

Open Letter to Eletrobras Shareholders

Rio de Janeiro, April 10, 2025, Centrais Elétricas Brasileiras S/A – Eletrobras presents attached the document entitled “Open letter to Eletrobras shareholders”.

Eduardo Haiama
Vice President of Finance and Investor Relations

Rio de Janeiro, April 10, 2025.

LETTER TO SHAREHOLDERS

Vicente Falconi Campos
Chair of the Board of Directors

To our dear shareholders,

As we approach Eletrobras' 2025 [AEGM](#) and [EGM](#), scheduled for April 29, 2025 ("Shareholders' Meetings"), we would like to underscore the significant context in which these meetings are taking place and their critical importance for the future of our company.

As disclosed in our [EGM Management Proposal](#), the Conciliation Agreement was signed with the goal of ending the Direct Action of Unconstitutionality – DAU ("*Ação Direta de Inconstitucionalidade nº 7.385*"), in progress before the Brazilian Supreme Federal Court (STF), which was initiated by the federal government on May 5, 2023. In the DAU, the former controlling shareholder was disputing the 10-percent voting cap.

The conciliation with the Federal Government represents a historic milestone for Eletrobras, and we believe it is essential to highlight this to our esteemed shareholders alongside key agenda items, such as the Board of Directors' election and other bylaws amendments aimed at improving Eletrobras' corporate governance framework.

Eletrobras has evolved significantly, since its privatization, enhancing its business strategy and corporate governance structure, positioning the company on a clear growth path with the right capabilities and strategy, and there is still much to be done. We have transformed our business, delivering over R\$7.7bn of investment in 2024, more than three times our historical levels of investment. We have resumed capacity in generation and transmission, as well as restarted of our investments in Coxilha Negra wind farm with 302 MW capacity, Transnorte Energia (TNE), responsible for constructing the 500 kV transmission line between Manaus and Boa Vista, and HVDC Itaipu revitalization project, which is approximately 800 km long and connects the substations of Foz do Iguaçu and Ibiúna (SP).

Alongside this financial and operational evolution, we have strengthened our ESG agenda, with the adoption of Net Zero 2030 goals, revised the company's policies, adoption of a standalone Human Rights Policy and, among others, the establishment of a dedicated board committee to supervise and monitor sustainability initiatives to increase the board of directors' oversight of these topics.

Following a long negotiation period, the Conciliation Agreement was signed by Eletrobras and the federal government at an arbitration chamber on March 26, 2025, as disclosed to the markets. The agreement is pending approval by Eletrobras' shareholders and the subsequent ratification by the STF.

By supporting the Conciliation Agreement at the EGM, shareholders will be voting on the "*Termo de Conciliação*", which introduces new and balanced governance parameters for Eletrobras, seeking to resolve the DAU and implement the necessary changes to the structure, including granting the Federal Government the right to elect three (3) members to the board of directors and one (1) fiscal council member at the AEGM. And more importantly, the agreement will ensure the preservation of the 10-percent voting cap, maintaining Eletrobras as a non-controlled company. Additionally, the Termo de Conciliação suspends Eletrobras' obligations to provide funding and new guarantees in favor of Eletronuclear for the construction of the Angra 3 nuclear power plant, and Eletrobras shall be free to sell its stake in Eletronuclear.

We reiterate that the approval of the Conciliation Agreement represents a significant milestone for the history and future of Eletrobras and we firmly believe that the achievements outlined in the conciliation terms are positive for all stakeholders involved, ensuring stability and continuity, further enhancing the governance structure, ultimately paving the way for sustainable growth. Based on the terms of the agreement, the Federal Government's representation will no longer be subject to dispute, control and influence will be checked and balanced, and Eletrobras will have a clear avenue for its long-term strategy. Therefore, its approval is crucial.

As stated above, to enable Eletrobras to successfully proceed with its strategic plans and goals, it is paramount that all shareholders, especially those who participated in Eletrobras' privatization process in 2022, exercise their legitimate voting rights to support an extremely capable management team, led by a diligent, independent and highly skilled Board of Directors, which has dully negotiated the best possible terms for all stakeholders involved, that will ultimately allow Eletrobras to preserve and unlock its full potential to play a leading role in the global energy transition efforts.

Finally, we would like to clarify that the EGM addressing the agreement with the federal government will be held prior to the AEGM, which will deliberate on the election of the board.

With the approval of the Conciliation Agreement the federal government will be able to elect three representatives through a separate election, without participating in the general elections of common and preferred shareholders. Therefore, **by approving the conciliation agreement, the adoption or non-adoption of cumulative voting will be irrelevant** for the purposes of the election of federal government's representatives on the board.

Election of Directors

The AEGM includes the election of directors, an item directly dependent on the resolutions to be made at the EGM regarding the Conciliation Agreement. The approval of the *Termo de Conciliação* (Conciliation Agreement) between Eletrobras and the Federal Government will significantly impact the composition and election process of the board of directors, thus ensuring predictability and stability. As stated above, this agreement is the result of a robust and well-governed negotiation process, with positive outcomes for the company and its shareholders. It ensures that the governance structure is aligned with the strategic goals of Eletrobras, fostering a collaborative environment for decision-making.

In this regard, the nominations set forth in the Management Proposal are integral to the governance changes outlined in the agreement, which have been carefully negotiated to guarantee the best interests of Eletrobras and its stakeholders. The Board of Directors has diligently fulfilled its fiduciary duties and strategic oversight throughout these negotiations, ensuring that the proposed list of candidates is well suited to preserve value and drive the company forward, and maintain shareholder and societal confidence.

Nomination and Succession Process

Eletrobras has carried out a thorough and carefully tailored nomination and succession process, as outlined in the [Management Proposal](#), page 37, and the Company's [Nomination Policy](#).

This process was led by the Chair of the Board of Directors with direct involvement of the Nomination Committee and support of highly renowned advisors and considered several interactions with shareholders to gather insights and expectations regarding the role, composition and challenges of the board.

The process also included an independent evaluation of the current Board and each Director, as well as identifying and mapping key skills necessary to compose our Board Skills Matrix aligned with our long-term strategic goals, which entails the need for a controlled refreshment of our Board of Directors to increase the skills and abilities directly associated with our core industry, in operating and having expert knowledge within the energy sector.

The succession plan also considered the natural intricacy of the energy sector, which has been undergoing several structural changes that further increase its complexity, greater volatility in energy prices (modulation, submarket risk, and *curtailment*), ultimately requiring a very specific profile for an effective Board of Directors.

As a result of this process, the Nomination Committee proposed a list of candidates that best fit the strategic challenges ahead of the Company to drive value creation for its shareholders. This meticulous approach guarantees that the Board is equipped with a wealth of needed expertise and diversity, encompassing not only the skills and abilities but also gender and representation of under-represented populations, as the LGBTQI+ group. These criteria are essential to navigate the complex challenges ahead as Brazil positions itself as a major player in the Green Energy Transition.

Considering this scenario, in addition to the detailed information already provided on each candidate in the Management Proposal, the Board wishes to offer further context on three specific topics highlighted below. This additional background illustrates both the Board's attention to shareholder insights and representation and its commitment to thoroughly evaluating the performance of directors.

- The nomination of Carlos Marcio Ferreira was expressly requested by shareholders (SPX Gestão de Recursos Ltda, Opportunity HDF Administradora de Recursos Ltda., Oceana Investimentos Administradora de Carteira de Valores Mobiliários Ltda and Navi Capital – Administradora e Gestora de Recursos Financeiros Ltda.). Such appointment was subject to our extensive Nomination and Succession Process culminating in the decision to include his name in the Management Proposal, given that the candidate's profile matched the company's needs. In this regards, Mr. Ferreira is widely recognized for his leadership and expertise in the energy sector, having dedicated more than 17 years to this field. He has significantly contributed to the growth and development of the companies where he worked, including serving as COO at CPFL, Vice President of Distribution at Energisa Group, Chairman of the Board of Directors at Eneva S.A., and Board of Directors at Light S.A.
- Similarly, Pedro Batista de Lima Filho's nomination was requested by shareholders (Atmos Capital Gestão de Recursos Ltda, Vinci Equities Gestora de Recursos Ltda, Milestones Administradora de Recursos, Radar Gestora de Recursos Ltda and SPX Gestão de Recursos Ltda.). He is the managing and controlling partner of Radar Gestora de Recursos Ltda, a firm that has held a significant stake in Eletrobras since 2013. Mr. Lima Filho also possesses 28 years of expertise in the electricity sector, having served as head of the Brazil Equity Research team at UBS Pactual and as a partner at Banco Pactual from 1997 to 2006. His analytical contributions have earned him recognition and awards from notable institutions such as Institutional Investor and Latin Finance.
- Finally, it is also worth clarifying that, as reported in the AGM material, the Board of Directors considered the performance and evaluation results of each director when assessing potential recommendations for reappointment. This rigorous assessment ensures that the board is composed of individuals who possess the skills and experience necessary to navigate the evolving challenges of the company and the energy industry. In this regard, the Board of Directors decided to reappoint 6 out of 9 incumbent directors, which entails a controlled refreshment to increase the skills and abilities directly associated with our core industry, in operating and having expert knowledge within the energy sector.

In light of these considerations, the Board of Directors reiterates its recommendation, as previously disclosed to the market, that the Company's shareholders support the Approval of the Conciliation Agreement at the EGM and, subsequently, the Candidates List as proposed by Eletrobras' management.

We remain committed to maintaining high standards of governance and aligning our practices with the interests of all stakeholders.

Thank you for your consideration.