLLECTIVE AGREEMENT REGARDING THE PROGRAM OF PARTICIPATION IN PROFITS OR RESULTS OF CEMIG 2021

Specific Collective Agreement entered into by and between the COMPANHIA ENERGÉTICA DE MINAS GERAIS, CEMIG Geração e Transmissão S.A. and CEMIG Distribuição S.A, hereinafter referred to as CEMIG or the Company, and, on the other hand, THE FEDERATION OF URBAN INDUSTRIES WORKERS IN THE STATE OF MINAS GERAIS, THE UNION OF ENGINEERS IN THE STATE OF MINAS GERAIS, THE UNION OF ADMINISTRATORS IN THE STATE OF MINAS GERAIS, THE UNION OF LAWYERS IN THE STATE OF MINAS GERAIS, THE UNION OF PSYCHOLOGISTS IN THE STATE OF MINAS GERAIS, THE UNION OF ACCOUNTANTS OF BELO HORIZONTE, THE UNION OF ECONOMISTS IN THE STATE OF MINAS GERAIS, THE UNION OF ELECTRICIANS IN THE SOUTH OF MINAS GERAIS, THE UNION OF GEOLOGISTS IN THE STATE OF MINAS GERAIS, THE UNION OF SAFETY TECHNICIANS OF THE STATE OF MINAS GERAIS, THE UNION OF THE INDUSTRIAL TECHNICIANS OF MINAS GERAIS, THE UNION OF WORKERS IN THE ELECTRICITY INDUSTRY OF JUIZ DE FORA, THE UNION OF WORKERS IN THE ELECTRICITY INDUSTRY OF SANTOS DUMONT AND THE INTER-MUNICIPAL UNION OF WORKERS IN THE ENERGY INDUSTRY OF MINAS GERAIS, Union Entities or Unions, under the following Clauses and conditions:

Considering:

- Law No. 10.101 of 19 December 2000;
- The meetings with employee representative entities held in 2020;
- The need to formalize previously agreed indicators and targets;
- The approval of the signatory union entities of this Specific Collective Agreement;
- That the parties mentioned in the preamble have established, through free negotiation, the criteria, rules, results indicators and targets that will govern the Participation in Profits or Results (PLR) of the Companies, for 2021;
- The Company's strategic planning, through which the indicators that make up this agreement are established.

CEMIG and the Union Entities signatory to this instrument enter into a Specific Collective Agreement for the distribution of profits or results, for the year 2021, through the following clauses and conditions:

Clause 1 Definitions

1. University professional group: Professionals in positions requiring higher education at bachelor's level, working in the various areas of the Company.
2. Technical professional group: Professionals who occupy positions that require professional technical training, working mainly in the final areas of the Company.
3. Administrative Support Professional Group: Professionals in positions that require high school or technical training (when necessary), working in various areas of the Company.
4. Professional operational group: Professionals in positions that require high school education, plus professional training acquired internally, working in the final areas of the Company.
5. Management Career Positions: Positions of a transitory nature, with management attributions, whose filling is done by designation of the Executive Board of the Company, listed here: Superintendents, Managers and Administrators.
6. Remuneration: For the purposes of the basis of payment of Participation in Profits or Results, remuneration is understood to mean the nominal base salary plus all bonuses and gratifications included in the monthly individual Statements of Income and Deductions.
7. Corporate Indicators: Those related to parameters that measure or evaluate the Company's performance in an integrated manner.
8. Specific indicators: These related to parameters that measure the results of the company's operational processes. They are quality indicators of the product or service produced by the evaluated area.

Clause 2 Coverage

1. The employees of the effective career staff, represented by the Union Entity that approves the Specific Collective Agreement Regarding the Program of Participation in Profits or Results of Cemig 2021, belonging to the University Professional Group, to the Technical Professional Group, to the Administrative Support Professional Group and to the Operational Professional Group, including managers, superintendents, those so considered to occupy managerial career positions, are expressly covered by this Instrument.
2. This agreement does not apply to trainees and employees in temporary labor.

3. Employees who, during the base year, come to occupy management career positions, will be entitled to receive the amount referring to the 2021 PLR - Participation in Profits or Results program, proportionally to the months worked in the original position, in the period prior to the progression to the management career position, considering the fraction equal to or over 15 (fifteen) days/month.
4. Employees who, during the base year are dismissed from their managerial career position, will be entitled to receive the amount referring to the 2021 PLR - Participation in Profits or Results program, proportionally to the months worked in the position they occupy, in the period after the dismissal from their managerial career position, considering the fraction equal to or over 15 (fifteen) days/month.

Clause 3 Amount and basis of calculation -

1. The amount to be considered for the calculation of the 2021 PLR - Participation in Profits or Results, for employees belonging to the University Professional Group, the Technical Professional Group, the Administrative Support Professional Group and the Operational Professional Group, will be the maximum limit of 4.50% (four point fifty percent) of Cemig's adjusted net profit calculated in the year 2021.
2. For the calculation of the PLR - Participation in Profits or Results 2021, the adjusted net profit will be, so considered, CEMIG's consolidated net profit, calculated in the year 2021, excluding the results of the companies that have their own agreement for Participation in Profits or Results or in which Cemig is a minority shareholder, disregarding non-recurring amounts not included in the base budget proposal, so called in the financial statements published by the Company, already including Cemig's contribution to Forluz incident on the PLR - Participation in Profits or Results .
3. For the employees covered by item 1 of this Clause, the distribution will occur proportionally to the remuneration of each employee, respecting the distribution limit of up to 4.50% (four point five hundredths) of Cemig's adjusted net profit, disregarding non-recurring amounts not included in the base budget proposal, as so named in the Company's financial statements.
4. The Company proposes to condition the payment of Participation in Profits or Results for 2021, only if at least 70% (seventy integer percent) of the targets are achieved as a whole, observing the relative weight of each of the indicators and also considering the individual achievement of 70% (seventy integer percent) of the Adjusted Net Profit. Otherwise, there will be no distribution of Participation in Profits or Results.

5. The amount indicated shall be proportional to the compensation and to the number of employees represented by the Unions that approve the Specific Collective Agreement Relative to Cemig's 2021 Profit and result sharing Program and that, after the determination of the Final Result of the Indicators, are eligible to receive the Premium stipulated in the Program, aiming to maintain the amount that would be distributed to each employee if all Unions approved the proposal and if all represented employees received their share.
6. For all payment purposes, the employee's remuneration will be that in force in December 2021. For employees who are dismissed, assigned or on leave from the Company until December 2021, the remuneration will be that in force in the last month of active employment with Cemig.
7. For employees holding positions in the Managerial Career, that is, managers, administrators and superintendents, Cemig will establish specific regulations, according to the criteria of the Executive Board and the Board of Directors, which will observe, among other previously established rules, the Corporate and Specific indicators and targets, contained in the set of indicators adopted for employees belonging to the University Professional Group, the Technical Professional Group, the Administrative Support Professional Group and the Operational Professional Group.
8. For the specific regulation intended only and expressly for employees who occupy positions in the Management Career, Cemig will guarantee an amount different from the percentage of 4.50% (four point fifty percent) of the Company's Adjusted Net Income, that is, these employees are not entitled to the amounts established in items 1 and 3 of this clause.

Clause 4 Targets and Indicators

1. THE PROGRAM OF PARTICIPATION IN PROFITS OR RESULTS OF CEMIG 2021 shall consist of a set of 05 (five) Corporate Indicators, targets and their respective weights in the proportion of 25% (twenty-five point five percent), and a set of Specific Indicators, targets and their respective weights, of 03 (three) to 04 (four) indicators, in the proportion of 75% (seventy-five point five percent), according to the corporate strategic planning and the specific characteristics of each process, defined and agreed with the Company.
2. The Corporate Indicators, targets and their respective weights are described in the table below:

Table 01. Corporate Indicators:

Corporate Indicators				
Type	N.	Descriptive	Weight %	2021 Target
Financial	1	EBITDA	20	Approved budget
	2	PMSO	20	Approved budget
Client Satisfaction	3	IASC Ranking	20	Rank in the top five IASC ANEEL (National Electric Energy Agency) ranking*
Technical Performance	4	DEC - Equivalent Duration of Interruption per Consumer	20	9.5 h
Investment Return	5	Project IRR (Internal rate of return) - Consolidated	20	Approved budget

* **ANEEL Consumer Satisfaction Index** - allows to assess the satisfaction of residential consumers with the services provided by electricity distributors, as per regulations, approved by Order No. 2,502, of August 15, 2017. Categories: **IASC - National - Above 400 thousand consumer units**.

****DEC** - Equivalent Duration of Interruption per Consumption Unit, expressed in hours, i.e. average duration of interruption per consumer during the period considered.

- The Specific Indicators, targets and their respective weights shall be established by the Company, within each Director, up to the management level, observing the corporate strategic planning and the specific characteristics of each process and, since the execution of this Instrument, shall be ratified by the signatory Unions of the SPECIFIC COLLECTIVE AGREEMENT REGARDING THE PROGRAM OF PARTICIPATION IN PROFITS OR RESULTS OF CEMIG 2021.
- The Specific Indicators, targets and their respective weights shall be presented and made available to the employees by January 29 (twenty-nine), 2021.
- The indicators and targets of the 2021 PLR - Participation in Profits or Results will be calculated during the year 2021, until its end, with the payment of any amounts to be distributed to the employees in the year 2022, as defined in this agreement.
- The results of the 2021 indicators will be presented to the unions by the month following the submission of the Financial Statements with the Securities and Exchange Commission.

Clause 5 Calculation

1. The calculation of the results achieved by the Corporate Indicators will be done by performance ranges, as shown in the table below:

Table 02. Performance range of Corporate Indicators:

					Performance ranges	
Type	N.	Description	Weight	Bias	Minimum Reference	Target
Financial	1	Adjusted EBITDA Consolidated	20	Upward	≥ 90	100
	2	PMSO Consolidated	20	Downward	≤ 100	≤ 95
Customer Satisfaction	3	IASC Ranking	20	Upward	10th place	Rank in the top five IASC ANEEL (National Electric Energy Agency) ranking
Technical Performance	4	DEC Equivalent Duration of Interruption per Consumer (h)	20	Downward	$\leq 10.09h$	$\leq 9.5h$
Return on Investment	5	IRR (Internal rate of return) of Projects - Consolidated	20	Upward	≥ 95	≥ 100

2. The percentage of the result obtained by each indicator, according to the performance ranges, will be given according to the following tables:

The performance range for the **IASC Ranking** will be established by the classification obtained by Cemig, according to the following percentages:

Table 03. Performance range of the IASC Indicator.

IASC ANEEL ranking classification	(%) of Participation
11th place or above	0
Between 10th and 6th places	70 to 99 proportionally
5th to 1st place	100

Table 04. “Upward” bias indicators:

Performance	(%) of Result
Less than minimum reference	0
Greater than or equal to the minimum reference and less than the target	70 to 99 proportionally
Greater than or equal to target	100

Table 05. “Downward” bias indicators:

Performance	(%) of Result
Greater than minimum reference	0
Less than or equal to the minimum reference and greater than the target	70 to 99 proportionally
Less than or equal to target	100

1. The calculation of the results achieved by the Specific Indicators will also be based on performance ranges, established by the Company.
2. The calculation of the Final Results of the Indicators will be carried out according to the following conditions and formulas:

$$R = [\sum (CI \times \text{weight assigned to the indicator})] \times K1 + [\sum (IE \times \text{weight assigned to the indicator})] \times K2$$

Where:

R = Final result of the indicators

CI = result achieved by corporate indicator / target of the indicator;

IE = result achieved by specific indicator / target of the indicator;

K1 = proportion of the contribution in the corporate indicators;

K2 = proportion of the contribution in the specific indicators.

3. The payment of the PLR - Participation in Profits or Results will be proportional to the Final Result of the Indicators, as a whole, between the inferior limit of 70% (seventy percent), inclusive, and the superior limit of 100% (one hundred percent) of reaching the targets. If the Final Result of the Indicators, as a whole, is less than 70%, it will be assigned an amount of 0 (zero), thus there is no distribution of Participation in Profits or Results, as shown in the following table:

RESULT (%)	(%) of Participation
Below 70	0
70 to 100	70 to 100
Above 100	100

4. The results of each indicator are independent of each other for the purpose of distributing amounts, that is, failure to meet a target does not eliminate the possibility of distribution through the sum of the results of the other indicators.

Clause 6 Payment, Eligibility Criteria and Other Conditions of the Program

1. The payment of the PLR - Participation in Profits or Results will be made in the month subsequent to the submission of the Annual Financial Statements with the Securities and Exchange Commission, observing that:
 - a) The employees represented by the signatory union entities of this agreement, who maintained an employment bond throughout the year (between 01/01 and 12/31), shall be entitled to receive the amount equivalent to the 2021 PLR - Participation in Profits or Results, which shall be received proportionally to the months worked in the Company, considering the fraction equal to or over 15 (fifteen) days/month, except for the situations established below:
 - Employees hired, dismissed, assigned and released from the Company during the year 2021 (between 01/01 and 12/31) will receive the amount equivalent to the above, proportionally to the months worked at CEMIG, considering the fraction equal or superior to 15 (fifteen) days/month.
 - In case of death of an employee entitled to receive the above, the entitled beneficiaries will receive the amount proportionally to the months worked at CEMIG, considering the fraction equal or superior to 15 (fifteen) days/month.
 - b) In defining the proportionality of the number of months worked in the base year (calculation of fractions specified in the previous sub-paragraph), the information that generated the Christmas Bonus payment for the base year (13th Salary) will be used, except for the period of projection of the prior notice and exceptionally, the absences specified below:
 - Due to maternity and miscarriage, provided that the requirements for the "Maternity Salary" financed by Social Security are met and that the leave does not exceed 120 (one hundred and twenty) days or 180 (one hundred and eighty) days in the case of the Employee's option for an extension of the maternity leave, under the terms of Law no. 11.770, dated 09/09/2008;
 - Due to paternity leave, under the terms of Law No. 13,257 of 2016;
 - Due to adoption leave;
 - Vacations;
 - Release of Union Leaders, under the terms of the Collective Labor Agreement in force;
 - Other employees' release, also, with onus for CEMIG, provided that the qualification to receive the above is foreseen in a Board of Directors Resolution Communication;
 - The summons made by Court and in compliance with the Military Service Law;

- In cases of accidents at work or occupational diseases recognized by Social Security as comparable to an accident at work, provided that the absence is less than 180 (one hundred and eighty) days in the year 2021.

2. Employees who leave the Company throughout 2021 and 2022, on a date prior to the payment of the 2021 PLR - Participation in Profits or Results, for whatever reason, will receive the proportional amount of the PLR - Participation in Profits or Results to which they are entitled, as from July of the year following the base year.

Clause 7 General Provisions Applicable to All Employees

Compensation

The amounts distributed or anticipated in compliance with the provisions of the preceding items shall be offset in the event that the Company is obliged to pay any amount for this purpose or nature as a result of Legislation, Provisional Measure or a supervening Court Decision.

Integration into Remuneration

Pursuant to article 3, of Law 10101/2000, the PLR - Participation in Profits or Results shall not be included in the employee's remuneration for any purpose whatsoever, shall not be the basis for levy of any labor charge, nor shall it be subject to social security contributions, nor shall the principle of habituality apply thereto.

Deductions

In payments of PLR - Participation in Profits or Results, the deductions related to Income Tax and FORLUZ contribution, as per Law 10101/2000 and FORLUZ's own criteria, contained in Plan B Regulation, article 30, paragraph 1, which defines the installments that compose the Actual Contribution Salary, duly approved by the Complementary Social Security Office - SPC, from the Ministry of Social Security and Assistance - MPAS, as well as other authorized deductions will be discounted.

Clause 8 Term

The Agreement shall be in force for the period from January 1, 2021, until December 31, 2021.

Belo Horizonte, January 22, 2021.