



CTEEP – COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA
A Publicly Held Company
CNPJ/MF 02.998.611/0001-04
NIRE 35300170571

MATERIAL FACT

Approval of Stock Split by the Board of Directors

CTEEP – Companhia de Transmissão de Energia Elétrica Paulista (“ISA CTEEP”, “Company”) wishes to announce that its Board of Directors, in a meeting held on this date, deliberated to submit to the Company’s Annual General Ordinary/Extraordinary Meeting, that will be held on April 4th, 2019, a proposal to split the totality of 164,720,826 (one hundred and sixty four million, seven hundred and twenty thousand, eight hundred and twenty six) nominative, scriptural and with no nominal emission value shares, of which 64,484,433 (sixty four million, four hundred and eighty four thousand and four hundred and thirty three shares) are common and 100,236,393 (one hundred million, two hundred and thirty six thousand and three hundred and ninety three) are preferred, in the proportion of 1 (one) common share for 4 (four) common shares and 1 (one) preferred share for 4 (four) preferred shares.

If approved in the mentioned meeting, the split will not modify the Company’s social capital, which will remain at the value of R\$ 3,590,020,426.94 (three billion, five hundred and ninety million, twenty thousand, four hundred and twenty six reais and ninety four cents), which will be divided in 658,883,304 (six hundred and fifty eight million, eight hundred and eighty three thousand and three hundred and four) nominative, scriptural and with no nominal emission value shares, of which 257,937,732 (two hundred and fifty seven million, nine hundred and thirty seven thousand and seven hundred and thirty two) are common and 400,945,572 (four hundred million, nine hundred and forty five thousand and five hundred and seventy two) are preferred. The shares will maintain same rights guaranteed by the bylaws and the shares that will be created by the split will have those same rights, participating equally in all conditions, including in receiving dividends and eventual capital remuneration. Simultaneously to this transaction, in the same proportion, the Company’s transferable securities that are traded in the American market (ADR – American Depositary Receipt) will also be split, in a way that each investor receives 3 (three) new ADRs for each 1 (one) ADR that they own on the record date. The existing ADRs will continue to be valid and it will not be necessary to exchange existing ADRs for new ones. Therefore, ADRs will continue to be negotiated in the proportion of 1 (one) share for 1 (one) ADR.

Due to the Company’s stock split, article 4 of the Company’s Bylaws will be updated to the new number of shares issued by the Company, on the terms described above.



The stock split aims to improve share liquidity and guarantee a better level for its quotes, as well as demonstrate the Company's certainty of its future results.

The Company will communicate when the referred topic in this document is deliberated in the Annual General Ordinary/Extraordinary Meeting.

São Paulo, February 28, 2019.

Rinaldo Pecchio Jr.
Chief Financial and Investor Relations Officer