

## CPFL ENERGIAS RENOVÁVEIS S.A.

Publicly Held Company

Company Registry (NIRE): 3530033581-3 – CVM: 20540

Corporate Taxpayer ID (CNPJ/MF): 08.439.659/0001-50

### NOTICE TO SHAREHOLDERS

#### CAPITAL INCREASE VIA PRIVATE SUBSCRIPTION DISCUSSED AND APPROVED BY THE BOARD OF DIRECTORS

CPFL Energias Renováveis S.A. (CPRE3) ("Company") announces to its shareholders and the market that the Board of Directors' meeting held on the date hereof approved an increase in the company's capital stock within the limit of the authorized capital, for private subscription via the issue of new book-entry common shares, and, in accordance with Article 30, item XXXII of Instruction CVM 480, of December 7, 2009, as amended ("ICVM 480"), of Article 157, Paragraph 4, of Federal Law 6,404, of December 15, 1976 ("Brazilian Corporation Law") and CVM Instruction 358, of January 3, 2002 ("ICVM 358"), informs the following information on the capital increase:

**1. The issuer must disclose to the market the amount of the capital increase and of the new capital stock, as well as if the increase will be made via: (a) the conversion of debentures or other bonds into shares; (b) the exercise of subscription rights or warrants; (c) the capitalization of profit or reserves; or (d) the subscription of new shares.**

The Company's Board of Directors, in a meeting held on the date hereof, approved, within the limit of the authorized capital, the increase in the Company's capital stock, in the minimum amount of three hundred million reais (R\$300,000,000.00) ("Minimum Amount") and in the maximum amount of three hundred million, one hundred seventy-three thousand, two hundred ninety-nine reais, thirty three cents (R\$ 300,173,299.36), which therefore opens the possibility of a partial approval if the Minimum Amount is achieved.

The capital increase will be made via the issue of new registered, book-entry common shares for private subscription.

If all shares in the capital increase are subscribed, the Company's capital stock will increase from three billion, three hundred ninety-eight million, forty-eight thousand, forty-nine reais and sixteen centavos (R\$3,398,048,049.16), divided into five hundred three million, eight hundred eleven thousand and four hundred seventy-nine (503,811,479) book-entry common shares without par value, to three billion, six hundred and ninety-eight million, two hundred and twenty-one thousand, three hundred and forty-eight reais and fifty-four cents (R\$ 3,698,221,348.54 ), divided into five hundred and twenty one million, three hundred twenty four thousand, five hundred and seventeen (521,324,517) book-entry common shares without par value.

**2. The issuer must explain in detail the reasons for the capital increase and its legal and economic consequences.**

The purpose of the capital increase is to capitalize the Advance for Future Capital Increase (AFCI) made by the shareholder CPFL Geração S.A. to strengthen the Company's financial position. The capital

increase also aims to support investments in plant adaptations and in projects to improve the Company's operating performance. Any proceeds from the capital increase that exceed the Minimum Amount, due to subscription by the Company's non-controlling shareholders, will be allocated to strengthen the Company's cash position.

Except for the legal consequences typical to capital increases, the Company's management does not envisage any other legal consequences. The capital increase could cause the dilution of the existing shareholders of the Company who opt not to exercise their preemptive rights in the subscription of the shares issued, as indicated in item 4, items (g) and (m), below.

**3. The issuer must provide a copy of the report of the fiscal council, if applicable.**

Not applicable, since the capital increase was approved by the Board of Directors, within the limit of the authorized capital, for which reason the situation described in Article 163, III of Brazilian Corporation Law does not apply.

**4. If the capital increase is via the subscription of shares, the issuer must:**

**(a) describe the use of proceeds:**

The purpose of the capital increase is to capitalize the AFCI made by the shareholder CPFL Geração S.A. to strengthen the Company's financial position and to support the investments in plant adaptations and improvements in operating performance. Any proceeds from the capital increase that exceed the Minimum Amount, due to subscription by the Company's non-controlling shareholders, will be used to strengthen the Company's cash position.

**(b) inform the number of shares of each type and class issued:**

In connection with the capital increase, a minimum of seventeen million, five hundred and two thousand, nine hundred and seventeen (17,502,917) and a maximum of seventeen million, five hundred and thirteen thousand and twenty-eight (17,513,028) new registered, book-entry common shares without par value will be issued.

**(c) describe the rights, advantages and restrictions attributed to the shares to be issued:**

The shares subscribed in connection with said capital increase will be identical to the other current common shares already issued by the Company and will entitle their holders to the same rights as the existing shares, including the right to fully participate in dividends and in interest on capital that may be declared by the Company as of their issuance.

**(d) inform if any related parties, as defined by the accounting rules addressing this matter, will subscribe to shares in connection with the capital increase, specifying the respective amounts, when these amounts are already known:**

The shareholder CPFL Geração S.A. has committed to use its credit in the amount of three hundred million reais (R\$300,000,000.00) arising from the AFCI to subscribe to the shares to

which it will be entitled from the exercise of its preemptive rights to be issued in connection with the capital increase.

**(e) inform the issue price of the new shares:**

The issue price per share is seventeen reais and fourteen cents R\$ 17.14 ("Issue Price"), which was determined in accordance with item III, Paragraph 1 of Article 170 of Brazilian Corporation Law, which means no unjustified dilution for the Company's existing shareholders. More information on the criteria used to calculate the share price in connection with the capital increase is described in item 4 (h) below.

**(f) inform the nominal amount of shares issued or, in the case of shares without par value, the portion of the issue price that will be allocated to the capital reserve:**

The shares issued by the Company do not have par value.

The totality of the Issue Price shall be allocated to the Company's capital stock. No amount will be used for the formation of the Company's capital reserve.

**(g) provide management's opinion on the effects of capital increase, particularly with regard to the dilution caused by the increase:**

The management of the company believes that the capital increase will enable the Company to strengthen its financial position and to support investments in plant adaptations and in improvements in operating performance.

Given that the Company's shareholders are afforded preemptive rights in accordance with Article 171, Paragraph 2, of Brazilian Corporation Law, there will be no dilution of shareholders that subscribe all shares to which they are entitled. Only shareholders that do not opt to exercise their preemptive rights or that exercise them partially will have their ownership interest diluted. The indicative percentage of potential dilution arising from the capital increase is indicated in item (m) below.

**(h) inform the criteria used to calculate the issue price and justify in detail the economic aspects that determined the decision:**

The Issue Price was calculated based on the inflation adjustment of the acquisition price of the shares in connection with the Public Tender Offer (PTO) carried out on November 26, 2018 ("PTO"), which, in the opinion of the Company's management, represents the most recent and adequate economic valuation of the Company. The acquisition price paid in connection with the PTO was fourteen reais and sixty centavos (R\$14.60) and was adjusted for inflation based on the variation in the Clearing and Custody System Reference Rate ("Selic Rate"), calculated on a *pro rata temporis* basis as from the settlement date of the PTO, on November 29, 2018, to March, 8, 2019.

**(i) if the issue price was determined with goodwill or negative goodwill in relation to market value, identify the reason for the goodwill or negative goodwill and explain how it was calculated:**

Not applicable.

**(j) provide a copy of all reports and studies that supported the determination of the issue price:**

The notice for the PTO and the valuation report are available at the following electronic addresses:

PTO Notice:

<http://www.cpfrenovaveis.com.br/ri>, on this page, on the upper side, in the “CVM Documents” guide, click on “Other Documents,” select the year “2018” and then select the Notice item; and

[www.cvm.gov.br](http://www.cvm.gov.br), on this page, click on “Quick Access,” click on “Consultation - Companies - Statements, ITR, DFP, DF, Balance Sheet, Material Fact,” type “CPFL Energias Renováveis S.A.,” then click on “CPFL Energias Renováveis S.A.,” click on “PTO – Public Tender Offer Notice,” then, finally, click on Notice.

Valuation Report:

<http://www.cpfrenovaveis.com.br/ri>, on this page, on the upper side, in the “CVM Documents” guide, click on “Other Documents,” select the year “2018” and then select the Valuation Report item; and

[www.cvm.gov.br](http://www.cvm.gov.br), on this page, click on “Quick Access,” click on “Consultation - Companies - Statements, ITR, DFP, DF, Balance Sheet, Material Fact,” type “CPFL Energias Renováveis S.A.,” then click on “CPFL Energias Renováveis S.A.,” click on “Economic and Financial Information,” then, finally, click on Valuation Report.

**(k) inform the price of each type and class of shares issued by the Company in the markets where they are traded, identifying:**

- the low, average and high price in each year for the last three (3) years:

| Price (in R\$) | 2016  | 2017  | 2018  |
|----------------|-------|-------|-------|
| Low            | 10.50 | 11.34 | 12.51 |
| Average        | 11.66 | 12.78 | 15.76 |
| High           | 12.99 | 14.50 | 16.99 |

Source: Bloomberg. Considers the closing price in each trading session.

- the low, average and high price in each quarter for the last two (2) years:

| Price (in R\$) | 2017  |       |       |       | 2018  |       |       |       |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|
|                | 1Q17  | 2Q17  | 3Q17  | 4Q17  | 1Q18  | 2Q18  | 3Q18  | 4Q18  |
| <b>Low</b>     | 11.34 | 12.16 | 12.70 | 13.00 | 13.55 | 14.90 | 15.70 | 12.51 |
| <b>Average</b> | 12.01 | 12.46 | 12.99 | 13.70 | 14.88 | 16.11 | 16.31 | 15.70 |
| <b>High</b>    | 12.31 | 12.89 | 13.39 | 14.50 | 16.41 | 16.69 | 16.60 | 16.99 |

Source: Bloomberg. Considers the closing price in each trading session.

- the low, average and high price in each month for the last six (6) months:

| Price (in R\$) | JANUARY | DECEMBER | NOVEMBER | OCTOBER | SEPTEMBER | AUGUST |
|----------------|---------|----------|----------|---------|-----------|--------|
| <b>Low</b>     | 14.32   | 12.51    | 14.29    | 16.35   | 16.35     | 16.04  |
| <b>Average</b> | 15.35   | 14.32    | 16.04    | 16.63   | 16.54     | 16.34  |
| <b>High</b>    | 16.60   | 16.15    | 16.99    | 16.74   | 16.60     | 16.55  |

Source: Bloomberg. Considers the closing price in each trading session.

- the average price in the last ninety (90) days:

**R\$ 15.38**

**(l) inform the issue price of the shares in capital increases conducted in the last three (3) years:**

| #  | Date of Capital Increase: | Body approving the increase | Issue price of shares |
|----|---------------------------|-----------------------------|-----------------------|
| 1. | 8.4.2016                  | Board of Directors          | R\$9.94               |
| 2. | 10.19.2018                | Board of Directors          | R\$15.59              |

**(m) inform the percentage of the potential dilution resulting from the issue:**

Since shareholders will enjoy preemptive rights in the subscription of the new registered, book-entry common shares without par value, if they exercise their preemptive rights in full, there will be no dilution of shareholders.

However, if shareholders do not exercise their preemptive rights to subscribe to the new registered, book-entry common shares without par value, the percentage of the potential dilution resulting from the Minimum Amount is 3,357459%. If the shares in connection to the Capital Increase are subscribed to in full, the percentage dilution will be 3,359333%.

**(n) inform the terms, conditions and form of subscription and payment of the shares issued:**

Every shareholder of record at the close of trading on March 27, 2019 will be entitled to the exercise of preemptive rights for a period of thirty 30 days, starting on March 28, 2019 and ending April 29, 2019 (inclusive). As from March 28, 2019, inclusive, the Company's shares will trade ex-rights for the subscription of shares issued in connection with the capital increase. The shares subscribed in connection with the capital increase due to the exercise of preemptive rights must be paid in cash, upon subscription, in local currency, in accordance with the rules and procedures

of Itaú Unibanco S.A. ("Stock Transfer Agent"), as the bookkeeping institution of the common shares issued by the Company.

**(o) inform if the shareholders will have preemptive rights in the subscription of new shares issued and provide details on the terms and conditions to which this right is subject:**

In accordance with Article 171 of Brazilian Corporation Law, each existing common share will grant to its holder the right to subscribe to a maximum of 0.0347610731 new registered, book-entry common shares without par value to be issued.

Shareholders may exercise their preemptive rights in the subscription of new shares to be issued in the period from March 28, 2019 to April 29, 2019 (inclusive). In accordance with the procedures established by the Stock Transfer Agent, which is responsible for the bookkeeping of the shares issued by the Company and by B3 S.A. – Brasil, Bolsa, Balcão ("B3"), the Company's shareholders, in accordance with Article 171 of Brazilian Corporation Law, will have preemptive rights to subscribe to new shares in the proportion of each shareholder's percentage shareholdings. Any fractions of shares arising from the exercise of preemptive rights will not be considered.

In accordance with Article 171, Paragraph 6 of Brazilian Corporation Law, shareholders are free to transfer their preemptive rights. The holders of Company shares issued with bookkeeping by the Stock Transfer Agent wishing to grant their preemptive rights for subscription (which include the right to subscribe to unsubscribed shares) may do so through the branches of the Stock Transfer Agent listed below. Shareholders with shares held in custody at B3 must contact their custody agents.

The holders of shares issued by the Company with bookkeeping by the Stock Transfer Agent wishing to exercise their preemptive rights to subscribe new common shares must go to the following locations of the Stock Transfer Agent within the aforementioned subscription period:

**Rio de Janeiro (RJ):**

Av. Almirante Barroso, 52- 2º andar – Centro  
Rio de Janeiro - RJ

**São Paulo (SP):**

Rua Boa Vista, 176 – 1º Subsolo – Centro  
São Paulo – SP

To clarify doubts or obtain more information:

**Itaú Unibanco S.A.**

Superintendence of Operation, Social Security Warranties and Bookkeeping  
+55 11 3003-9285 (capital cities and metropolitan areas)  
0800 7209285 (other locations)  
Service on business days, from 9 a.m. to 6 p.m.

Furthermore, shareholders with shares with bookkeeping by the Stock Transfer Agent must present the following documents:

- (i) Individuals: Identity Document, Individual Taxpayer Card (CPF), proof of address and proof of income;
- (ii) Legal Entities: Bylaws and minutes of the election of the current board of executive officers or the restated articles of organization in force; Corporate Taxpayer Card (CNPJ); corporate documentation granting representation powers; and Identification Card, CPF and proof of address of the representatives.

The holders of shares deposited at the B3's Depository Center ("Depository Center") must exercise their rights through their custody agents and in accordance with the rules established by the Depository Center, observing the terms and conditions of this notice. By executing the subscription order, shareholders irrevocably declare their wish to participate in the subscription.

Lastly, once the period for exercise of preemptive rights transpires, the Company will publish a new Notice to Shareholders to invite those that have exercised their preemptive rights and expressly requested to acquire any unsubscribed shares to subscribe to the unsubscribed shares to which they are entitled. Any unsubscribed shares will be apportioned among the shareholders that have declared on the subscription order their intention to participate in their subscription, proportionately to their subscription in the capital increase.

**(p) inform the management proposal for handling any unsubscribed shares:**

If all of the shares of the capital increase are not subscribed after the period for the exercise of preemptive rights has transpired, in accordance with item 4(n) above, the Company will conduct a round of apportionment of any unsubscribed shares, in accordance with Article 171, Paragraph 7, item "b" of Brazilian Corporation Law. In the event of the apportionment of unsubscribed shares, shareholders that expressed interest in reserving unsubscribed shares on the subscription order may subscribe to the apportioned unsubscribed shares by signing a new subscription order, exclusively between May 2, 2019 and May 8, 2019, provided that the unsubscribed shares are apportioned proportionately to the number of shares to which such shareholders subscribed in the exercise of their respective preemptive rights. The unsubscribed shares also must be paid upon subscription, in local currency.

If there are still unsubscribed shares after the round of apportionment, the Company will not hold any auctions of unsubscribed shares and, provided that the amount subscribed and paid reaches the Minimum Amount, it will partially approve the Capital Increase with the cancellation of the unsubscribed shares, since the Company's management believes that the purpose of the Capital Increase had been achieved despite the Capital Increase not being fully subscribed.

For such effect, we inform that the Company's controlling shareholders have undertaken to subscribe and pay the Minimum Amount.

**(q) describe in detail the procedures to be adopted if a partial approval of capital increase is expected:**

A partial approval of the capital increase will be allowed provided that at least the Minimum Amount has been achieved, which corresponds to the total number of shares to which the Company's controlling shareholders will be entitled and committed to subscribe in connection with the Capital Increase. In such case, the Board of Directors will partially approve the capital increase, with the cancellation of the remaining shares.

In the case of the partial approval of the capital increase, shareholders will have the right to reverse their investment decision, conditioned upon, as of the subscription and inserting the corresponding information in the Subscription Order, the subscription of shares subject to the maximum subscription of capital increase or the subscription of a part of the shares originally issued, in number not lesser than the minimum subscription amount. In the above situation, the subscriber must declare on the subscription order if they wish to exercise their preemptive rights on the total number of shares that are the object of the capital increase or in a number equivalent to the proportion between the number of shares effectively subscribed and the maximum number of shares that are the object of the capital increase. If no declaration is made, it will be assumed that the subscriber has interest in receiving all of shares to which they subscribed.

Furthermore, in the event of the partial placement of the shares in connection with the capital increase, in addition to the declaration on the subscription order of the intention to subject their subscription to the maximum or minimum subscription of the capital increase, a period will not be granted to the shareholder to reconsider, in other words, another period for reviewing their investment will not be granted, since this decision to review the investment should have been taken directly as of the subscription through the corresponding information in the Subscription Order.

The Company's shareholders and/or the assignees of preemptive rights for the subscription of new shares that subject their participation in the capital increase to partial approval, will be reimbursed the amounts paid by them, without interest or inflation adjustment, and without reimbursement or deduction, if applicable, of the amounts related to any taxes levied, for which the shareholders and/or assignees must declare on the Subscription Order the following data to receive the excess amounts (which is the total amount paid by the subscriber, less the amount required solely to maintain their ownership interest in the Company's capital: the bank, branch, the checking account number, their name or corporate name, CPF or CNPJ, address and telephone number.

**(r) if the issue price of the shares is paid, in full or part, in assets: (a) provide a complete description of the assets; (b) indicate the relation between the company's assets and its corporate purpose; and (c) provide a copy of the valuation report of assets, if available:**

Not applicable.

**5. If the capital increase is via the capitalization of profits or reserves, the issuer must: (a) inform if it will change the par value of the shares, if any, or the distribution of new shares among shareholders; (b) inform if the capitalization of profits or reserves will be made with or without any change to the number of shares, in companies with shares without par value; (c) in the case of the distribution of new shares: (i) inform the number of shares of each type and class issued; (ii) inform the percentage that shareholders will receive in shares; (iii) describe the rights, advantages and restrictions attributed to the shares to be issued; (iv) inform the acquisition cost, in Brazilian real per share, to be attributed to the shareholders to comply with Article 10 of Federal Law 9,249 of December 26, 1995; and (v) inform how fractions of shares will be treated, if applicable; (d) inform the period envisaged in Paragraph 3, Article 169 of Federal Law 6,404/76, of 1976; and (e) inform and provide the information and documents provided for in Item 4 above, if applicable.**

Not applicable.

**6. If the capital increase is via the conversion of debentures or other debt securities into shares or the exercise of warrants, the issuer must: (a) inform the number of shares of each type and class issued; and (b) describe the rights, advantages and restrictions attributed to the shares to be issued.**

Not applicable.

**7. Items 1 through 6 of this document do not apply to capital increases arising from stock option plans, in cases in which the issuer must inform: (a) the date of the shareholders meeting that approved the stock option plan; (b) the amount of the capital increase and of the new capital stock; (c) the number of shares issued of each type and class; (d) the issue price of the new shares; (e) the price of each type and class of shares of the issuer in the markets where they trade, identifying: (i) the low, average and high price in each year for the last three (3) years; (ii) the low, average and high price in each quarter for the last two (2) years; (iii) the low, average and high price in each month for the last six (6) months; and (iv) the average price in the last ninety (90) days; and (f) the percentage of potential dilution resulting from the issue.**

Not applicable.

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If you have any questions and/or would like clarifications on the procedures, please send an e-mail to [ri@cpflrenovaveis.com.br](mailto:ri@cpflrenovaveis.com.br).

São Paulo, March 22, 2019

**Alessandro Gregori Filho**  
Investor Relations Officer