



Internal Regulation of the Audit Committee

July/2015



INTERNAL REGULATION OF THE AUDIT COMMITTEE

OF THE COMPANY "COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO"

Art. 1. The Audit Committee (hereinafter, the "Committee" or the "Audit Committee") is a permanent advisory body directly bound to the Board of Directors (as described in Article 21 of the Company's Bylaws), subject to the applicable laws and regulations, mainly by the Brazilian Securities and Exchange Commission ("CVM") Ruling No. 308 of May 14, 1999, as amended by CVM Ruling number 509, of November 16, 2011, by the provisions of the Bylaws of the Company known as "Companhia Brasileira de Distribuição" (hereinafter, the "Company"), and by this Internal Regulation (the "Internal Regulation").

Art. 2. This Internal Regulation governs the operation of the Committee.

Art. 3. The Committee is an advisory body of the Board of Directors.

Art. 4. The members of the Audit Committee shall be elected by the Board of Directors for a term in office of two (2) years, and their terms in office can be renewed for successive periods, subject to the maximum term of ten (10) years, subject to the rules of the rules of CVM, the Company's Bylaws and this Internal Regulation.

Art. 5. The Committee will be composed of at least three (3) and at most five (5) members, of whom at least two (2) will be external and independent members ("External Members"), while the other member must be a member of the Company's Board of Directors who does not make part of the Company's Board of Officers, provided, however, that at least one (1) of the Committee members must have recognized experience in corporate accounting.

§ 1. The External Members of the Audit Committee shall meet the requirements of independence as set out in the standards of CVM and the Company's Bylaws. In this sense, in order to fulfill the requirement of independence, the External Members of the Committee:

a) cannot be, or have been, in the last five (5) years:

i) an officer or employee of the Company or of a controlling company thereof, a

subsidiary thereof, an affiliate or partnership in joint control, whether direct or indirect; or



ii) a technical manager of the team involved in audit works of the organization; and

b) cannot be a spouse, a relative in straight or collateral line to the third degree, and by affinity to the second degree, of the persons mentioned in items "i" and "ii" of letter "a" above; and

c) cannot be members of the Board of Directors of the Company or its subsidiary companies.

§ 2. 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.

§ 3. Committee members shall keep an unbiased and skeptical attitude in carrying out their activities and, above all, concerning the estimates contained in the financial statements and the Company's management.

§ 4. The Committee can be composed of people who, in addition to the legal and regulatory requirements, as well as those requirements set forth in the Company's Bylaws, meet the following conditions:

a) are not Officers of the Company, its subsidiaries, controlling company, affiliates or companies in joint control, whether directly or indirectly; and

b) have knowledge or experience in auditing, controls, accounting, taxation, or the rules applicable to public companies, with regard to the proper preparation of their financial statements;

c) have unblemished reputation and knowledge of how the markets in which the Company and/or its subsidiaries operate; and

d) cannot hold any position 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 subsidiaries.

§ 5. In order to meet the requirement of recognized experience in corporate accounting as provided for in the caption of this Article, the Committee member must have:



a) knowledge of the generally accepted accounting principles and also of financial statements;

b) skills to assess the application of such principles in relation to the key accounting estimates;

c) experience in preparing, auditing, analyzing, or evaluating financial statements that have level of coverage and complexity comparable to the ones existing in the Company;

d) educational background consistent with the corporate accounting knowledge required for the Committee activities; and

e) knowledge of internal controls and corporate accounting procedures.

§ 6. The compliance with the requirements set out in § 5 above shall be supported by documents filed at the Company's headquarters, which will be available to the CVM for a period of five (5) years from the last day of the corresponding member's term in office in the Committee.

§ 7. The Audit Committee members shall meet the requirements of art. 147 of Brazilian Law 6,404 of December 15, 1976 (the Brazilian Companies Act), and 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. 6. Having held office for any period, the Audit Committee members who have left the Committee shall be able to join the Committee again only after a period of at least three (3) years from the end of their corresponding terms in office.

Art. 7. Throughout their terms of office, the Committee members may be replaced only in the cases provided for in the Company's Bylaws, and in case of a vacancy in the Committee, the Board of Directors shall elect the corresponding substitute, who shall complete the term of office of the replaced member. 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 such vacancy is noticed, so that a new Committee member is elected to finish the term of office of such member whose position has become vacant.

§ 1. In case of a temporary inability of any Committee member, and in case there is the



need for urgent deliberation, the Board of Directors shall appoint a third party to replace him/her during the period of such inability which may not exceed thirty (30) days, after which the heading of this Article 7 shall apply.

§ 2. The substitute of the temporarily unable member under § 1 hereinabove shall meet all the requirements of the laws, the CVM standards, the Company's Bylaws and this Internal Regulation as regards the eligibility criteria for Committee members.

§ 3. The temporary inability period will be considered for purposes of calculating the term of ten (10) years referred to in Article 4.

§ 4. The replacement of any Committee member shall be reported to the CVM within 10 (ten) days of the corresponding replacement.

Art. 8. The Board of Directors shall elect, from among the members of the Committee, a Chairman, who will be responsible for representing, organizing, and coordinating the Committee activities.

§ 1. The Chairman of the Committee will be responsible for:

- a)** calling - subject to the provisions of Article 9 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)** inviting, on behalf of the Committee, any participants to Committee meetings; and
- d)** complying with this Internal Regulation and enforcing that all other Committee members also comply with it.

§ 2. In the event of absence or temporary inability of the Chairman, he/she may be replaced by another member appointed by him/her.

§ 3. The Chairman of the Committee, accompanied by other members of the Committee whenever necessary or appropriate, shall:

- a)** meet with the Board of Directors upon a call by such Board at least every quarter

to report the Committee activities, in addition to other matters that may be relevant; and



b) attend the annual general meeting of the Company.

§ 4. To fully comply with letter "a" of paragraph 3 of this Article 8, in case the Board of Directors does not convene the Committee Chairman for meetings at least every quarter, then the Committee Chairman shall forward, within ten (10) days before the end of such period, a request for a meeting addressed to the Chairman of the Board of Directors in order to comply with such frequency.

Art. 9. The Committee shall meet ordinarily at least every two (2) months or, extraordinarily, whenever called by its Chairman or the Chairman of the Board of Directors, or by a written request of any Committee member, being certain that the Company's accounting information shall always be considered by the Committee prior to being disclosed. The 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 such a request, the call request submitted by such member. A copy of every call to a 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, and including a detailed agenda thereof. 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 there are any matters requiring urgent consideration, the Chairman of the Committee or the Chairman of the Board of Directors may call a meeting of the Committee within a period shorter than the one set forth in paragraph 1 of this Article 9.

§ 3. The agenda of the meetings will be prepared by the Chairman of the Committee or the Chairman of the Board of Directors, and the other Committee members may suggest and request additional matters to be addressed 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 or Chairman of the Board of Directors 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 in writing, and the Chairman of the Board of Directors must be informed of that.

§ 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. 10. To attend its meetings, the Committee may call members of the Board of Directors, internal and external associates of the Company, and any other persons who hold relevant information, or in case the meeting agenda contains any subjects relevant to their area of expertise.

Art. 11. 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. Copies of the Committee's meeting minutes will be forwarded to the Company's Board of Directors' Chairman.

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

Art. 12. The Company's Executive Secretary of the Board of Directors shall also act as Secretary of the Audit Committee and its meetings, who will also be 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. 15 hereinbelow.

Art. 13. The Committee is responsible, among other matters, for:





a) suggesting amendments to this Internal Regulation, submitting them to the Board of Directors' consideration;

b) suggesting to the Board of Directors the appointment of external auditors, as well as that such external auditors are replaced; as a result, the Committee shall be responsible for:

i) recommending to the Board the remuneration to be paid to the Company's external auditors;

ii) issuing its opinion on the hiring of an external auditor to provide any other service to the Company; and

iii) supervising the activities of external auditors in order to assess: (i) their independent character; (ii) the quality of services provided thereby; and (iii) whether the services provided are adequate or not to the Company's needs.

c) analyzing the Management's Report and the financial statements of the Company, submitting to the Board of Directors the recommendations as it deems necessary;

d) analyzing the quarterly financial statements and other mid-period financial statements that may be prepared by the Company, and as a result the Committee will be responsible for:

i) monitoring the quality and integrity of the quarterly financial statements, the mid-period financial statements and the Company's financial statements; and

ii) monitoring the quality and integrity of information and measurements released based on adjusted accounting data and on non-accounting data that add elements not provided for in the structure of the usual reports of financial statements.

e) evaluating the effectiveness and the adequacy of the internal control structure and of the internal and external audit procedures of the Company, presenting recommendations to improve policies, practices and procedures it deems necessary; accordingly, the Committee, acting on behalf of the Board, will be responsible for:

i) supervising the activities of the Company's internal controls area;

ii) supervising the activities of the Company's internal audit;



- iii)** supervising the activities of the area responsible for preparing the Company's financial statements;
 - iv)** monitoring the quality and integrity of the Company's internal control mechanisms;
 - v)** becoming aware of and analyzing the transactions with related parties involving the Company pursuant to the Policy for Transactions with Related Parties of the Company;
 - vi)** evaluating the effectiveness and sufficiency of controls systems and risk & contingencies management systems, including legal risks, and the risks and contingencies arising from lawsuits or administrative processes in civil, tax, fiscal, labor, or arbitration issues, among other; and
 - vii)** evaluating the effectiveness and sufficiency of the Company's policy on insurance.
- f)** giving opinions on the proposals of the management bodies to be submitted to the General Meeting connected to changes in the capital stock, issue of debentures or subscription warrants, capital budgets, distribution of dividends, transformation, inCompany , merger or split-up;
- g)** assessing and monitoring the Company's risk exposures, and it may also require detailed information on policies and procedures connected to: (i) the Management's remuneration; (ii) how the Company's assets have been used; and (iii) expenses incurred on behalf of the Company;
- h)** verifying the compliance with its recommendations and/or explanations for its findings;
- i)** assessing whether the Board of Officers is complying with the recommendations made by the external and internal auditors, as well as reporting to the Board of Directors any possible conflicts between internal auditors, external auditors, and/or the Company's Officers;
- j)** meeting with the various Committees and the Board of Directors to discuss policies, practices and procedures identified under their corresponding authorities;
- k)** preparing a summarized annual report to be submitted accompanied with the



financial statements, and that shall be kept at the Company's headquarters and at CVM's disposal for a period of five (5) years, containing at least the following information: (i) the activities carried out in the period, the results and conclusions reached; (ii) an evaluation on the effectiveness of the Company's internal control and risk management systems; (iii) a description of all recommendations made to the Company's management, and evidence that they were implemented; (iv) an evaluation of the effectiveness of both external and internal auditing; (v) an evaluation on the quality of financial reporting, internal control and risk management reports for the period; and (vi) any situation in which there is any significant discrepancy between the Company's management, the external auditors and the Committee regarding the Company's financial statements;

l) reviewing and monitoring the adequacy of the Company to Law No. 12,846, as of August 1, 2013 and its regulations;

m) assessing and monitoring the mechanisms of control and verification of the Company's compliance with Law No. 12,846, as of August 1, 2013 and its regulations; and

n) 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.

§ 1. In case a Supervisory Board (that is responsible for checking the Company's Management) is established pursuant to Brazilian Law 6,404/76 (the Brazilian Companies Act), this Audit Committee will keep its authority, while the competencies granted by law to the Supervisory Board shall be observed.

Art. 14. 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) analyze the reports issued by regulating agencies on the Company, in whatever may impact the perception of matters under its competence, as provided for in this Internal Regulation and in the applicable rules and standards; and

c) every year, to carry out a self-assessment of its activities and identify possibilities to improve its performance.

Art. 15. 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 15, and the consequent applicability of the provision established in Paragraph 2 above shall be recorded in the minutes of the meeting.

Art. 16. 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. 13.

§ 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. 17. 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. 18. 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. 19. To perform its duties, the Committee shall have operational autonomy and an annual budget within the limits approved by the Company's Board of Directors in order to carry out or determine consultations, evaluations and investigations within the scope of its

activities, and for that purpose the Committee can also contract and use independent external experts.



Art. 20. The Audit Committee, according to this Article, is the appropriate body of the Company responsible for receiving complaints and disclosures made by whistleblowers, including of sensitive and confidential nature, which may be internal and external to the Company, on any matter connected to the Company's activities.

§ 1. Such complaints or disclosures may be sent by email to the address ligacao@multivarejogpa.com.br, and this email address shall be disclosed on the Company's website in a place that can be easily viewed.

§ 2. The Committee shall, upon request, guarantee the whistleblower's confidentiality.

§ 3. The Audit Committee will be responsible for determining the appropriate and necessary measures to investigate the facts and information reported in any whistleblower's complaint.

§ 4. The conclusions and recommendations by the Committee arising from complaints received by it shall be obligatorily reported by the Committee Chairman to the Board of Directors whenever such complaints involve a member of the Company's management, or whenever, in the Committee's opinion, such complaints point out the possibility of a frequent noncompliance with policies or standards of the Company.

Art. 21. Any cases that might not be covered by this Internal Regulation shall be settled by the Board of Directors.

Art. 22. 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.



