

**COMPANHIA DE SANEAMENTO DO PARANÁ – SANEPAR**

**LISTED COMPANY**

**CVM REGISTRY No. 01862-7      CNPJ No. 76.484.013/0001-45**

**MATERIAL FACT**

**Companhia de Saneamento do Paraná – Sanepar** in compliance with the dispositions of CVM Instruction nº 358/2002, and other pertinent instructions, hereby informs its shareholders, investors and the market at large, regarding the disclaimer of opinion on the interim financial information concerning the quarterly information for the quarter ended on June 30, 2019, issued by BDO RCS Auditores Independentes S.S., the following facts and measures.

1) The external auditor's opinion refers to the "Radio Patrol Operation" investigated by GAECO (Special Action Group to Combat Organized Crime in the State of Paraná). The Company has taken the following steps regarding investigations related to the case:

i) the Company has installed an investigative procedure conducted by the Company's Internal Audit - AUD. The internal audit procedure followed the technical standards recommended by the applicable rules and, within its scope of investigation, had access to all the documentation available at the Company, as well as listened to people related to the facts placed under suspicion by the police investigation operation. The internal audit cross-checked the information provided in the plea bargaining in connection with the aforementioned operation. The internal procedure resulted in two reports, one preliminary and one complementary, which, in view of both the information derived from the plea bargaining as well as from the documents and information obtained and analyzed by the internal audit, have so far been exhaustive in their content and conclusions;

ii) the Company hired a specialized legal opinion to analyze the internal procedures performed by it, as well as to analyze the existence of elements that would justify the accomplishment of any complementary act in the scope of the internal investigation, including through the eventual hiring of an external Forensic Audit.

iii) Internal audit reports and a copy of the legal opinion were sent directly to the State of Paraná Prosecution Service.

2) The Company follows best governance practices and meets the requirements of B3's Level 2 of Governance and other applicable standards. Even the Internal Audit - AUD reports directly to the Statutory Audit Committee and the Board of Directors.

3) Regarding the Auditor's work:

(i) broad access was granted to all Company documents and personnel for the quarterly data analysis, as well as the scope of the internal audit;

- (ii) confidential documents were also made available for the auditors, after the presentation of the justifications for access;
- (iii) on a complementary basis, the Internal Audit Manager, as well as the chairman of the Board of Directors, were interviewed by the external Auditors.

4) About facts and complementary measures:

- (i) considering the chronology of the police and internal investigation, the hiring of an External Research Commission would not have been concluded to date due to the nature of the work to be performed;
- (ii) based on the quality of the internal audit work and the legal opinion, in the Company's judgment there is no basis for the external auditors to condition or refuse to issue a final opinion;
- (iii) although all the evidence obtained to date does not allow any conclusion or connection between the Company and the allegations contained in the operation, Management will continue to monitor the development of the investigations, collaborating with the authorities and will promote a specific study on the maturity of its compliance procedures, within a continuous process of organizational and institutional improvement;
- (iv) also during August, the appointment and installation of the "External Research Commission" will be made;
- (v) the Company will continue to work with the independent auditors and seek to remedy the reasons why they felt it was not possible to determine whether or not there were potential impacts on the quarterly information for the quarter ended on June 30, 2019 and the related comparative accounting information.

Finally, in respect to its shareholders and other stakeholders, the Company undertakes to take all administrative and judicial measures to defend its interests.

Curitiba, August 13, 2019.

**Abel Demetrio**  
Chief Financial and Investor Relations Officer