



Eletrobras

POLICY FOR EXECUTION OF COURT AND OUT-OF-COURT SETTLEMENTS OF ELETROBRAS COMPANIES

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Policy for Execution of Court and Out-of-court Settlements of Eletrobras Companies

Area in Charge of the Issuance

Legal Superintendence.

Target Audience

Employees, managers, officers, and directors of Eletrobras companies.

Approval

Resolution RES-595/2020, dated October 05, 2020, of the Executive Board of Eletrobras.
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Repository

All policies of Eletrobras companies may be found online at the website:
<http://eletrobras.com/pt/Paginas/Estatuto-Politicais-e-Manuais.aspx>

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Introduction

With a model based on established methodologies and standards, recognized by the market and disseminated among all Eletrobras companies, conflict management is able to adapt to organizational strategies, efforts, and structures, with the aim of maximizing the company's resources.

1 Purpose

To establish guidelines intended to guide the processes of identification, assessment, treatment, and parameterization of disputes involving Eletrobras companies and which may be subject to settlement, in keeping with the purpose of the CNJ (National Council of Justice) Resolution No. 125/2010, the principles of speed and consistency in the consensual settlement processes with the interests of the system, and the best market practices.

2 References

- 2.1 Resolution No. 125/2010 of CNJ, dated November 29, 2010.
- 2.2 Law No. 13140/2015, dated June 26, 2015.

3 Principles

- 3.1 Management of strategic lawsuits with the purpose of generating value for the Eletrobras companies.
- 3.2 Recognition that strategic demand management is directly connected to procedural speed and the creation of value for shareholders, as it allows for dispute settlements with decision-making grounded in win-win strategies and risk mitigation, as well as control and predictability of results.
- 3.3 Adoption of appropriate methods for each form of dispute.
- 3.4 Adoption of best dispute settlement practices.
- 3.5 Furtherance of the appropriate use of different mechanisms based on the dimensions relevant for each dispute, in a systematic, structured, and timely manner, in order to improve the treatment of existing disputes, seeking a better reputation in the market, as well as with partners, and fulfilling its social role in promoting dejudicialization, as well as the improvement of the Brazilian justice system.
- 3.6 Use of common standards and strategies among Eletrobras companies.
- 3.7 Equality for similar cases, treating demands and disputes with the same basic characteristics with the same criteria.
- 3.8 Transparency of information for access to mediation programs and/or settlements that involve Eletrobras companies and by disclosing them to potential interested parties,

meanwhile abiding by the restrictions on strategic information from the Eletrobras companies, in order to ensure their competitiveness, corporate governance and, when applicable, the interests of minority shareholders.

4 Guidelines

Eletrobras companies and their employees are expected to:

- 4.1 Identify and treat root causes of conflicts, to avoid potential future conflicts from arising.
- 4.2 Prevent judicialization, so that disputes are settled in a quicker and more economical way, whenever possible.
- 4.3 Use, whenever possible, efficient means of dispute settlement, such as mediation and conciliation.
- 4.4 Establish routines to spot opportunities for reaching settlements.
- 4.5 Ensure ethics in the negotiation of all settlements.
- 4.6 Ensure that civility and respect underlie all the formalities required for deals for settlement or alternative methods of dispute settlement.
- 4.7 Duly represent the Eletrobras companies in all acts related to the dealing for and entry into settlements.
- 4.8 Only enter into settlements that, through objective justification, are proven to benefit Eletrobras companies.
- 4.9 Write proposals and draft agreements always in a clear and straight-forward manner, meeting the good governance practices demanded by the market.
- 4.10 Verify that the settlement clauses serve the best interests of the Eletrobras companies.
- 4.11 Spot and mitigate risks for the Eletrobras companies, during negotiations for settlements.
- 4.12 Oversee the implementation and compliance with the conditions agreed to through continuous management activities and/or dialogue with the signatories.
- 4.13 Establish methods for measuring the effectiveness of the settlements entered into.
- 4.14 Arrange classifications concerning the restriction of access to information and documents related to the negotiations carried out within the scope of the deals, abiding by the rules for classification of Information of the Eletrobras companies.
- 4.15 Refrain from sharing or granting access to classified information for employees who do not need it to carry out their activities.

5 Responsibilities

- 5.1 Eletrobras Legal Superintendence — to act as manager of the implementation and dissemination of this policy.
- 5.2 Executive Board of Eletrobras — to approve this policy and ensure its implementation.
- 5.3 Board of Directors of Eletrobras — to approve this policy.
- 5.4 Executive Boards of Eletrobras companies — to approve this policy and ensure its implementation.
- 5.5 Board of Directors of Eletrobras companies — to approve this policy.

6 Concepts

N/A

7 General Provisions

- 7.1 This policy is in line with the other policies of the Eletrobras companies.
- 7.2 Eletrobras companies shall ensure that the principles and guidelines established in this policy are met at the companies in which they hold a relevant shareholding, as well as make efforts to ensure that these principles and guidelines are complied with by the companies where they hold a minority interest.
- 7.3 This policy can be broken down into other specific normative documents, always in line with the principles and guidelines established hereunder.