

**ATTACHMENT I TO BID NOTICE No. SF. 001/2018**

**DRAFT STOCK PURCHASE AGREEMENT**

\* This English translation is presented for information purposes only. The Process will be conducted in Portuguese. Any and all documents, including any declaration, representations and statements must be presented in Portuguese (translated into Portuguese by a public sworn translator in Brazil if applicable). In case of any discrepancy between the original Bid Notice, in Portuguese, and this English version, the version in Portuguese shall prevail.

By this private instrument:

**I. The State of São Paulo**, pursuant State Decree No. 50,467, dated as of January 6, 2006, and State Law No. 9,361, dated as of July 5, 1996, herein represented by the State Revenue Office of Finance Transactions and hereinafter referred to simply as "State";

**II. Companhia do Metropolitano de São Paulo – METRÔ** a corporation with its principal business office in the Capital of the State of São Paulo, at Rua Augusta, No. 1,626, enrolled with CNPJ/MF under No. 62,070,362/0001-06, herein represented pursuant its articles of incorporation and hereinafter referred to simply as "METRÔ";

**III. Dersa Desenvolvimento Rodoviário S.A.** corporation with its principal business office in the Capital of the State of São Paulo, at Rua Iaiá, No. 126, enrolled with CNPJ/MF under No. 62,464,904/0001-25, herein represented pursuant its articles of incorporation and hereinafter referred to simply as "DERSA";

**IV. Companhia de Saneamento Básico do Estado de São Paulo – SABESP** a corporation with its principal business office in the Capital of the State of São Paulo, at Costa Carvalho, No. 300, enrolled with CNPJ/MF under No. 43,776,517/0001-80, herein represented pursuant its articles of incorporation and hereinafter referred to simply as "SABESP";

**V. Departamento de Águas e Energia Elétrica - DAEE 1669**, agency connected to the Sanitation and Energy Office of the State of São Paulo State, with headquarters in

the Capital of the State of São Paulo, located at Rua Boa Vista, No. 170, 7th floor, enrolled with CNPJ/MF under No. 46,853,800/0001-56, herein represented pursuant its internal regulation and hereinafter referred to simply as "DAEE";

**VI. Companhia Paulista de Parcerias - CPP**, corporation, with its principal business office in the Capital of the State of São Paulo, at Av. Rangel Pestana, No. 300, 5th floor, enrolled with CNPJ/MF No. 06,995,362/0001-46, hereby represented pursuant its articles of incorporation and hereinafter referred to simply as "CPP" and, together with the State, METRÔ, DERSA, SABESP and DAEE, hereinafter collectively referred to simply as "Sellers";

**VII.** [•], by its undersigned legal representatives, hereinafter referred to simply as "Buyer"; and

**VIII.** As intervening party, **Companhia Energética de São Paulo**, a publicly traded corporation, with its principal place of business in the City of São Paulo, State of São Paulo, at Avenida Nossa Senhora do Sabará, 5,312, enrolled with CNPJ/MF under No. 60,933,603/0001-78, hereby represented according to its articles of incorporation and hereinafter referred to simply as "CESP";

**IX.** [•], by its undersigned legal representatives, hereinafter referred to simply as Guarantor(s). *[only where applicable]*

**PRELIMINARY CONSIDERATIONS**

**A.** Whereas, pursuant to Bid Notice SF. 001/2018 (the "Bid Notice"), the Sellers put up for sale 116.450.219 shares issued by CESP for the purposes privatization;

**B.** Whereas 16,375,710 common registered shares issued by CESP owned by the STATE, corresponding to approximately 5% (five percent) of CESP's capital, are offered by the Sellers in two lots, being: 1,202,700 at a 50% (fifty percent) discount on the Minimum Price at Auction, and 15,173,010 offered at no discount;

**C.** The shares put up for sale at the Auction are distributed among the Sellers as follows:

SHAREHOLDER	CNPJ	SHARES OF COMMON STOCK	SHARES OF PREFERRED STOCK B
STATE Hereby represented by the OFICCE	46,377,222/0001-29	86.330.673	15,135,166

Companhia do Metropolitano de São Paulo - METRO	62,070,362.0001-06	1,182,500	–
DERSA – Desenvolvimento Rodoviário S.A.	62,464,904/0001-25	180	–
Companhia de Saneamento Básico do Estado de São Paulo - SABESP	43,776,517/0001-80	6,690	–
Departamento de Águas e Energia Elétrica - DAEE	46,853,800/0001-56	1,907	–
Companhia Paulista de Parcerias - CPP	06,995,362/0001-46	–	13,793,103
Total number of shares put up for sale by the Sellers		87.521.950	28,928,269

D. Whereas the Buyer was the winning bidder in the Auction; and

E. [Whereas the Guarantor(s) is/are member(s) of the Consortium that won the Auction or was/were the winning participant(s) in the Auction (and formed a Special Purpose Entity),] *[only where applicable]*

The parties agree to execute this Stock Purchase Agreement ("Agreement"), which shall be governed by the following terms and conditions. The terms with definitions set forth in the Bid Notice shall have the same meaning when used in this Agreement, unless it conflicts with the provisions hereof, in which case the latter shall prevail.

## SECTION ONE

### PURCHASE AND SALE, PURCHASE PRICE AND TRANSFER OF SHARES

1.1. Purchase and Sale of Shares. Subject to the terms and conditions of this Agreement, Sellers sell to the Buyer, at the price set out in Section 1.2 hereof, the Shares, being 87.521.950 (eighty-seven million, five hundred twenty-one thousand, nine hundred and fifty) of them shares of common stock and 28,928,269 (twenty-eight million, nine hundred and twenty-eight thousand, two hundred sixty-nine) registered shares of preferred class B stock, as shown in the ownership table above.

1.1.1. The Buyer undertakes to acquire all leftovers shares that did not come to be sold under the Offer to Employees, under the terms of item 2.4.3 of the Bid Notice.

1.1.2. Sellers, hereby, declare that they legally own and are in possession of the Shares, which are free and clear of any liens, encumbrances, charges, options, pledges, guarantee or third-party rights of any nature.

1.2. Purchase Price. The purchase price, considered as the sum of the Final Price at Auction, multiplied by the number of Shares, and the Additional Price for the Shares Purchased at Auction ("Purchase Price"), is due as follows:

- a) The amount of R\$ [• I ([•])], paid to the State;
- b) The amount of R\$ [• I ([•])], paid to METRÔ;
- c) The amount of R\$[• I ([•])], paid to DERSA;
- d) The amount of R\$ [• I ([•])], paid to SABESP;
- e) The amount of R\$ [• I ([•])], paid to METRÔ;
- f) The amount of R\$ [• I ([•])], paid to CPP;

1.2.1. The amount corresponding to the Offer to Employees' leftover shall be paid to the to State, pursuant to item 2.4.3 of the Bid Notice.

1.2.2. The Parties acknowledge that any distribution of dividends and / or interest on stockholders' equity made by CESP in the period between publication of the Bid Notice and the Public Auction Session will affect the Purchase Price, which will be adjusted according to item 1.2.1 of this Agreement.

1.2.2.1. The Parties agree to adjust the Purchase Price by reducing the amount per share that is distributed by CESP as dividends and / or interest on stockholders' equity, as described above.

1.2.2.2. The adjustment of the Purchase Price provided in Clause 1.2.2 herein will be automatic, and adopted for the purposes of the Auction Settlement.

1.3. Payment of the Purchase Price. The Purchase Price will be paid at the Auction Settlement, pursuant to items 2.2.4 and 2.3 of the Bid Notice. Buyer will pay the portion of the price referred to in Section 1.2.1 above in accordance with the terms of item 2.4.3 of the Bid Notice. Failure to pay any of the installments of the Purchase Price will result in termination of this Agreement and non-compensatory pecuniary penalty provided for

in item 3.14.2 of the Bid Notice, as well as the penalties provided in the Bid Notice, including item 3.12.2 of the Bid Notice.

#### 1.4. Stock Transfer.

The completion of the transfer of Shares to the Buyer, in accordance with the procedure set out in item 3.12 of the Bid Notice is conditioned to the:

- (a) publication, by CADE, of the certificate stating the transaction approval has been adjudged without restrictions;
- (b) publication, by ANEEL, of Authorizing Resolution with respect to the transfer of the Shares to the Buyer;
- (c) Auction Settlement;
- (d) execution, by Buyer, of the Term of Consent required by Section 3.1, (vii), of Level 1 Corporate Governance Listing Rules; and
- (e) execution, by the Buyer, of the Term of Consent required by Clause 5.3, (ii), of Market Arbitration Chamber Regulation, entered into by CESP on July 28, 2006, per article 34 of its Articles of Incorporation.

## **SECTION TWO**

### **NO LIABILITY FOR ACTIVE INSUBSISTENCES AND PASSIVE SUPERVISIENCES**

2.1. The Buyer and Guarantor represent that (i) they have sufficient financial and business knowledge to assess the content and the risks resulting from and/or related to the acquisition of the Shares and that they are capable of assume such risks, and (ii) they had full access to the information they deemed necessary and sufficient for the decision to purchase the Shares. The submission of a proposal by the Participants requires that they unconditionally acknowledge and accept that State, the other Sellers, the members of the PED Directing Council and Consultants and their subcontractors are not liable for any increase or decrease in equity, or contingencies, whether or not they have been mentioned in the course of the Proceeding, whether or not referred to in the Bid Notice, in the reports and/or made available in the Data Room. Thus, the State and other Sellers, the members of the PED Directing Council and the Consultants and their subcontractors will not be liable, in any case, or in any capacity for any of CESP's increase or decrease in equity or for contingencies, irrespective of their nature.

2.2. As a result of the foregoing, the Buyer (i) undertakes to hold the Sellers harmless with respect to any and all losses that may be incurred by the Sellers as a result of any of CESP's obligations to be charged from the Sellers, whether or not allowances have been made in the Financial Statements for such obligations, whether such obligations are known or not known, have been or not disclosed to the Buyer, available or not in the Data Room and (ii) the Buyer may not, in any event, sue and/or charge the Sellers any amounts resulting from any obligations of CESP, whether or not such obligations are provisioned in the financial statements, known or unknown, informed or not informed to the Buyer, disclosed or not disclosed in the Data Room.

2.3. Without prejudice to the provisions in item 3.1, above, in view of the provisions in State Law No. 4,819, dated as of August 26, 1958, and in paragraph 4, article 3, of State Law No. 9,361 dated as of July 5, 1996, the State undertakes:

2.3.1. to directly fund the supplementary retirement and pension benefits provided for by in State Law No. 4,819, dated as of August 26, 1958, payable to employees who have retired in CESP or to CESP's current employees to retire in CESP and their respective pensioner, who fall into the provisions of State Law No. 4,819/58 , and who meet the legal requirements under the terms and conditions set out by the State Attorney General's Office provided herein; and

2.3.2. to make the transfer of funds, within the limits of the guidelines established by the Office of the Attorney General of the State pursuant this Agreement, to CESP or to FUNDAÇÃO CESP, as the case may be, in the event they are required to pay such benefits to employees who have retired in CESP or current employees and their respective survivors, who fall into the provisions in State Law No. 4,819/58, and who retire with CESP, by court order, in lawsuit in which the STATE is not a party, and in where all procedural stages and appeals have been timely and properly exhausted.

2.4. For the purposes of the Clause 2.3 above, an guideline set forth by the Office of the Attorney General of the State provides that the payment of the pension benefits and supplementary retirement to CESP or to FUNDAÇÃO CESP, as the case may be, is limited to base salary, additional amount paid for length of service and bonus for occupation, as the salary and social security contribution ceilings.

2.4.1 In the case provided for in Section 2.3.2, above, the transfers to CESP or to Fundação CESP, as the case may be, will be made on a monthly basis, exclusively regarding the base salary, additional payment for length of service and bonus for occupation, in accordance to the salary and social security contribution ceilings. Under

no circumstances will the State reimburse any amount arising from court orders that determine the payment of other funds or that establish the previous amounts must be recalculated for the purpose of incorporating other amounts in the base salary or changing the criteria to assess the amounts referred to above.

2.5. The State will not bear any administrative expenses incurred by CESP or Fundação CESP in connection with the processing of the payment of benefits referred to in Sections 2.3.1 and 2.3.2.

2.6. Also with respect to the provisions in Section 2.3.2 above, the Buyer undertakes to keep the State informed of all legal actions filed against CESP, through periodical reports to be forwarded to the Office, with the main information regarding such actions. These reports must be presented whenever there is a new legal action or at least every 6 months, and CESP, as intervening party, agrees with such obligation.

### **SECTION THREE**

#### **BUYER'S SPECIAL OBLIGATIONS**

3.1. The Buyer, as well as its shareholders, in the event it is organized as a Special Purpose Entity, and their successors in any capacity, including as a result of subsequent assignment and transfer of shares, will be irrevocably obligated, without prejudice to compliance with specific legal and regulatory provisions, to strictly comply with the obligations contained in the Bid Notice and continue to comply with the following obligations CESP has, exercising, if applicable, its voting right in CESP's shareholders' meetings, under penalty of appropriate judicial measures being filed against CESP and/or the Buyer, including the performance of obligation to do, comminatory fine, without prejudice to the cumulative recovery of losses and damage suffered by the State and the society in general, namely:

3.1.1 to meet, irrespective of the provisions in the Concession Agreement and/or the New Concession Agreement, document request or request for any information relating to CESP, prior to executing this Agreement, that comes to be asked by Government inspection, audit and control agents from state-owned companies, as well as to allow their employees or duly authorized persons to have access to books and documents, as provided by law;

3.1.2. Request to CVM, according to the applicable legislation, registration of the Tender Offer;

- 3.1.3 to abide by and fully comply with the rules, standards and procedures established in CESP's Partial Spin-off Prospectus, executed on March 23, 1999, and related documents, in particular in the Terms of Acknowledgment and Implementation of Rights and Obligations, and its amendments, including with regard to rights and obligations arising from ongoing lawsuits and those that may be filed;
- 3.1.4 except due to future legal requirement, to maintain CESP or company incorporated under the laws of Brazil that succeeds it, organized as a publicly-traded corporation, while CESP has debts guaranteed or counter-guaranteed by the State. For the purposes herein, such an obligation shall be included and appear in its respective Articles of Organization throughout the period referred to in this item, the rights of the other CESP shareholders being protected;
- 3.1.5 within 30 (thirty) days as from the transfer of Shares to the Buyer, cause CESP to hold a Special Meeting and approve the inclusion of provisions that (i) reflect the provisions in Section 3.1.3, above, and (ii) ensure that, while CESP is registered as a publicly-traded company, 01 (one) employee representative participates in CESP's Board of Directors, serving a term equal to the other Directors', representative who will be chosen by the employees' vote in direct election organized by the unions that represent them, with the CESP's cooperation, whenever requested to do;
- 3.1.6 to maintain CESP's administrative and social principal offices in the State of São Paulo, for as long as CESP is registered as a publicly-traded company;
- 3.1.7 to give notice, at least 120 (one hundred) days in advance, to the lessor, of its interest in vacating the premises currently occupied by CESP at Avenida Nossa Senhora do Sabará, No. 5,312, in the City of São Paulo, State of São Paulo;
- 3.1.8 to ensure current CESP employees, assisted, self-sponsored and affiliated participants, as defined in the Supplementary Retirement and Pension Plan - PSAP/CESP B1 have uninterrupted supplementary pension plan, consistent with the obligations CESP has already assumed with respect to Fundação CESP and the conditions and the benefit of the current Supplementary Retirement and Pension Plan - PSAP/CESP B1, managed by Fundação CESP;
- 3.1.9 to comply with the Collective-Bargaining Agreements in force, entered into with unions representing CESP's employees, in compliance with the labor legislation in force;



3.1.10 to maintain professional retraining and/or reemployment training program(s) considering possible staff termination, considering CESP's employees who are working at the time of the execution of this Agreement;

3.1.11 to ensure CESP's current employees and their dependents have uninterrupted health insurance whose standard of care and provider network are equivalent or better than those currently managed by Fundação CESP (DIGNA SAUDE PRATA III)), as well as to ensure retired employees, their dependents and designated persons uninterrupted health plans whose standard of care and provider network are equivalent or superior to those currently managed by Fundação CESP (PES-PLANO ESPECIAL DE SAÚDE, NOSSO PLANO DE SAÚDE e EXTENSIVE SAÚDE), under self-insurance;

3.1.12 cause CESP to remain a founding sponsoring company, for at least 05 (five) years as from January 1, 2019, of the following institutions:

- a. Fundação Patrimônio Histórico da Energia e Saneamento de São Paulo – FPHESP, investing within the period referred to above, at least R\$ 2,500,000.00 (two million, five hundred thousand Reals) per year, with the purpose of completing the budget of said entity; and
- b. Instituto da Criança Cidadã – ICC: investing, within the period referred to above, at least R \$1,200,000.00 (one million, two hundred thousand Brazilian Reals) per year.

The amount referred to in items (a) and (b) above will be updated every 12 (twelve) months according to the accumulated variation of the Consumer Price Index, published by Fundação Instituto de Pesquisas - IPC-FIPE. The base date for the adjustment is the month January 2018 (included).

3.1.13 to ensure existing environmental programs arising from licensing agencies' requirements and the compliance with commitments undertaken by CESP until the execution of this Agreement are maintained, including those arising from Conduct Adjustment Terms - TACs entered with Federal and State Prosecutor Offices, to ensure CESP and its assets are environmentally regular and compliant, and also implementing also environmental programs resulting from requirements made by licensing agencies with respect to procedures to have the projects environmentally regular or compliant;

- 3.1.14 to perform agreements and terms of commitment already executed by CESP until the date of execution of the Agreement into with the Federal, State and City Governments, Federal and State Prosecution Offices, universities, foundations, and research institutes until the execution of this Agreement, to perform the requirements made by such bodies, as a result of the construction, operation and maintenance of CESP's enterprises;
- 3.1.15 to perform document management and special protection procedures regarding archives material, sending them to the State Archive, according to the provisions in Federal Law No. 8,159, dated as of January 8, 1991, Federal Decree No. 4,073, dated as of January 3, 2002 and State Decree No. 48,897, dated as of August 27, 2004;
- 3.1.16. as per legal provisions and what provided Article 49 of CESP's Articles of Incorporation, to ensure CESP's officers, members of the board of directors, members of the audit committee and employees or agents that act as deputies of the managers elected by the date of execution of this Agreement:
- a. per legal provisions, access to the company's documents, keeping them for the prescribed periods, so that they may be used whenever they are required in the defense in possible judicial or administrative proceedings whose object are facts or acts performed during the exercise of their legal or institutional obligations; and
  - b. in accordance with article 49 of CESP's Articles of Incorporation, the technical legal defense, in judicial or administrative proceedings, which have as their object facts arising or committed in the exercise of their legal or institutional assignments, subject to the provisions of paragraphs 1 to 5 of said article.
- 3.1.17. to keep free *ferry boat* service in the HPP Paraibuna reservoir, 7 (seven) days a week, 24 (twenty-four) hours a day, during the current term of concession of the plant;
- 3.1.18. to complete inventory studies of the Rio Pardo stretch between the plants Euclides da Cunha and Caconde, develop and seek ANEEL's approval for the basic design of the São José small hydroelectric power plant, in the municipality of São José do Rio Pardo-SP, to comply with the "Term of commitment to execute the permanent documents for the construction and operation of the São José SHPP,

executed on 04/23/2016 with the main owner of the lands subject to being flooded to form said plant's reservoir;

- 3.1.19. to allow use and access, on a permanent basis, free of charge, to the area located at the edges of the reservoir, during the exclusive Waterway Administration use, as listed in the registrations and/or drawings below, available in the Data Room:

<b>Municipality</b>	<b>Registration/Drawing</b>	<b>Area (ha)</b>
Presidente Epitácio – SP	APL – GL – CAD - 9828	0,18834

- 3.1.20. to comply with the concessions already established with users as to the right to use the reservoir bank areas, pursuant to information available in the Data Room;

- 3.1.21. to admit and recognize that all agreements, protocols and other agreements possibly entered into by CESP in the past, providing for budget funds transfer by the State, have never been mandatory, as well as making CESP abstain from requiring, in any way, that the State reimburse or refund CESP, with respect to any amounts spent as a result of said agreements, protocols and agreements, irrespective of how they have been accounted for;

- 3.1.22 to keep Paraibuna HPP in operation for the duration of the current concession, as well as Paraibuna's plant nursery, with the purpose of continuing with the Flora Management Plan, with native forest essences, established by current legislation and according to the Environmental Policy;

- 3.1.23. to keep the Hydrobiology and Aquiculture station of Paraibuna running for the duration of Paraibuna HPP current concession, with the purpose of continuing the reservoirs' Fishing Management Program, and the Center for Conservation of Wild Birds of Paraibuna, with the purpose of continuing the Wildlife Management Programs, established by current legislation, in accordance with the defined Environmental Policy;

- 3.1.24. to operate the existing lock in Engenheiro Sérgio Motta power plant, keeping it in perfect working order in compliance with the applicable rules and operational instructions, available in the Data Room, as well as the operational rules in ANNEX V of the Bid Notice, in order to ensure continuity of navigation, in accordance with the legislation in force; and

3.1.25. to operate and maintain the lock mentioned in item 3.1.24 above free of charge to users, unless a supervening legislation and/or regulation authorizes otherwise; and

3.2. Without prejudice to the compliance with all other CESP's financial obligations, with respect to which the Buyer acknowledges the State is not liable for, if the Buyer wishes to transfer CESP's control or to promote corporate restructuring that includes CESP's spin-off or consolidation or merger involving CESP, such transaction will be conditioned upon the unconditional adhesion of third parties that come to acquire shares in CESP to the Stock Purchase Agreement, as provided in Section Two of the Agreement.

3.3. The Buyer undertakes, according to the terms herein, in particular those in item 6.1 and its sub items, to carry out the renewals and updates necessary for the Counter-Guarantee given to the State, and shall notify the State of every renewal and update made. The Buyer will submit to the State document proving renewal and update of the Counter-Guarantee at least 30 (thirty) days prior to its expiration date, under penalty of breaching a Buyer's duty and having the Counter-Guarantee being foreclosed on. The Counter-Guarantee must remain fully in force until the debts backed by the State Guarantees have been fully paid and will only be release by the State when such discharge and release is shown.

3.3.1. In the event of total or partial foreclosure on the Counter-Guarantee, the Buyer must restore the full amount within 48 (forty-eight hours) as from the notice, under penalty of breaching the contract and having the Counter-Guarantee foreclosed on.

3.3.2. No changes to the terms and conditions of the Counter-Guarantee are permitted, except upon the States's prior and express consent, in any case, including, without limitation, at the moment of renewal or restoration of the economic value and enforceability conditions.

3.3.3. In the event the Buyer wishes and is successful in effecting early settlement of such total debt amounts, the State shall authorize the Counter-Guarantee be released upon submission, by the Buyer, of the relevant release and discharge instruments with respect to the debts object of the State Guarantees.

3.4. Without in any way limiting any of the Sellers' rights, including the bringing of actions for specific performance of the obligation, in the event the Buyer does not go through with the Tender Offer, the State may, at its sole discretion, terminate by

operation of law the Stock Purchase Agreement, by sending written notice to the Buyer. In this case, the State shall notify the Depository Entity so that all of shares issued by CESP transferred to the Buyer on account of the Auction and/or the Offer to Employees are returned to their respective Sellers, who may exercise, therefore, the rights, privileges and advantages inherent to those shares, retaining from the amount to be returned to the Buyer in default, as stipulated damages, 50% (fifty percent) of the total amount resulting from the sum of the Final Price at Auction, Additional Price Related to Shares Acquired at Auction, and the Price of the Offer to Employees' leftovers without Discount , duly updated by variation of the SELIC Rate in the period.

## **SECTION FOUR**

### **ECONOMIC-FINANCIAL BALANCE OF THE CONCESSION AGREEMENTS**

4.1. The Buyer acknowledges that Sellers do not correspond to the Government entity that is party in the Concession Agreement and/or the New Concession Agreement, so that the provisions agreed upon herein cannot unilaterally alter the economic-financial balance of the Concession Agreement and/or the New Concession Agreement. In fact, Buyer also recognizes that for the purpose of assessing the economic-financial balance of the Concession Agreement and/or the New Concession Agreement, the following will not be taken in consideration by ANEEL:

- a. obligations provided in Section Two;
- b. the special obligations provided for in the Section Three, which are not related exclusively and permanently to the provision of electric power generation, set forth in the Concession Agreements or in relevant legislation; and
- c. the price paid at Auction.

## **SECTION FIVE**

### **GUARANTEE**

5.1. The Guarantor(s) herein irrevocably and unconditionally offer guarantee(s), as main payers and joint and several debtors, with respect to the compliance with any and all obligations of the Buyer(s) set out in the Bid Notice and in the Agreement, including, without limitation, effecting payment, when due, of the amounts described in Sections 1.2, 1.3, and 7.2 herein ("Guaranteed Obligations").

5.2. For the purposes of articles 265 and 828 of the Civil Code (Law No. 10,406, dated as of January 10, 2002), the Guarantor(s) acknowledge(s) and agree(s) that it/they is/ are

jointly and severally liable, and between themselves and the Buyer, for the Secured Obligations.

5.3. The Guarantor(s) expressly waive(s) its/their rights and prerogatives conferred on them by the applicable national legislation, in particular, those provided in articles 333, sole paragraph, 364, 365, 366, 368, 821, 827, 830, 834, 835, 837, 838 and 839 of Law No. 10,406, dated as of January 10, 2002, as amended ("Civil Code") and in articles 130 and 794 of Law No. 13,105, dated as of March 16, 2015, as amended ("Code of Civil Procedure").

## **SECTION SIX**

### **SUCCESSION**

6.1. This Agreement binds any third party that comes to own controlling interest in CESP, by having acquired the shares purchased by the Buyer, according to Section 1.4 herein, under penalty of the transfer of said shares to such third party being void.

6.2. This Agreement binds the Parties and CESP, as well as their heirs, tutors, curators, successors and authorized assignees, in any capacity, who shall exercise the rights and obligations set forth herein, in order to comply with all that has been agreed to the Party or to any intervening party they succeed.

6.3. The Buyer undertake to keep a copy of the Bid Notice and this Agreement at CESP's headquarters and to record in the Depository Entity's books the following text: "The shares representing controlling interest of CESP shall be subject to the provisions of in the Stock Purchase Agreement entered into by and between the State of São Paulo and [•], on [•]."

## **SECTION SEVEN**

### **IRREVOCABILITY**

7.1. The sale of the shares object of this Agreement is agreed upon irrevocably, and will be binding upon the parties and their successors and assigns with respect to the performance of the obligations agreed upon in any capacity, being said obligations subject to specific performance, making the parties entitled to compensation for damages in case of breach of such obligations.

7.2. Without in any way limiting any of the Sellers' rights, including bringing actions for specific performance of the obligation, in the event that the Buyer does not comply with, by fault or fraud, the requirements established by the Government for the transfer of

CESP's control, State may, at its sole discretion, terminate this Stock Purchase Agreement by operation of law, by sending written notice to the Buyer. In this case, all shares issued by CESP and transferred to the Buyer on account of the Auction and/or the Offer to Employees shall be returned to their respective Sellers, who may exercise, therefore, the rights, privileges and advantages inherent to those shares, and the Buyer shall be required to pay the State, as non-compensatory fine, 30% (thirty percent) of the total amount resulting from the sum of the Final Price at Auction, Additional Price Related to Shares Acquired at Auction, and the value of the Offer to Employees' leftovers. If any amounts regarding the Final Price at Auction, the Additional Price Related to Shares Purchased at Auction and/or the value of the Offer to Employees' leftovers have been effectively paid to Sellers by the Buyer, Sellers shall refund such amounts to the Buyer, pursuant to Section 7.3 below.

7.3. The State, for the purpose of receiving the amounts described in Sections 1.2, 1.3, and 7.2 above, may, without prejudice to any other rights, foreclose on the Offer Guarantee given according to item 3.5 of the Bid Notice or set off such amounts with other amounts: (i) paid or delivered by the Buyer and/or Guarantor(s) to any of the Sellers, including, without limitation, those relative to the payment of the Final Price at Auction, the Additional Price Related to the Shares Purchased at Auction and the amounts of the Offer to Employees' leftovers; (ii) owed by any of the Sellers to the Buyer, Guarantor(s) and/or Buyer.

## **SECTION EIGHT**

### **MISCELLANEOUS**

8.1. All notices and communications required or permitted under this Agreement must be made in writing and delivered to each party by return receipt. Unless otherwise communicated, all notices and communications shall be forwarded to the following addresses:

To the Sellers:  
Revenue Office of the State of São Paulo  
Av. Rangel Pestana, No. 300, 5° andar  
C/O: Secretary of Finance

With copy to:  
Office of the State Attorney General  
Rua Pamplona, no. 227  
C/O: State Attorney General

To the Buyer(s)

[•]

To the Guarantor(s) *[only if applicable]*

[•]

To CESP

[•]

8.2. This Agreement may not be amended or modified except by written agreement of Sellers and Buyer(s), and any amendments relating to guarantees given herein shall be approved by the Guarantor(s). This agreement reflects the entire agreement of the parties with respect to the purchase and sale of Shares.

8.3. No granted grace period or delay in enforcing a right by the State, with respect to any of the terms hereof, in any way will affect this Agreement or any of the parties' rights or obligations, except in strict accordance with such granted grace period or delay in enforcing a right.

8.4. Neither party may assign or transfer its rights and obligations under this Agreement without the express written consent of the other parties.

8.5. The Buyer must register this Agreement at the competent Registry Office immediately upon its execution and must provide proof of that it has been registered to the State within 10 (ten) days as from the date of signature of this Agreement. All expenses incurred with respect to said registration will be exclusively borne by the Buyer.

8.6. The Buyer represents it is fully aware of the laws in force in Brazil, including rules and regulations issued by ANEEL, Brazil's Central Bank, the Brazilian Securities and Exchange Commission, and any rules relating to possession and ownership of rural real estate by foreigners, and may not plead ignorance of any law or current regulation in force, and assume full responsibility for the obligations and limitations arising from laws and regulations that may be issued by the Government.

8.7. The parties elect the Court of the District of São Paulo, Capital of the State of São Paulo, to resolve any questions or disputes arising out of this Agreement, expressly waiving any other, however privileged it is or may be.



In witness whereof, the parties execute this instrument in [•] counterparts of equal content and form, in the presence of the two undersigned witnesses.

São Paulo, [•] [•] 2018.

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Estado de São Paulo

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CIA. do Metropolitano de São Paulo – METRÔ

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Dersa Desenvolvimento Rodoviário S.A.

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Companhia de Saneamento Básico do Estado de São Paulo – SABESP

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Departamento de Águas e Energia Elétrica – DAEE

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Companhia Paulista de Parcerias – CPP

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Buyer

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CONSENTING INTERVENING PARTY - Companhia Energética de São Paulo - CESP

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GUARANTOR

WITNESSES:

**Witness 1**

Name:

ID:

CPF/MF:

**Witness 2**

Name:

ID:

CPF/MF:

*(Continuation of Signature Page of the Stock Purchase Agreement  
executed on [•] [•] 2018)*