

MLOG S.A.

CNPJ/MF nº 13.444.994/0001-87

NIRE 33.3.0029745-6

Public-held Company

ADMINISTRATION PROPOSAL TO THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF MLOG S.A. TO BE HELD ON NOVEMBER 22, 2017.

Rio de Janeiro, November 7th, 2017. Pursuant to Circular Letter CVM/SEP/Nº 01/2017, dated of 02.23.2017 and sections 11 and 16 of CVM Instruction No. 481 of December 17, 2009 (“ICVM 481/09”), the administration of MLog S.A. (“Company” or “MLog”) presents this Administration Proposal (“Proposal”) about the matters contained in the agenda of the EGM that will be held on November 22nd, 2017 at 10:00pm (“General Meeting”) at Company’s headquarters located at Rua Lauro Muller, No. 116, suites 2601 and 2608 – part, Botafogo, Zip Code 22.290-906, City and State of Rio de Janeiro, as follows:

- (i) Approve the resizing of Company’s capital increase approved at the Extraordinary General Meeting held on August 26, 2015 (“Capital Increase”), from the original amount of BRL 209,492,091.00, resized to BRL 166,860,334.70 at the Extraordinary General Meeting held on December 08, 2016 (“Capital Increase”), **to** BRL 124,228,578.40, which will result in the reduction of the Company's share capital by BRL 42,631,756.30, through cancellation of 152,788] of the total 593,474 issued shares subscribed under the Capital Increase and not yet paid-up, with reallocation of the amount already paid among the remaining subscribed and remaining partially Paid-in shares, as per Administration Proposal and procedures set forth under the Brazilian Corporation Law; and
- (ii) Approve the revision of the payment schedule of the Capital Increase as per the Administration Proposal.

It was approved by the Company’s Board of Directors, on a meeting held on November 6th, 2017 the proposal to resize the Capital Increase to BRL 124,228,578.40, which will result in the reduction of the Company's share capital by BRL 42,631,756.30, through the cancellation of 152,788 (“Cancelled Shares”) of the total 593,474 issued shares subscribed under the Capital Increase and not yet paid-up (“partially Paid-in Shares”), with reallocation of the amount already paid among the remaining subscribed and remaining partially Paid-in shares and revision of the payment schedule as per Annex I. The resizing of the Capital Increase in the aforementioned terms will not result in the Company's cash outflow.

The resizing of the Capital Increase proposed is due to a review of the structure and cost of the Company, as well as a better understanding of the Company's administration's of its available resources, regarding:

- 1- The receipt of funds arising from the credits of the Adicional ao Frete para Renovação da Marinha Mercante (AFRMM) generated by the controlled company CAN - Companhia de Navegação da Amazônia ("CNA"). Asgaard Navegação S.A. ("Asgaard"), controlled by the Company, was enabled by Banco Nacional de Desenvolvimento Econômico e Social (BNDES) to receive the amount of BRL 106,303,053.47 in cash, due to the acquisition of the vessel Asgaard Sophia by its subsidiary CNA, having received until the present date the approximate amount of BRL 94.3 million. The Company was granted with a favorable injunction to secure the remaining amount of BRL 11 million, and currently awaits a merit judgment by the Judiciary. The administration believes that the case may be closed in 2017.
- 2- Reduction of the investment program in new vessels of its subsidiary Asgaard given the current scenario of the Brazilian and global offshore industry, reducing the demand for investments;
- 3- The Company's current capacity to invest in the offshore industry as a result of the AFRMM credits. In accordance with the position verified on September 30th, 2017, the capacity of investment is composed by: (a) credits already available in the linked account representing BRL 9 million; (b) credits already generated in the amount of BRL 43.3 million; and (c) future credits, annually generated by CNA, in accordance with its operating activities. All of the values mentioned herein may be used for inland navigation, offshore and also for M&A operations;
- 4- The recent review of the commitments assumed by the Company to obtain de *Licença de Instalação do Projeto Morro do Pilar* with a reduction in the demand for investment to protocol the referred license.

Therefore, the Company's administration believes, in view of the abovementioned and considering the maintenance of the commitment to pay the individual amounts of R\$ 42,631,756.30 with its due date on December 9th, 2018 and December 9th, 2019, as approved at the Extraordinary General Meeting held on August 26, 2015, that the financial resources are sufficient for the Company's investment policy and activities required to fully achieve its strategic plan, corporate purpose and reach of the objective of creating value for the shareholders through the development of the Company's assets and austerity in the administration of its resources.

Considering the agenda of the EGM and pursuant to the ICVM 481/09, the following document is attached to this Proposal: Annex I – information regarding the resizing of the Capital Increase and corresponding reduction of the Company's share capital (Article 16 of ICVM No. 481/09).

The controlling shareholder, Maverick Holding S.A., company with its head office at Rua México, nº 03 - 9º andar - parte, Centro, CEP: 20.031.144, Rio de Janeiro - RJ, enrolled under the taxpayer nº 16.855.255 / 0001-76 ("Maverick Holding"), holds 593,474 partially Paid-in Shares.

In the event that the resizing of the Capital Increase is approved: (i) the share capital of the Company will be changed from BRL 1,276,193,261.98 divided into 2,899,712 common shares to BRL 1,233,561,505.68 divided into 2,746,924 common shares; (ii) Maverick Holding, will be the owner of 440,686 partially Paid-in shares; and (iii) the balance of the share capital to be paid-up by Maverick Holding in the amount of BRL 127,895,268.90 will correspond to BRL 85,263,512,60.

Considering the aforementioned, we propose that all the matters contained in the EGM agenda, as per items (i), (ii) and (iii) above, should be approved.

In order to attend the General Meeting, the shareholders must prove its shareholder capacity, as per Article 126 of the Brazilian Corporation Law, by submitting identity document / corporate documents and proof of deposit of the Company' shares dully issued by the depository financial institution or by the custodian of the shares, and may be represented by proxy holders, subject to legal restrictions, case in which the respective power of attorney shall be presented to the Company.

The Company recommends that the shareholders deposit within 48 hours in advance a copy of the power of attorney and the documents proving the quality of shareholder and of representation, as well as the proof of deposit of the Company' shares, by facsimileing these documents to (21) 2538-4900, in the attention to the Investor Relations Officer, or by e-mail to ri@mlog.com.br.

Notwithstanding, it is important to emphasize the shareholders attending the General Meeting with the above legal documents until the opening of the proceedings of the EGM, may participate and vote, even though they have left the deposit.

The documents and information related to the matters above, to be discussed at the EGM hereby called, are available to shareholders at the Company's headquarters, in its website <http://www.ri.mlog.com.br> as well as on the website of the Brazilian Securities and Exchange Commission (CVM) (www.cvm.gov.br) and B3 S.A. – Brasil, Bolsa, Balcão (www.bmfbovespa.com.br), in accordance with the provisions of the Brazilian Corporation Law and CVM Instruction No. 481/09.

Rio de Janeiro, November 7th, 2017.

Gustavo Barbeito de Vasconcellos Lantimant Lacerda
Investor Relations and Strategic Planning Officer
MLog S.A.

ANNEX I

INFORMATION RELATING TO THE RESIZING OF THE CAPITAL INCREASE AND THE CORRESPONDING REDUCTION OF THE CAPITAL OF THE COMPANY

The proposal to be deliberated consists in the resizing of the Company's Capital Increase to BRL 124,228,578.40, which will result in the reduction of the share capital of the Company in BRL 42,631,756.30, through the cancellation of 152,788 of the total of 593,474 partially Paid-in shares, with the reallocation of the value already paid in among the remaining partially Paid-in shares and the review of the payment schedule.

1. Informing the value of the reduction and the new share capital

As a result of the resizing of the Capital Increase, the share capital of the Company will be reduced in BRL 42,631,756.30, thus changing the share capital from BRL 1,276,193,261.98 to BRL 1,233.561,68.

2. Explaining, in detail, the reasons, format and consequences of the reduction

The resizing of the Capital Increase proposed is due to a review of the structure and cost of the Company, as well as a better understanding of the Company's administration's of its available resources, regarding:

- 1- The receipt of funds arising from the credits of the Adicional ao Frete para Renovação da Marinha Mercante (AFRMM) generated by the controlled company CAN - Companhia de Navegação da Amazônia ("CNA"). Asgaard Navegação S.A. ("Asgaard"), controlled by the Company, was enable by Banco Nacional de Desenvolvimento Econômico e Social (BNDES) to receive the amount of BRL 106,303,053.47 in cash, due to the acquisition of the vessel Asgaard Sophia by its subsidiary CNA, having received until the present date the approximate amount of BRL 94.3 million. The Company was granted with a favorable injunction to secure the remaining amount of BRL 11 million, and currently awaits a merit judgment by the Judiciary. The administration believes that the case may be closed in 2017.
- 2- Reduction of the investment program in new vessels of its subsidiary Asgaard given the current scenario of the Brazilian and global offshore industry, reducing the demand for investments;
- 3- The Company's current capacity to invest in the offshore industry as a result of the AFRMM credits. In accordance with the position verified on September 30th, 2017, the capacity of investment is composed by: (a) credits already available in the linked account representing BRL 9 million; (b) credits already generated in the amount of BRL 43.3 million; and (c) future credits, annually generated by CNA, in accordance with its operating activities. All of the values mentioned herein may be used for inland navigation, offshore and also for M&A operations;

- 4- The recent review of the commitments assumed by the Company to obtain de *Licença de Instalação do Projeto Morro do Pilar* with a reduction in the demand for investment to protocol the referred license.

Therefore, the Company's administration believes, in view of the abovementioned and considering the maintenance of the commitment to pay the individual amounts of R\$ 42,631,756.30 with its due date on December 9th, 2018 and December 9th, 2019, as approved at the Extraordinary General Meeting held on August 26, 2015, that the financial resources are sufficient for the Company's investment policy and activities required to fully achieve its strategic plan, corporate purpose and reach of the objective of creating value for the shareholders through the development of the Company's assets and austerity in the administration of its resources.

The resizing of the Company's Capital Increase from BRL 166,860,334.70 **to** BRL 124,228,578.40, will result in the reduction of the share capital of the Company in BRL 42,631,756.30, through the cancellation of 152,788 of the total of 593,474 partially Paid-in shares, with the reallocation of the value already paid in among the remaining partially Paid-in shares and the review of the payment schedule as per Annex I.

After the resizing of the Capital Increase, the share capital of the Company will be from BRL 1,276,193,261.98 divided into 2,899,712 common shares to BRL 1,233,561,505.68 divided into 2,746,924 common shares.

3. Providing copy of the Fiscal Council opinion, in case it is established, when the proposal of the reduction of the share capital comes from the management.

Not applicable.

4. Informing, as the case may be:

(a) the value of restitution per share;

The resizing of the Capital Increase will not result Company's cash outflow. The installment already paid up of the price of the cancelled shares as a result of the resizing (see item "c" below), corresponding to BRL 63,522327195463 per share, will be reallocated among the remaining partially Paid-in shares, being kept the same original subscription price per share of the shares issued under the capital increase.

(b) the value of the reduction of value of the shares towards the incoming value, in case of the partially Paid-in capital

The resizing of the Capital Increase, performed with the equivalent cancellation of shares and with no cash outflow, will result in an increase in the equity value per share of the remaining shares.

(c) amount of shares object of the reduction:

The amount of 152,788 shares of the partially Paid-in shares will be cancelled with the reallocation of the values already paid in among the remaining partially Paid-in shares. The payment schedule will be reviewed in order to reduce the total subscribed value in 40,94760686096% (and the corresponding amount of partially Paid-in Shares).

The shares issued in the Capital Increase which have been fully paid up before the effectiveness of the resizing of the Capital Increase (and consequent reduction of the share capital of the Company) will not be cancelled. In the event that the resizing of the Capital Increase and the new payment schedule are approved in the General Meeting, the Company's Management will disclose a note to the shareholders in order to regulate the proceedings for the cancellation of the shares (pursuant the provision of section 174 of Law 6,404/76), as well as the rectification of the subscription list.

At the Company's General Extraordinary Meeting held on August 26th, 2015, it was approved the following for payment of shares issued as a result the Capital Increase ("Original Schedule"):

Installment	Payment due	Percentage over the amount due
1st installment	At subscription date	18,1047407656072%
2nd installment	Within 12 months from the subscription date Payment due date: December 9, 2016	20,4738148085982%
3rd installment	Within 24 months from the subscription date Payment due date: December 9, 2017	20,4738148085982%
4th installment	Within 36 months from the subscription date Payment due date: December 9, 2018	20,4738148085982%
5th installment	Within 46 months from the subscription date Payment due date: December 9, 2019	20,4738148085982%
		100%

The payment scheduled of the Capital Increase was modified on the Company's General Extraordinary Meeting held on December 8th, 2016 ("Modified Schedule") to:

Installment	Payment due	Percentage over the amount due
1st installment	At subscription date	22,7657603902805% (*)
2nd	Within 12 months from the subscription	25,7447465365732%

installment	date Payment due date: December 9,2017	(*)
3rd installment	Within 24 months from the subscription date Payment due date: December 9, 2018	25,7447465365732% (*)
4th installment	Within 36 months from the subscription date Payment due date: December 9, 2019	25,7447465365732% (*)
		100%

(*) The modification in the percentage over the amount provided on the Modified Schedule considers that the total amount of the 2nd installment provided in the Original Schedule was excluded, therefore, the total subscription value corresponds to 79.526185191% of the original total value. The amount in BRL of the installments due on 09.12.2017, 09.12.2018 and 09.12.2019 has not changed.

It is proposed the modification of the payment schedule for the Capital Increase, to be submitted to the General Meeting, for the following ("Proposed Schedule"):

Installment	Payment due	Percentage over the amount due
1st installment	At subscription date	30,6587875274849% (**)
2nd installment	Within 36 months from the subscription date Payment due date: December 9,2018	34,6706062362575% (**)
3rd installment	Within 46 months from the subscription date Payment due date: December 9, 2019	34,6706062362575% (**)
		100%

(**) The modification in the percentage over the amount provided on the Proposed Schedule considers that the total amount of the 2nd installment provided in the Original Schedule was excluded, therefore, the total subscription value corresponds to 59,0523703828036% of the original total value. The amount in BRL of the installments due on 09.12.2018 and 09.12.2019 will not change.

In the event that the resizing of the Capital Increase is approved according to the terms of this Proposal, the reduction of the Company's share capital, as the result of the resizing, will only become effective 60 days after the publication of the minutes of the EGM, pursuant the provisions of Article 174 the Brazilian Corporate Law, provided that the chargeability of the 2nd installment set forth in the Modified Schedule of the Capital Increase will be suspended from the date of the EGM until the date on which the capital reduction becomes effective.

Considering that the reduction of the share capital will only become effective after the 60 day term after the publication of the EGM, it is mandatory, under any circumstance (including eventual creditors opposition), that the Modified Schedule be changed from now on, so that the maturity date of the installment expected for December 9th, 2017 be postponed to the 63rd day counting from the publication of EGM's minutes.