



**Internal Regulation of the  
Corporate Governance Committee**

*July/2015*



## **INTERNAL REGULATION OF THE CORPORATE GOVERNANCE COMMITTEE OF THE COMPANY "COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO"**

**Art. 1.** The Corporate Governance Committee (the "Committee") is a permanent advisory body directly bound to the Board of Directors, subject to the applicable laws and regulations, the provisions of the Bylaws of the Company known as "Companhia Brasileira de Distribuição" (the "Company"), and this Internal Regulation (the "Internal Regulation"), which governs the operation thereof.

**Art. 2.** The Committee will report to the Board of Directors, acting in cooperation with, but with independence in relation to the Company's Officers.

**Art. 3.** The Committee will be composed of at least 3 (three) and at most five (5) members elected by the Company's Board of Directors from among its members for a term in office of two (2) years, and their terms in office can be renewed for successive periods, subject to the rules of the Company's Bylaws and this Internal Regulation, and one (1) external and independent member can be elected ("External Member").

**§ 1.** A member's position in this Committee cannot be delegated, and such position must be performed observing the principles of loyalty and diligence, as well as avoiding any disputes that could affect the interests of the Company and its shareholders.

**§ 2.** Committee members shall keep an unbiased attitude in carrying out their activities and, above all, they must be proactive in pursuit of a constant efficiency of mechanisms and operations that impact both the Company's economic and financial aspects and the Company's economic and financial analysis, as well as regards the rules and principles set forth in the applicable laws, the Bylaws, this Internal Regulation and best market practices.

**§ 3.** The Committee's External Member must meet the following requirements:

- a)** the External Member shall not be a member of the Board of Directors of the Company of any of its controlled companies;
- b)** the External Member shall have unblemished reputation and know economic and financial concepts and principles generally accepted in the Brazilian business place;
- c)** the External Member cannot be a spouse or relative to the second degree of members of the Company's management or its controlled companies, or of employees of the Company or its controlled companies; and
- d)** the External Member cannot hold any positions in any company that may be

considered a competitor of the Company or its subsidiaries, and he/she cannot have, or represent, any conflicting interests with the Company or with its controlled companies.



**§ 4.** The Finance Committee members shall have the same duties and responsibilities of the Directors, and they must meet the requirements of art. 147 of Brazilian Law 6,404 of December 15, 1976 (the Brazilian Companies Act); besides, they will be invested with their offices in the Committee by undersigning the corresponding Investiture Term, which will set forth the requirements to be met to hold every position.

**Art. 4.** In case of absence or temporary inability of any Committee member, such absent member shall appoint, from among the other Board of Directors members, his or her substitute. In case of any vacancy, the Chairman of the Committee or, in his/her absence, any other member of the Committee, shall request to the Chairman of the Board of Directors to convene a Board of Directors meeting within up to seven (7) days from the date of such vacancy is noticed, so that a new Committee is elected to finish the term of office of such member whose position has become vacant.

**Art. 5.** The Board of Directors shall elect, from among the members of the Committee, a Chairman, who will be responsible for representing, organizing, and coordinating of the Committee activities.

**Sole paragraph.** The Chairman of the Committee will be solely responsible for:

- a) calling - subject to the provisions of Article 6 hereinbelow, establishing, and presiding over the Committee meetings;
- b) representing the Committee in its relationship with the Board of Directors, the Company's Officers, and the Company's internal and external auditors, internal bodies and committees, undersigning, whenever necessary, letters, invitations and reports forwarded to them;
- c) calling, on behalf of the Committee, any participants to Committee meetings; and
- d) complying with this Internal Regulation and enforcing that all other Committee members and all other bodies of the Company also comply with it, as the case may be.

**Art. 6.** The Committee shall meet ordinarily at least every three (3) months or, extraordinarily, whenever called by its Chairman or the Chairman of the Board of Directors, whether on its own initiative or by a written request of any Committee member. Committee meetings may be called by any Committee member in case the Chairman of the Committee does not satisfy, within three (3) calendar days after having received of such a request, the call request submitted by such member. A copy of every call to Committee's meeting will be forwarded to the Chairman of the Board of Directors.

**§ 1.** The calls to Committee meetings shall be made in writing, via e-mail, fax, or letter at least five (5) days prior to the date of the meeting, informing the time and place thereof, and including a detailed agenda. Any proposal and all required documents connected to the agenda shall be made available to the Committee members upon the

corresponding call is made. The call may be waived in case all Committee members are present at the meeting, or upon prior consent in writing by absent members.



**§ 2.** In case of matters requiring urgent consideration, the Chairman of the Committee or the Chairman of the Board of Directors, at their sole discretion, may call a Committee meeting within a period shorter than that provided for in paragraph 1 of this Article 6, and such meeting shall be considered valid and effective for all purposes, provided, however, the quorum required to establish the meeting is observed.

**§ 3.** The agenda of the meetings will be drawn up by the Chairman of the Committee, and the other members can suggest and request additional matters to be considered by the Committee.

**§ 4.** The meetings will be established with the presence of a majority of Committee members.

**§ 5.** In case the quorum set forth above is not met, the Chairman of the Committee shall call another meeting, to be held with any quorum, depending on the urgency required by the matter to be addressed.

**§ 6.** The recommendations, opinions, and reports made by the Committee shall be approved by a majority of votes of the members attending the corresponding meetings.

**§ 7.** Committee meetings shall be held preferably at the Company's headquarters, and they can be held at a different place in case all members deem it appropriate and previously agree with it via email, fax or letter for such purpose.

**§ 8.** People are allowed to attend both regular and extraordinary meetings of the Committee by means of conference call system, videoconference or any other communication means that allows every board member's identification and the simultaneous communication with all other persons attending the meeting. In that case, Committee members will be deemed as present at the meeting and shall subsequently undersign the corresponding minutes thereof.

**Art. 7.** To attend its Board of Directors meetings, the Committee may summon Directors, internal and external associates of the Company, and any other persons who hold relevant information or whose issues contained in the agenda are relevant to their area of expertise.

**Art. 8.** The subjects, pieces of advice, discussions, recommendations and opinions of the Committee shall be recorded in meetings minutes, which shall be undersigned by the corresponding members present thereto, and such minutes shall contain the relevant topics discussed, the list of presents, mentioning any excused absences, the measures requested and any points of disagreement among members.

**Sole paragraph.** Supporting documents of the meetings shall be filed at the Company's headquarters.

**Art. 9.** Every year the Committee shall approve a schedule of activities for the corresponding fiscal year, which may be amended during the year upon request by any Committee member(s).



**Art. 10.** The Company's Secretary of the Board of Directors shall also act as Secretary of the Committee and its meetings, who is also responsible for drawing up the meeting minutes, as well as for providing any support necessary for the full operation of the Committee, practicing all actions that may be requested by the Committee members, including s regards the provisions of Art. 13 hereinbelow.

**Art. 11.** The Committee is responsible, among other matters, for:

- a) suggesting amendments to this Internal Regulation, submitting them to the Board of Directors' consideration;
- b) promoting, following up, and ensuring the adoption of best corporate governance practices, and coordinating the implementation process and the maintenance of such practices in the Company, as well as the effectiveness of corporate governance processes, suggesting changes, updates, and improvements whenever necessary;
- c) reviewing periodically and recommending any necessary changes in corporate governance policies and practices adopted by the Company;
- d) ensuring the proper operation of the Board of Directors, the Board of Officers, and Company Management's Supporting Bodies, ensuring also the good relationship between all such bodies with shareholders, and, accordingly, periodically review and make recommendations to the Board of Directors about its operation and authorities, as well as on the Board of Officers and on the Company Management's Supporting Bodies;
- e) periodically preparing or reviewing, as appropriate, the Company's Bylaws, Codes, and Policies, the Internal Regulations of the Company Management's Supporting Bodies, as well as any other documents connected to the Company's corporate governance, submitting recommendations for amendments, criticism and suggestions it deems necessary to the Board of Directors in order to keep them constantly updated with the highest corporate governance standards, always observing the Company's peculiar characteristics;
- f) keeping the Board of Directors informed and updated about the applicable rules, regulations, and recommendations being practiced in the market, including rules that may be created and that may impact the corporate and securities exchange activities of the Company;
- g) monitoring the implementation and compliance with the requirements of all Brazilian laws governing companies activities and the securities and exchange market, as well as the requirements of every and any supervision and surveillance authorities of securities and exchange market which the Company is subject to;
- h) drawing up, making drafts of, submitting to the Board of Directors and periodically reviewing the Company's Policy on Transactions with Related Parties, as well as all other policies that the Company may need to adopt best management and corporate governance practices;



- i) issuing its opinion, at the request of the Board of Directors or the Officers, on situations in which a conflict of interests scenario can exist involving the Company's activities;
- j) issuing its opinion on any other matters that the Board of Directors may submit to it, as well as those that this Committee may deem relevant.

**Art. 12.** In addition to the duties set forth in the previous article, the Committee shall also:

- a) look after the Company's interests within the scope of its authority;
- b) analyzing the reports issued by regulating agencies on the Company, in whatever may impact the perception about the quality of the Company's corporate governance and management; and
- c) every year, to carry out a self-assessment of their activities and identify possibilities to improve its performance.

**Art. 13.** In the event it is verified a conflict of interests or private benefit of a member of the Committee in connection to a certain issue to be decided by the Committee, the conflicted member of the Committee shall inform such fact in duly time to the other members.

**§ 1.** In the event a member of the Committee may possibly have a potential private benefit or conflict of interests with some decision to be taken and such member does not acknowledge and state his benefit or conflict of interests, then any other member of the Committee with knowledge of such fact may inform the Committee. In this event, the non-voluntary acknowledgement and statement by the member of the Committee will be deemed a breach of this Internal Regulation, whenever the referred private benefits or conflict of interest are confirmed.

**§ 2.** As soon as a conflict of interests or private benefit is identified, the person involved shall prevent himself from discussions and resolutions, temporarily leaving the meeting until discussions end.

**§ 3.** Both the notice of an event of conflict of interests or private benefit as described in the main section or Paragraph 1 of Article 13, and the consequent applicability of the provision established in Paragraph 2 above shall be recorded in the minutes of the meeting.

**Art. 14.** Any acting Committee member shall be entitled to request and review, individually, books and other corporate records and documents, being also allowed to make notes and comments thereto, which will be discussed and resolved at the corresponding meetings, provided, however, that such books and records refer to matters under the Committee's competence, pursuant to Art. 11.

**§ 1.** Such documents can be reviewed only at the registered office of the Company and upon prior request.

**§ 2.** Requests for information or explanations concerning the corporate businesses by any Committee member shall be submitted to the Company's management bodies upon a written request signed by the Committee Secretary.



**Art. 15.** The Committee may summon experts and hire external consultants to review and discuss issues under its responsibility, provided, however, it ensures the integrity and confidentiality of the proceedings. However, works performed by external consultants do not exempt the Committee from its responsibilities.

**Art. 16.** All Committee members are subject to the provisions set forth in the Moral Code of Conduct, in the Securities Trading Policy, and in the Policy of Confidentiality, Disclosure, and Use of Material Information of the Company, as well as the provisions in all other policies and Internal Regulations of the Company.

**Art. 17.** Any cases that might not be covered by this Internal Regulation shall be settled by the Board of Directors.

**Art. 18.** This document must be disclosed by the Company after having been approved by the Board of Directors.

Sao Paulo (SP - Brazil), July 29, 2015

*Approved at a Board of Directors' meeting held on this date.*

