

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

December 31, 2018

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

For December 28, 2018
(Commission File No. 1-31317)

Companhia de Saneamento Básico do Estado de São Paulo - SABESP
(Exact name of registrant as specified in its charter)

Basic Sanitation Company of the State of Sao Paulo - SABESP
(Translation of Registrant's name into English)

Rua Costa Carvalho, 300
São Paulo, S.P., 05429-900
Federative Republic of Brazil
(Address of Registrant's principal executive offices)

Indicate by check mark whether the registrant files or will file
annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(1) .

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(7) .

Indicate by check mark whether the registrant by furnishing the
information contained in this Form is also thereby furnishing the
information to the Commission pursuant to Rule 12g3-2(b) under
the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicated below the file number assigned to the
registrant in connection with Rule 12g3-2(b):

Organizational Instrument

Type:
Institutional Policy
Title:

Phase:
Current
Number and
Version:
PI0034-V1

**Compensation of Directors, Officers, Members of the Fiscal
Council and Statutory Committees**

Issuing Area:

Approved by:

First version
effective on:

This version is
effective on:

CH
Related Areas (Coverage):
Sabesp

DANTE RAGAZZI PAULI

Oct. 29, 2018
Processos:

Oct. 29, 2018

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1. Introduction

This institutional policy establishes the criteria for defining the compensation of managers (officers and directors) and members of the Fiscal Council and the statutory Audit and Eligibility and Advisory committees of Sabesp.

2. Objective

To comply with the provisions of Federal Law 13,303/2016 and State Capital Protection Board (Codec) Resolution 01/2018 regarding determination of the compensation of managers and members of the Fiscal Council and the statutory Audit and Eligibility and Advisory committees.

3. Guidelines

3.1. General rules for establishment of the compensation of managers and members of the Fiscal Council and the statutory Audit and Eligibility and Advisory committees, as provided for in Codec Resolution 01/2018. The approval thereof is incumbent on the Annual Shareholders' Meeting, pursuant Federal Law 6,404/76:

3.1.1. Executive Board

I. Monthly compensation in an amount established by the Control Bodies of the Government of the State of São Paulo and approved by the Annual Shareholders' Meeting.

II. Annual reward in the same amount of the monthly compensation, calculated on a *pro rata temporis* basis and paid in December each year.

III. Annual contingent bonus limited to 6x the monthly compensation, or 10% of total amount distributed as dividends or interest on equity paid by the Company, whichever is less, calculated for the year. This may be paid in installments, respecting a minimum frequency of not less than three (3) months, cumulatively relating to:

- a) calculation of the quarterly, semi-annual or annual income; and
- b) the distribution of mandatory dividends to shareholders, even in the form of interest on equity, based on the income calculated on the occasion (paragraphs 1 and 2 of article 152 of Federal Law 6.404/76).

The calculations and the proposal for payment of the annual contingent bonus are submitted to the Board of Directors, which resolves on the payment and, if applicable, on a *pro rata temporis* basis to officers whose duties were performed in part of the period of the determination of the bonus.

IV. Annual leave, with characteristics of paid leave, for a period of thirty (30) calendar days, and additional payment corresponding to one third (1/3) of monthly compensation, divided in up to three (3) periods throughout the year, as long as one of these periods is not shorter than fourteen (14) calendar days, and the other periods are not shorter than five (5) calendar days, enjoyed within the year, not entitled to accumulation or payment in cash.

Organizational Instrument

Type: Institutional Policy Title: Compensation of Directors, Officers, Members of the Fiscal Council and Statutory Committees	Phase: Current Number and Version: PI0034-V1
Issuing Area: CH Related Areas (Coverage): Sabesp	Approved by: DANTE RAGAZZI PAULI First version effective on: Oct. 29, 2018 Processos: -
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V. Collection of FGTS (Government Severance Indemnity Fund for employees) according to article 15, main section, and article 16, Federal Law 8.036/90.

Officers leaving their positions for any reason are not entitled to receive the 40% FGTS severance fine, not having the right to the paid or worked prior notice period.

VI. Officers are also entitled to receive the following benefits approved by the Annual Shareholders' Meeting:

- Meal Vouchers: granting of twenty-four (24) meal vouchers per month, in the same amount and conditions granted to the employees;
- Staples Basket: granting of monthly food vouchers in the same amount and conditions granted to the employees;
- Medical Assistance: same plan offered to the employees;
- Private Pension: same defined contribution pension plan offered to the employees.

VII. Officers may enjoy a non-paid leave, as long as it does not surpass three (3) months, approved pursuant to the Bylaws.

VIII. Advantages, bonuses or other benefits of any nature are not granted to Executive Board members, mainly due to the statutory nature of the relationship maintained with the Company, which is not an employment relationship provided for in the labor law.

IX. Employees elected as officers and working for the Company for three (3) full years as of the election date may choose to receive their compensation as employee, and must express this option on the date of taking office. In this case, he/she will be entitled to receive the annual contingent bonus established in item 3.1.1, III, limited to the amount ascertained in the twelve-month (12) period and as required to equal the global compensation of the officer-employee to the compensation received by other statutory officers not subject to the labor laws (monthly compensation, annual leave with payment of an additional one-third (1/3) of monthly compensation, *pro rata temporis* annual reward paid in December and annual contingent bonus).

3.1.2. Board of Directors

I. Monthly compensation corresponding to 30% of the monthly compensation paid to officers.

a) Directors absent in two (2) consecutive meetings are not entitled to receive compensation regarding the month when the second absence is recorded.

II. Annual reward in the same amount of the monthly compensation, calculated on a *pro rata temporis* basis, paid in December each year, as long as approved by the Annual Shareholders' Meeting for the period.

III. The paid participation of direct or indirect members of the public administration in more than two (2) bodies, Boards of Directors or Fiscal Councils, of state-owned companies, or state-controlled companies or their subsidiaries, is prohibited pursuant to article 1 of State Decree 58,265/2012 and article 20 of Federal Law 13,303/2016, and each director must declare the acceptance of this limitation, and the payment of the relevant monthly compensation is conditioned to the presentation of this declaration.

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3.1.3. Audit Committee

- I. Monthly compensation in an amount established by the Control Bodies of the State Government.
- II. Annual reward in the same amount of the monthly compensation, calculated on a *pro rata temporis* basis and paid in December each year, as long as approved by the Annual Shareholders' Meeting for the period.

Audit Committee members who are also members of the Board of Directors must choose to receive only one compensation.

3.1.4. Fiscal Council

- I. Monthly compensation corresponding to 20% of the monthly compensation paid to officers, conditioned to the participation in at least one monthly meeting.
- II. Annual reward in the same amount of the monthly compensation, calculated on a *pro rata temporis* basis and paid in December each year, as long as approved by the Annual Shareholders' Meeting for the period.
- III. Reimbursement of the commuting and accommodation expenses required to perform the function of member of the Fiscal Council, as provided for in paragraph 3 of article 162 of Federal Law 6,404/76.

3.1.5. Eligibility and Advisory Committee

- I. Members of the Eligibility and Advisory Committee do not receive any compensation or other advantages, as provided for in article 11 of Codec Resolution 01/2018.

4. Supplementary items

Reference Documents

Registration Details

Reference Exhibits (Exhibits
Base)

--- << Related documents >> << Records Involved >>
Files Attached (Supplementary to the Organizational Instrument)
