

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

June 08, 2018

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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, DC 20549**

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**FORM 6-K**

**REPORT OF FOREIGN ISSUER**  
**PURSUANT TO RULE 13a-16 OR 15d-16 OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

**For June, 2018**  
**(Commission File No. 1-31317)**

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**Companhia de Saneamento Básico do Estado de São Paulo - SABESP**  
*(Exact name of registrant as specified in its charter)*

**Basic Sanitation Company of the State of Sao Paulo - SABESP**  
*(Translation of Registrant's name into English)*

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**Rua Costa Carvalho, 300**  
**São Paulo, S.P., 05429-900**  
**Federative Republic of Brazil**  
*(Address of Registrant's principal executive offices)*

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Indicate by check mark whether the registrant files or will file  
annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K  
in paper as permitted by Regulation S-T Rule 101(b)(1) .

Indicate by check mark if the registrant is submitting the Form 6-K  
in paper as permitted by Regulation S-T Rule 101(b)(7) .

Indicate by check mark whether the registrant by furnishing the  
information contained in this Form is also thereby furnishing the  
information to the Commission pursuant to Rule 12g3-2(b) under  
the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicated below the file number assigned to the  
registrant in connection with Rule 12g3-2(b):

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**COMPANHIA DE SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO – SABESP**

PUBLICLY-HELD COMPANY

**Corporate Taxpayer's ID (CNPJ) No.  
43.776.517/0001-80**

**State Registry (NIRE) 35.3000.1683-1**

**MINUTES OF THE ANNUAL AND EXTRAORDINARY SHAREHOLDERS' MEETING**

**HELD ON APRIL 27, 2018**

**DATE, TIME AND VENUE:** On April 27, 2018, at 11 a.m., at the headquarters of Companhia de Saneamento Básico do Estado de São Paulo ("Company"), at Rua Costa Carvalho, 300, Pinheiros, in the City of São Paulo, State of São Paulo, CEP 05429-000.

**CALL NOTICE:** The Call Notice was published in the "Diário Oficial do Estado de São Paulo", Business Section, on the following days: (i) March 28, 2018, (ii) March 29, 2018, and (iii) March 30, 2018, pages 295, 421 and 271, respectively, and in the newspaper "Valor Econômico", on the following days: (i) March 28, 2018, (ii) March 29, 2018, and (iii) March 30, 2018, pages B9, C19 and C9, respectively.

**ATTENDANCE:** The meeting was attended by shareholders representing more than 83% (eighty-three percent) of the Company's voting and total share capital, as verified (i) by the signatures in the Shareholders' Attendance Book and (ii) valid remote voting forms received through the Securities Depository Center of B3 S.A. – BRASIL, BOLSA, BALCÃO and through the bookkeeping agent of the shares issued by the Company, pursuant to CVM regulations.

The following also attended the meeting: Mr. Jerônimo Antunes, Independent Board Member and Coordinator of the Statutory Audit Committee, Marcio Peppe and Cibele P.C.F. da Silva, representatives of KPMG, Pablo Andres Fernandez Uhart, Member of the Fiscal Council of Sabesp, Marcelo Miyagui, Superintendent of Accounting, Marcio de Freitas Junior, Advisor of the Economic and Financial Board and of the Investor Relations Board, Angela Beatriz Airoidi, Manager of the Investor Relations Department, Priscila Costa da Silva and John Emerson da Silva, Management Analysts of the Investor Information Department, Beatriz Helena de Almeida and Silva Lorenzi and Ieda Nigro Nunes Chereim, lawyers of the Legal Superintendence, Denise Rita Sylvestre, Advisor of Company's CEO Office and Luciana Mares, lawyer of the Cescon Barriou law firm.

**PRESIDING BOARD:** Chairman: Jerônimo Antunes. Secretary Marialve de S. Martins.

**PUBLICATION:** The Management's Report, the Financial Statements, the Fiscal Council's legal opinion, the Independent Auditors' Report on the Financial Statements and the Summarized

Annual Report of the Statutory Audit Committee for the fiscal year ended on December 31, 2017, published in the “Diário Oficial do Estado de São Paulo”, Corporate Section 2, pages 8 to 27, in the edition of March 29, 2018, and in the newspaper “Valor Econômico”, pages E9 to E29, in the edition of March 29, 2018. The above documents were also made available to the shareholders at the Company’s registered office and at the websites of the Company, of CVM and of B3, together with the Management’s Proposal and other relevant documents, as applicable by law.

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**AGENDA: ANNUAL SHAREHOLDERS' MEETING**

- I.** Assessing the Management's accounts, as well as to examining, discussing and voting on the Company's financial statements for the fiscal year ended on December 31, 2017, namely: Balance Sheet and the respective Statements of Income, Comprehensive Income, Changes in Shareholders' Equity, Cash Flow and Value Added, and the Notes to the Financial Statements, in addition to the Annual Management Report, the Independent Auditors' Report, the Fiscal Council's Opinion and the Summarized Annual Report of the Audit Committee.
- II.** Resolving on the allocation of net income for the fiscal year ended on December 31, 2017.
- III.** Establishing the number of members that will be part of the Board of Directors.
- IV.** Electing the members of the Board of Directors for the term of office until the 2020 Annual Shareholders' Meeting and appoint the Chairman of the Board of Directors.
- V.** Electing the members of the Fiscal Council for the term of office until the 2019 Annual Shareholders' Meeting.
- VI.** To establish the overall annual compensation of Management and Fiscal Council members for fiscal year 2018.

**EXTRAORDINARY SHAREHOLDERS' MEETING:**

- I.** Resolving on the amendment of the Company's Bylaws to comply with Federal Law 13.303/2016 and the new Regulation of the Listing of B3's Novo Mercado, in accordance with the Management's Proposal.
- II.** Consolidating the statutory amendments approved in this Meeting.
- III.** Resolving on the policy of dividend distribution.

**CLARIFICATIONS:** The matters in the agenda were evaluated by CODEC, pursuant to the Legal Opinion 046/2018 of April 26, 2018, whose voting instructions were presented by the representative of the shareholder of the Department of Finance of the State of Sao Paulo.

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**RESOLUTIONS:** After reading the consolidated voting map of the votes cast through the remote voting forms, which were available to the shareholders attending the meeting, pursuant to Paragraph 4 of Article 21-W of CVM Instruction 481/2009, and the abstentions and votes against were recorded, the following resolutions were taken:

**I.** To approve, by majority of the attending shareholders, – with 93.2% of the votes cast in favor, represented by 532,502,370 shares; 0.05% of the votes cast against, represented by 282,033 shares; and 6.8% abstentions, represented by 38,571,957 shares – the Management’s accounts and the Company’s Financial Statements for the fiscal year ended on December 31, 2017, namely: Balance Sheet and the respective Statements of Income, Comprehensive Income, Changes in Shareholders’ Equity, Cash Flow and Value Added, and the Notes to the Financial Statements, in addition to the Annual Management Report, the Independent Auditors’ Report, the Fiscal Council’s Opinion and the Summarized Annual Report of the Audit Committee.

**II.** To approve, by majority of the attending shareholders, – with 97.6% of the votes cast in favor, represented by 557,582,805 shares; 0.02% of the votes cast against, represented by 140,733 shares; and 2.4% abstentions, represented by 13,632,822 shares – the proposed allocation of the net profit for 2017, totaling R\$2,519,309,895.74, as follows: (i) 5% will be used to constitute the Legal Reserve, in the amount of R\$125,965,494.79; and (ii) R\$598,336,100.26 will be allocated to the mandatory minimum dividends and R\$105,542,362.84 as additional dividends. The remaining balance, in the amount of R\$1,689,465,937.85, will be transferred to the “Reserve for Investments” account. The dividends, as interest on equity, in the amount of R\$703,878,463.10, will be paid on June 26, 2018, to the holders of shares of the Company on the base date of April 27, 2018 (date of this Annual Shareholders’ Meeting).

**III.** Considering that the presiding board received a request from minority shareholders for the election of one (1) member of the Board of Directors in a separate vote, as provided for in Article 141, Paragraph 4, Item I and Article 239 of Federal Law 6.404/76 (“Brazilian Corporation Law”), to approve, by majority – with 97.6% of the votes cast in favor, represented by 557,621,799 shares; 0.02% of the votes cast against, represented by 101,802 shares; and 2.4% abstentions, represented by 13,632,759 shares – that the Company’s Board of Directors will have 10 (ten) members, of which 9 (nine) members will be elected by majority and one (1) member will be elected in a separate vote by the minority shareholders.

**IV.** To elect the following members to the Board of Directors to fulfill a term of office until the 2020 Annual Shareholders’ Meeting and to appoint the Chairman of the Board of Directors:

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- a) The following candidates were elected by majority vote – with 94.6% of the votes cast in favor, represented by 540,273,151 shares; 2.5% of the votes cast against, represented by 14,353,996 shares; and 2.9% of abstentions, represented by 16,729,213 shares – as follows:
- (i) **as Members of the Board of Directors**, Mr. **MARIO ENGLER PINTO JUNIOR**, Brazilian citizen, stable union, lawyer, Identity Card 4.722.183-5 SSP/SP and Individual Taxpayer's ID 988.910.818-68, domiciled at Rua Rocha, 233, Bela Vista, São Paulo/SP, CEP: 01330-000, appointed as **Chairman of the Board of Directors**, pursuant to the Paragraph Two of Article 8 of the Company's Bylaws; Mr. **JERSON KELMAN**, Brazilian citizen, married, civil engineer, Identity Card 59.995.351-2 SSP/SP, Individual Taxpayer's ID 155.082.937-87, domiciled at Rua Costa Carvalho, 300, Pinheiros, São Paulo/SP, CEP: 05429-000, pursuant to Paragraph One, Article 8 of the Company's Bylaws; and Mr. **ROGÉRIO CERON DE OLIVEIRA**, Brazilian citizen, married, economist, Identity Card 33.064.532-8 SSP/SP and Individual Taxpayer's ID 291.717.208-80, domiciled at Avenida Rangel Pestana, 300, 5º andar, Centro, São Paulo/SP, CEP: 01017-911; and (ii) **as Independent Members of the Board of Directors**, Mr. **FRANCISCO VIDAL LUNA**, Brazilian citizen, married, economist, Identity Card 3.500.003-x SSP/SP and Individual Taxpayer's ID 031.950.828-53, domiciled at Av. Brigadeiro Faria Lima 201, cj. 82, Pinheiros, São Paulo/SP, CEP: 05426-100; Mr. **JERÔNIMO ANTUNES**, Brazilian citizen, married, accountant, Identity Card 7.988.834-3 SSP/SP and Individual Taxpayer's ID 901.269.398-53, domiciled at Rua Diogo de Faria 775, cj. 111, Vila Clementino, São Paulo/SP, CEP: 04037-002; Mr. **REINALDO GUERREIRO**, Brazilian citizen, married, accountant, Identity Card 6.156.523-4 SSP/SP and Individual Taxpayer's ID 503.946.658-72, domiciled at Avenida Prof. Luciano Gualberto, 908, Cidade Universitária, São Paulo/SP, CEP: 05508-010; Mr. **FRANCISCO LUIZ SIBUT GOMIDE**, Brazilian citizen, married, civil engineer, Identity Card 363.119-2 and Individual Taxpayer's ID 016.583.109-00, domiciled at Rua XV de Novembro, 556, conjunto 404, Curitiba, Paraná, CEP: 80.020-920; Mr. **LUCAS NAVARRO PRADO**, Brazilian citizen, married, lawyer, Identity Card 886964 SSP/MS and Individual Taxpayer's ID 911.403.821-87, domiciled at SQN 203 Bl. E, Ap. 405, Asa Norte, Brasília/DF, CEP: 70.833-050; and Mr. **ERNESTO RUBENS GELBCKE**, Brazilian citizen, widower, accountant, Identity Card 2.660.114 SSP/SP and Individual Taxpayer's ID No. 062.825.718-4, domiciled at Avenida Nossa Senhora do Sabará, 960, Ap. 172-B, Oceanic, São Paulo/SP, CEP: 04.262-001.
- b) Elected in a separate vote, as provided for in Article 141, Paragraph 4, Item I, and Article 239 of Law 6.404/1976, with 2,158,972 votes, Mr. **LUÍS EDUARDO ALVES DE ASSIS**, Brazilian citizen, separated, economist, Identity Card 5.906.923 and Individual Taxpayer's ID 033.426.558-44, domiciled at Rua dos Moras, 440, Ap. 81, Vila Madalena, São Paulo/SP, CEP: 05434-020.
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The Members of the Board of Directors shall carry out their assignments under the Company's Bylaws, with a unified term of office until the 2020 Annual Shareholders' Meeting, and the investiture in the position of Board Member shall comply with the requirements, impediments and procedures set forth in the current regulations, which must be verified by the Company at the time of the investiture. The instrument of investiture must be signed and recorded in the proper book, as well as the clearance statement. The remuneration will be established according to CODEC's guidelines, in accordance with CODEC Resolution 001/2018, published in "Diário Oficial do Estado", on March 30, 2018. As for the statement of assets, the applicable state regulations must be observed.

**V.** To elect the sitting and alternate members of the Fiscal Council for the term of office until the 2019 Annual Shareholders' Meeting.

a) The following were elected by majority vote – with 93.7% of the votes cast in favor, represented by 535,208,526 shares; 3.2% of the votes cast against, represented by 18,338,020 shares; and 3.1% of abstentions, represented by 17,809,814 shares – as sitting and alternate Members of the Fiscal Council:

**Sitting Members:** Mr. **HUMBERTO MACEDO PUCCINELLI**, Brazilian citizen, divorced, economist, Identity Card 9.211.361-8 SSP/SP, Individual Taxpayer's ID 022.759.188-76, domiciled at Av. Rangel Pestana, 300, 6º andar, Centro, São Paulo/SP, CEP: 01017-911; **PABLO ANDRES FERNANDEZ UHART**, Brazilian citizen, married, administrator, Identity Card 18.757.296-3 SSP/SP and Individual Taxpayer's ID 176.130.568-99, domiciled at Av. Escola Politécnica, 83, Rio Pequeno, São Paulo/SP, CEP: 05350-000; and **RUI BRASIL ASSIS**, Brazilian citizen, married, civil engineer, Identity Card 6.355.316-8 SSP/SP, Individual Taxpayer's ID 923.245.258-87, domiciled at Avenida São Luís, 99, 6º andar, República, São Paulo/SP, CEP: 01046-001; and,

**Alternate Members:** respectively, Mr. **ROGÉRIO MÁRIO PEDACE**, Brazilian citizen, married, technologist, Identity Card 8.708.921-X SSP/SP, Individual Taxpayer's ID 014.361.198-47, domiciled at Av. Rangel Pestana, 300, 7º andar, Centro, São Paulo/SP, CEP: 01017-911; **GUSTAVO CARVALHO TAPIA LIRA**, Brazilian citizen, single, administrator, Identity Card 27.358.959-3 SSP/SP, Individual Taxpayer's ID 270.533.078-08, domiciled at Av. Morumbi, 4500, 1º andar, Morumbi, São Paulo/SP, CEP: 05650-905; and **CÉSAR APARECIDO MARTINS LOUVISON**, Brazilian citizen, married, lawyer, Identity Card 9.895.581-0 SSP/SP, Individual Taxpayer's ID 035.667.398-71, domiciled at Av. São Luís, 99, República, São Paulo/SP, CEP: 01046-001.

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b) Elected in a separate vote, as provided for in Article 240 Law 6.404/1976, with 100,007 votes: Mr. **ALEXANDRE PEDERCINI ISSA**, Brazilian citizen, single, administrator, Identity Card MG-7.835.351 SSP/MG, Individual Taxpayer's ID 054.113.616-05, domiciled at Rua Caraça, 248, apto 601, Serra, Belo Horizonte/MG and Mrs. **LETÍCIA PEDERCINI ISSA MAIA**, Brazilian, married, administrator, Identity Card MG-7.837.394 SSP/MG, Individual Taxpayer's ID 050.802.886-80, domiciled at Rua Professor Estevão Pinto, 1464, apto 501, Serra, Belo Horizonte/MG, respectively, as Sitting and Alternate Members of the Fiscal Council.

The Members of the Fiscal Council shall carry out their assignments until the 2019 Annual Shareholders' Meeting. If a sitting member is unable to attend a meeting, the alternate member must do so. The investiture in the position of Board Member shall comply with the requirements, impediments and procedures set forth in the current regulations, which must be verified by the Company at the time of the investiture. The instrument of investiture must be signed and recorded in the proper book, as well as the clearance statement. The remuneration will be established according to CODEC's guidelines, in accordance with CODEC Resolution 001/2018, published in "Diário Oficial do Estado", on March 30, 2018. As for the statement of assets, the applicable state regulations must be observed.

**VI.** To approve, by majority of the attending shareholders, – with 93.6% of the votes cast in favor, represented by 534,638,887 shares; 4.0% of the votes cast against, represented by 22,939,272 shares; and 2.4% abstentions, represented by 13,778,201 shares – the annual global compensation of the members of the Board of Directors and of the Fiscal Council for the fiscal year of 2018, as provided for in Articles 152 and 162 of Federal Law 6.404/76, in the amount of up to four million, six hundred sixty-six thousand, two hundred and ninety-four reais and seventy-five cents (R\$4,666,294.75), considering the current structure of the statutory bodies, and includes the individual monthly compensation corresponding to twenty-one thousand, three hundred and ten reais and sixty-five cents (R\$21,310.65) to the Executive Officers, six thousand, three hundred and ninety-three reais and twenty centavos (R\$6,393.20) to the members of the Board of Directors, ten thousand, four hundred and thirty-nine reais and fifty-two cents (R\$10,439.52) to the members of the Audit Committee, and four thousand, two hundred and sixty-two reais and thirteen cents (R\$4,262.13) to the members of the Fiscal Council and the other benefits in accordance with CODEC Resolution 001/2018, published in "Diário Oficial do Estado", on March 30, 2018, in addition to the corresponding charges.



## **EXTRAORDINARY SHAREHOLDERS' MEETING:**

**RESOLUTIONS:** After reading the consolidated voting map of the votes cast through the remote voting forms, which were available to the shareholders attending the meeting, pursuant to Paragraph 4 of Article 21-W of CVM Instruction 481/2009, and the abstentions and votes against were recorded, the following resolutions were taken:

**I.** To approve, by majority of the attending shareholders, – with 97.8% of the votes cast in favor, represented by 558,878,494 shares; 0.01% of the votes cast against, represented by 59,536 shares; and 2.3% abstentions, represented by 13,278,125 shares – the amendment of the Company’s Bylaws to comply with Federal Law 13.303/2016 and the new Regulation of the Listing of B3’s Novo Mercado, in accordance with the Management’s Proposal.

**II.** To approve, by majority of the attending shareholders, – with 97.8% of the votes cast in favor, represented by 558,828,674 shares; 0.03% of the votes cast against, represented by 147,079 shares; and 2.3% abstentions, represented by 13,240,402 shares – the consolidation of the statutory amendments approved in this Meeting, after which the **Bylaws of Companhia de Saneamento Básico do Estado de São Paulo – Sabesp** shall read as follows:

## **BYLAWS**

### **CHAPTER I**

#### **NAME, HEADQUARTERS, PURPOSE AND TERM**

**ARTICLE 1** - The joint stock company called **Companhia de Saneamento Básico do Estado de São Paulo – SABESP** is an constituent part of the indirect management of the State of São Paulo, being ruled by these Bylaws, by Federal Laws 6,404, of December 15, 1976, and 13,303, of June 30, 2016, and other applicable legal provisions.

**Paragraph 1** -With the company’s listing on the *Novo Mercado* special segment of B3 S.A. – Brasil, Bolsa, Balcão (“B3”), the Company, its shareholders, including the controlling shareholder, managers and members of the fiscal committee are subject to the provisions of the *Novo Mercado* Listing Rules of B3 (“*Novo Mercado* Rules”).

**Paragraph 2** - The Company shall exist for an indefinite term.

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**Paragraph 3** - The Company's headquarters are located at Rua Costa Carvalho, 300, in the capital of the state of São Paulo.

**Paragraph 4** -Whenever necessary to achieve the corporate purpose and in view of its operation area, the Company may open, institute, maintain, transfer or close down branches, facilities, agencies, offices, main branches, representation or yet designate representatives, in respect to the legal provisions and regulations.

**ARTICLE 2** -The Company's main corporate purpose is to render basic sanitation services in view of its universal service in the state of São Paulo, without losing long-term financial sustainability, comprising the following activities: water supply, sanitary sewage, drainage and handling of urban rain water, urban cleaning and handling of solid waste, in addition to other related activities, including the planning, operation and maintenance of production systems, storage, preservation and trading of energy, to itself or third parties and trading of services, products, benefits and rights that, direct or indirectly, result from its assets, projects and activities, and it may also operate as a subsidiary anywhere in the country or abroad providing the services mentioned above.

**Sole Paragraph** – In order to carry out the corporate purpose, the Company may constitute wholly-owned subsidiaries, have a stake in investment funds and enter into a joint venture with, by any mean, other public or private corporations, including upon the acquisition of consortium or subscription of a minority or majority installment of the capital stock.

## CHAPTER II

### CAPITAL STOCK AND SHARES

**ARTICLE 3** –The capital stock is ten billion reais (R\$10,000,000,000.00), fully subscribed and paid-up, divided in six hundred and eighty-three million, five hundred and nine thousand, eight hundred and sixty-nine (683,509,869) exclusively one-class common shares, all registered, book-entry and with no par value.

**Paragraph 1** -Regardless of a statutory amendment, the capital stock may be increased up to the limit of fifteen billion reais (R\$15,000,000,000.00), upon resolution of the board of directors and authorization of the fiscal committee.

**Paragraph 2** -The issuance of founder's shares and preferred shares is forbidden.

**Paragraph 3** -The Company may directly charge the shareholder the cost for the share transferring service, in view of the maximum limits established by the legislation in force, as well as authorize the very collection per trustee in charge of the maintenance of book-entry shares.

**ARTICLE 4** Each common share is entitled to one vote at the Shareholders' General Meeting's resolutions.

### **CHAPTER III**

#### **SHAREHOLDERS' GENERAL MEETING**

**ARTICLE 5** The Shareholders' General Meeting shall be called, instated and shall resolve, pursuant to the law, on all matters of the Company's interest.

**Paragraph 1** – The Shareholders' General Meeting shall also be called by the Chairman of the Board of Directors or by the majority of acting board members.

**Paragraph 2** – The Shareholders' General Meeting shall be chaired by the Chairman of the Board of Directors or, in case of absence, by any other attending member; the Chairman of the Board of Directors is responsible for appointing the member who shall replace him at presiding the Shareholders' General Meeting.

**Paragraph 3** The chairman of the general meeting will choose, among the attendees, one or more secretaries, being allowed the use of own advisement in the company.

**Paragraph 4** The minutes of the general meeting shall be drawn up in the summary format, as provided for in article 130, paragraph 1, of the Federal Law 6,404/76.

**Paragraph 5** All documents to be analyzed or discussed at the general meeting must be available to the shareholders at the Company's headquarters and at B3, at least one (1) month before the meeting.

**Paragraph 6** – The proof of the conditions of shareholder may occur at any moment until the start of the Shareholders' General Meeting, by means of the presentation of the identity document, the receipt issued by the depository financial institution of the book-entry shares informing the respective number and, in the event of constitution of an attorney-in-fact, of the competent power of attorney with the notarized signature and granted for less than one year.

### **CHAPTER IV**

#### **MANAGEMENT OF THE COMPANY**

**ARTICLE 6** The Company may be managed by the Board of Directors and by the executive board.

### **CHAPTER V**

#### **BOARD OF DIRECTORS**

**ARTICLE 7** – The board of directors is the joint resolution committee responsible for the superior guidance of the company.

#### **Members, investiture and term of office**



**ARTICLE 8** – The Board of Directors shall be composed of a minimum of seven (7) and maximum of eleven (11) members, elected and removed from office by the General Meeting, all with a two (2)-year unified term of office as from the election date, allowing, at most, three (3) consecutive reappointments.

**Paragraph 1** - Upon reaching the limit of reelections referred to in the head of this article, the member's return to the Board of Directors may only occur after a period of two (2) years.

**Paragraph 2** – The Company's CEO shall integrate the Board of Directors, while holding such position.

**Paragraph 3** – It will be incumbent upon the Shareholders' General Meeting electing the Board of Directors to establish the total number of positions to be filled, within the maximum limit provided for in these Bylaws, and to appoint its Chairman, who cannot be the Company's CEO that is also elected a board member.

**Paragraph 4** – The controlling shareholder will be entitled to elect the majority of its members, pursuant to item "a" of Article 116, of Federal Law 6,404/1976.

#### **Representative of the employees**

**ARTICLE 9** – The participation of one (1) representative of the employees in the Company's Board of Directors, with the same term of office as the other members, is ensured.

**Paragraph 1** – The representative member of the employees shall be chosen by the employees' votes in a direct election, with prohibited automatic reappointment, with the administrative cooperation of the Company whenever requested.

**Paragraph 2** – The Internal Regulation of the Board of Directors may set forth the eligibility requirements and other conditions for the exercise as the employees' representative, in addition to the requirements and prohibitions of Article 17, of Federal Law 13,303/2016.

#### **Representative of the Minority Shareholders**

**ARTICLE 10** – The participation of a representative of the minority shareholders in the Company's Board of Directors, with the same term of office as the other members, is ensured, pursuant to Article 239 of Federal Law 6,404/1976, and of Article 19, of Federal Law 13,303/2016.

#### **Independent Members**

**ARTICLE 11** – The Board of Directors will have the participation of at least two (2) or twenty-five (25%) percent of independent members, pursuant to the provisions of Article 22 of Federal Law 13,303/2016 and as established in the *Novo Mercado* Rules, and the characterization of the nominees for membership for the Board of Directors as an independent member shall be established by the Shareholders's General Meeting that elects them

**Paragraph 1** -The member elected by the minority shareholders through separate vote, will also be considered independent, pursuant to Article 141, Paragraphs 4 and 5 and Article 239 of Federal Law 6,404/1976, and Article 22, Paragraph 4, of Federal Law 13,303/2016.

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**Paragraph 2** – In case the application of the minimum

Percentage referred in the caput results in a fraction number of board members, such number shall be rounded to the immediately higher number.

**The provisions of paragraph 3 were transferred to the caput of this article.**

### **Vacancy and replacements**

**ARTICLE 12** – In the event of vacancy in any position of the member of the Board of Directors before the end of the term of office, the Board of Directors itself may resolve on the choice of the substitute to complete the term of office of the replaced person and the resolution will be subject to the subsequent approval by the next Shareholders' General Meeting.

**Sole Paragraph** – In the event of vacancy in the position of the Board member representative of the employees, the member shall be replaced by another representative of the employees, pursuant to Paragraphs 1 and 2 of Article 9 of these Bylaws.

### **Operation**

**ARTICLE 13** – The Board of Directors will meet, on an ordinary basis, once a month and, on an extraordinary basis, whenever necessary to the Company's interests.

**Paragraph 1** – The Board of Directors' meetings shall be called by its Chairman, or by the majority of acting Board members, upon writing or electronic correspondence to all Board members and also to the State, by means of the CODEC, in, at least, ten (10) days in advance and the call notice must include the date, time and matters of the agenda.

**Paragraph 2** – The Chairman of the Board of Directors shall supervise so that the Board members individually receive, with the due antecedence in relation to the date of the meeting, the documentation with the necessary information to allow the discussion and resolution of the agenda.

**Paragraph 3** – The Board of Directors' meetings shall be instated upon the attendance of the majority of its acting Members, being the Chairman incumbent of presiding the activities or, in his absence, another Board member appointed by him.

**Paragraph 4** – The Chairman of the Board of Directors, at his own initiative or at the request of any Board member, may convene the Company's executive officers to attend the meetings and provide clarifications or information on the matters to be resolved on. The requests must be addressed to the Company's CEO, and the call notice must include the date, time and matters of the agenda.

**Paragraph 5** – The matters submitted to the appraisal of the Board of Directors shall be instructed with the approved proposal of the executive board or of the competent bodies of the Company, and with the legal opinion, whenever necessary for the examination of the matter.

**Paragraph 6** – The annual or extraordinary meeting shall be held in person and may, if so resolved by the Chairman of the Board of Directors or by the majority of the acting Board members, be held by means of teleconference, videoconference or other qualified means of will manifestation of the absent Board member, whose vote will be considered valid for all effects, without adverse effects to the subsequent drawing up and execution of the respective minutes.

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**Paragraph 7** – The Board of Directors shall resolve by majority of votes of the attending members of the meeting, prevailing, in case of tie, the proposal that counts on the vote of the Board member presiding the activities.

**Paragraph 8** – The meetings of the board of directors will have as secretary whoever their chairman appoints and all resolutions will be recorded in minutes drawn up and registered in the proper book, and a copy of them must immediately be included in the SIEDESC..

**Paragraph 9** – The extract of the minutes shall be filed in the trade board and published, whenever it has resolutions destined to produce effects before third parties.

### **Duties**

**ARTICLE 14** – In addition to the duties set forth by law, the Board of Directors is also responsible for:

I. to approve the strategic planning, including the updated long-term strategy with analysis of risks and opportunities for at least the next five (5) years, the action guidelines, the result targets and the performance evaluation indexes;

II. to approve the business plan for the next fiscal year, the annual and multi-year programs, with indication of the respective projects;

III. to approve the budgets of expenditures and investments of the Company, with indication of the sources and uses of funds;

IV. to express its opinion on the management' report and on the accounts of the executive board, pursuant to Article 142, item V, of Federal Law 6,404/1976;

V. to promote annually the analysis of the fulfillment of targets and results in the execution of the business plan of item II and the long-term strategy of item I of this Article, and shall publish its conclusions and inform them to the Legislative Assembly and the Audit Court of the State, excluding strategic information from this obligation, whose disclosure may prove to be detrimental to the interest of the Company;

VI. to prepare the policy of distribution of dividends, considering the public interest that justified the creation of the Company, submitting it to the Shareholders' General Meeting;

VII. to assess and approve the following institutional policies:

a) disclosure of material information;

b) trading with securities;

c) appointment of members of the Board of Directors, advisory committees, executive office and of the fiscal committee;

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- d) internal audit;
- e) compliance;
- f) corporate risk management;
- g) compensation; and
- h) establish spokesperson policy;

VIII. to annually approve and review the preparation and disclosure of the policy on transactions with related parties;

IX. to resolve on the personnel policy, including the determination of the staff, plan of positions and salaries, general collective negotiation conditions, opening of a competitive civil-service examination to fill positions vacant and Profit Sharing Program;

X. to resolve on the policy of prices and tariffs of goods and services rendered by the Company, respecting the regulatory framework of the respective sector;

XI. to evaluate the Company's Officers, pursuant to item III, of Article 13, of Federal Law 13,303/2016, and may rely on methodological and procedural support from the Eligibility and Counseling Committee;

XII. to supervise the execution of the plans, programs, projects and budgets;

XIII. to inspect the compliance with the specific targets and results to be achieved, undertaken by the members of the executive board upon their investiture;

XIV. to establish the drafting of the annual governance letter and endorse it;

XV. to define goals and priorities of public policies compatible with the company's operation area and its corporate purpose;

XVI. to authorize, the opening, installation and extinguishment of branches, facilities, agencies, main branches, offices and representations;

XVII. resolve on the capital stock increase within the limit authorized by these Bylaws, establishing the respective subscription and payment conditions;

XVIII. to establish the maximum indebtedness limit of the company;

XIX. resolve on the issuance of common debentures non-convertible into shares and without real security and, the other types of debentures, on the conditions mentioned in Paragraph 1, Article 59 of Federal Law 6,404/1976;

XX. to resolve on the declaration of interest on own capital and/or distribution of dividends due to the result for the current year, for the year ended or profit reserve, without adverse effects to the subsequent ratification of the general meeting;

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- XXI. to propose to the Shareholders' General Meeting the payment of interest on equity or the distribution of dividends due to the result of the fiscal year concluded;
- XXII. to previously authorize the execution of any legal businesses when the amount involved exceeds seventy million reais (R\$70,000,000.00), including the acquisition, sale or encumbrance of assets, the obtainment of loans and financings, the assumption of obligations in general and also the association with other legal entities;
- XXIII. to authorize the incorporation of a wholly-owned subsidiary or the interest in the capital of other companies, except the competence of the Shareholders' General Meeting provided for in article 256 of Law 6,404/1976, as well as establish the overall guidance to be followed by this subsidiary/company;
- XXIV. to approve the hiring of civil liability insurance in favor of the members of the statutory bodies, employees, agents and mandataries of the Company;
- XXV. to grant licenses to officers, in compliance with the pertinent regulation;
- XXVI. to approve its Internal Regulations, which clearly defines its responsibilities and duties and prevents situations of conflict with the executive board, notably with the CEO, in addition to approving the internal regulation of the executive board and of the audit committee; and any other statutory committee, pursuant to article 160 of Federal Law 6,404/1976;
- XXVII. authorize the company to buy back its own shares, under the current legislation and previously hearing the fiscal committee
- XXVIII. to previously express itself about any proposal of the executive board or issues to be submitted to the Shareholders' General Meeting;
- XXIX. to call the examination of any issues comprised in the competence of the executive board and issue a binding guidance on it;
- XXX. to discuss, approve, and monitor decisions involving practices of corporate governance, stakeholder relationships, people management policies, integrity program, Code of Conduct and Integrity of agents;
- XXXI. to appoint a statutory Officer who will lead the area of compliance and risk management, bound to the CEO;
- XXXII. to maintain direct contact with the Compliance Area in situations where the members of the Board of Directors are suspected of being involved in irregularities or when the CEO does not meet the obligation to adopt the necessary measures in relation to the situation reported to him, to take the appropriate measures;
- XXXIII. to approve the Code of Conduct and Integrity, to be prepared and disclosed by the Company, in compliance with the guidelines established by CODEC;

XXXIV. to supervise the institution of a prior consultation mechanism to resolve doubts on the application of the Code of Conduct and Integrity, which will be available on the website, providing the ethical standards expected from the management, members of the fiscal committee, members of the statutory committees, employees, agents and third-parties hired;

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XXXV. to implement and supervise the risk management and internal control systems established for the prevention and mitigation of the main risks to which the Company is exposed, including risks related to the integrity of the accounting and financial information and those related to corruption and fraud;

XXXVI. to develop and inform a substantiated opinion on any public offer for the acquisition of shares which has the Company's shares within fifteen (15) days as of the publication of the call notice for the respective public offer, on which shall notify, at least: (i) the convenience and the appropriateness of the public offer as to the interest of group of its shareholders, including with regard to the price and potential impacts to the liquidity of their securities; (ii) the strategic plans revealed by offeror in relation to the company; (iii) with respect to alternatives of the public offerings acceptance available in the market. The Opinion must include the substantiated opinion favorable or contrary to the acceptance of the public offer and warn that the responsibility lies on each shareholder for the final decision on the referred acceptance.

XXXVII. to promote the annual disclosure of the integrated or sustainability report;

XXXVIII. to disclose and encourage the use of the institutional whistleblower channel;

XXXIX. to approve the proposal to increase the expenditure limit for advertising and sponsorship prepared by the joint executive board, pursuant to the provisions of Article 93, Paragraph 2, of Federal Law 13,303/2016; and

XL. to elect and remove members of the executive board and of the audit committee.

## **CHAPTER VI**

### **EXECUTIVE BOARD**

#### **Members and Term**

**ARTICLE 15** – The executive board shall be composed of six (6) members, with CEO, Corporate Management Officer, Chief Financial Officer and Investor Relations Officer, Technology, Enterprises and Environment Officer, Metropolitan Officer and Regional Systems Officer, with their respective duties set forth herein, all with a two (2) year unified term of office and with three (3) consecutive reelections allowed.

**Sole Paragraph** – The officers must undertake to commit with their specific targets and results to be invested in their positions in the executive board.

#### **Vacancy and replacements**

**ARTICLE 16** – In the absences or temporary impediments of any Officer, the CEO shall appoint another member of the executive board to cumulate the functions.

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**Sole paragraph** – In his absences and temporary impediments, the CEO will be replaced by the Officer appointed by him and, if there is no appointment, by the Officer responsible for the financial area.

**ARTICLE 17** - In case of vacancy, and until a replacement is elected, the CEO shall be replaced by the Officer responsible for the financial area.

### **Operation**

**ARTICLE 18** – The executive board will meet, on an ordinary basis, at least twice (2) a month and, on an extraordinary basis, by call of the CEO or of other two Officers.

**Paragraph 1** – The meetings of the executive board will be instated with the attendance of at least half of the acting Officers, considering approved the matter with the agreement of the majority of the attendees; in the event of a tie, the proposal with the vote of the CEO will prevail.

**Paragraph 2** – The resolutions of the executive board will be recorded in minutes drawn up in the company's records and signed by all attending Officers.

**Paragraph 3** – The CEO may, in the call for the meeting, allow the participation of the officers by telephone, videoconference, or other means of communication which may ensure the effective participation and the authenticity of their vote; the officer who virtually participates in the meeting will be considered present and his vote will be valid for all legal effects, without adverse effects to the subsequent drawing up and signature of the respective minutes.

### **Duties**

**ARTICLE 19** – In addition to the duties set forth by Law, it is incumbent upon the joint executive board:

- I. To prepare and submit to the approval of the Board of Directors:
  - a) the proposal for the strategic planning, including the updated long-term strategy with analysis of risks and opportunities for at least the next five (5) years, the action guidelines, the result targets and the performance evaluation indexes;
  - b) the proposal for the business plan for the next fiscal year, the annual and multi-year programs, with indication of the respective projects;
  - c) the Company's annual budget for expenditures and investments, with the indication of the sources and uses of funds, as well as their changes;
  - d) the evaluation of the performance result of the Company's activities;
  - e) the Company's quarterly reports jointly with the balance sheets and other financial statements;



- f) annually, the draft of the management report together with the balance sheets and other financial statements and respective notes, with the report of independent auditors and the proposal of allocation of the income for the year;
  - g) the interim balance sheets, quarterly
  - h) the Internal Regulation of the executive board;
  - i) proposal of capital increase and of amendment to the bylaws, listening to the fiscal council, when the case may be;
  - j) the proposal for the personnel policy; and
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k) the proposal to increase the expenditure limit for advertising and sponsorship, pursuant to the provisions of Article 93, Paragraph 2, of Federal Law 13,303/2016.

II. Approve:

a) the technical-economic evaluation criteria for investment projects, with the respective responsibility delegation plans for their execution and implementation;

b) the chart of accounts;

c) the Company's annual insurance plan;

d) residually, within the statutory limits, everything related to the company's activities which is not of private competence of the CEO, of the Board of Directors or of the Shareholders' General Meeting; and

e) the Code of Conduct and Integrity of the Company;

III. Authorize, subject to the limits and guidelines established by law, by these Bylaws and by the Board of Directors:

a) acts of resignation or judicial or extrajudicial transaction, to end litigations or holdovers, establishing limits of amounts for the delegation of the practice of these acts by the CEO or any other Officer; and

b) the execution of any legal businesses when the amount involved exceeds ten million reais (R\$10,000,000.00), without adverse effects to the competence attributed by the Bylaws to the Board of Directors, including the acquisition, sale or encumbrance of assets, the obtainment of loans and financings, the assumption of obligations in general and also the association with other legal entities.

**ARTICLE 20** – The Internal Regulation of the executive board may show in detail the individual attributions of each officer, as well as to subject the practice of certain acts comprised in the specific competence areas to the previous authorization of the joint executive board.

**Paragraph 1.** The area of audit and the area of compliance and corporate risk management will be administratively connected to the CEO.

**Paragraph 2.** The CEO is responsible for:

I. representing the Company, as plaintiff or defendant, in or out of court, and may initial summons and notifications, pursuant to Article 19 of these Bylaws;

II. institutionally representing the Company in its relations with public authorities, private entities and third parties in general;

III. convening and chairing the meetings of the executive board;

- IV. IV. coordinating the activities of the executive board;
  - V. issuing acts and resolutions that are related to or resulting from the executive board's resolutions;
  - VI. coordinating the Company's ordinary management, including the implementation of policies and the execution of resolutions taken by the Shareholders' General Meeting, Board of Directors and joint executive board;
  - VII. coordinating the activities of the other Officers;
  - VIII. promoting the organizational and functional structuring of the Company;
  - IX. issuing the normative instructions that govern the activities of the Company's different areas;
  - X. coordinating, evaluating and controlling functions relating to:
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- a) the CEO's office;
- b) the joint business plan, management and organization;
- c) Communication;
- d) regulatory affairs;
- e) ombudsman; and
- f) quality.

**Paragraph 3.** The Corporate Management Officer is responsible for:

- I. commercial processes and customer relationship
- II. human resources and social responsibility;