

## **POLICY FOR DISCLOSURE OF MATERIAL INFORMATION**

### **I. INTRODUCTION**

Pursuant to paragraphs 4 and 5, Article 157 of Law 6.404/76 and its amendments, the management of publicly held companies:

- (i) is mandatorily required to communicate with immediate effect to the stock exchange and disclose to the press, any decision of the general meeting or of the company's management bodies, or material fact that has occurred in its businesses that may influence in a meaningful manner the decision of investors to sell or purchase securities issued by the company; and
- (ii) may cease to disclose information relative to acts or facts material to the activities of the company if it understands that release would place the legitimate interests of the company at risk.

Pursuant to the aforesaid legal provision, the Brazilian Securities and Exchange Commission has published CVM Instruction 358 of January 3, 2002, which in its Article 16, obliges publicly held companies to prepare a Policy for Disclosure of Material Information.

## II. DEFINITIONS

The words and terms used in this Policy for Disclosure of Material Information shall have the following meanings:

- **Material Act or Fact** – means any decision of a controlling shareholder, decision of a General Meeting or the management bodies of the Company or any other act or fact of a political-administrative, technical, transactional or economic-financial nature either occurred or related the businesses of the Company that may influence in a meaningful way (i) the price of Securities; (ii) the decision of investors to buy or sell or hold Securities; or (iii) in the decision of the investors to exercise any of their rights as holders of Securities. Examples of situations which may constitute a Material Act or Fact can be found in Article 2, CVM Instruction 358/2002;
- **Stock Exchanges** – means the São Paulo Stock Exchange – B3 S.A. – Brasil, Bolsa, Balcão and any other stock exchanges or markets organized for business in which the Company's Securities are eligible for trading;
- **Company** – means Companhia de Transmissão de Energia Elétrica Paulista;
- **CVM** – means the Brazilian Securities and Exchange Commission;
- **Investor Relations Officer** – means the officer of the Company elected to exercise the duties set forth in the regulations of the CVM and appointed to execute and monitor the Disclosure Policy;
- **Bound Persons** – means the direct and indirect controlling shareholders, officers, members of the Board of Directors, of the Fiscal Council and of any other organs with technical or consultative functions established by statutory provision or whosoever, by virtue of their job, function or position in the Company, its controlling company, its controlled companies, may have cognizance of information concerning a Material Act or Fact, and have signed a Declaration of Adherence;
- **Disclosure Policy** – means this Policy for Disclosure of Material Information;
- **Adherence Agreement** – means the agreement attached to this Disclosure Policy;
- **Securities** – means shares, debentures, subscription bonus, subscription receipts and rights, promissory notes and derivatives indexed to any securities, all of the Company's issuance.

## III. PURPOSE

The purpose of the Company's Disclosure Policy is to regulate the disclosure and use of information deemed as a Material Act or Fact, also covering procedures relative to the maintenance of confidentiality with respect to a Material Act or Fact not disclosed by the Company.

#### **IV. RESPONSIBILITY FOR DISCLOSURE**

IV.1. It is incumbent on the Investor Relations Officer to formally disclose a Material Act or Fact and establish the content of the respective communication, always complying with the terms contained in this Disclosure Policy.

IV.2. The Bound Persons who have access to information, which may be deemed a Material Act or Fact, must immediately inform this situation in writing to the Investor Relations Officer.

IV.3. Failure to comply with the aforementioned duty shall cause legal consequences only for the Bound Persons who have had access to the Material Act or Fact and which has not been informed to the Investor Relations Officer.

IV.4. Should the Bound Persons, who have communicated a supposedly material act or fact to the Investor Relations Officer, not receive a response from the Investor Relations Officer as to the handling given to the information received, they must notify the Material Act or Fact to the CVM, through simultaneous communication to the members of the Company's Executive Board.

IV.5. The Executive Board may approve an Internal Charter for regulating the manner in which Bound Persons and other persons related to the Company, for any reason, and due to job, function or position, may have access to information deemed material, should comply with the provision in this Disclosure Policy.

#### **V. PROCEDURE FOR DISCLOSURE**

V.1. Whenever cognizant of a Material Act of Fact, the Investor Relations Officer shall effect its disclosure and simultaneous communication to the CVM and, if the case, to the Stock Exchange, before or after the trading session in any of the Stock Exchanges, trading hours in Brazil taking precedence over all others.

V.2. Should it be imperative that the disclosure of a Material Act or Fact take place during trading hours, the Investor Relations Officer may, on announcing it, request the Stock Exchanges to suspend trading in Securities for as long as necessary for its adequate assimilation.

V.3. The disclosure of a Material Act or Fact must be made through at least one of the following channels of communication:

- I – newspapers of widespread circulation habitually used by the company; or
- II – at least 1 (one) news portal with a page on the Worldwide Web that maintains free access to a section providing the information in full.

V.4. The disclosure of a Material Act or Fact may be effected in abbreviated form indicating the internet addresses where the complete information is available to all investors, with content at least identical to that sent to the CVM.

## **VI. EXCEPTION TO DISCLOSURE**

VI.1. A Material Act or Fact may not be disclosed if its release puts the legitimate interests of the Company at risk. However, disclosure of the Material Act or Fact is mandatory in the event that the information is no longer in the Company's control or if there is any atypical fluctuation in the price or trading volume of the Securities due to the aforementioned information.

VI.2. In the event of an occurrence cited in the initial part of the preceding item, the Investor Relations Officer shall send an application to the Chairman of the CVM, requesting that the information not be disclosed with justification for such a request. The application shall be sent in a sealed envelope on which shall be inscribed the word "Confidential". It shall be incumbent on the Investor Relations Officer to comply with the decision of the CVM with respect to the matter.

## **VII. DUTY OF CONFIDENTIALITY**

VII.1. It is the duty of the Bound Persons to safeguard the confidentiality and not to make use of the information deemed a Material Act or Fact to which they have privileged access due to job or position they occupy until disclosure to the market pursuant to the terms contained in this Policy.

VII.2. It is incumbent on the Bound Persons to inform their subordinates and third parties in their confidence that have access to information deemed as a Material Act or Fact on the need to maintain confidentiality until it is properly disclosed to the market as well as taking all precautions to comply with this duty in order to avoid any kind of personal responsibility.

## **VIII. ADHERENCE TO THE POLICY**

VIII.1. All Bound Persons shall signal their adherence to this Disclosure Policy by signing the Declaration of Adherence.

VIII.2. The Company shall maintain at its headquarters the list of Bound Persons and their respective qualifications, indicating the position or function, address and tax registration number as a natural person or corporate entity, keeping this up to date whenever there is any alteration.

VIII.3. The signed Declarations of Adherence shall be held on file at the headquarters of the Company for a minimum period of 5 (five) years following the termination of the existing bond between the signatories.

## **IX. DURATION**

This Disclosure Policy shall become effective on July 15, 2002 and shall remain in effect for an indeterminate period until a resolution to the contrary is issued by the Board of Directors.

This Disclosure Policy is approved on this date at the meeting of the Board of Directors of the Company and is signed by all its members present.

**ATTACHMENT I**

**DECLARATION OF ADHERENCE TO THE POLICY FOR DISCLOSURE OF  
MATERIAL INFORMATION**

**CTEEP - COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA**

[*Complete with name, nationality, civil status, profession, CPF, RG*], resident and domiciled at [*address, district, CEP, municipality, state*], undersigned in the quality of [*complete with position, function, department/division to which posted, or relation with the Company*] of CTEEP – Companhia de Transmissão de Energia Elétrica Paulista, hereby declare my adherence to the **POLICY FOR DISCLOSURE OF MATERIAL INFORMATION**, of which I am receiving a copy, and declare: a) cognizant; and b) aware that eventual sanctions for violation of the referred **POLICY FOR DISCLOSURE OF MATERIAL INFORMATION** shall be decided by the Board of Directors and/or the Brazilian Securities and Exchange Commission.

São Paulo, ..... xx, 20 .....

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[*name*] / [*signature*]