

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer (as defined below) is not being made to, nor will tenders be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

**NOTICE OF PUBLIC TENDER OFFER FOR THE ACQUISITION  
OF COMMON SHARES ISSUED BY**



**CPFL Energias Renováveis S.A.**

CNPJ/MF: 08.439.659/0001-50

NIRE: 35.300.335.813

ISIN Code: BRCPREACNOR5

Common Shares: CPRE3

**ON ACCOUNT AND AT THE ORDER OF**

**State Grid Brazil Power Participações S.A.**

CNPJ/MF: 26.002.119/0001-97

**INTERMEDIATED AND ADVISED BY**



**This Notice is a free translation to English, prepared only for the convenience of the reader, of the *Edital* published in the Federative Republic of Brazil in the Portuguese language. The original Portuguese version shall prevail in case of any discrepancy with this free translation to English.**

**IMPORTANT NOTICE TO UNITED STATES SHAREHOLDERS:**

**Holders of common shares should be aware that, prior to and/or during the period of the Offer, the Offeror (as defined below) and/or its affiliates, directly or indirectly, may bid for or make purchases of or make arrangements to purchase Shares, or related securities, in each case as permitted by applicable law and regulation in Brazil. State Grid Brazil (as defined below) will announce any such bids for, purchases of, or arrangements to purchase Shares or related securities outside the Offer that are made prior to the expiration of the Offer by causing CPFL Energias Renováveis S.A. to publish notice thereof by material fact in Brazil. No such purchases or arrangements to purchase Shares or related securities outside the Offer will be made in the United States prior to the end of the Offer.**

**BANCO SANTANDER (BRASIL) S.A.**, a financial institution with headquarters in the City of São Paulo, State of São Paulo, at Avenida Presidente Juscelino Kubitschek, nº 2.041 and 2.235 (Bloco A), enrolled with the Taxpayer Identification Number (“CNPJ/MF”) under No. 90.400.888/0001-42, as the leading intermediary institution (“Santander”) and **BANK OF AMERICA MERRILL LYNCH BANCO MÚLTIPLO S.A.**, a financial institution with headquarters in the City of São Paulo, State of São Paulo, at Avenida Brigadeiro Faria Lima, nº 3.400, 11<sup>th</sup> floor, enrolled with the CNPJ/MF under number 62.073.200/0001-21 (“BofA Merrill Lynch” and, together with Santander, “Intermediary Institutions”), on account and at the order of **STATE GRID BRAZIL POWER PARTICIPAÇÕES S.A.**, a privately held company with headquarters in the City of Campinas, State of São Paulo, at Rua Gustavo Armbrust, 36, 10th floor, Vila Nova Campinas, , enrolled with the CNPJ/MF under No. 26.002.119/0001-97 (“State Grid Brazil” or the “Offeror”), a subsidiary of **STATE GRID INTERNATIONAL DEVELOPMENT LIMITED.**, a corporation dully incorporated under the laws of Hong Kong with headquarters in Suite 1304, 13F Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong (“State Grid”), hereby announces to the shareholders that own issued and outstanding common shares issued by **CPFL ENERGIAS RENOVÁVEIS S.A.** (“Shares”), a public corporation with headquarters in the City of São Paulo, State of São Paulo, at Avenida Doutor Cardoso de Melo, nº 1.184, 7<sup>th</sup> floor, enrolled with the CNPJ/MF under No. 08.439.659/0001-50, with its corporate acts registered with the São Paulo Board of Trade under NIRE nº 35.300.335.813 (“Company” or “CPFL Renováveis”), the public tender offer to acquire up to all the Shares (the “Offer” or the “Tender Offer”), considering the indirect transfer of control of the Company, according to article 254-A of Law No. 6,404, dated as of December 15, 1976, as amended (“Law 6,404”), under the provisions set forth in this Notice of Public Tender Offer for the Acquisition of Common Shares issued by CPFL Energias Renováveis S.A. (“Notice”), according to (i) Law No. 6,385, dated as of December 7, 1976, as amended (“Law 6,385”), (ii) Law 6,404, (iii) the Company’s by-laws, and (iv) the Novo Mercado Listing Rules of B3 S.A. – Brasil, Bolsa, Balcão (“B3” and “Novo Mercado Rules”), and subject to the rules of CVM Instruction No. 361, dated as of March 5, 2002, as amended (“CVM Instruction 361”), pursuant to the following terms and conditions.

## 1. OFFER

- 1.1 Notice Information: This Notice was prepared with information provided by the Offeror (unless where stated expressly otherwise) in order to comply with CVM Instruction 361, providing the shareholders of the Company with elements deemed necessary to take an informed and independent decision regarding the acceptance of the Offer.
- 1.2 Background: On July 1, 2016, as disclosed by CPFL Renováveis and its indirect controller, CPFL Energia S.A. (“CPFL Energia”), pursuant to material facts on such date, one of CPFL Energia’s then-controlling shareholders, Camargo Corrêa S.A. (“CCSA”), received a proposal from State Grid for the acquisition of the totality of the shares of CPFL Energia held directly or indirectly by CCSA that were bound to CPFL Energia’s shareholders’ agreement dated as of March 22, 2002, as amended (“Shareholders’ Agreement”).

In this regard, CCSA and State Grid entered into a binding Letter Agreement in respect of the potential acquisition, by one or more State Grid affiliates incorporated under the laws of Brazil, of two hundred and thirty-four million, eighty-six thousand, two hundred

and four (234,086,204) shares issued by CPFL Energia and owned by CCSA's subsidiary, ESC Energia SA ("ESC"), that were bound to the Shareholders' Agreement ("ESC Shares"), representing approximately, 23% (twenty-three percent) of CPFL Energia's capital stock. CPFL Energia was (and still is) the owner of two hundred and fifty nine million, seven hundred and forty eight thousand, seven hundred and ninety nine (259,748,799) shares issued by CPFL Renováveis, representing approximately, 51.60% (fifty one and sixty hundredths percent) of CPFL Renováveis' capital stock ("CPFL Renováveis Shares").

As disclosed by material facts issued by CPFL Energia and CPFL Renováveis on September 2, 2016, CCSA, ESC, State Grid and State Grid Brazil executed a Share Purchase Agreement ("SPA") on September 2, 2016, the terms and conditions of which provide for: (i) the direct or indirect sale (through the sale of shares representing 100% (one hundred percent) of ESC's capital stock) of the ESC Shares, for the acquisition price of twenty five Reais (R\$25.00) per share of CPFL Energia ("Original Price per Share"); (ii) the direct sale, also at the Original Price per Share, of five million, eight hundred and sixty-nine thousand, eight hundred and seventy-six (5,869,876) shares issued by CPFL Energia and held directly by CCSA, that were received as share dividends (*bonificação em ações*) on the shares bound to the Shareholders' Agreement, representing approximately, 0.58% (fifty eight hundredths percent) of the capital stock of CPFL Energia ("CCSA Shares"); and, consequently, (iii) the indirect transfer of the CPFL Renováveis Shares held directly or indirectly by CPFL Energia. In accordance with the SPA, the value assigned in the Transaction (as defined below) for each of the CPFL Renováveis Shares held directly or indirectly by CPFL Energia was of twelve Reais and twenty cents (R\$12.20) ("Price per Share of the Transaction").

The SPA also set forth certain conditions precedent to the completion of the Transaction, among which were obtaining necessary approvals from the Administrative Council for Economic Defense (*Conselho Administrativo de Defesa Econômica*) ("CADE") and from the National Electric Energy Agency (*Agência Nacional de Energia Elétrica*) ("ANEEL"). In accordance with the provisions of the Shareholders' Agreement, following the execution of the SPA, CPFL Energia's shareholders that were parties to the Shareholders' Agreement were entitled to exercise either (a) their right of first refusal to acquire all of the shares subject to the Transaction that were bound to the Shareholders' Agreement; or (b) their tag along right to sell, alongside CCSA and CCSA's relevant subsidiaries, all of the shares issued by CPFL Energia held by them that were bound to the Shareholders' Agreement, as well as the share dividends received on such CPFL Energia's shares as from January 1<sup>st</sup>, 2016, at the same per share price, and subject to the same conditions, offered to CCSA.

On September 22, 2016, CPFL Energia disclosed a material fact informing that the decision of the CADE General Superintendent (*Superintendente Geral do CADE*) was published in the Official Gazette of the Brazilian Government, approving, without restriction, Concentration Act No. 08700.006319/2016-39, authorizing the Transaction, under the terms described above.

On September 23 and 28, 2016, CPFL Energia and CPFL Renováveis disclosed material facts informing that the tag along rights had been exercised by the Bank of Brazil Employees' Pension Fund (*Caixa de Previdência dos Funcionários do Banco do Brasil – Previ*) (“Previ”) and by Energia São Paulo Fundo de Investimento em Ações (“Energia SP”), along with Energia SP’s respective investors: Fundação CESP, Fundação Sistel de Seguridade Social, Fundação Petrobras de Seguridade Social – PETROS and Fundação SABESP de Seguridade Social — SABESPREV (the investors of Energia SP, the “Bonaire Shareholders”, and together with CCSA and its relevant subsidiaries and Previ, the “Selling Shareholders”), to sell, alongside CCSA and/or its relevant subsidiaries, all of their shares bound to the Shareholders’ Agreement, as well as the share dividends received on such CPFL Energia’s shares as from January 1, 2016 (the shares to be sold by Previ and by the Bonaire Shareholders, together with the CCSA Shares and ESC Shares, “CPFL Energia Sold Shares”). On October 6, 2016 and October 13, 2016, respectively, Previ and the Bonaire Shareholders acceded to the SPA in the position of sellers (the sale of the CPFL Energia Sold Shares by the Selling Shareholders, the “Transaction”).

On November 23, 2016, CPFL Energia and CPFL Renováveis disclosed in a material fact that on such date, the request to *Agência Nacional de Energia Elétrica* (the Brazilian National Electric Energy Agency) (“ANEEL”) to approve the transfer of the shares issued by CPFL Energia and held by the Selling Shareholders to State Grid Brazil (“ANEEL’s Approval”) was filed. On December 13, 2016, CPFL Energia and CPFL Renováveis disclosed in material facts that the last condition precedent to the closing of the Transaction, ANEEL’s Approval, had been satisfied, resulting in the indirect transfer of the shares issued by CPFL Renováveis that were directly or indirectly held by CPFL Energia to State Grid Brazil. Additionally, in order to ensure that the Offeror would be able to timely make the necessary funding arrangement to conduct punctual payment, the Selling Shareholders and the Offeror agreed to postpone the closing of the Transaction until January 23, 2017.

Accordingly, on January 23, 2017, as disclosed by CPFL Energia and CPFL Renováveis in material facts dated that same date, the Transaction was closed on such date and as a result, State Grid Brazil acquired from the Selling Shareholders, directly and indirectly, five hundred and fifty six million, one hundred and sixty four thousand and eight hundred and seventeen (556,164,817) common shares issued by CPFL Energia, representing, approximately, 54.64% (fifty four point sixty four percent) of its voting and total capital stock, at a price, after the adjustments described in the SPA, of R\$25.51 (twenty five Reais and fifty one cents) per share (“Price per Share of the CPFL Energia Transaction”), totaling approximately R\$14.19 billion. CPFL Energia was (and still is) the owner of two hundred and fifty nine million, seven hundred and forty eight thousand, seven hundred and ninety nine (259,748,799) shares issued by CPFL Renováveis, representing approximately 51.60% (fifty one and sixty hundredths percent) of its voting and total equity. The Price per Share of the CPFL Energia Transaction was paid in cash, in Brazilian currency, on the closing date.

For the avoidance of doubt, the ESC Shares were acquired indirectly by State Grid Brazil by means of the acquisition of shares representing 100% (one hundred percent) of the

capital stock of ESC. The implicit value paid for each share of CPFL Energia held by ESC corresponded to the Price per Share of the Transaction, given that: (a) ESC was the legitimate owner and beneficial owner of two hundred and thirty four million, eighty six thousand, two hundred and four (234,086,204) common shares issued by CPFL Energia; (b) State Grid Brazil paid for the shares representing 100% (one hundred percent) of ESCs capital stock the Price per Share of the Transaction times two hundred and thirty four million, eighty six thousand, two hundred and four (234,086,204); and (c) on the closing date, ESC had no other relevant assets or liabilities other than the shares of CPFL Energia.

Additionally, pursuant to the material fact of February 16, 2017 CPFL Renováveis disclosed: (a) State Grid Brazil's intention to cancel CPFL Renováveis' registration as a class "A" issuer in Brazil upon its conversion to class "B" issuer ("Class Conversion") and to delist the Company from B3's special segment for securities trading called Novo Mercado ("Novo Mercado"); and (b) that State Grid Brazil reserves the right to withdraw the Class Conversion and the Novo Mercado delisting in case the price to be offered in the mandatory tender offer required as a result of the change of control of the Company was lower than the fair market value of the shares of the Company, determined by Appraisal Report (as defined below), in accordance with applicable regulation. On February 23, 2017, CPFL Renováveis disclosed a material fact informing that the Offeror had filed the tender offer documents with the CVM.

On March 10, 2017, a Board of Directors' meeting of CPFL Renováveis was held and a three-name list of the following first tier financial institutions was approved: (i) Banco de Investimentos Credit Suisse (Brasil) S.A.; (ii) BNP Paribas Brasil S.A.; and (iii) Deutsche Bank S.A. – Banco Alemão. The names of these financial institutions, which specialize in the economic valuation of public companies were submitted to the shareholders' meeting of the Company in order for the holders of outstanding shares (as defined in the applicable regulations) of the Company to appoint the financial institution responsible for preparing the independent valuation report of the economic value of the shares issued by the Company ("Appraisal Report"), for the purposes of the Class Conversion and the Novo Mercado delisting in accordance with Law 6,404, CVM Instruction 361 and the Novo Mercado Rules.

On March 27, 2017, the following matters were approved by the CPFL Renováveis' shareholders meeting: (i) appointment of Deutsche Bank S.A. – Banco Alemão, to prepare the Appraisal Report; (ii) Class Conversion of the Company, subject to reaching the required 2/3 acceptance quorum; and (iii) Novo Mercado delisting of the Company, which will occur independently of the Class Conversion.

On July 07, 2017, the Company disclosed a material fact informing that State Grid Brazil would solely proceed with the mandatory tender offer resulting from the indirect transfer of control of the Company, pursuant to article 254-A of Law 6,404.

On February 20, 2018, the Offeror received Letter No. 41/2018/CVM/SRE/GER-1, announcing the decision of the Superintendence of Securities Registry ("SRE") of the CVM, issued in connection with the registration process of the Tender Offer. In its decision, SRE, pursuant to Report No. 6/2018-CVM/SRE/GER-1, concluded that (i) the

Appraisal Report prepared by Banco Fator S.A. ("Appraiser"), contained assumptions that were not considered reasonable, so that it was not possible to carry out the price consistency test calculated by means of the "Justified Price Demonstration" based on said report; (ii) after exercises performed by SRE in order to verify the consistency of the price attributed to the Company through the Justified Price Demonstration and based on such results, SRE concluded that the price per share resulting from the Justified Price Demonstration for CPFL Renováveis (R\$12.20) did not find support in any of the prices found with the application of other criteria adopted by it. Accordingly, it was understood that the price that would guarantee the minority shareholder of the Company equal treatment to that given to the former controller in connection with the change of control would be at least equal to the lower of the amounts resulting from the said criteria, which in this case refers to the target prices disclosed in reports prepared by market analysts that evaluated the two companies prior to the Transaction (R\$16.69). On the same date, the Offeror informed the Company that it would appeal against this decision.

On March 8, 2018, the Company disclosed a material fact informing that it had received Letter No. 65/2018/CVM/SRE/GER-1 communicating about (i) the receipt of an appeal against SRE's decision within the scope of the Tender Offer; and (ii) the suspension of the deadlines to comply with the requirements formulated by the CVM.

On May 3, 2018, the Company disclosed a material fact informing that, on May 2, 2018, it received from the SRE the Letter No. 114/2018/CVM/SRE/GER-1 communicating about the decision of the CVM Board on that date, which partially granted the appeal filed by the Offeror against a decision of the CVM's technical area in connection with the Tender Offer registration process. Partial granting of the appeal was made to: "(i) reform the decision of SRE regarding the determination of a threshold of minimum price to be practiced in the Tender Offer; and (ii) maintain the determination of the SRE that the Justified Price Demonstration be restated with the following adjustments, namely: use of annual EBITDA data instead of quarterly in order to avoid distortions due to seasonal effects and incorporation of prospective vision of companies to reflect differences in their growth expectations".

On June 21, 2018, the Company disclosed a material fact to announce the re-presentation of the Justified Price Demonstration by the Offeror, in accordance with CVM Letter (*Ofício*) No. 114/2018/CVM/SRE/GER-1, as well as a new price of R\$13.81 (thirteen Reais and eighty one cents) per Share as Purchase Price.

On September 12, 2018, the Company disclosed a material fact to announce the re-presentation of the Justified Price Demonstration by the Offeror, in accordance with CVM Letter (*Ofício*) No. 234/2018/CVM/SRE/GER-1, as well as a new price of R\$14.60 (fourteen Reais and sixty cents) per Share as Purchase Price (as defined in item 2.1 below).

On October 11, 2018, the CVM granted authorization to the Offeror to execute the Offer in accordance with the terms and conditions set forth herein.

1.3 Reasons for the Offer and Legal, Regulatory and Corporate Basis: As a result of the indirect sale, by the Selling Shareholders of an indirect controlling interest in the

Company, the Offeror is required, pursuant to article 254-A of Law 6,404, article 29 of CVM Instruction 361, Chapter I, Section XI of the Novo Mercado Rules and chapter VIII of the Company's bylaws, to launch a transfer of control tender offer to acquire all other common shares issued by the Company.

- 1.4 Registration and Authorization of the Offer and Authorization of the Auction: The Offer, under the terms in which it is structured, was approved by and registered with the CVM, on October 11, 2018, under nº CVM/SRE/OPA/ALI/2018/004. B3 authorized the Auction for the Offer in its trading system, on October 11, 2018.
- 1.5 Shares Subject to the Offer: The Offeror, represented in the Auction (as defined in item 3.1 hereafter) by Santander Corretora de Câmbio e Valores Mobiliários S.A., is willing to acquire the totality of the common shares issued by the Company that are not owned either by the Offeror or by CPFL Energia (“Shares Subject to the Offer”), which corresponds, on the date of the present Notice, to 243,602,472 common shares, representing approximately 48.40% of the total capital of the Company. The number of Shares Subject to the Offer may be increased by up to 461,386 common shares without amendments to this Notice in the event of issuance of new shares by the Company due to the exercise of stock options granted by the Company up to the date of the present Notice. Except for CPFL Energia, related parties to the Company (as defined by the article 3rd, VI, of CVM Instruction 361), will be allowed to sell their shares issued by the Company, and such shares will be considered as Shares Subject to the Offer.
- 1.6 No Restriction over Shares: The Shares Subject to the Offer, in order to be acquired in accordance with this Offer, must be free and clear of any *in rem* guarantee, lien, charge, usufruct or other encumbrance to their free circulation or transfer that can prevent immediate exercise by the Offeror of the full ownership rights over the Shares, the political rights or rights of any other nature attaching to the Shares, in full compliance with the trading regulations of the BOVESPA Segment Operational Regulation (*Regulamento de Operações do Segmento Bovespa*) and of the BOVESPA Segment Compensation, Settlement and Risk Management Operational Regulation (*Regulamento de Operações da Câmara de Compensação, Liquidação e Gerenciamento de Riscos de Operações no Segmento Bovespa*) and B3's Central Securities Depository (*Central Depositária de Ativos da B3*) (“Central Depository of B3”).
- 1.7 Validity: This Tender Offer is valid for a period of thirty five (35) days, starting on October 22, 2018, date of publication of this Notice, and ending on November 26, 2018 the date set forth in this Notice for the Auction, unless the CVM determines or authorizes a different period of time for the Auction, in which case such different period will be widely disclosed to the market by means of a request for the Company to publish a material fact.
- 1.8 Consequences of Acceptance of the Offer: Upon accepting this Offer, in accordance with Section 3 of this Notice, each Shareholder agrees to dispose of and effectively transfer the ownership of the Shares held by it, including all rights inherent to the Shares, free and clear of any judicial or extrajudicial liens or encumbrances, including preemptive rights

or priority of acquisition of the Shares Subject to the Offer by any third party, against payment of the Purchase Price, in full compliance with the securities trading regulations of the Operational Procedures of the BOVESPA Segment Operational Regulation (*Regulamento de Operações do Segmento Bovespa*) and of the BOVESPA Segment Compensation, Settlement and Risk Management Operational Regulation (*Regulamento de Operações da Câmara de Compensação, Liquidação e Gerenciamento de Riscos de Operações no Segmento Bovespa*) and the Central Depository of B3.

- 1.9 Change or Revocation of the Offer: The Offer is unchangeable and irrevocable as of the date of publication of this Notice. However, the Offeror may request the CVM, pursuant to the provisions of article 5, §2<sup>nd</sup>, III, of CVM Instruction 361, for authorization to modify or revoke the Offer: (a) upon the occurrence of a substantial superseding and unforeseeable change in the circumstances existing on this date, causing a material increase in the risks borne by the Offeror; and (b) provided that the Offeror proves that the actions and transaction that have triggered the obligation to perform the Tender Offer will be ineffective if the revocation is approved, under the terms of this item 1.9. In this case, the Offeror may modify the Tender Offer, if previously and expressly authorized by the CVM.
- 1.9.1 Any modification to the Tender Offer following the publication of this Notice will require prior and express approval by the CVM, except if such modification causes or results in an improvement of the Tender Offer for the benefit of the holders of the Shares Subject to the Offer.
- 1.9.2 If the Offeror elects to voluntarily modify the Tender Offer, it shall (a) request that the Company disclose a material fact, which shall identify and describe such changes (approved by the CVM or not, as the case may be) and, if necessary, inform the remaining period of validity of the Tender Offer and the date on which the new Auction will take place, such new date shall comply with item 1.9.3 below; and (b) publish an amendment to the Notice, in accordance with CVM Instruction 361.
- 1.9.3 The new date for the Auction, when applicable, shall comply with the following deadlines: (a) if the modification of the Tender Offer results from an increase in the price, the Auction shall be carried out after at least the later of ten (10) days from the publication of the amendment to the Notice, in any other case, the Auction will be held after at least twenty (20) days from the publication of the amendment, and the Auction Date may be maintained if such deadlines are respected; and (b) within a maximum period of thirty (30) days from the publication of the amendment or forty-five (45) days from the publication of the Notice (i.e., December 6, 2018), whichever occurs last.
- 1.10 Manifestation of Opinion of the Company's Board of Directors: Under the terms of article 21 of the Novo Mercado the Company's Board of Directors will prepare and disclose within fifteen (15) days after the publication of this Notice, a substantiated opinion regarding the terms and condition of the Offer.

## 2. OFFER PRICE

2.1. Offer Price: Considering it is an indirect sale of control, the price to be paid per common share of the Company will be R\$ 14.60 (fourteen Reais and sixty cents) (“Purchase Price”), to be adjusted as per item 2.2 below. The Purchase Price was calculated considering the adjustments determined by SRE, in line with the decision of the CVM Board, and according to Justified Price Demonstration, available under item 8 below.

2.1.1. Trading with the Shares Subject to the Offer: Pursuant to article 15-A of CVM Instruction 361, the Offeror declares herein that, except for the Transaction, no transactions were made by or on behalf of the Offeror with the Shares Subject to the Offer between September 02, 2016 and the date of publication of this Notice.

2.2. Purchase Price Adjustment: The Purchase Price will be adjusted by the Selic Rate (*Taxa Referencial do Sistema Especial de Liquidação e Custódia*) (“Selic Rate”) variation, calculated on a *pro rata temporis* basis, from the closing of the Transaction, January 23, 2017 (exclusive), until the Settlement Date (as defined in item 4.5 below) (inclusive). For the period between up to three (3) business days prior to the Auction Date to the Settlement Date, the adjustments will be calculated based on the most recent Selic Rate available, and the price informed to B3 will be final.

2.2.1 Selic Rate Extinction: In the event of extinction or non-disclosure of the Selic Rate for more than thirty (30) days, the replacement index will be applied. In the absence of such index, the average Selic Rate of the twelve (12) months previously disclosed will be applied.

2.2.2. Adjustments for Dividends and Interest in Shareholders Equity: In the event that, between January 23, 2017 and the Auction Date, the Company declares any dividends or interest on shareholders’ equity (*juros sobre capital próprio*), the shareholders that are registered as owners or beneficial owners of the common shares issued by the Company on the date of such declaration will be entitled to such dividends or interest on shareholders’ equity. Hence, the Purchase Price will be reduced by the amount of dividends or interest on shareholders’ equity declared by the Company until the Auction Date.

2.2.3. Adjustment for Changes in the Number of Shares Subject to the Offer: In case CPFL Renováveis’ capital stock is altered from the date of this Notice and until the Auction Date due to stock splits, reverse stock splits, share dividends and/or other similar corporate transactions carried out by the Company, the Purchase Price shall be adjusted in accordance with the resulting number of Shares following such alteration of the capital stock.

2.2.4. Rounding: If the Purchase Price, after the adjustments provided for in this Notice, results in an amount with more than two (2) decimal places, the decimal places from the third (including) onwards will be disregarded, without any rounding.

- 2.2.5. Publication of Material Fact Regarding Changes to the Purchase Price: In the occurrence of any of the items above, the Offeror shall cause the Company to publish a material fact regarding any adjustments to the Purchase Price, informing the new Purchase Price, with two (2) decimal digits, to the market and to the Officer of Electronic Trading of B3, up to one (1) business day prior to the Auction Date.
- 2.2.6. Payment of Purchase Price: The Purchase Price shall be paid in cash to the shareholders that accepted the Offer in Brazilian currency and in accordance with the procedures of the BOVESPA Segment Chamber of Compensation and Settlement of B3, on the Settlement Date (as defined in item 4.5 below).
- 2.2.7. Information to B3: The Offeror will, by means of a written notice, inform the Officer of Electronic Trading of B3, at least three (3) business days prior to the Auction Date, of the final Purchase Price for the Auction, duly adjusted and with two (2) decimal digits.

### **3. OFFER PROCEDURE**

- 3.1. Qualification for the Auction: The Offer will be carried out through an auction conducted in the electronic trading system of the Bovespa segment of B3 (“Auction”). The holders of Shares Subject to the Offer that wish to participate in the Auction must qualify to do so, from October 22, 2018 (the date of publication of this Notice) until 6:00 p.m. (Brasília time) on November 23, 2018 (the last business day before the Auction Date, as defined below) (“Qualification Period”), with any brokerage firm authorized to operate in the B3 (“Brokerage Firms”), to represent the shareholder at the Auction, according to the periods and procedures established by the items below. In order to proceed with the qualification to the Auction, the holders of the Shares Subject to the Offer must comply with the timelines and procedures required by the Brokerage Firms for such qualification.
- 3.1.1. Preliminary Procedures: The holders of the Shares Subject to the Offer that intend to qualify for the Auction with any of the Brokerage Firms must have an account previously open at a Brokerage Firm, in order to comply with the time period provided in item 3.1 above. In case the holder of the Shares Subject to the Offer does not have an account open with one of the Brokerage Firms, such holder must open an account in a timely manner to comply with item 3.1 above, subject to specific procedures of each Brokerage Firm, as well as the requirements established by the BOVESPA Segment Compensation, Settlement and Risk Management Operational Regulation (*Regulamento de Operações da Câmara de Compensação, Liquidação e Gerenciamento de Riscos de Operações no Segmento Bovespa*) and by the Central Depository of B3.
- 3.2. Documents Necessary to Qualification. In order to qualify for the Auction, a holder of Shares Subject to the Offer must (i) have an account previously open at a Brokerage Firm or arrange for the opening of an account in a timely manner to comply with the deadline mentioned in Section 3.1 above, subject to specific procedures of each Brokerage Firm;

and (ii) consult the Brokerage Firm regarding the necessary documents for the qualification for the Tender Offer. It is recommended that such holder of Shares Subject to the Offer presents him/her/itself in person or by proxy at the Brokerage Firm, with the respective register updated or with certified copies of the documents indicated below, as the case may be, provided that for purposes of registry information, additional information and/or documents may be requested, at the discretion of each Brokerage Firm:

a) Individual: certified copy of the taxpayer enrollment card (“CPF/MF”), of the identity card and of the proof of residence. Representatives of minors, people declared incompetent to manage their own affairs and holders of the Shares Subject to the Offer represented by proxies must present the documentation granting powers of representation and certified copies of the CPF/MF and of the identity card of the representative. Representatives of minors and people declared incompetent to manage their own affairs must also present their respective judicial authorization;

b) Legal Entities: certified copy of the most recent consolidated By-Laws or articles of association, as applicable, CNPJ/MF enrollment card, documentation granting powers of representation and certified copies of the CPF/MF, identity card and proof of residence of its representatives. Shareholders resident abroad may be required to present other representation documents;

c) Investor through Resolution CMN 4.373: shareholders that have invested in the common shares issued by the Company through the mechanism established by Resolution 4,373 of the Brazilian Monetary Council (“CMN”), dated September 29, 2014 (“Resolution 4,373”), which revoked and substituted the Resolution CMN No. 2,689, dated as of January 26, 2000 (“Investor through Resolution CMN 4.373”), must present to their Brokerage Firm, before the Auction Date, a document attesting its registration with CVM and with the Brazilian Central Bank (in the latter case, the so called RDE-Portfolio number) as well as an excerpt of custody attesting to the number of Shares it holds and, as applicable, the number of Shares that it will sell at the Auction. In case the Investor through Resolution CMN 4.373 is a foreign individual, it must present, apart from the abovementioned documentation, a certified copy of its registration number with the CPF/MF. The Investor through Resolution CMN 4.373 is the sole responsible for consulting with its legal advisors, representatives and/or custodian agents in relation to all tax matters of its participation in the Auction (previously to the qualification or acceptance of the Offer);

d) Investor through Law 4.131: The Investor through Law 4.131 must present to their accredited Brokerage Firm, before the Auction Date, in addition to the abovementioned documents: (i) a statement containing the number of Shares Subject to the Offer intended for sale on the Auction; (ii) authorization for the Company to register the transfer of Shares Subject to the Offer sold to the Offeror in the Electronic Declaratory Registry – Direct Foreign Investment (*Registro Declaratório Eletrônico – Investimento Estrangeiro Direto - RDE-IED*) of the Brazilian Central Bank, after the Settlement Date, including, in such authorization, the information and data necessary for such registration; (iii) power of attorney granting powers to the Intermediary Institutions to execute all documents and take all actions necessary to enable the foreign-exchange transactions; and

(iv) the number of the Direct Foreigner Investment (*IED*) of the Brazilian Central Bank and proof of investment in the Company, by means of the screen of the Direct Foreigner Investment (*IED*) of the Brazilian Central Bank. The Investor through Law 4.131 may be required to present documents that attest the representation powers of its legal representatives. The Investor through Law 4.131 is solely responsible for consulting its legal advisors, representatives and/or custodian agents regarding all tax matters related to its participation in the Auction (previous to its qualification for the Auction or acceptance of the Offer); and

e) Universality of Rights (such as estates and investment funds): representative's address, telephone, e-mail and certified copy of the documentation granting powers of representation necessary for such representative to manifest for purposes of this Offer. The shareholder shall provide the applicable judicial authorizations (if necessary) and documentation granting powers of representation, in order to participate in the Auction and sell their shares, as well as certified copies of the CPF/MF and identity card.

3.2.1. The Offeror, by means of this Notice, informs the holders of the Shares Subject to the Offer intending to qualify for the Auction that the proceedings related to the verification of documents and transfer of Shares Subject to the Offer described above are subject to internal rules and proceedings of the respective Brokerage Firms, of the custodian agents, representatives of the Investor through Resolution CMN 4.373 and of B3. The holder of the Shares Subject to the Offer that wishes to qualify for the Auction shall timely take all the measures described herein in order to do so.

3.3. Shares Subject to the Offer Held in Custody of the Custodian Agent: holders of the Shares Subject to the Offer that wish to qualify for the Auction must take all measures necessary to, on the Auction Date, be qualified for the Auction by becoming accredited with any Brokerage Firm, under the terms of item 3.2 above, in order to allow the transfer of their shares held in custody on Itaú Corretora de Valores S.A., depository institution of the Company's shares ("Custodian Agent") to the Central Depository of B3.

3.4. Compliance with Deadlines: Each holder of Shares Subject to the Offer shall take all the necessary measures so that (a) the deposit of all their Shares Subject to the Offer is timely made with the Central Depository of B3, in order to allow their qualification for the Auction, subject to the procedures of the Brokerage Firms and pursuant item 3.4.1 and item 3.5 below, and (b) the transfer of their Shares Subject to the Offer, from the Custodian Agent to the Central Depository of B3 occurs and is finalized by 6:00 pm (Brasília time) on the business day immediately preceding the Auction. The holders of Shares Subject to the Offer must meet all requirements for trading the shares established in the BOVESPA Segment Operational Regulation.

3.4.1. Loan/Lease of Shares Subject to the Offer: the shareholders holding Shares Subject to the Offer with positions as lessors in asset lending agreements that wish to participate in the Auction must observe the following procedures:

(i) Agreements with Early Settlement Clause: the lessor shareholder must request

the settlement, through the RTC system, of the Shares Subject to the Offer by the lessee, until 7:00 p.m. (Brasília time) of D+3 of the request date, for requests made until 9:30 a.m. or until 7:00 p.m. (Brasília time) of D+4 of the request date, for requests made after 9:30 a.m., always considering the time of the return of the assets in D+3/D+4 of the settlement request with the date and time limit for transfer of the assets in the portfolio 7105-6; and

- (ii) Agreements without Early Settlement Clause “YES” by the lessor shareholder in case of tender offer: the settlements can be made by the lessor on D-4 until 09:30 a.m. or D-5 on the day scheduled for the auction;
- (iii) Agreements without Early Settlement Clause: the lessor shareholders must request the amendment of the agreement, through the RTC system, in order to change the “Early Settlement Grantor” from “NO” to “YES”. The modification to the early settlement of the lending agreement is conditioned to the acceptance by the lessee. In case the agreement is amended, the same procedure established for the agreements with early settlement clause shall be observed (as set forth in item “(i)” above).

3.4.2. In the cases mentioned in items “(i)”, “(ii)” and “(iii)” of item 3.4.1 above, the lessor shareholder shall receive the Shares in their custody account in a timely manner to allow the transfer to the portfolio 7105-6, and to provide for all the other requirements established in this Notice for the conclusion of its qualification. In case of failure of the borrower in returning the Shares Subject to the Offer within the established deadline, B3's usual procedures for handling asset loan/lease failures will be adopted.

3.5. Forward Agreements of Shares Subject to the Offer: Shareholders with long positions on the forward market duly covered and that wish to participate in the Offer must observe the following procedures:

- (i) request the LPD (*Liquidação por Diferença*) of their positions on D-4 of the Auction Date and transfer such assets to the portfolio 7105-6;
- (ii) request the LPDE (*Liquidação por Diferença Especial*) of their positions on D-3 of the Auction Date and transfer such assets to the portfolio 7105-6; and
- (iii) request the LA (*Liquidação Antecipada*) of their positions on D-2 of the Auction Date and transfer such assets to the portfolio 7105-6. Only the parties of the agreement covered with the respective shares shall be allowed to request the settlements.

3.6. Non-Fulfillment of Qualification Requirements: In addition to Section 3.4 above, in the event that any of the documents referred to on Section 3 of this Notice, as the case may be, of a holder of Shares Subject to the Offer that wishes to participate in the Offer is not duly and timely delivered to the Intermediary Institutions, in a form satisfactory to the Intermediary Institutions at their sole discretion, within the Qualification Period, such

holder of the Shares Subject to the Offer will be deemed as not qualified to participate in the Offer pursuant to the terms of this Notice and such holder of Shares Subject to the Offer shall not be entitled to receive any amounts under the Offer (“Non-Qualified Shareholder”). Such event will be informed by the Intermediary Institutions to the Brokerage Firms that represent such shareholders and to B3 before the Auction. In the event any Shares have already been transferred by the Non-Qualified Shareholder to the Offerors or to the Central Depository of B3, the Intermediary Institutions shall instruct the Central Depository of B3 to return such Shares to the respective account of the Non-Qualified Shareholder within five (5) business days counted from the end of the Qualification Period. Neither the Offeror nor the Intermediary Institutions, nor B3 shall be liable for any losses, claims, damages or liabilities arising out of or based upon the failure by holder of Shares Subject to the Offer to comply with the qualification requirements established herein and, consequently, its exclusion from the Offer.

- 3.7. **The Shareholder that does not timely deliver all documents requested by their respective Brokerage Firms to qualify for the Auction or does not proceed in a timely manner for the deposit of Shares to be sold in the Offer to the Central Depository of B3, in accordance with the provisions herein, will not be able to participate in the Auction. In any event, B3 shall not be held liable for the verification of the documents presented by the holder of Shares Subject to the Offer for qualification for the Auction.**
- 3.8. Qualified Shareholder: A Shareholder that qualifies to participate in the Auction under the terms of item 3.1 above is hereinafter referred to as “Qualified Shareholder”.
- 3.9. Representations of the Qualified Shareholders: The holders of Shares Subject to the Offer qualified to participate in the Offer in accordance with the procedures described in this Notice, represents and warrants to the Offeror that (i) they are the beneficial owners of the Shares Subject to the Offer, (ii) they are capable and permitted under the laws of their jurisdictions of residence and domicile to participate in this Offer and transfer their Shares pursuant to the terms and conditions set herein, and (iii) the Shares to be sold in the Offer are free and clear of any liens, security, preference, priority, usufruct or other forms of encumbrances that prevent the immediate exercise by the Offeror of its ownership, and declare the full compliance with the rules for trading shares in the BOVESPA Segment Operational Regulation (*Regulamento de Operações do Segmento Bovespa*).
- 3.10. Acceptance of the Offer: The acceptance of the Offer will be carried out by the respective Brokerage Firms, on behalf of each Qualified Shareholder that wishes to accept the Offer, upon registration of the sale offer in the Auction.

#### **4. AUCTION AND OFFER SETTLEMENT**

- 4.1. Date and Place of the Auction: The Auction at B3 will occur on November 26, 2018 (“Auction Date”), at 3:00 p.m. (Brasília time), at the electronic trading system of B3 (Bovespa segment).

- 4.1.1. Rules of the B3: The Auction will comply with the rules of B3 and holders of Shares Subject to the Offer that wish to accept the Offer and sell their Shares on the Auction must meet the requirements for trading shares contained in the rules of B3. Updates and results of the Auction may be obtained through the dissemination mechanisms of B3 (market-data), under the code “CPRE3L”.
- 4.2. Interference in the Auction and Competing Offer: Interference by third parties willing to acquire the total number of Shares Subject to the Offer will be permitted, as long as the first interference is launched with a price at least five percent (5%) higher than the one to be paid for each Share Subject to the Offer and as long as the third party interested in interfering discloses its intention to the market ten (10) days prior to the interference, in accordance with article 12, §4<sup>th</sup>, of CVM Instruction 361. Any party interested in competing under a competing public tender offer must comply with the rules applicable to competing offers, as provided for in CVM Instruction 361. Once the competing offer is launched, or the intent to interfere in the Auction is disclosed, the Offeror and/or the interested third party may increase the price of their respective offers in any amount and as many times as they deem convenient under the terms of this item 4.2, including during the Auction itself according to articles 5, 12 and 13 of CVM Instruction 361.
- 4.3. Brokerage Firms Procedures: Until 12:00 p.m. on the Auction Date, the Brokerage Firms representing the Qualified Shareholders must register the sale offers in the electronic trading system of B3 (Bovespa segment) and transfer such Shares Subject to the Offer to the portfolio 7105-6, maintained with the Central Depository of B3 for such purpose. In case the Shares Subject to the Offer are not deposited in the account mentioned above, the sales offers will be cancelled by B3 prior to the beginning of the Auction.
- 4.3.1 Brokerage Firms shall register sale offers directly in the electronic trading system of B3 (Bovespa segment), including in such system the number of Shares Subject to the Offer held by the Shareholders in the same manner in which they were allocated by each Qualified Shareholder, using the code CPRE3L for the Offer.
- 4.3.2 Other mandatory information in the sales offers: In sending the sales offers, shall also be informed the code of the account, the custody agent and the custody account of the shares of the qualified shareholder. The accounts informed by the executors must be final accounts, active and without transfer links. In the absence of any of the above information, the offer to sell will be canceled by B3 prior to the start of the Auction.
- 4.4. Confirmation of the Offers: Until 12:00 p.m. (Brasília time) on the Auction Date, the Brokerage Firms representing the Qualified Shareholders may register, cancel or reduce the offers registered through the Electronic Trading System of the BOVESPA. After 12:00 p.m. (Brasília time) on the Auction Date and up to the commencement of the Auction will only be allowed, cancel, reduce the amount, change the price, customer code, account code, custodian agent or the custodian account of the offers of sale. Once the Auction has started, all sale orders that have not been cancelled or reduced will be deemed irrevocable and irreversible, being the Qualified Investors allowed solely to reduce their asking price.

- 4.4.1. The time of 12:00 pm regarding the term for registration, alteration, cancellation, and confirmation of the Offer may be extended if necessary, due to operational adjustments in the B3 systems.
- 4.5. Financial Settlement of the Offer: The financial settlement of the Offer will be made in cash, three (3) business days after the Auction Date (the third business day after the Auction Date shall be referred to as “Settlement Date”), that is, November 29, 2018, through the payment of the Purchase Price, adjusted in accordance with Section 2 above, in consideration for the transfer of the Shares Subject to the Offer to the Offeror, considering that, in any case, any and all Shares Subject to the Offer tendered in the Offer will remain blocked in the Central Depository of B3 for the purposes of this Offer until the conclusion of the settlement.
- 4.6. Authorization for Redirection: Pursuant to item 10.2 of the Manual of Operational Procedures of the Clearing and Settlement Chamber BM&FBovespa (“BM&FBovespa Clearinghouse”) in situations where the custodian agent indicated in the offer is different from the full trade participant who represented the client in the auction, B3 considers the transfer of the balance to the blocking account of offers as the custodian agent's authorization for the settlement of the transaction.
- 4.7. Form of Settlement: The physical and financial settlement of the Offer will be conducted as described in the Manual of Operational Procedures of the Clearing and Settlement Chamber BM&FBovespa (Chapter 9). The BM&FBovespa Clearinghouse will not act as the central counterparty guarantor of the Auction, acting only as facilitator of the settlement of the Auction within the Offer.
- 4.8. Costs, Brokerage Commission and Fees: The costs, fees and emoluments of B3 and clearing fees of the Central Depository of B3 regarding the acquisition of the Shares Subject to the Offer will be paid by the Offeror, and those applicable to the sale of the Shares Subject to the Offer will be borne by the respective seller Qualified Shareholders. The expenses for holding the Auction, such as emoluments and other fees established by B3 and/or by the Central Depository of B3, will comply with the current pricing tables and the remaining legal provisions in effect on the Auction Date.
- 4.9. Guarantee of Financial Settlement of the Offer: Pursuant to the terms of the Private Agreement for the Rendering of Intermediation and Brokerage Services Agreement in Relation to the Public Offering for the Acquisition of Common Shares issued by CPFL Energias Renováveis S.A., entered into by and among the Offeror and the Intermediary Institutions, having Santander Corretora de Câmbio e Valores Mobiliários S.A. as intervening party (“Intermediation Agreement”), Santander, directly or by means of any of its affiliates, as leading intermediary institution, individually and not jointly or severally with BofA Merrill Lynch, shall guarantee the financial settlement of the Offer
- 4.9.1. Change in the Purchase Price: Subject to the provisions of item 1.9 of this Notice, in case the Offeror decides, on the Auction Date, to increase the Purchase Price, Santander undertakes to guarantee the financial settlement of the Offer by the

new Purchase Price stipulated by the Offeror, notwithstanding the guarantee of financial settlement mechanisms and observing the procedures set forth in the Intermediation Agreement.

## 5. INFORMATION ON THE COMPANY

5.1 Headquarters: CPFL Renováveis is a public corporation with headquarters in the City of São Paulo, State of São Paulo, at Avenida Doutor Cardoso de Melo, nº 1.184, 7<sup>th</sup> floor, enrolled with the CNPJ/MF under No. 08.439.659/0001-50, with its corporate acts registered with the São Paulo Board of Trade under NIRE nº 35.300.335.813.

5.2. Corporate Purpose: CPFL Renováveis' corporate purpose mainly consists of the following activities: (i) exploring power generation enterprises not using fossil fuel or nuclear power, such as small hydropower plants (*PCHs*), wind power, biomass thermoelectric, photovoltaic energy, with the resulting public service of power generation; (ii) exploring of activities of project, engineering, licensing, financing, acquisition, operation and maintenance of assets of generation and power generation potential, provided that it is related to power generation not using fossil fuel or nuclear power, according to item (i) above; (iii) selling of electric power generated by the enterprises held by the Company, comprising the purchase and sale, import and export of electric power to other retailers, generators, distributors or consumers that have the free option of choice of supplier, as well as working with the Electric Power Chamber of Commerce – CCEE (*Câmara de Comercialização de Energia Elétrica – CCEE*); (iv) investing in other companies (individually or as a consortium of enterprises) in the area of power generation without using fossil fuel or nuclear power, pursuant to item (i) above, or related services; (v) providing services and business mediation associated, related or required for the sale of electric power generated by the enterprises held by the Company; and (vi) exercise of other activities, directly or indirectly, in whole or in part, related to its corporate purpose.

5.3. Company's History and Development of Activities: According to the Company's *Formulário de Referência* made available at CVM's website on August 08, 2018 (version 5.0), CPFL Renováveis was incorporated on October 2, 2006 as Empresa de Investimentos em Energias Renováveis S.A. On March 2007, the Company registered as a publicly held company, commencing its operational activities. On April 2011, the Company, its shareholders and CPFL Energia executed an Association Agreement (*Acordo de Associação*), with the purpose of associating all the assets and renewable energy projects of CPFL Energia with the assets and projects of its subsidiaries. Such association was concluded on August 2011 by means of the Company incorporating Smita Empreendimentos e Participações S.A., one of the indirect subsidiaries of CPFL Energia. Simultaneously, the Company changed its name to CPFL Energias Renováveis S.A. On the same date, CPFL Geração de Energia S.A. and CPFL Comercialização Brasil S.A. acquired newly issued shares of CPFL Renováveis and becoming one of its shareholders with an equity interest of approximately 54.5%. Since its incorporation, CPFL Renováveis acquired and incorporated more than 50 wind farms, small hydroelectric power plants (*pequenas centrais hidrelétricas - PCH*) and companies in the industry. In addition to the interest held in other companies of the independent production of renewable energy industry, CPFL

Renováveis has extensive experience on the development, construction and operation of renewable power plants.

- 5.4. **Capital Stock:** According to the Company's *Formulário de Referência* made available at CVM's website on August 08, 2018 (version 5.0), CPFL Renováveis' subscribed and paid-up capital stock was R\$3,390,869,883.75, divided into 503,351,271 common, nominative, book-entry shares with no par value.
- 5.5. **Shareholding Composition:** According to the Company's *Formulário de Referência* made available at CVM's website on August 08, 2018 (version 5.0), CPFL Renováveis' shareholding composition and corporate capital distribution are the following:

	No. of Common Shares	%
<b>Offeror</b>		
CPFL Geração de Energia S.A.	259,748,799	51.60%
<b>Relevant Shareholders</b>		
Caixa de Previdência dos Funcionários do Banco do Brasil - PREVI	31,960,220	6.35%
Arrow Fundo de Investimento Multimercado Crédito Privado Investimento no Exterior	61.541.682	12.23%
FIP Brasil Energia (BTG Pactual Gestora de Investimentos Alternativos)	31,439,288	6.24%
Banco BTG Pactual S.A.	31.360.017	6.23%
<b>Other Shareholders</b>		
Others	87.301.265	17.35%
Treasury Shares	0	0
<b>TOTAL</b>	<b>503,351,271</b>	<b>100.00%</b>

- 5.6. **Selected Financial Data of CPFL Renováveis:**

<i>R\$ in thousands, except if otherwise indicated</i>	Fiscal year in		2 <sup>nd</sup> quarter period ended	Six-month period ended
	12.31.2016	12.31.2017	06.30.2018	06.30.2018
Paid in capital stock	3,390,870	3,390,870	3,390,870	3,390,870
Net equity	4,437,806	4,138,978	4,023,879	4,023,879
Net revenue	1,646,588	1,959,084	415,036	798,584
EBITDA	993,129	1,221,614	255,758	483,545

Operating income before finance income (EBIT)	439,960	604,596	101,271	171,371
Income (loss) before income tax and social contribution	(97,396)	93,771	(17,848)	(76,963)
Net profit (loss)	(143,706)	19,646	(36,540)	(109,061)
Net profit (loss) attributable to controlling shareholders	(151,901)	11,484	(39,230)	(113,661)
Total liabilities + Net equity	12,464,885	12,856,002	12,609,274	12,609,274
Current liabilities	1,313,468	1,956,998	1,837,089	1,837,089
Noncurrent liabilities	6,713,611	6,760,026	6,748,306	6,748,306
Treasury shares	0	0	0	0
Earning (loss) per share <sup>1</sup> (Reais unit)	(0.30)	0.02	(0.08)	(0.23)
Per share equity value <sup>1</sup> (Reais unit)	8.59	8.01	7.79	7.79
Total liabilities / Net equity (%)	180.9	210.6%	213.4%	213.4%
Net profit (loss) / Net equity (%)	(3.2%)	(0.5%)	(0.9%)	(2.7%)
Net profit (loss) / Net revenue (%)	(8.7%)	(1.0%)	(8.8%)	(13.7%)
Net profit (loss) / Paid-in capital (%)	(3.9%)	(0.6%)	(1.1%)	(3.2%)

<sup>1</sup> Amounts refer to parent company

Source: Public Financial Statements submitted to CVM and B3

<i>Liquidity ratios</i>	Fiscal year ended in		2 <sup>nd</sup> quarter period ended	Six-month period ended
	12.31.2016	12.31.2017	06.30.2018	06.30.2018
Working capital (R\$ thousands)	85,329	(333,354)	(339,293)	(339,293)
Current liquidity ratio	1.06	0.83	0,82	0.82

Source: Public Financial Statements submitted to CVM and B3

<i>Debt ratios</i>	Fiscal year ended in		2 <sup>nd</sup> quarter period ended	Six-month period ended
	12.31.2016	12.31.2017	06.30.2018	06.30.2018
Indebtedness ratio	0.64	0.68	0.68	0.68
Net debt / EBITDA LTM <sup>1</sup>	4.97	3.97	3.46	3.46

<sup>1</sup> Net debt calculation includes financial investments and reserve account

<sup>2</sup> Last 12 months

Source: Public Financial Statements submitted to CVM and B3

<i>Profitability ratios</i>	Fiscal year ended in		2 <sup>nd</sup> quarter	Six-month period
	12.31.2016	06.30.2018	period ended 06.30.2018	ended 06.30.2018
EBIT margin (%)	26.7%	30.9%	24.4%	21.5%
EBITDA margin (%)	60.3%	62.4%	61.6%	60.6%
Net margin (%)	(8.7%)	(1.0%)	(8.8%)	(13.7%)
Return on assets (%)	(1.2%)	(0.2%)	(0.3%)	(0.9%)
Return on equity (%)	(3.2%)	(0.5%)	(0.9%)	(2.7%)
Earning per share <sup>1</sup> (R\$ per share)	(0.30)	(0.02)	(0.08)	(0.23)
Price <sup>2</sup> / earning per share <sup>1</sup> ratio	(38.62)	(559.42)	(206.10)	(68.44)

1. Figures refer to the parent company

2. Considers the average share price of the period

Source: Public Financial Statements submitted to CVM and B3

#### 5.7. Historical Information on Trading of Shares:

Month	Number of Shares Negotiated (MM)	Volume (R\$ M M)	Minimum Price (R\$ per share)	Maximum Price (R\$ per share)	Average Price (R\$ per share)	Closing Price	Average Market Price (R\$ M M)
October 2017	0.33	4.5	13.00	14.10	13.46	13.45	6.775
November 2017	0.11	1.5	13.40	14.01	13.76	13.89	6.926
December 2017	1.11	14.9	13.20	14.80	13.40	13.35	6.743
January 2018	0.18	2.4	13.45	14.14	13.76	13.93	6.926
February 2018	0.77	11.5	13.40	16.50	14.90	16.12	7.501
March 2018	0.39	6.3	15.75	16.69	16.18	16.41	8.144
April 2018	0.43	7.1	14.49	16.69	16.38	15.31	8.246
May 2018	0.27	4.15	14.25	16.21	15.36	16.10	7.729
June 2018	0.12	1.93	15.77	16.20	15.94	15.90	8.021
July 2018	0.07	1.1	15.64	16.30	16.04	16.26	8.072

August 2018	0.09	1.5	15.96	16.62	16.32	16.55	8.217
September 2018	0.26	4.4	16.23	16.60	16.58	16.58	8.346

Source: Economática / B3

- 5.7.1 According to the values presented on the table above, the average weighted price of the common Shares of CPFL Renováveis on B3 over the past twelve (12) months was R\$ 14.79 per Share (considering the period from October 2017 to September 2018) and the current equity value per Share in December 31, 2017, was R\$ 8.01.
- 5.8. Historical Information on Dividends: According to the Company's *Formulário de Referência* made available at CVM's website on August 08, 2018 (version 5.0), for the three (3) fiscal years ended December 31, 2017, 2016 and 2015, respectively, the Company only distributed dividends related to the fiscal year ended December 31, 2017 in the total amount of R \$ 3,624,479.78.
- 5.9. Rights of Shares: The Company's Shares grant to their holders the same rights, advantages and restrictions granted to holders of common shares issued by the Company, pursuant to the Company's bylaws, Law 6,404 and the Novo Mercado Rules, which include the following: (i) each Share entitles its holder one vote in the resolutions of the Shareholders' Meetings; (ii) the Shares will be entitled to the mandatory minimum dividend, in each fiscal year, equivalent to 25% of the net income, adjusted pursuant to article 202 of Law 6,404; (iii) in the event of liquidation of the Company, the right to receive payments related to the remaining capital stock, in proportion to its interest in the Company; (iv) inspection of the Company's management, in accordance with the terms set forth by Law 6,404; (v) preemptive rights in the subscription of new shares, as provided by Law 6,404; (vi) the right to dispose of the common shares in the event of the sale of control of the Company, directly or indirectly, either through a single operation or through successive operations, observing the conditions and terms established in current legislation and in the Novo Mercado Rules, in order to ensure equal treatment in comparison to the controlling shareholder (*tag along*), pursuant to article 35 of the Company's bylaws; and (vii) the right to dispose of the common shares in a public tender offer to be made by the controlling shareholder, in case of cancellation of the publicly-held company registry or delisting of the shares in the Novo Mercado, for its economic value, by means of an appraisal report prepared by a specialized company with proven experience and independent from the Company, its management and its controlling shareholder, as well as their power of decision, pursuant to articles 39 and 41 of the Company's bylaws.
- 5.10. Publicly Held Company Registration: The registration of the Company as issuer of securities under class "A" was granted by CVM on March 8, 2007, under No. 20540, and is updated as of the present date, according to article 21 of Law 6.385.
- 5.11. Execution of Agreements: the Offeror or its related parties have not entered into any agreements, pre-agreements, options, letters of intent or any other kind of similar

agreement, in the last six (6) months, with the Company, its managers or shareholders holding more than 5% of the Shares Subject to the Offer or with any other related parties to such parties.

## **6. REPRESENTATIONS AND INFORMATION OF THE OFFEROR AND THE INTERMEDIARY INSTITUTIONS**

6.1. Offeror's Representations: Observing the provisions of chapter 7 of this Notice, the Offeror hereby represents that:

- 6.1.1. it has not acquired shares issued by the Company in the six (6) months preceding the Company's transfer of control, according to the provisions of article 36, item (ii) of the Company's by-laws;
- 6.1.2. it is not aware of any facts or circumstances not revealed to the public that might have a material influence on the Company's results or market quotation and prices of the shares issued by the Company;
- 6.1.3. on the date of this Notice, CPFL Geração de Energia S.A. (an affiliate of the Offeror) owns 259.748.799 common shares issued by the Company, and neither the Offeror nor its related parties own any other securities issued by the Company;
- 6.1.4. except for the Transaction, the Offeror and its related parties are not parties to or beneficiaries of, on the date of publication of this Notice, any agreements, pre-agreements, options, letters of intent or any other legal acts providing for the purchase or sale of securities issued by the Company;
- 6.1.5. the Offeror and its related parties are not parties, on the date of publication of this Notice, to any loan transaction, as borrowers or creditors, related to the securities issued by the Company;
- 6.1.6. the Offeror and its related parties are not exposed, on the date of publication of this Notice, to any derivatives referenced in the securities issued by the Company;
- 6.1.7. on the date of this Notice, the Offeror does not foresee the occurrence of any event that may impose a new mandatory public tender offer for Shares issued by the Company or that would give effect to withdrawal rights within one (1) year from the Auction Date, except as otherwise provided for in the item 7.3 of this Notice;
- 6.1.8. the Offeror is liable for the veracity, quality and sufficiency of the information provided by the Offeror to the CVM and to the market, as well as for any potential losses incurred by the Company, by its shareholders and any third party, for negligence and willful misconduct, arising from fraud, inaccuracy or omission related to such information, according to article 7, §1<sup>st</sup>, of the CVM Instruction 361;

6.1.9. except for the Transaction, there was no private negotiation of Shares between the Offeror, or any related party, and third parties on the twelve (12) months prior to the date of publication of this Notice.

6.2. Intermediary Institutions' Representations: Each of the Intermediary Institutions, individually and without solidarity, hereby represents that:

6.2.1. it is not aware of any material facts or circumstances not revealed to the public that might have a material influence on the Company's results or market quotation and prices of the shares issued by the Company;

6.2.2. each of the Intermediary Institutions, their respective controlling shareholders and related parties, on the date of publication of this Notice, (i) did not own any securities issued by the Company, (ii) did not own any securities issued by the Company granted or taken as loan, (iii) did not own any derivatives referenced in securities issued by the Company, and (iv) were not party to or beneficiary of any agreements, pre-agreements, options, letters of intent or any legal acts providing for the acquisition or sale of securities issued by the Company; and

6.2.3. has taken all the necessary precautions and acted with high standards of diligence to assure that the information provided by the Offeror is true, consistent, correct and sufficient, being responsible for the omission in its duty, and verifying the sufficiency and quality of the information provided to the market during the whole procedure of the Offer, necessary for the Company's shareholders reaching a decision, including periodic and eventual information due by the Company, and the ones provided in this Notice, pursuant to article 7, §2<sup>nd</sup>, of the CVM Instruction 361.

6.3. Relationship between the Offeror and the Intermediary Institutions:

6.3.1. Banco Santander (Brasil) S.A.: As of the date of this Notice, in addition to the relationship resulting from the Offer, the Intermediation Agreement and other documents related to the Offer, Santander has entered into, with companies from the State Grid Group, its affiliated or subsidiary companies, financial and credit operations regarding general commercial and financial banking activities. From time to time, Santander and/or other companies from its economic group will render services to the Offeror and its subsidiary and/or companies belonging to its economic group, including consultation services on financial transactions related to (i) acquisitions, (ii) capital markets, and (iii) debt and financing, by which Santander and/or companies from its economic group were or will be paid. There is no conflict of interest between the Offeror, the State Grid Group and Santander that may limit Santander's necessary autonomy in the exercise of its role as an Intermediary Institution of the Offer.

6.3.2. Bank of America Merrill Lynch Banco Múltiplo S.A.: As of the date of this Notice, in addition to the relationship resulting from the Offer, the Intermediation Agreement and other documents related to the Offer, BofA Merrill Lynch has

entered into, with companies from the State Grid Group, its affiliated or subsidiary companies, financial and credit operations regarding general commercial and financial banking activities. From time to time, BofA Merrill Lynch and/or other companies from its economic group will render services to the Offeror and its subsidiary and/or companies belonging to its economic group, including consultation services on financial transactions related to (i) acquisitions, (ii) capital markets, and (iii) debt and financing, by which BofA Merrill Lynch and/or companies from its economic group were or will be paid. There is no conflict of interest between the Offeror, the State Grid Group and BofA Merrill Lynch that may limit BofA Merrill Lynch's necessary autonomy in the exercise of its role as an Intermediary Institution of the Offer.

- 6.3.3. The Offeror may, in the future, engage the Intermediary Institutions or companies of their economic group for the implementation of usual financial transactions, including, among others, investments, securities issuances, investment banking services, market maker, credit, financial advice or any other financial transaction necessary to its activities. There is no conflict of interest between the Offeror, the Company and the Intermediary Institutions that may limit the necessary autonomy of the Intermediary Institutions in the exercise of their roles under the Offer.

6.4. Information on the Offeror:

- 6.4.1. Headquarters: The Offeror is privately held company duly incorporated and validly existing under the laws of Brazil, with headquarters in the City of Campinas, State of São Paulo, at Rua Gustavo Armbrust, nº 36, 10th floor, Vila Nova Campinas.
- 6.4.2. Business Purpose: The Offeror's business purpose is holding interests in other companies, local or foreign, as shareholder/quotaholder or in any other way.
- 6.4.3. Historical Information of State Grid Brazil and Activity Development: State Grid Brazil was incorporated on August 22, 2016. State Grid Brazil is a subsidiary of State Grid, which is a subsidiary of State Grid Corporation of China ("SGCC"). SGCC is the second largest company in the world (gross revenue criteria), according to Fortune magazine, and provides electricity to 88% of China. State Grid has been actively investing in the Brazilian electric market, having acquired a total of 14 transmission lines, that provide electricity to the following Brazilian States: São Paulo and Rio de Janeiro. Additionally, State Grid has been actively participating in concession bids, and has successfully won the concession agreement of Brazil's Belo Monte Phase 1 and Phase 2 UHV hydroelectric transmission project. As of July 2016, State Grid is one of the leading power transmission companies in Brazil; State Grid operates nearly 10,000 kilometers of power transmission lines and has another round 6,000 kilometers power transmission lines under construction in Brazil.

## 7. SUPERVENING OBLIGATIONS OF OFFEROR

- 7.1. Minimum Free Float: Pursuant to article 11, item III, letter “b” from the Novo Mercado Rules, a period of eighteen (18) months, as of the Tender Offer, for the reinstatement of the *free-float*, will be automatically authorized in case the Offeror ceases to comply with the minimum *free-float* rules set forth in its article 10 due to the Tender Offer.
- 7.2. Supervening Obligations: The Offeror hereby represents that it shall pay to the Qualified Shareholders who accept the Offer the positive difference, if any, between the price per share received by them for the sale of the Shares Subject to the Offer, adjusted by the Selic Rate, calculated on a *pro rata temporis* basis, from the Settlement Date, and adjusted by changes in the number of shares resulting from any stock split, reverse stock split, share dividends and/or other similar corporate transactions carried out by the Company; and:
- 7.2.1. solely to the extent that an event requiring a mandatory public tender offer (as listed in items I to III of article 2<sup>nd</sup> of CVM Instruction 361) occurs within one (1) year from the Auction Date, pursuant to article 10, item I, “a” of CVM Instruction 361, the price per share paid or required to be paid in such mandatory tender offer; and
- 7.2.2. solely to the extent that a resolution approving an event permitting the exercise of shareholder withdrawal rights occurs within one (1) year from the Auction Date, the amount that would be due to the Shareholders who accepted the Offer if they had instead remained as shareholders of the Company following the Offer and dissented from such resolution.
- 7.3. New Offer: Should the Offeror launch a new tender offer of the Company after the term of one (1) year from the Auction Date, the shareholders that accepted the Offer will not be entitled to receive the positive difference, if any, between the Offer Price and the price per share to be paid within the scope of said new offer, in view of the provisions of article 14 of CVM Instruction 361.

## 8. OTHER INFORMATION

- 8.1. Access to the Offer Documents: This Notice, the Justified Price Demonstration and the list of all shareholders of the Company, containing their addresses and amount of shares, are available to anyone at the addresses listed below. According to Annex II, item “(o)” of the CVM Instruction 361, the list of all shareholders, as soon as it is provided by the Company, will only be available upon identification of the interested party and execution of a receipt, at the addresses listed below:

### **CPFL ENERGIAS RENOVÁVEIS S.A.**

Avenida Doutor Cardoso de Melo, nº 1.184, 7<sup>th</sup> floor  
CEP 04548-004 – São Paulo, SP

**BANCO SANTANDER (BRASIL) S.A.**

Avenida Presidente Juscelino Kubitschek, nº 2.041 and 2.235, (Bloco A), 24<sup>th</sup> floor  
CEP 04543-011 – São Paulo, SP  
At.: Mr. Cleomar Parisi Jr.

**BANK OF AMERICA MERRILL LYNCH BANCO MÚLTIPLO S.A.:**

Avenida Brigadeiro Faria Lima, nº 3.400, 11<sup>th</sup> floor  
CEP 04538-132 - São Paulo, SP,  
At.: Mr. Bruno Saraiva

**STATE GRID BRAZIL POWER PARTICIPAÇÕES S.A.**

City of Campinas, State of São Paulo, at Rua Gustavo Armbrust, 36, 10th floor, Vila Nova  
Campinas CEP 01310-910 – São Paulo, SP  
At.: Mr. Shen Qinjing

**STATE GRID INTERNATIONAL DEVELOPMENT LIMITED.**

No. 8 Xuanwumennei Street, Xicheng District  
100031, Beijing, China  
At.: Mr. Wang Xinglei

**COMISSÃO DE VALORES MOBILIÁRIOS**

Rua Cincinato Braga, nº 340, 2<sup>nd</sup> floor / Rua Sete de Setembro, nº 111, 2<sup>nd</sup> floor  
CEP 01333-010 – São Paulo, SP / CEP 20159-900 – Rio de Janeiro, RJ

**B3 S.A. – BRASIL, BOLSA, BALCÃO**

Praça Antonio Prado, nº 48, 2<sup>th</sup> floor  
CEP 01010-901 – São Paulo, SP

8.1.1. Electronic Access: In addition to the physical addresses mentioned in item 8.1 above, this Notice shall also be available on the websites below. None of the websites referred to in this Notice is incorporated by reference into this Notice:

- <http://cpflrenovaveis.com.br/ri>, in such page, at the top of the page, in the part “*Documentos CVM*”, select the year of “2018”, and then click on “*Edital*”;
- <https://www.santander.com.br/br/pessoa-juridica/corporate-finance/ofertas-em-andamento>, in such *website*, **in order to access the Form of Notice**, click on “CPFL Energias Renováveis S.A.”, then click on “Download do Edital”;
- <http://www.merrilllynch-brasil.com.br/>, in such *website*, locate the link “CPFL Renováveis”, in which the Form of Notice will be available;
- [www.cvm.gov.br](http://www.cvm.gov.br), in such page, click on “Acesso Rápido”, then click on “Companhias Abertas”, click on “Consulta - Companhias - Demonstrações, ITR, DFP, DF, Balanço, Fato Relevante”, type “CPFL Energias Renováveis S.A.”, then click on “CPFL Energias Renováveis S.A.”, click on “OPA – Edital de Oferta Pública de Ações”, and then click on “Edital”; and

- [www.bmfbovespa.com.br](http://www.bmfbovespa.com.br), in such page, click on “*empresas listadas*”, type “*CPFL Energias Renováveis S.A.*”, click on “*CPFL Energias Renováveis S.A.*”, click on “*Informações Relevantes*”, then click on “*OPA – Edital de Oferta Pública de Ações*” and/or on “*Dados Econômico-Financeiros*”, and then click on “*Edital*”.

8.2. Offeror’s Obligations: The Offeror’s obligations described in this Notice may be satisfied by another company belonging to its economic group with headquarters in Brazil or abroad. In any event, the Offeror will be liable for those obligations to the shareholders that accept the Offer.

8.3. Legal Advisors:

**Barbosa Müssnich Aragão Advogados**

Av. Presidente Juscelino Kubitschek, 1.455, 10º andar / Av. Almirante Barroso, 52, 31º andar.

CEP 04543-011 –São Paulo, SP / CEP 20031-000 –Rio de Janeiro, RJ

[www.bmalaw.com.br](http://www.bmalaw.com.br)

**Veirano Advogados**

Av. Presidente Wilson, nº 231, 23<sup>rd</sup> floor /Av. Brigadeiro Faria Lima, nº 3477, 16<sup>th</sup> floor  
CEP 20030-021 - Rio de Janeiro, RJ / CEP 04538-133 - São Paulo, SP

[www.veirano.com.br](http://www.veirano.com.br)

**Cescon, Barrieu, Flesch & Barreto Advogados**

Rua Funchal, nº 418, 11º andar / Praia de Botafogo, nº 228, 15º andar, Ala A.

CEP 04551-060 – São Paulo, SP / CEP 22250-960 – Rio de Janeiro, RJ

[www.cesconbarrieu.com.br](http://www.cesconbarrieu.com.br)

8.4. Tax Impacts Connected to the Offer: **The holders of Shares Subject to the Offer that wish to participate in the Offer must, before their decision to take part in the Offer, consult with their respective legal and tax advisors, for a better understanding about the legal and tax implications of such participation, being certain that the Offeror and the Intermediary Institution do not undertake any responsibility for the legal and tax implications due from such participation that may adversely affect the shareholders/investors.**

8.4.1. Any and all levied taxes on the sale of Shares in the Offer shall be borne exclusively by the Qualified Shareholders tendering their Shares in the Offer, including residents and non-residents in Brazil. The Offeror shall not be liable for any levied taxes on the sale of the Shares in the Offer.

8.5. Considerations about estimates and forward-looking statements: Certain statements contained herein may constitute estimates of future events. The use of any of the

following expressions “believe”, “expects”, “may”, “intends”, “estimates” and similar expressions is intended to identify estimates. Nonetheless, forward-looking statements and estimates may not be identified by such expressions. Particularly, this Notice contains estimates and forward-looking statements related, but not limited to, the procedure to be followed for the completion of the Offer, the deadlines of several steps to be taken in relation to the Offer and the expected actions from the Offeror, the Company and from certain third parties, including brokerage firms, in the context of the Offer. Estimates and forward-looking statements are subject to risks and uncertainties, including, but not limited to, the risk that the parties to the Offer do not promote the necessary requirements for the completion of the Offer. Estimates and forward-looking statements are also based on assumptions that, to the extent considered reasonable by the Offeror, are subject to uncertainties related to business, material economic and competitive aspects. The assumptions of the Offeror contained herein, which may be proven to be incorrect, include, but are not limited to, assumptions that the laws and capital market regulations applicable to the Offer will not be changed prior to the completion of the Offer. Except to the extent required by law, the Offeror does not undertake any obligations to update the estimates and forward-looking statements contained herein.

São Paulo, October 22, 2018.

**“THE APPROVAL OF THE REQUEST FOR REGISTRATION OF THIS OFFER DOES NOT IMPLY, ON THE PART OF COMISSÃO DE VALORES MOBILIÁRIOS – CVM, A GUARANTEE OF THE VERACITY OF THE FURNISHED INFORMATION, NOR ANY JUDGEMENT REGARDING THE QUALITY OF THE COMPANY OR THE PRICE OFFERED FOR THE SHARES SUBJECT TO THIS OFFER.”**

**READ THIS NOTICE CAREFULLY BEFORE ACCEPTING THE OFFER**

**OFFEROR**

**STATE GRID BRAZIL POWER PARTICIPAÇÕES S.A.**

**INTERMEDIATED AND ADVISED BY**



 ANBIMA A(O) presente oferta pública (programa) foi elaborada(o) de acordo com as normas de Regulação e Melhores Práticas para as Ofertas Públicas de Distribuição e Aquisição de Valores Mobiliários. O registro ou análise prévia da presente Oferta Pública não implica, por parte da ANBIMA, garantia da veracidade das informações prestadas ou julgamento sobre a qualidade da companhia emissora, do(s) ofertante(s), das instituições participantes, bem como sobre os valores mobiliários a serem distribuídos. Este selo não implica recomendação de investimento.