

CEMIG SPONSORSHIP POLICY

1. INTRODUCTION

1.1 The Sponsorship Policy of the Energy Company of Minas Gerais – Cemig outlines the guiding principles of its investments in the fields of culture, sports and support for social institutions through sponsorships, assistance and the use of federal tax incentive programs.

1.2 This Policy integrates all communication strategies and the management of social initiatives for sustainability of the Company: it is one of the forms of relationship with the interested parties, adopted by Cemig and forms part of the company's Communication Plan, thereby subject to the Business Communications Authority (CE).

1.3 This document is an instrument that reaffirms Cemig's commitment to the transparency of its management, making a matter of public record its premises, philosophy and the origin of resources that guide it in defining its sponsorships, support, partnerships and use of federal incentive laws.

2. PURPOSE

2.1 This Policy defines the principles, objectives, and guidelines that help direct the Company in sponsorship decisions and aims to ensure that these decisions are understood by the stakeholders with whom the company interacts: employees, customers, governments, partners, proponents and beneficiaries of submitted projects.

3. OBJECTIVES

3.1 To make Cemig a company committed to reality and the demands of the environment in which it operates, contributing to the development and strengthening of local culture, sports, education and social policies, in alignment with the public policies of the communities where it operates.

3.2 To contribute to the attributes of Transparency, Strategy and Ethics that make up the reputation and brand value of the Company.

3.3 To strengthen the brand and company image in the market and in society, create ways for the company to avoid being interpreted solely in economic terms, but rather to be seen as a more universal organization, through the expansion of its business mission and its sphere of participation in the community.

4. PRINCIPLES GOVERNING CEMIG'S SPONSORSHIP DECISIONS

Principle 1:

Cemig's strategy aligns itself with the public policies of its sponsored sectors (culture, sports, education, social etc.).

Which means that:

- a) Cemig works in collaboration with the State and representatives of various sectors of society, seeking, through the sponsorship of projects, to enhance public sector policies;
- b) Cemig follows official sector classification and the guidelines adopted by the Federal Government, under the Ministries that regulate the sectors that it supports with sponsorships.
- c) Cemig seeks to build a synergistic cooperation with public authorities and with

various segments of society, under the principle that the best form of social development is to build networks of cooperation among these agents. Once these networks are established, there is a multiplying effect, becoming more integrated and cohesive, with greater awareness of the problems and priorities as well as a greater inflow of resources.

Principle 2:

Cemig guarantees public, democratic and egalitarian access for proponents to resources granted for sponsorship.

Which means that:

- a) Cemig selects projects through public announcements with deadlines and criteria published in large communication channels or through internal analysis, taking into account the Company's need to relate to its various target publics;
- b) Cemig respects diversity and adopts inclusive, non-discriminatory practices in the process of selecting projects for sponsorship;
- c) Cemig involves representatives of the company, public authorities and experts in the process of selecting submitted projects.

Principle 3:

Cemig values the quality of results derived from the projects it sponsors.

Which means that:

- a) Cemig prioritizes and encourages projects that have prospects for good long-term results and that contribute to the integrated development of the communities where they will be implemented;
- b) Cemig prioritizes and encourages projects that have as their premise the strategy of building participation networks that may grow as well as the involvement of different thematic sectors;
- c) Cemig prioritizes and encourages projects with prospects for social inclusion, regardless of the sector of activity for which they are intended;
- d) Cemig promotes and encourages cultural projects aimed at the development of communities in areas related to the promotion of tourism, commerce, preservation of cultural assets and heritage education and guarantees the democratization of public access to high-priced cultural products.

Principle 4:

Cemig protects and respects the copyrights and production rights of projects it sponsors.

Which means:

- a) Cemig fully recognizes the authorship of the projects it sponsors;
- b) Cemig does not assume authorship for works it sponsors;
- c) Cemig publicly discloses information regarding the team responsible for each project it sponsors, disclosing the names of the members of the technical staff responsible for the project.

Principle 5:

Cemig guarantees the transfer of an amount necessary to make possible a significant portion of the proposed project, both with its own resources as well as those provided by federal incentive laws.

Which means that:

- a) Cemig enables the minimum transfer necessary to leverage the projects it supports via Federal Cultural Incentive Law;
- b) Cemig can make use of its own resources allocated in the budget of the Business Communication Authority (CE);
- c) Cemig makes use of funding incentives in the areas of culture, sports and social development.

Principle 6:

Cemig is careful in applying its brand name to sponsored projects.

Which means that:

- a) Cemig understands that its brand name should be linked only to projects sponsored and supported with its own incentives;
- b) Cemig understands that projects sponsored with tax incentives use public resources and should not be used by the Company to promote its brand in explicit actions of institutional marketing. In such cases, the Company is limited to applying its name to projects as determined by the Ministry of Culture.

Principle 7:

Projects sponsored by Cemig must respect and preserve the environment.

Which means that:

- a) the selection process of projects sponsored by Cemig must take into account the relevant environmental concerns.

Principle 8:

Cemig's work is designed so that sponsorships and support given to projects be based on transparency and the correct application of resources.

Which means that:

- a) accountability for all projects sponsored by Cemig is mandatory and conducted jointly with auditing of Ministries and public entities involved in the process;
- b) the organizations or the proponents with account balances which indicate misuse of resources shall be penalized with a negative record with the Ministries corresponding to the given area of activity and in the registration with the Revenue Service of the Ministry of Finance, in accordance with the legal determination of the Rouanet Law and the Sports Incentive Law.

Principle 9:

Cemig may sponsor a single project in consecutive years.

Which means that:

- a) Cemig values partnerships and continuity of projects;
- b) Cemig believes that the continuity of projects, from a long-term perspective, is a significant contributory factor.
- c) through the continuity of projects, Cemig may form historical series of monitoring and evaluation, which allow for a consistent analysis of the impact generated by sponsored initiatives;
- d) projects characterized by continuity are mandatorily evaluated on their technical merits each fiscal year, before deciding whether their sponsorship shall continue.

Principle 10:

Cemig uses the prerogative of sponsorships via tax incentives to reaffirm its commitment to development, to sustainability and to the exercise of corporate citizenship, believing this to be one of the ways propitiated by federal law to contribute to the quality of life in communities and society.

Which means that:

- a) incentivized sponsorship, with funding from the Company's budget, is an instrument for the exercise of Cemig's corporate social responsibility.

5. GUIDELINES FOR Cemig's SPONSORSHIP

Cemig considers the following general and specific criteria in the definition and selection of initiatives for sponsorship.

5.1 General

- Initiatives focused on areas where the Company is present and provides services.
- Alignment with public policies.
- Strengthening of social capital.
- Generation of employment and income.
- Expansion of public access to cultural and sports products.

- Collective interest of the community.
- Support for research and development.
- Initiatives aligned with the Child and Adolescent Statute, federal law 8069/90.
- Use of tax incentives for the promotion of social, cultural and sports activities.
- Cultural projects previously approved by the Ministry of Culture.
- Initiatives aligned with the Strategic Objectives of the Company's Business.

Cemig does not sponsor projects:

- that appeal to political parties;
- that appeal to religious sects;
- that are contrary to provisions of federal, state or municipal laws;
- that contain content which violate human rights;
- that contain a discriminatory basis;
- that put at risk or threaten nature or environmental preservation;
- that have purely commercial purposes.

5.2 Specifics

5.2.1 Culture

- Cemig maintains a partnership with the State Ministry of Culture and recognizes the demands and priorities identified by the State.

- Cemig operates from the perspective of basic investment in the cultural market in Minas Gerais.

To that end, it values initiatives that address:

- f* formation of audiences;
- f* qualification and training of professionals;
- f* cultural management;
- f* the fosterage of research and development of artistic expression;
- f* free access to cultural products.

- The cultural projects sponsored by Cemig encompass segments officially recognized by the Ministry of Culture:

- f* heritage;
- f* literature;
- f* museography/museology;
- f* university extension in the areas of plastic, scenic and literary arts;
- f* maintenance of collections;
- f* classical music;
- f* popular folk music;
- f* plastic arts;
- f* scenic arts;
- f* visual arts;
- f* regional festivals of integrated arts (of a non-commercial character).

5.2.1.1 Audiovisual Production

Cemig is specifically invested in the area of audiovisual production, aimed at promoting research, adopting new languages and formats that reveal the plurality and diversity of Minas Gerais culture, renowned directors and beginners. The Company's initiative is based on public selection and encompasses:

- feature movies (production, completion and distribution);
- short movies (production and distribution);
- documentaries (in reels and video);

- open format;
- plot development;
- literature;
- digital conversion and recovery of collections.

As guiding criteria for the tender of projects in the audiovisual segment, the Company establishes that:

- producers and directors must be domiciled in Minas Gerais;
- 70% of the leases, technical labor and actors must be from Minas Gerais;
- all phases of an audiovisual production must address: research, project design, production, completion and distribution;
- new formats and contemporary initiatives inaccessible to the public are included in the category "Open Format".

5.2.1.2 Cemig's Art Gallery

Cemig keeps an Art Gallery installed at its headquarters and promotes the annual selection of samples through a "Talent Contest". The selected exhibits are characterized by the following premises and procedures:

- public contest announced in high-circulation newspapers;
- prioritizing the selection of innovative works and new languages;
- performance of an independent Curator Council, responsible for the selection of works, composed by professors of Fine Arts, critics and renowned artists. The Curator Council's decision shall prevail in the final selection of the Gallery's annual calendar;
- 11 samples are selected annually, individually or collectively, upon agreement among the artists;
- the gallery does not have a commercial purpose, thereby being enabled to freely determine the tendencies and innovations in the field of plastic arts.

5.2.2 Sports

- Cemig defines the sponsorship of sports initiatives based on the Law of Sports Incentives - Law 11438/2006 which allows the use of resources promoting this goal.
- Cemig prioritizes initiatives towards children and adolescents at social risk and athletes in Special Olympics.
- Cemig defines the investment in the sports sector after an analysis and selection process, conducted by an Internal Commission of the projects, taking into consideration its social dimension, also under advisement of the State Office of Social Services or the State Office of Sports and Youth.
- The sponsored entities shall submit activity reports to Cemig and to the Sports Ministry, legally responsible for auditing the programs benefited.

5.2.1 Sponsorships and Social Support

- Cemig selects social projects to be sponsored, among those registered with the Municipal, State and Federal Councils for Children and Adolescents as well as Guardian Councils, thereby seeking to meet the demands recognized by the competent public authority.
- Cemig utilizes article 591 of the Income Tax Code to provide resources through the Federal, State and Municipal Funds for Children and Adolescents.
- Cemig defines the investment in the social area also in alignment with SERVAS - Volunteer Service for Social Assistance - of the Government of the State of Minas Gerais,

considered a model institution in its assistance programs for the State's disadvantaged population.

- The benefited institutions should apply the resources according to guidelines from the Municipal, State and Federal Councils for the Rights of Children and Adolescents. The benefited institutions submit at the end of each year, Reports on the Application of Resources to Cemig.

Glossary

Consumer/Client: "The target of the Company's product. It may be a person or legal entity. It is whoever acquires (buyer) and/or who makes use of the product (user/consumer)." (PNQ)

High-price Culture: cultural products of high purchase price, restricted only to higher-income populations, in the absence of tax or sponsorship incentives, which would make them free of charge or reduce their cost.

Social dimension: one of the three axes forming the concept of sustainable development (economic, social and environmental). It is constituted by policies, products and services related to health, education, culture, leisure, entertainment, among others.

Copyrights: category of intellectual property created by the human mind, which protects the creators of literary or technical work, drawings, photographs, videos, music, audiotapes, computer programs, etc., against the unauthorized use or commercialization of their work.

Company: the entire organization or entity responsible for the implementation of the regulatory standards, including all employees (i.e. directors, executives, managers, supervisors and other personnel, either directly employed, hired or by any means representing the company).

Visual Identity: It is the expression and language of the brand through symbols, design and all visual elements of the brand, which should be consistent with the brand's concept, its values, culture and beliefs.

Image: whatever occurs and is perceived as public opinion in general. It is a collection of perceptions and beliefs, both from the present and the past, harbored in the conscience of diverse populations. They are built over the years, through each and every contact, experience, rumor and each reference in the media, shaping a general impression of what the company stands for, its values and behavior.

Brand: It is the distinguishing feature in the relationship between the company's own personnel and the external stakeholders, be it through the purchase of a product or service, attention provided; what the public experiences in this relationship. Therefore, brand is a cultural phenomenon, a culture in itself, values and principles materialized in the relationship with the company's stakeholders, including employees, consumers, media, ONGs, financial markets, government among others.

Cultural Marketing: institutional marketing resource which consists of sponsoring or supporting cultural and artistic activities.

Cultural Heritage: the conglomeration of all material or non-material assets, which, on their own merit, should be considered of relevant interest to the cultural preservation and identity of a given population.

Heritage: refers to any physical, real estate or natural asset, of significant value to society, which may be aesthetic, artistic, documental, scientific, social, spiritual or ecological in nature.

Sponsorship: contribution of financial and non-financial resources which will enable the production of cultural, sports, social and economic projects, displaying the sponsor's trade name in the project's advertising media, independently of the source of financial resources.

Partnerships: a relationship of shared responsibility in which partners share their resources and exchange mutual benefits to reach common goals; its objective is to integrate the organization with the community, obtain resources and give visibility to their organization.

Public Policies: guidelines adopted by a government aimed at managing the investment of accumulated public resources. They arise from the demands and specific needs of the community, and, ideally, they result from mobilizations and interactions between organized civil society and government. They are solidified in law decrees, administrative routines, plans, programs or projects administrated by the public authority.

Social responsibility: is the type of management defined by an ethical and transparent relationship between the company and all sectors of population interacting with it, and by the establishment of business objectives aimed at energizing the sustainable development of society, preserving natural and cultural resources for future generations, respecting diversity and promoting the reduction of social inequalities.

Stakeholder: Anyone (person, group, entity) related to or has an interest (direct or indirect) in the organization. Participants (internal or external) which affect or are affected by the objectives or results of a given organization, at different levels, as they assume some basic attributes: power legitimacy and urgency.