BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD Form 6-K October 03, 2012

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of the Securities Exchange Act of 1934

For the month of October, 2012

Brazilian Distribution Company (Translation of Registrant's Name Into English)

Av. Brigadeiro Luiz Antonio, 3142 São Paulo, SP 01402-901 <u>Brazil</u> (Address of Principal Executive Offices)

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

Form 20-F X 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)):

Yes ____ No _X_

(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)):

Yes ____ No _X___

(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 <u>_X</u>____

COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

CNPJ/MF 47.508.411/0001-56

NIRE 35.300.089.901

MANAGEMENT PROPOSAL FOR THE GENERAL SHAREHOLDERS MEETING TO BE HELD ON THE 18THOF OCTOBER, 2012

Dear shareholders,

The management of CompanhiaBrasileira de Distribuição ("**Company**") hereby present, for discussion on the general shareholders meeting to be held on the 18thof October, 2012, at 5:00pm, at the Company's registered offices, at AvenidaBrigadeiro Luís Antonio, No. 3.142, sala 1, at the city and state of São Paulo, a proposal for the amendment of the Company's Bylaws, as well as the election of the Vice-Chairman of the Company's Board of Directors.

In compliance with the provisions of Section 11 of the Securities Commission (*Comissão de ValoresMobiliários – CVM*)Instruction No. 481/2009, the following documents are attached to this proposal: (a) a copy of the Bylaws highlighting the proposed changes (<u>Annex I</u>), (b) a detailed report on the source and justification of the proposed amendments, and (c) a comparative chart of (a) the current and (b) the proposed versions of the Bylaws, analyzing their legal and economic effects (<u>Annex III</u>).

Moreover, in compliance with the provisions of Section 10 of CVMInstruction No. 481/2009, information required in items 12.6 to 12.10 of the Company's Reference Form (*Formulário de Referência*) is attached to this proposal in connection with the candidate indicated by the controlling shareholder of the Company, and recommended by the Board of Directors to be elected as the Vice-Chairman of the Company's Board of Directors (<u>Annex IV</u>).

We request that the shareholders that intend to appoint attorneys-in-fact to act on their behalf at the general meeting send the proper documents evidencing they are shareholders of the Company and the powers of attorney granted at least seventy two (72) hours before the meeting is held. Such documents shall be sent to the Company's Corporate Legal Department, at AvenidaBrigadeiro Luís Antonio, No. 3.142, at the city and state of São Paulo, Edgar Filing: BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD - Form 6-K through registered mail.

Copies of this proposal, as well as the Call Notice for the general meeting in reference, are available to the shareholders at the Company's registered offices, at the Company's investors relations website (<u>www.grupopaodeacucar.com.br/ri</u>) and at the Securities Commission (*Comissão de ValoresMobiliários – CVM*) website (<u>www.cvm.gov.b</u>r), pursuant to CVM Instruction No. 481/09.

São Paulo, October 2nd, 2012

BOARD OF DIRECTORS

ANNEX I

Copy of the Bylaws indicating the proposed changes

Bylawsof

COMPANHIA BRASILEIRADE DISTRIBUIÇÃO

Corporate Taxpayers'ID(CNPJ/MF):47.508.411/0001-56

Company Registry(NIRE):35.300.089.901

Authorized-Capital Publicly-Held Corporation

CHAPTER I

NAME, HEAD OFFICE, PURPOSEAND DURATION

ARTICLE 1- **COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO** is a stock corporation with head officesandjurisdictionat Av.BrigadeiroLuísAntonio,No.3142,inthe CityofSãoPaulo, Federative Republic ofBrazil,hereinaftergoverned bytheseBy-laws,by Law 6,404 dated December 15,1976, as amended, and other applicable legal provisions.

SoleParagraph–Upon theCompany'sadmissiontothespeciallisting segmentcalled Corporate Governance Level 1 for the BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros("BM&FBOVESPA"),theCompany,itsshareholders,Administratorsandmembersof theFiscal Council, wheninstalled,subjectthemselvesto the provisionsof the Regulamentode Listagem doNível 1 de GovernançaCorporativa da BM&FBOVESPA ("Level 1Regulation").

ARTICLE2-Thecorporatepurpose

oftheCompanyisthesaleofmanufactured, semimanufactured <u>semi-manufactured</u> orrawproducts, bothBrazilianandforeign, of any type or species, nature or quality, provided that the sale of such products is not prohibited by law.

First Paragraph- TheCompany may also engage in the following activities:

a) manufacture, processing, handling, transformation, exportation, importation and representation of food or non-food productseither onits own or through third parties;

b) international trade, including that involving coffee;

c) importation, distribution and sale ofcosmeticproducts for hygienic or make-up purposes, toiletries, sanitary and relatedproducts andfood supplements;

d) saleofdrugsandmedicines,pharmaceutical andhomeopathicspecialties,chemical products,accessories,dentalcareequipment,tools andequipmentforsurgery,production of chemicalproductsandpharmaceutical specialties,withthepossibilitythatsuchactivitiesofthe Companyarespecializedas Drugstore,AllopathicDrugstore,HomeopathicDrugstore or ManipulationDrugstore ofeach specialty;

e) saleofoilproducts,fillingupoffuelsofanykind,renderingoftechnicalassistance services,garage, repair, washing,lubrication, sale ofaccessoriesandothersimilarservices,of any vehicles;

f) saleofproducts,drugsandgeneralveterinarymedicines;veterinaryconsultation,clinic and hospitaland pet shopwith bath andshearingservice;

g) rental of any recorded media;

h) provision of photo, film and similarstudioservices;

i) i) executionandadministration of real estate transactions, purchasing, promoting subdivisionsandincorporations, leasing and selling real estate properties on the Company's own behalf as well as for third parties;

j) acting asdistributor, agentand representativeofmerchantsand industrial concerns establishedinBrazilor abroadand,insuchcapacity,forconsignorsoron itsownbehalf acquiring, retaining, possessing and carrying out any operations and transactions in its own interests or on behalf of such consignors;

k) provision of data processing services;

I) buildingandconstructionservicesofallkinds,eitheronitsownbehalforforthird parties, purchase and saleof construction materials and installation and maintenance of air conditioningsystems, cargo loaders andfreight elevators;

m) utilization of sanitary products and related products;

n) general municipal, stateandinterstategroundfreighttransportationforits own productsand thoseofthirdparties,includingwarehousing,depositing,loading,unloading, packagingand guarding any such products, and subcontracting the services contemplated in this item;

o) communicationservices,generaladvertisingandmarketing,includingforbars,cafes andrestaurants,whichmayextendto othercompatibleorconnectedareas,subjecttoanylegal restrictions;

p) purchase,sale and distribution of books, magazines, newspapers, periodicals and similar products;

q) performanceof studies, analysis, planning and markets research;

r) performanceof market test for thelaunching of new products, packing and labels;

s) creation of strategies and analysis of "comportamentos etorial de vendas", of special promotions and advertising;

t) provisionofmanagementservices of food, meal, drugstore, fuel and transportation vouchers/cards and othercards resulting from the activities related to its corporate purpose; and

u) leasing and subleasing of its own or third-party furnishings;

v) provision of management services; and

w) representationofothercompanies,bothBrazilianandforeign,andparticipationasa partnerorshareholderin the capital stockofother companiesirrespectiveoftheirform orobject of same, andin commercial enterprisesof any nature.

SecondParagraph -TheCompany mayprovideguaranteesorcollateralforbusiness transactions of its interest, although itmust not do so merely as a favor.

ARTICLE 3 -The Company's term of duration shall be indefinite.

CHAPTER II

CAPITAL STOCK AND SHARES

ARTICLE4 -The CompanyCapitalis R\$6,689,239,643.41 <u>6,701,818,241.81</u> (sixbillion, sixseven hundredeighty-nineand one million,twoeight hundred thirty-nineand eighteenthousand,sixtwo hundred and forty-three one Brazilian Reaisand forty-eighty one cents),fully paidinanddividedintotwohundredand sixty-two <u>three</u>million, one hundred and fifty<u>six</u> thousand, nine and one hundred and sixty-one (262,150,961 seven (263,056,167) shares with no par value,of which ninety-ninemillion,sixhundred and seventy-ninethousandandeighthundredand fifty-one(99,679,851) are common sharesandonehundredand sixty-two <u>three</u>million,four<u>three</u> hundred and seventy-one <u>six</u> thousand, one and three hundred and ten (162,471,110<u>sixteen (163,376,316</u>) are preferred shares.

FirstParagraph-ThesharesofcapitalstockareindivisibleinrelationtotheCompanyand each common entitles its owner to one vote at the General Shareholders' Meetings.

SecondParagraph-Thesharesshallberecordedinbook-entrysystemsandbekeptin depositaccountsonbehalfoftheirholderswiththeauthorizedfinancialinstitutiondesignated by the Company, without issuance of sharecertificates.

ThirdParagraph– Shareholders can, at any time, convert common shares into preferred shares, since they are paid-up and observing the limit of article 5 below. Conversion requests should be sent in writing to the Executive Officers Committee ("Diretoria"). Conversion requests received by the Executive Officers Committee ("Diretoria") should be ratified on the first Board of Directors' meeting, since the conditions above are complied with.

Fourth Paragraph - The costoftheserviceoftransferringtheownershipof thebook-entry shares chargedbythe depositaryfinancialinstitutionmaybepassed ontothe shareholder, pursuanttothethirdparagraphofArticle35ofLawNo.6,404 dated12/15/76,subjecttothe maximumlimitsestablishedbytheBrazilianSecuritiesExchange Commission ("Comissão de ValoresMobiliários").

ARTICLE5-The Companyisentitledtoissuenew shareswithoutmaintainingproportion betweentypesand/orclassesof theexistingshares,providedthatthenumberofpreferred shares shall not exceed the limit of <u>2/3(</u>two thirds (2/3) of the total issued shares.

FirstParagraph-The preferredsharesshallbeentitledto thefollowingprivileges and preferences:

a) a) priority in the reimbursement of capital, in an amount calculated by dividing the Capital Stock bythenumberofoutstanding shares, without premium, in the eventofliquidation of the Company;

b) priorityinthereceiptofaminimumannualdividendintheamountofR\$0.08(eightcentsof Real) per one (1) preferredshare, on a non-cumulative basis;

c) c) participationunder equal conditionsas thecommonsharesinthe distributionofbonus shares resulting from capitalization f reserves or retained earnings; and

d) d) participationinthe receiptofdividendas setforthinArticle <u>35,36,</u>IV,item"c" of theseBy-Laws,

whichshallbedistributedforthecommonandpreferredsharessoastoforeachpreferred share shall beascribed a dividend ten percent (10%)higherthanthedividendassignedtoeach common share,pursuanttotheprovisions ofArticle 17,firstparagraph,ofLaw No.6,404/76, as amended by Law No. 10,303/01, including, for purposesof such calculation, in the sum of the totalamountofdividendspaidtothepreferredshares,theamountpaidasminimumdividend setforthinitem"b"ofthis FirstParagraph.

Second Paragraph- The preferred sharesshall have no voting rights.

ThirdParagraph-Thepreferredsharesshallacquirevoting rightsintheeventthatthe Companyfailstopaytheminimumorfixeddividendstowhichtheyareentitledaccordingto theseBy-lawsforaperiodofthree (3)consecutivefiscalyears,accordingtotheprovisionsof firstparagraphofArticle 111ofLaw No.6,404/76.Thesevotingrightswill cease uponthe payment of such minimumor fixed dividends.

ARTICLE6-TheCompanyisauthorizedtoincreaseitsCapitalStockbyresolutionofthe BoardofDirectorswithouttheneedtoamendmenttheCompanyby-laws,uptothelimitof 400,000,000 (four hundredmillion <u>(400,000,000</u>)shares,throughissuance ofnewcommonorpreferred shares, with due regard tothe limit established in article 5 above.

FirstParagraph -Thelimitofthe Company'sauthorized capitalshallonly bemodified by decision of a General Shareholders Meeting.

SecondParagraph -Withinthelimitoftheauthorizedcapitaland inaccordancewiththeplan approvedbytheGeneral ShareholdersMeeting,theCompanymaygrantstockoptionstothe members ofitsmanagementbodiesor employees, ortoindividualsproviding servicestothe Company.

ARTICLE7 -Theissuanceofshares, subscription bonuses or debentures convertible into shares, may be approved by the Board of Directors, with the exclusion or reduction of the term for the exercise of preemptive rights, as provided in Article 172 of Law No. 6,404/76.

SoleParagraph-Exceptfortheprovisionsetoutintheheadingofthisarticle,theshareholders shall be entitledtopreemptiverights,inproportion totheir respectiveequityinterests,in the subscription ofanyCompany's capital increases,withtheexerciseofsuchrightbeing governed by the legislation applicablethereto.

CHAPTER III

GENERAL SHAREHOLDERS MEETING

ARTICLE8 -TheGeneralShareholders'Meeting isthemeetingoftheshareholders.The shareholders mayparticipateattheGeneral Shareholders' Meetingseitherin personorthrough attorneys-in-factappointedasprovidedbylaw,inordertoresolveuponthemattersofinterest of the Company.

ARTICLE9–TheGeneralShareholders'Meeting shall be instated and chaired by the Board of Directors Chairman, in his absence, by the Chief Executive Officer and, in his absence, by an Officer appointed by the Board of Directors Chairman.TheGeneralMeetingshallbecalledbythe Board of Directors Chairman andshallhave the following attributions:

I – the amendment to the Company's Bylaws;

II – the appointment and removal of members of the Company's Board of Directors at any time;

III –the appointment and removal of the Chairmanand the Vice-Chairman of the Company's Board of Directors;

IV-theapproval, annually, of the accounts and financial statements of the Company's management, prepared by them;

V – the approval of any issuance of common or preferred shares up to the limit of the authorized capital, as provided in Article 6 above and/or any bonuses, debentures convertible into its shares or with secured guarantee or securities or other rights or interests which are convertible or exchangeable into or exercisable for its shares, or any other options, warrants, rights, contracts or commitments of any character pursuant to which the Company is or may be bound to issue, transfer, sell, repurchase or otherwise acquire any shares and the terms and conditions of subscription and payment;

VI – the approval of any appraisals of assets, which the shareholders may contribute for the formation of the Company's capital;

VII – the approval of any proposal for change the corporate form, amalgamation, merger (including merger of shares - incorporação de ações), spin-off or split of the Company, or any other form of restructuring of the Company;

VIII – the approval of any proposal for dissolution or liquidation of the Company, appointing or replacement of its liquidator(s);

IX – the approval of the accounts of the liquidator(s);

X – the establishment of the global annual compensation of the members of any management body of the Company, including fringe benefits;

XI – the approval or the amendment of the annual operating plan;

XII – the approval of any agreement or the amendment in any agreement, directly or indirectly, between the Company and/or its affiliates and any of its controlling shareholders or their relatives, members of its management bodies or any of its controlled companies and affiliates

thereto, exception made to those executed in the ordinary course of business, which should be contracted at arms length (market conditions);

XIII – the purchase, sale, disposal of or creation of lien on any asset of the Company or any other investment by the Company in an individual amount or cumulated over a fiscal year in excess of the amount in Reais equivalent to US\$ 100,000,000.00 (one hundred million U.S. Dollars) or in excess of an amount equal to 6% (six per cent) of the net worth ("patrimôniolíquido") of the Company as determined in its latest annual balance sheet, whichever is the higher;

XIV - the approval of request by the Company of self-bankruptcy or of protection under any bankruptcy or reorganization law;

XV – the approval of any delisting of shares of the Company for trading on stock exchanges or filing for new listings;

XVI - the approval of any change in the Company's dividend policy;

XVII - the approval of any financial arrangement, including the lending or borrowing by the Company of funds and the issuance of non-convertible debentures, in excess of an individual amount equal to two (2) times EBITDA of the preceding twelve (12) months; and XVIII - the approval of any joint venture of the Company with a third parties involving an individual investment or cumulated over a fiscal year in excess of the amount in Reais equivalent to US\$ 100,000,000.00 (one hundred million U.S. Dollars) or in excess of an amount equal to six (6) percent of the net worth ("patrimôniolíquido") of the Company as determined in its latest annual balance sheet, whichever is the higher.

ARTICLE10 –Anyresolutionofthe GeneralShareholders'Meeting shall betakenby the approval of shareholders representing at least the absolute majority of the present shareholders entitled to vote, except if qualified quorum is required by law.

ARTICLE11–TheAnnualShareholders'Meetingshallhavetheattributionsset forthinthelaw and shall take place during the first four months following the endof each fiscalyear.

SoleParagraph-Whenevernecessary,theGeneralShareholders' Meeting maybeinstalled extraordinarily, and may be carried out subsequently with the Annual Shareholders' Meeting.

CHAPTER IV

MANAGEMENT

ARTICLE12-TheCompanyshallbemanagedbyaBoardofDirectorsandanExecutive Officers Committee.

First Paragraph - The term of officeof the membersoftheBoardofDirectorsandthe Executive Officers Committee shall be up to three (3)years, reelection being permitted.

SecondParagraph-The Directorsand theExecutiveOfficersshalltakeoffice bysigningtheir oathsintheBookofMinutesoftheBoardofDirectorsoroftheExecutiveOfficersCommittee, asthe case maybe.The investiture ofthemembers oftheBoard ofDirectors andtheExecutive OfficersCommitteeshallbeconditioned onpriorexecutionoftheStatementofConsentofthe Administratorsunderthetermsofthe provisionintheLevel 1 Regulation,aswellascompliance with the applicable legal requirements.

ThirdParagraph-Thetermofoffice of theDirectorsandExecutiveOfficersshallbe extended untiltheir respectivesuccessors takeoffice.

FourthParagraph-Theminutesofthemeetingsof theBoardofDirectorsand oftheExecutive OfficersCommitteeshallberecordintheproperbook,whichshallbesignedbythepresent Directors andExecutive Officers, as thecase may be.

Section I

Board of Directors

ARTICLE13-TheBoardofDirectorsshall consistofatleastthree (3) and nomore than eighteen (18) members, all of whom must be shareholders of the Company, elected and removed by the General Shareholders' Meeting.

SoleParagraph- Consideringtheprovisions of article14, in the event of absence or temporary absence of any Director, that Director shall appoint, inwriting, him/herreplacement among the other Board members. In this case, besideshis/herownvote, the Board Member who is to replace the temporarily absent or impeded Board Member, shall also cast the vote of the member replaced. In the event of permanent vacancy of a Director's office, the Chairman shall calla General Shareholders' Meeting with infifteen (15) days from the date of the occurrence of vacancy to fulfill such position permanently, until the end of the relevant term in office.

ARTICLE14-TheBoardofDirectorsshallhaveaChairman, <u>and a Vice-Chairman, both</u> appointedbytheGeneral Shareholders'Meeting.

SoleParagraph-Inthe eventofabsenceofthe Chairmanof theBoardof Directors, he shall appoint, in writing, other Director to replace him, who will<u>be replaced by another Director to be appointed by him, in writing, and in the absence of the latter or lack of appointment, he shall be replaced by the Vice-Chairman of the Board of Directors, being that the one in replacement shall performtheChairman'sduties.Inthe eventofpermanent vacancyof theChairman, any of the DirectorsVice-Chairmanshall <u>automatically take his position</u> and callaGeneral Shareholders'Meeting withinfifteen (15)daysfrom thedate ofvacancy, for the appointment of the newChairmanofthe Board of Directorsinpermanent</u>

manner, until the endof the relevant term in office.

ARTICLE15 -TheBoard ofDirectors shall ordinarily meetatleastfivetimeseveryyear, to reviewthefinancialandother results of theCompany andto reviewandfollow-upofthe annual operating plan, and shall extraordinarilymeet whenever necessary.

FirstParagraph-The ChairmanshallcallthemeetingsoftheBoardofDirectors,byhisorher initiativeorat thewrittenrequestofanyDirector.FailurebytheChairmantocallanymeeting withinseven<u>five</u> (7<u>5</u>) calendardaysfromthe dateofreceiptoftherequestbyany Directorshallallow such Director to call the meeting.

SecondParagraph –ThecallsforthemeetingsoftheBoard ofDirectors shall bemadein writing, either by telex, facsimileor letter, with at least seven (7) days prior to the date of each meeting, shall specify time and place and comprise in advance, including adetailed agenda of themeeting <u>and specifying the place and date to be held on first call, in the event it</u> is held on second call, a three (3) business days term between such dates must be observed. Any proposal of resolutions and all necessary documentation related thereto shall be atthe Board of Directors disposal at the

Company'sheadoffice.Themeetingsshallbeheldregardlessthe respective call notice in case of attendance of all Directors in office at such time, or by the prior writtenconsent of the absents Directors.

ThirdParagraph–The presence of at least ten(10) members of the Board of Directors including those represented according to the sole paragraph of articles 13 and 14 above, shall be required for the installation of a meeting of the Board of Directors <u>on first call</u>, and the presence of at least eight (8) members of the Board of Directors shall be required for the installation of a meeting on second call. For purposes of the quorum required in this Paragraph, it shall include the members represented in accordance with the sole paragraph of articles 13 and 14 above.

Fourth Paragraph – The Chairman of the Board of Directors, in each meeting of the Board of Directors, may invite members of the Advisory Board of the Company as guests, who may express their opinions and participate in the discussions, without the right to vote.

ARTICLE16 -TheBoard ofDirectorsmeetingsshall bepresidedbyitsChairman,orin its latter'shisabsence, by other Director indicated by himhe shall be replaced by another Director to be appointed by him, and in the absence of the latter or lack of appointment, he shall be replaced by the Vice-Chairman of the Board of Directors.

Sole Paragraph –TheresolutionsoftheBoardofDirectorsshallbetakenbymajorityofvotes castbyits members, and in case of a draw, the Chairman of the Board shall cast the tie braking vote, except as regards to the matters in which there is a conflict of interests, in which case the Chairman shall abstain from voting.BoardmembersmaypartakeofthemeetingsoftheBoard ofDirectorsthroughe-conferencing,throughvideo-conferencingorthroughany othermeansof electroniccommunications, being construed as attending the meeting and being required to confirm their vote through a written representation forwarded to the Chairman of the Board

by letter, by facsimile or by e-mail right after the end of the meeting. Once said representation has been received, the Chairman of the Board shall have been fully empowered to sign the minutes of the <u>allowing the identification of the director and</u> <u>simultaneous communication with all the other ones attending the meeting. In this case,</u> <u>directors will be considered as present to the meeting and shall execute the corresponding</u> <u>minutes of such</u> meeting in the name of said board member.

ARTICLE17-TheBoard ofDirectorsshall <u>follow its Rules of Procedure, to be approved by the</u> <u>majority of its members, and</u>haveanExecutiveSecretary,appointedbymajority of the Directors, whose<u>who shall perform the</u> duties shall be defined in the meeting at which he is appointeddefined in the Rules of Procedure, as well as issue certificates and confirm, to third parties, the authenticity of resolutions taken by the Board of Directors.

ARTICLE18- In addition to the powers provided for in the applicable law, the Board of Directors shall have the powers to:

a) set forth the general guidelines of the Company's business;

b) appoint and remove the Executive Officers of the Company, establishing their duties and titles;

c) supervise action of the Executive Officers of the Company, examine, at any time, the records and books of the Company, request information on agreements executed or to be executed and on any other acts or matters;

d) call the General Shareholders' Meeting;

e) issue an opinion on the report of the management, the accounts of the Executive Officers Committee and the financial statements of the Company;

f) approve the issuance of shares of any type or class up to the limit of the authorized capital and establish the respective price and payment conditions;

g) appoint and remove the independent public accountants;

h) issue an opinion on any and all proposals of the Executive Officers Committee to be submitted to the General Shareholders' Meetings;

i) authorize the acquisition of shares of the Company for purposes of cancellation or maintenance in treasury;

j) develop, jointly with the Executive Officers Committee, and approve a profit sharing and additional benefits program for the members of the management bodies and for the employees of the Company (Profit Sharing Program);

k) define the share of Company's profits to be allocated to the Profit Sharing Program in due compliance with the applicable legal provisions, these By-laws and the Profit Sharing Program in effect at such time. The amounts expensed or accrued in each fiscal year by way of profit sharing in addition to granting option to purchase Company's stock shall be limited up to 15%

(fifteen per cent) of the profit recorded in each fiscal year after the pertinent deductions have been effected in accordance with Article 189 of Law No. 6404/76;

I) set forth the number of shares to be issued under the stock option plan previously approved by the General Shareholders Meeting, provided that the limit established in item "I" above is duly observed;

m) set up Committees, that shall be responsible for making proposals or recommendations and giving their opinions to the Board of Directors and set forth its respective attributions, in accordance with the provisions of these Bylaws ;

n) approve the acquisition, sale, disposal or creation of any lien on any asset, including any real estate, of the Company or any other investments made by the Company in an individual amount or cumulated over a fiscal year in excess of the amount in Reais equivalent to US\$20,000,000.00 (twenty million U.S. Dollars) and up to the amount in Reais equivalent to US\$100,000,000.00 (one hundred million U.S. Dollars) or in excess of an amount equal to 1% (one percent) and up to 6% (six percent) of the net worth (patrimôniolíquido) of the Company as determined in its latest annual balance sheet, whichever is the higher;

o) approve any financial arrangement involving the Company, including the lending or borrowing of funds and the issuance of non-convertible and unsecured debentures, in excess of an individual amount equivalent to one half (0.5) and up to two (2) times EBITDA of the preceding twelve (12) months;

p) approve the joint venture of the Company with third parties involving an individual investment or cumulated over a fiscal year up to the amount in Reais equivalent to US\$100,000,000.00 (one hundred million U.S. Dollars) or up to an amount equal to 6% (six percent) of the net worth (patrimôniolíquido) of the Company as determined in its latest annual balance sheet, whichever is the higher to be submitted to the General Shareholders' Meetings; and

q) approve any and all agreement or amendment in any agreement, directly or indirectly, between the Company and/or its affiliates and any of its controlling shareholders or their relatives, members of its management bodies and their affiliates, except from those matters under regular course of business, which shall be executed under market conditions (armslength) to be submitted to the General Shareholders' Meetings.

Section II

Committees

ARTICLE 19 – The Company shall have three (3as support committee to the Board of Directors an Audit Committee composed of three (3) members, at least two (2) of which shall be external and independent members ("External Members"), observed the provisions of Article 21 and the Chapter V of theseBy-Laws.

FirstParagraph-The members of the Audit Committee shall be elected by the Board of Directors and meet all the applicable independency requirements as set forth in the rules of the Securities and Exchange Commission.

SecondParagraph -The External Members of the Audit Committee shall:

a) not be a member of the Board of Directors of the Company or of its controlled companies; and

b) have knowledge or experience in auditing, controls, accounting, taxation or rules applicable to publicly-held companies, in so far as they refer to the adequate preparation of their financial statements.

ARTICLE 20 – The members of the Audit Committee shall be elected by the Board of Directors for a term of office of one (1) year, with reelection being permitted for successive terms.

FirstParagraph-During their term of office, the members of the Audit Committee may not be replaced except for the following reasons:

a) <u>death or resignation:</u>

b) <u>unjustified absence from three (3) consecutive meetings or six (6) alternate</u> meetings per year: or

c) <u>a substantiated decision of the Board of Directors.</u>

SecondParagraph - In the event of a vacancy in the Audit Committee, the Board of Directors shall elect a person to complete the term of office of the replaced member.

ThirdParagraph - The Audit Committee shall:

a) propose to the Board of Directors the nomination of the independent auditors as well as their replacement;

b) review the management report and the financial statements of the Company and of its controlled companies, and provide the recommendations it deems necessary to the Board of Directors;

c) review the quarterly financial information and the periodic financial statements prepared by the Company:

d) assess the effectiveness and sufficiency of the internal control structure and of the internal and independent audit processes of the Company and of its controlled companies, including in relation to the provisions set forth in the Sarbanes-Oxley Act, submitting the recommendations it deems necessary for the improvement of policies, practices and procedures;

e) provide its opinion, upon request of the Board of Directors, with respect to the proposals of the management bodies, to be submitted to the Shareholders' Meetings, relating to changes to the capital stock, issuance of debentures or warrants, capital budgets, dividend distribution, transformation, merger, amalgamation or spin-off; and

f) provide its opinion on the matters submitted to it by the Board of Directors, as well as on those matters it determines to be relevant.

ARTICLE 21 – In the event the Fiscal Council is established as set forth in Law 6,404/76 and in Chapter V below, the Board of Directors shall resolve on the duties and activities to be performed by the Audit Committee during the period that the Fiscal Council is operating. The Board of Directors, based on its own discretion, is also entitled to opt for the suspension of the operation of the Audit Committee during the period that the Fiscal Council is operating, assigning to the later, all or part of the duties and functions of the Audit Committee, and with respect to its members, subject to all the requirements and limitations provided for by law.

ARTICLE 22 – In addition to the Audit Committee the Company shall have four (4) Special Committees, namely: (i) Human Resources and Compensation Committee; (ii) Financial Committee; and (iii) Development Sustainable Development Committee; and (iv) Corporate Governance Committee, which will be responsible for elaborating proposals or making recommendations to the Board of Directors, in their respective business areas. The Board of Directors may constitute other Committees in addition to those aforementioned.

FirstParagraph-EachSpecialCommitteeshallbecomposedofnolessthanthree (3)and up tofive (5)members,foratermofofficeofthree (3)years,reelectionpermitted .Themembers ofeachSpecialCommitteeshallbeappointedbytheBoardofDirectors, exclusively fromamong itsmembers <u>provided that one (1) External Member may be elected to each Special</u> <u>Committee</u>.The Board of Directors shall alsoappointtheChairman ofeachSpecial Committee.

SecondParagraph -Intheeventofabsence ortemporaryimpedimentofany memberofany Special Committee,theabsentmembershallappoint,fromamongtheother membersofthe BoardofDirectors,hisorherreplacement.Intheeventofvacancy,theChairmanoftheBoard ofDirectorsshallcalla GeneralMeetinguptoseven (7)daysafterthepositionhasbeen confirmedverifiedvacantforthe electionofthe new memberoftheSpecial Committee,until the end of the term of office. There is no prohibition against appointment of a member to more than one SpecialCommittee during thesame term of office.

ThirdParagraph- The- EachSpeciaCommitteesCommitteeshall

holdmeetingswhenevercalledby<u>its respective Chairman or by</u> the Chairman of <u>the</u> Board of Directors, on his owninitiative or per written request of any<u>other</u> memberof the <u>such</u>Special <u>CommitteesCommittee</u>. Meetingsof the Special Committees may be called by any member of the respective Committee whenever the <u>corresponding</u> Chairman of the Board of

Directors does not respond to the request for call presented by said member within 7 three (seven3) consecutive days counting from the day of receipt of the request. Such request. A copy of the call notices of the Special Committees meetings shall be forwarded to the Chairman of the Board of Directors.

FourthParagraph-ThedutiesofeachSpecialCommitteeshallbeestablishedbytheBoardof Directors.

Section IIII

Executive OfficersCommittee("Diretoria")

ARTICLE2023-TheExecutiveOfficers Committee("Diretoria") shall be composedofatleasttwo (2) and no more than fourteen (14) members, shareholders ornot, resident in Brazil, appointed andremoved bytheBoardofDirectors,one(1)being theChiefExecutiveOfficerandtheothers Executive Officers.

ARTICLE2124–TheExecutiveOfficers shallbeinchargeofthegeneralduties setforthinthese by-lawsand thoseestablishbythe Boardof Directorsand shall keepmutual corporationamong themselves and assist each other in the performanceof their duties and functions.

FirstParagraph–ThedutiesandtitlesofeachExecutiveOfficer,shallbeestablishedbythe Board of Directors.

SecondParagraph-Intheeventofabsences,occasionalimpairmentsandvacancy,the Executive Officers shall bereplaced in the following manner:

a) a) in theeventofabsences and occasionalimpairments of the CEO, he shall bereplaced by otherExecutiveOfficerindicated by him and in the eventofpermanentvacancy, the Board of Directors shall appoint the CEO's substitute within thirty (30) days, who shall complete the term of office of the CEO;

b) b)

intheeventofabsencesandoccasionalimpairmentsoftheremainingExecutiveOfficers, theyshallbereplacedbytheCEOand,intheeventofpermanentvacancy,theBoardof DirectorsshallappointtheExecutiveOfficer's substitutewithinfifteen (15)days,whoshall complete the term of office of the substituted Executive Officer.

ARTICLE2225-TheExecutiveOfficersCommitteeshallmeetuponcallofitsCEOorofhalfofits ExecutiveOfficers inoffice.

SoleParagraph-The minimumquorum requiredfortheinstallationofameetingofthe ExecutiveOfficers Committeeisthepresenceofat leastonethird (1/3) oftheExecutiveOfficers inofficeatsuchtime.Theresolutionsof theExecutiveOfficersCommitteeshallbeapprovedby themajorityofthevotes.Intheeventofatieinconnectionofanymattersubjecttothe Executive Officers approval, such matter shall besubmitted to the Board of Directors.

ARTICLE2326-Inadditiontothedutiesthatmay beattributedtotheExecutiveOfficers Committee by theGeneralShareholders'MeetingandbytheBoard ofDirectors, and without prejudice to the other legalduties, the Executive OfficersCommittee shall have the power to:

I - manage the Company'sbusiness and ensure compliance with these bylaws;

II – ensure that the Company's purposeis carried out;

III-approveallplans, programs and general rules of operation, management and control for the development of the Company, in accordance with the guidelines determined by the Board of Directors;

IV - prepare and submit to the Annual Shareholders' Meeting a report on the corporate business activities, including the balancesheet and financial statements required by law for each fiscal year, as well as the respective opinions of the Audit Committee, as the case may be;

V–guideall Company'sactivities under the guideliness etforth by the Board of Directors and appropriate to the fulfillment of its purposes;

VI – suggest investment and operating plansor programs to the Board of Directors;

VII-authorize the opening and closing of branches, agencies or depots and /or institute delegations, offices and representations in any location of the national territory or abroad;

VIII - renderan opinion on any matter to be submitted to the Board of Directors approval; and

IX-developandcarryout, jointly with the Board of Directors, the Employee Profit Sharing Program.

Report of Foreign Private Issuer

ARTICLE 2427–The Chief Executive Officer, in particular, is entitledto:

a) a) plan, coordinate, conduct and manageall Company's activities, as well as perform all executive and decision-making functions;

b) b)

carryouttheoverallsupervisionofallCompany'sactivities,coordinatingandguidingthe other Executive Officers' activities;

c) c) call, installand preside the meetings of the Executive Officers Committee;

d) coordinateandconduct

theprocessofapprovaloftheannual/pluriannualmultiannualbudgetandofthe investment and expansionplans together with the Board of Directors; and

e) e) suggestfunctionsandrespectivecandidates fortheExecutiveOfficerspositionsofthe Company and submitsuch suggestiontothe Boardof Directors approval.

ARTICLE2528-ItisincumbentupontheExecutiveOfficerstoassist and support the CEO in the administration of the Company, in accordance with duties determined by the Board of Directors and perform all acts necessary for the regular Company's activities, as long as these acts have been duly authorized by the Board of Directors.

ARTICLE2629- TheExecutiveOfficers shall represent the Companyactivelyand passively, in courtandoutside courtsandbeforethirdparties, performingand signingallacts that result in obligations to the Company.

FirstParagraph –Forthe grantingofpowers-of-attorney,theCompanyshall berepresentedby two (2)ExecutiveOfficers,actingjointly,ofwhom onemustalwaysbetheCEOorothers Executive Officers to be appointed by the Board of Directors, and all powers-of-attorney shall a validityterm,exceptforpowers-of-attorneygrantedforjudicial purposes,inadditionto the description ofthepowers granted whichmay cover anyandall acts,including those related to banking operations;

SecondParagraph-Incaseofactsthatentailanykindofacquisition,sale,disposalor creation ofanylienon anyCompany'sasset,including anyrealestate, aswell as,for the grantingofpowers-of-attorneyforthe practice ofsuchacts,theCompanyisrequiredtobe representedjointlybythree(3)ExecutiveOfficersofwhomonemustalwaysbetheCEOand the others Executive Officers to be appointed by the Board of Directors.

Third Paragraph - TheCompany shall be considered duly represented:

a) a) jointlybytwoExecutiveOfficersofwhomonemustalwaysbetheCEOorotherExecutive Officer to beappointed by the Board ofDirectors;

b) jointlybyoneExecutive Officertobe appointedby theBoard of Directors, and an attorney-in-fact, whensodeterminedbytherespectivepower-of-attorney and inaccordance with the powers contained therein;

c) c)

jointlybytwoattorneys-in-fact,whensodeterminedbytherespectivepowerofattorneyand in accordance with the powers contained therein;

d) d)

solelybyanattorney-in-factorExecutiveOfficer,inspecificcases,whensodeterminedby the respective power of attorney and in accordancewith the powerscontained therein.

CHAPTER V

ADVISORY BOARD

ARTICLE 27 - The Company may have an Advisory Board, on a non-permanent basis, with up to thirteen (13) members, shareholders or not, appointed by the General Shareholders' Meeting.

First Paragraph - The members of the Advisory Board shall have a term of office of three (3) years, reelection being permitted, and may receive the compensation set forth by the General Shareholders' Meeting.

Second Paragraph – The Advisory Board, when installed, shall meet ordinarily once every six months and extraordinarily whenever called by the Chairman of the Board of Directors.

Third Paragraph - The call notices for the meetings of the Advisory Board shall appoint the agenda to be discussed, as well as the place, date and time of the meetings, and shall be sent by mail or facsimile, at least five (5) days prior to the meeting.

Fourth Paragraph - The resolutions of the Advisory Board shall be record in the proper book, which shall be signed by the present members.

ARTICLE 28 - It is incumbent upon the Advisory Board to:

a) recommend to the Board of Directors measures to be taken to ensure the preservation and development of Company business and activities; and

b) render opinion on any matters submitted to them by the Board of Directors.

CHAPTER VI

FISCALCOUNCIL

ARTICLE 2930–The<u>Company shall have</u> a Fiscal Council <u>that</u> shall operate permanently and its members shall be annually appointed on a non-permanent basis, <u>being installed</u> by the General Meeting, as provided for by law.

First Paragraph - The members of the Fiscal Council and their alternatesshall occupy their positions up to the first Annual Shareholders' Meeting held after their respective appointments, reelection permitted, and they shall remain in their positions until their successors take office.

SecondParagraph-Attheirfirstmeeting,themembersoftheFiscalCouncilshallelectits Chairman, who shall be responsible forenforcing thecommittee's resolutions.

ThirdParagraph -TheFiscal CouncilmayrequesttheCompanytoappoint qualifiedpersonnel to provide administrative and technical support.

ARTICLE30<u>31</u> -TheFiscalCouncil shall becomposed of nolessthanthree (3) and uptofive (5) effective members and the same number of alternates, residents in the country, shareholders or not, all of them qualified in accordance with the legal provisions.

First Paragraph –Inthecaseofabsenceofimpediment, the members of the Fiscal Council shall be replaced by theirrespective alternates.

SecondParagraph -In additionto casesofdeath,resignation,dismissal andother cases providedforbylaw,thepositionofthe membershallbeconsideredvacantwhenthememberof theFiscalCouncilisabsent,withoutjustcause,attwo (2)consecutivemeetingsorthree (3) non-consecutive meetings in the course of the year.

ThirdParagraph-IntheeventofvacancyofthepositionofFiscalCouncilmember,ifthereis noalternatemember,aGeneralMeetingwillbecalledtoelectamemberforthevacant position.

ARTICLE31<u>32</u>-TheFiscalCouncilshallhavethepowersanddutiesconferreduponitbylaw and the Internal Regulation of the Fiscal Council.

FirstParagraph-The FiscalCouncilholdsquarterlygeneral meetingsandextraordinary meetings whenever necessary.

Second Paragraph - Meetings are called by the Chairman of the Fiscal Council on his own initiative or per written request of any of its members.

ThirdParagraph-TheresolutionsoftheFiscalCouncilshallbemadebyabsolutemajority voteofthose inattendance.Inorderfor ameetingto beinstituted, themajorityofthemembers must be present.

FourthParagraph -Themembersof theFiscalCouncilshallparticipateinthecommittee's meetings by telephoneorvideo conferencecall, or any otherelectronic means of communication, and shall be considered present at the meeting. Immediately after the meeting is over, the members must confirm their votes through a written declarations ent to the Chairmanof the Fiscal Council by conventional mail, fax, or electronic mail. Upon receipt, the Chairmanof the Fiscal Council shall be empowered to signtheminutes of the meeting on behalf of its members.

ARTICLE3233-The compensationofthemembers of the Fiscal Council shall be fixed by the General Shareholders' Meeting in which they are appointed, with due observance of the legal limit.

CHAPTER VIIVI

CORPORATE YEAR AND FINANCIAL STATEMENTS

ARTICLE33<u>34</u>-Thefiscal year ends on December31 ofeach year, when the balance sheet and financial statements required by applicable law shall be prepared.

ARTICLE34<u>35</u>-TheCompanymay,atthediscretionoftheExecutiveOfficersCommittee, prepare quarterly or semi-annual balance sheets.

CHAPTER VIIIVIL

PROFITDESTINATION

ARTICLE35<u>36</u>–Uponthe preparationofthebalance sheet,thefollowing rules shallbeobserved with respect to the distribution of the profits:

I-fromtheprofits ofthefiscalyearshallbe deducted, before any allocation of netincome, the accumulated losses and the provision of the income tax;

II-Afterdeductingtheportionsdescribedinitemlabove,theportiontobedistributedinthe form of employee profit sharing shall be deducted, as determined by the Board of Directors, in compliance withtheProfitSharingProgramand underthetermsandaccordingtothelimits provided in items "j" and "k" of Article 18 herein;

III-indue compliance withthetermsandlimitsestablishedin paragraphsofArticle152 ofLaw No.6,4046404/76 andthelimit establishedinitem"k"of Article18herein,theamountcorresponding tothemanagersinthe Company's profitsshallbe deducted, as determined by theBoard of Directors, in compliance with the Profit Sharing Program;

IV - the remaining net profits shall have the following destination:

a) a) 5%(fivepercent) shall beallocated tothelegal reservefund untilsuch reservereachesthe limit of 20% (twenty percent) of the Capital Stock;

b) b) amountstotheformationofthereserveforcontingenciesreserve,ifsodecidedbythe General Shareholders' Meeting;

c) c) 25%(twentyfiveper cent)shallbeallocatedtothepaymentofthemandatory dividends pursuant toFirst Paragraph below, in accordancewith the provisionscontained in first and second paragraphs of Article 5 herein;

d) d) theprofitnotprovisioned in the reserve described in Second Paragraph below and not allocated in accordance with the provisions of Article 196 of Law No.6404/76 shall be distributed as additional dividends.

FirstParagraph–Themandatorydividendsshallbe calculatechndpaidinaccordance with the following rules:

a) a) the basisfor calculation ofthe dividends payable shall be the netprofit of the fiscal year, less the amounts allocated to the legal reserve and the contingency reserves and plus the amount obtained from the reversion of the reserves of contingencies formed in the previous fiscal year;

b) b) the payment of the dividend calculated in accordance with the provisions of the previousitem maybelimited to the amount of the net profit effectively realized of the fiscal year for that has ended pursuant to the law, provided that the difference is registered as reserve for profit stobe realized;

c) c) the profits registered in the reserve for profits to be realized, when accrued and if such profits have not been absorbed by the loss estimates ubsequent fiscally ears, shall be increased to the first declared dividends after such realization.

SecondParagraph –Itishereby created,theReserve forExpansion, whichpurpose shall ensure resourcesforfinancingadditionalinvestmentsinfixedassetsand workingcapitalandto which shall be allocatedup to 100%ofthe remainingprofitsafterthedeductions and destinationsestablishedin items"a","b"and"c"ofitemIVabove.Thetotalamountprovisioned in such reserve shall norexceed the total amount of the Company's Capital Stock.

ThirdParagraph-IfdulyauthorizedbytheBoard ofDirectors, theCompanymayelectto distribute interim dividends, ad referendum by the General Shareholders' Meeting.

Fourth Paragraph -The Companymayelectto payor creditinterestsasremuneration ofits own capitalcalculatedontheaccounts ofthenet worth, indue observance of the rate and limits determined by law.

ARTICLE36<u>37</u>–Theamountofdividendsshallbeplacedattheshareholdersdispositionwithina maximum term of sixty (60) days as from the date of their allotment, and may be monetarily adjusted, if so determinedby theBoardof Directors, subject to theapplicable legal provisions.

ARTICLE37<u>38</u>-Thefinancialstatementsandaccounts of the Company shall be audited on an nual basis by internationally recognized independent accountants.

CHAPTER IXVIII

LIQUIDATION

ARTICLE3839 -TheCompanyshallbeliquidatedinthecasesprovidedbylaw,andtheGeneral Shareholders'Meetingshalldetermine theformofliquidation,appointtheliquidatorandthe members of the Fiscal Council, which shalloperate during the liquidation, and establish their compensation.

CHAPTER XIX

FINAL PROVISIONS

ARTICLE3940 –Thevaluesin U.S.Dollarsmentionedhereinshallbe exclusivelyused as referenceformonetaryupdateandshallbeconvertedinReaisusingtheaverageexchange rate for the U.S. Dollar published by the Central Bank of Brazil.

ARTICLE 40 - **ARTICLE41** - The casesnotregulated in these by-laws shall be solved in conformity with current applicable legislation.

ARTICLE 41

-<u>ARTICLE42-</u>Thepresentby-lawsshallcomeintoeffectasofthedateofitsapprovalbythe General Shareholders Meeting.

ANNEX II

Detailed report on the source and justification of the proposed amendments

In general terms, the proposed amendments have as purpose:

(a)<u>Change on the Company's Capital Stock</u>: amendment to the Article 4 in order to reflect the current numbers of the capital stock and of shares of the Company, having regard to the recent increases in the Company's capital stock, as approved by the Board of Directors, in view of the exercise of stock options within the Stock Option Plan, within the limits of the Company's authorized capital;

(b)<u>Creation of the Committee of Corporate Governance</u>: amendment to the Article 19, as renumbered, in order to provide for the establishment of the Committee of Corporate Governance, which shall analyze the Company's current structure and practices and make recommendations and suggestions with the purpose to improve the Company's corporate governance practices;

(c)<u>Creation of the Company's Audit Committee</u>: amendment to the Articles 19, 20 e 21 in order to provide for the establishment of the Audit Committee, as well as to provide certain rules applicable to it, with the purpose to improve the Company's corporate governance practices. The establishment of the Audit Committee should be incentivised by shareholders and management, and is aligned with the most recent regulations issued by CVM, the authority responsible for the supervision of the Company's practices and conduct, who has expressed the following opinion on this matter: "within the efforts to improve the quality of financial statements of Brazilian publicly-held companies, CVM recognises that the existence of an audit committee can substantially improve the supervision and monitoring of the services rendered by independent auditors. Such body, which already exists in several Brazilian publicly-held companies, is responsible for, among other things, supervising the activities of external independent auditors, mitigating possible independence problems or conflicts in such activities[‡];

¹Passage from CVM's Public Hearing Report SNC No. 10/11, dated 14th of July, 2011, which gave rise to the CVM Instruction No. 509/11.

(d)<u>Rules regarding the Fiscal Council</u>: amendment to the caput and first paragraph of Article 29, which becomes Article 30 by renumbering due to the inclusion of new articles, in order to provide that the Fiscal Council will operate on a non-permanent basis, being installed in the legal hypotheses, as well as to eliminate the provision for members of the Fiscal Council to remain in office until the investiture of their successors(since the Fiscal Council shall be non-permanent), with the purpose to make the Company's management more efficient, especially in view of the new Audit Committee;

(e)<u>Change on Certain Rules Regarding the Composition and Operation of the Company's</u> <u>Special Committees</u>:

(e.1) amendment to the first paragraph of Article 19, as renumbered, in order to provide that the Special Committees may have in their composition an external member, as defined in the proposed Bylaws, with the purpose to improve the performance of such Committees in light of the contribution that specialized professionals can bring them; and

(e.2) amendment to the third paragraph of Article 19, as renumbered, in order to provide that the meetings of the Special Committees may be called by their respective Chairman, without prejudice to the prerogative of the Chairman of the Board of Directors to call it, with the purpose to improve the performance of such Committees and to solidify the Company's corporate governance practices;

(f)<u>Removal of the Advisory Board</u>: removal of the Articles 27 and 28 and of the fourth paragraph of the Article 15 in order to remove from the Bylaws the provisions that established the existence of the Advisory Board, with the purpose to make the Company's management more efficient, aligned with the proposal for the improvement of the Company's corporate governance structure, given that the amendments comprise the establishment of two other Committees, one of which is the Corporate Governance Committee, which shall be responsible for the functions currently performed by the Advisory Board;

(g)Change on Certain Rules of Composition and Operation of the CBD Board of Directors:

(g.1)amendment to the Article 13 in order to remove the requirement of being a Company shareholder to be able to be elected as member of the CBD Board of Directors, in order to reflect the new provisions of Law No. 6,404/76;

(g.2) amendment to the first paragraph of Article 15 to reduce from seven (7) to five (5) days the period within the Chairman shall comply with requests to call a Board of Directors meeting presented by other Director, with the purpose to make the decision-making process of the Board of Directors more efficient and speedy;

(g.3) amendment to the third paragraph of Article 15 in order to establish that the minimum quorum required for the installation of the meetings of the Board of Directors shall be, on first call, ten (10) Board members and, on second call, eight (8) Board members, with the purpose to make the performance of the Board of Directors more efficient. The current wording of the Bylaws only establishes a quorum of ten (10) Board members for the installation of meetings of the Board of Directors without differentiating whether the relevant meeting was called for the first or second time. The purpose is then to establish different quorums, depending on whether the meeting was called for the first or second time, so as to make the decision-making process of the Board of Directors more speedy and efficient;

(g.4) amendment to the sole paragraph of Article 16 in order to facilitate the remote participation by Directors in meetings of the Board of Directors of the Company, with the purpose to make the performance of the Board of Directors more efficient; and

(g.5) amendment to the Article 17 in order to provide that the Board of Directors of the Company will have a Rules of Procedures, to be approved by the majority of its members, as well as that the functions of the Executive Secretary of the Board shall be defined in such Rules, with the purpose to make the performance of the Board of Directors more efficient and improve its corporate governance practices. The adoption of the Rules of Procedure for the Board of Directors, as widely known, is a highly incentivized practice and is frequently adopted by publicly-held companies' boards of directors, with the purpose to make performance of the board's activities clearer and improve its functioning, which will obviously meet the Company's interests. In fact, the companies whose Bylaws establish the possibility of adopting Rules of Procedure, and those which adopt such Rules without Bylaws' provision, amount to a significant proportion of 55% of the companies included in the IBOVESPA index and 46% of companies listed in BM&FBOVESPA's *Novo Mercado*;

(h) <u>Creation of the Position of Vice-Chairman of the Board of Directors of the Company</u>: The amendment intends to assure the good performance of the Company's Board of Directors, given its relevance for the conduction of the Company's affairs, avoiding any possible deadlock on the Company's activities, already establishing the functions to be performed by the Vice-Chairman. Note that such position is widely utilized as a good corporate governance practice within Brazilian companies. The position of Vice-Chairman of the Board of Directors is established in the Bylaws of 72.6% of companies listed in BM&FBOVESPA's *Novo Mercado*, and in the Bylaws of 67.1% of companies included in the IBOVESPA index.

(h.1) amendment to the Article 9, III, in order to establish as a power of the Shareholders General Meeting the election and destitution of the Chairman and also of the Vice-Chairman of the Board of Directors, with the purpose to adjust the Bylaws provisions to this new position;

(h.2) amendment to the Article 14 in order to reflect that the Board of Directors of the Company will have a Chairman and a Vice-Chairman, with the purpose to adjust the Bylaws provisions to this new position;

(h.3) amendment to the sole paragraph of Article 14 in order to establish that in case of absence or inability of the Chairman of the Board of Directors he may indicate another Director as his substitute, and that the Vice-Chairman shall replace the Chairman in case such substitute is absent or has not been indicated, with the purpose to make the performance of the Board of Directors more efficient;and

(h.4) amendment to the Article 16 in order to provide that the Board of Directors meetings shall be chaired by its Chairman, or in his absence by another Director indicated by the Chairman as his substitute, and that the Vice-Chairman shall replace the Chairman in case such substitute is absent or has not been indicated, with the purpose to make the performance of the Board of Directors more efficient.

ANNEX III

Report on the legal and economic effects of the proposed amendments to the Bylaws

In compliance with Section 11, item II of CVM Instruction No. 481/2009, this report details and analyses the legal and economic effects of the proposed amendments to the Company's Bylaws (<u>"Bylaws</u>"), as approved by its Board of Directors in a meeting held on the 2th of September, 2012, at 5:00pm (<u>"Proposal</u>s"), and that shall be decided on by the General Shareholders Meeting to be held on the 18th of October, 2012.

As indicated above, the Proposals have the effect of: (a) changing the Company's capital stockin order to reflect the current numbers of the capital stock and of shares of the Company; (b) creating the Committee of Corporate Governance; (c) creating the Company's Audit Committee, as well as providing for certain rules applicable to it; (d) changing certain rules regarding the Fiscal Council; (e) changingcertain rules regarding the composition and operation of the Company's Special Committees; (f)removing the Advisory Board; (g) changingcertain rules regarding the Company's Board of Directors; and (h) creating the position of Vice-Chairman of the Board of Directors of the Company.

With the purpose to make identification and comprehension of the Proposals, each of the changes and their effects are presented in detail in the comparative chart below, which shows, from the left to the right, (i) the version of the Bylaws currently in force (without the proposed changes), (ii) the new versionproposed by the Board of Directors (without comparing it with the version currently in force), (iii) the compared version (highlighting all differences between the current wording and the proposed wording), and (iv) the comments and justifications in relation to each one of the proposed changes, analysing the possible legal and economic effects.

Bylawsof			
COMPANHIA	Bylawsof	Bylawsof	
BRASILEIRA DE DISTRIBUIÇÃO	COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO		Wording adjustment in the
CNPJ/MF n. 47.508.411/0001-56	CNPJ/MF n. 47.508.411/0001-56	CNPJ/MF n. 47.508.411/0001-56	version. No
NIRE 35.300.089.901	NIRE 35.300.089.901	NIRE 35.300.089.901	economic or legal
Authorized-Capital Publicly-Held Corporation	Authorized-Capital Publicly-Held Corporation	Authorized-Capital Publicly-Held Corporation	effect.

CHAPTER I - NAME, HEAD OFFICE, PURPOSE AND DURATION		
ARTICLE 1 - COMPANHIA BRASILEIRA D DISTRIBUIÇÃO is a stock corporation with head offices and jurisdiction at Av. Brigadeiro Luís Antonio, No. 3142, in the City of São Paulo, Federative Republic of Brazil, hereinafter governed by these By-laws by Law 6,404 dated December 15, 1976, as amended, and other applicable legal provisions.	ARTICLE 1 - COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO is a stock corporation with head offices and jurisdiction at Av. Brigadeiro Luís Antonio, No. 3142, in the City of São Paulo, Federative Republic of Brazil, hereinafter governed by these By-laws, by Law 6,404 dated December 15, 1976, as amended, and other applicable legal provisions.	CHAPTER I -NAME, HEAD DISTRIBUICAD ARTICLE 1 - COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO is a stock corporation with head offices and jurisdiction at Av. Brigadeiro Luís Antonio, No. 3142, in the City of São Paulo, Federative Republic of Brazil, hereinafter governed by these By-laws, by Law 6,404 dated December 15, 1976, as amended, and other applicable legal provisions.

Sole Paragraph – Upon

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the Company's	Sole Paragraph – Upon		
admission to the special	the Company's admission	Sole Paragraph – Upon the	
listing segment called	to the special listing	Company's admission to the	
Corporate Governance	segment called Corporate	special listing segment called	
Level 1 for the	Governance Level 1 for the	Corporate Governance Level	
BM&FBOVESPA S.A. –	BM&FBOVESPA S.A Bolsa	1 for the BM&FBOVESPA S.A.	_
Bolsa de Valores,	de Valores, Mercadorias e	Bolsa de Valores, Mercadorias	,)
Mercadorias e Futuros	Futuros ("BM&FBOVESPA")	,e Futuros ("BM&FBOVESPA"),	
("BM&FBOVESPA"), the	the Company, its	the Company, its	
Company, its	shareholders,	shareholders, Administrators	Wording
shareholders,	Administrators and	and members of the Fiscal	unchanged.
Administrators and	members of the Fiscal	Council, when installed,	
members of the Fiscal	Council, when installed,	subject themselves to the	
Council, when installed,	subject themselves to the	provisions of the	
subject themselves to	provisions of the	Regulamento de Listagem do	
the provisions of the	Regulamento de Listagem	Nível 1 de	
Regulamento de	do Nível 1 de	GovernançaCorporativa da	
Listagem do Nível 1 de	GovernançaCorporativa da	BM&FBOVESPA ("Level 1	
GovernançaCorporativa	BM&FBOVESPA ("Level 1	Regulation").	
da BM&FBOVESPA	Regulation").	-	
("Level 1 Regulation").	-		

that the sale of such products is not prohibited by law.	ARTICLE 2 - The corporate purpose of the Company is the sale of manufactured, semi- manufactured or raw products, both Brazilian and foreign, of any type or species, nature or quality, provided that the sale of such products is not prohibited by law.	ARTICLE2 -Thecorporatepurpose oftheCompanyisthesaleofmanufac	t ນຍາຮອ່ວ<mark>ກ</mark>emimanufac Wording ກ ະເຫຼີງມາຣຸປາກິະຍາງ typeorsເ in the
First Paragraph The Company ma also engage in th following activitie	e in the following activities:	First Paragraph - The Company may also engage in the following activities:	Wording unchanged.

exportation, importation and representation of food or non-food products either on its own or through third	a) manufacture, processing, handling, transformation, dexportation, importation and representation of food or non-food products either on its own or through third	a) manufacture, processing, handling, transformation, exportation, importation and representation of food or non-food products either on its own or through third parties;	Wording unchanged.
parties; b) internationa trade, including that involving coffee; c) importation, distribution and	including that involving coffee;	b) international trade, including that involving coffee;	Wording unchanged.
sale of cosmeti products for hygienic or make-up purposes, toiletries, sanitary and related products and food supplements;		c) importation, distribution and sale of cosmetic products for hygienic or make-up purposes, toiletries, sanitary and related products and food supplements;	Wording unchanged.

d) sale of drugs and medicines, pharmaceutical and homeopathic specialties, chemical products, d) sale of drugs and accessories, medicines, pharmaceutical dental care and homeopathic specialties, d) sale of drugs and medicines, equipment, chemical products, pharmaceutical and homeopathic tools and accessories, dental care specialties, chemical products, equipment for accessories, dental care equipment, tools and surgery, equipment for surgery, equipment, tools and equipment production of for surgery, production of chemical Wording production of chemical chemical products and pharmaceutical products and pharmaceutical unchanged. products and specialties, with the specialties, with the possibility that pharmaceutical specialties, with sthe Courses and activities such activities of the Company are of the Company are specialized as Drugstore, Allopathic the possibility specialized as Drugstore, Drugstore, Homeopathic Drugstore that such Allopathic Drugstore, or Manipulation Drugstore of each activities of the Homeopathic Drugstore or specialty; Company are Manipulation Drugstore of specialized as each specialty; Drugstore, Allopathic Drugstore, Homeopathic Drugstore or Manipulation Drugstore of

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each specialty;

 e) sale of oil products, filling up of fuels of any kind, rendering of technical assistance services, garage, repair, washing, lubrication, sale of accessories and other similar services, of any vehicles; f) sale of 	e) sale of oil products, filling up of fuels of any kind, rendering of technical assistance services, garage, repair, washing, lubrication, sale of accessories and other similar services, of any vehicles;	e) sale of oil products, filling up of fuels of any kind, rendering of technical assistance services, garage, repair, washing, lubrication, sale of accessories and other similar services, of any vehicles;	Wording unchanged.
clinic and	f) sale of products, drugs and general veterinary medicines; veterinary consultation, clinic and hospital and pet shop with bath and shearing service;	f) sale of products, drugs and general veterinary medicines; veterinary consultation, clinic and hospital and pet shop with bath and shearing service;	Wording unchanged.
g) rental of any recorded media;	g) rental of any recorded media;	g) rental of any recorded media;	Wording unchanged.

 h) provision of photo, film and similar studio services; i) execution 	h) provision of photo, film and similar studio services;	h) provision of photo, film and similar studio services;	Wording unchanged.
and administration of real estate transactions, purchasing, promoting subdivisions and incorporations, leasing and selling real estate properties on the Company's own behalf as well as for third parties;		i) execution and administration of real estate transactions, purchasing, promoting subdivisions and incorporations, leasing and selling real estate properties on the Company's own behalf as well as for third parties;	wording

j) acting as distributor, agent and representative of merchants and industrial concerns established in Brazil or abroad and, in such capacity, for consignors or on its own behalf acquiring, retaining, possessing and carrying out any operations and transactions in its own interests or on behalf of such consignors;	on its own behalf acquiring, retaining, possessing and carrying out any operations and transactions in its own interests or on behalf of such consignors;	j) acting as distributor, agent and representative of merchants and industrial concerns established in Brazil or abroad and, in such capacity, for consignors or on its own behalf acquiring, retaining, possessing and carrying out any operations and transactions in its own interests or on behalf of such consignors;	Wording unchanged.
 k) provision of data processing services; 	k) provision of dataprocessing services;	k) provision of data processing services;	Wording unchanged.

I) building and construction services of all kinds, either on its own behalf or for I) building and construction third parties, services of all kinds, either on I) building and construction services purchase and its own behalf or for third of all kinds, either on its own behalf or for third parties, purchase and sale of parties, purchase and sale of Wording construction construction materials and sale of construction materials and unchanged. materials and installation and maintenance installation and maintenance of air installation of air conditioning systems, conditioning systems, cargo loaders cargo loaders and freight and freight elevators; and maintenance elevators; of air conditioning systems, cargo loaders and freight elevators; m) utilization products and **m)** utilization of sanitary of sanitary **m**) utilization of sanitary products Wording products and related products; and related products; unchanged. related products;

o)

marketing, including for bars, cafes and restaurants, which may	o) communication services, general advertising and marketing, including for bars, cafes and restaurants, which may extend to other compatible or connected areas, subject to any legal restrictions;	o) communication services, genera advertising and marketing, including for bars, cafes and restaurants, which may extend to other compatible or connected areas, subject to any legal restrictions;	l Wording unchanged.
sale and distribution of books, magazines, newspapers, periodicals and similar products;	 p) purchase, sale and distribution of books, magazines, newspapers, periodicals and similar products; 	p) purchase, sale and distribution of books, magazines, newspapers, periodicals and similar products;	Wording unchanged.
q) performance of studies, analysis, planning and markets research;	q) performance of studies, analysis, planning and markets research;	q) performance of studies, analysis, planning and markets research;	Wording unchanged.

 r) performance of market test for the launching of new products, packing and labels; 	r) performance of market test for the launching of new products, packing and labels;	r) performance of market test for the launching of new products, packing and labels	
 s) creation of strategies and analysis of "comportamentosetorial de vendas", of special promotions and advertising; 	and analysis of	s) creation of strategies and analysis of "comportamentosetorial de vendas", of special promotions and advertising;	Wording unchanged.
t) provision of management services of food, meal, drugstore, fuel and transportation vouchers/cards and other cards resulting from the activities related to its corporate purpose; and	t) provision of management services of food, meal, drugstore, fuel and transportation vouchers/cards and other cards resulting from the activities related to its corporate purpose; and	t) provisionofmanagementserv food,meal,drugstore,fueland vouchers/cards and othercardsresulting from the activities relatedto its corporate purpose; and	transportation Wording

its own or third-party furnishings;	 u) leasing and subleasing of its own or third-party furnishings; 	u) leasing and subleasing of its own or third-party furnishings;	Wording unchanged.
 v) provision or management services; and w) representation of other companies, both Brazilian 	services; and	v) provision of management services; and	Wording unchanged.
and foreign, and participation as a partner or shareholde in the capital stock of other companies irrespective of their form or object of same, and in commercial enterprises of any nature.	their form or object of same, and in commercial enterprises of any nature.	foreign, and participation as a partner or shareholder in the capital stock of other companies irrespective of their form or object of same, and in commercial	Wording unchanged.

Second Paragraph

- The Company may provide guarantees or collateral for business transactions of its interest, although it must not do so merely as	Company may provide guarantees or collateral for business transactions of its interest, although it must not do so merely as a favor.	Second Paragraph - The Company may provide guarantees or collateral for business transactions of its interest, although it must not do so merely as a favor.	Wording unchanged.
a favor. ARTICLE 3 The Company's term of duration shall be indefinite.	- ARTICLE 3 - The Company's term of duration shall be indefinite	ARTICLE 3 - The Company's term of duration shall be indefinite.	Wording unchanged.

CHAPTER II

CAPITAL STOCK AND SHARES

ARTICLE 4 - The

CHAPTER II

CAPITAL STOCK AND SHARES

Company Capital is R\$6,689,239,643.41 (six billion, six hundred eighty-nine **ARTICLE 4** - The Company million, two hundred Capital is R\$ thirty-nine thousand, 6,701,818,241.81 (six six hundred forty-three Brazilian one million, eight hundred cents), fully paid in hundred and forty one and divided into two Brazilian Reais and eighty hundred sixty-two million, one hundred divided into two hundred and fifty thousand, nine hundred sixty-one (262, 150, 961)shares with no par value, of which ninety-nine million, six hundred seventy-nine thousand and eight (99,679,851) are common hundred fifty-one (99,679,851) are common shares and three hundred and seventy one hundred sixty-two million, four hundred seventy-one thousand, one hundred and ten (162,471,110) are preferred shares.

billion, seven hundred and one cents), fully paid in and and sixty three million, fifty six thousand and one hundred and sixty seven (263,056,167) shares with no par value, of which ninety nine million, six hundred and seventy nine thousand and eight hundred and fifty one shares and one hundred and sixty three million, six thousand and three hundred and sixteen (163,376,316) are preferred shares. shares.

CHAPTER II Wording CAPITAL STOCK AND SHARES the current numbers of the capital ARTICLE4 - The stock and CompanyCapitalis of shares of R\$6,689,239,643.41 the 6,701,818,241.81 (sixbillion, Company, sixseven hundredeighty-nineand having one million, twoeight hundred regard to thirty-nineand the recent eighteenthousand, sixtwo increases in Reais and forty-one and eighteen thousand, two Brazilian Reaisand forty-eighty hundred and forty-three one the Company's one cents), fully paidinanddividedintotwohundredand capital, as sixty-two threemillion, one approved hundred and fiftysix thousand, by the nine and one hundred and Board of sixty-one (262,150,961 seven Directors, (263,056,167) shares with no par in view of value, of which ninetythe ninemillion, sixhundred and exercise of seventyninethousandandeighthundredand fifty ang(00.670.951) are options fifty-one(99,679,851) are within the common Stock sharesandonehundredand Option sixty-two threemillion, fourthree Plan, within hundred _and seventy-one _six the limits of thousand, one and three the hundred and ten Company's (162,471,110<u>sixteen</u> authorized (163,376,316) are preferred capital;

First Paragraph -

The shares of capital stock are indivisible First Paragraph - The shares First Paragraph - The shares of in relation to of capital stock are indivisible the Company in relation to the Company and each and each common entitles its common owner to one vote at the entitles its General Shareholders' Meetings. owner to one Meetings. vote at the General Shareholders' Meetings.

capital stock are indivisible in relation to the Company and each common entitles its owner to one vote at the General Shareholders'

Wording unchanged.

Third Paragraph Shareholders can, at any time, conver common shares into preferred shares, since they are paid-up and observing th limit of article 5 below. Conversion requests should be sent in writing to the Executive Officers Committee ("Diretoria") Conversion requests received by the Executiv Officers Committee ("Diretoria") Should be ratified on the first Board of Directors' meeting, since the conditions above are complied with.	rt rt e Third Paragraph – Shareholders can, at any time, convert common shares into preferred shares, since they are paid-up and observing the limit of article 5 below. Conversion requests should be sent in writing to the Executive Officers Committee ("Diretoria") should be ratified on the first Board of Directors' meeting, since the conditions above are complied with. Third Paragraph -Shareholders can, at any time, convert common shares into preferred shares, since they are paid-up and observing the limit of article 5 below. Conversion requests received by the Executive Officers Committee ("Diretoria") should be ratified on the first Board of Directors' meeting, since the conditions above are complied	
with.	47	

Fourth Paragraph

- The cost of the service of transferring the ownership of the book-entry shares charged by the depositary financial institution may be passed on to the paragraph of Article 35 of Law No. 6,404 dated 12/15/76, subject to the maximum limits established by the **Brazilian Securities** Exchange Commission ("Comissão de ValoresMobiliários").

Fourth Paragraph -The

cost of the service of transferring the ownership of the book-entry shares charged by the depositary passed on to the pursuant to the third the third paragraph of Article 35 of Law No. 6,404 dated 12/15/76, subject to the maximum limits established by the Brazilian Securities Exchange Securities Exchange Commission ("Comissão de ValoresMobiliários"). ValoresMobiliários").

Fourth Paragraph --The cost of the service of transferring the ownership of the book-entry shares charged by the financial institution may be depositary financial institution may be passed on to the shareholder, pursuant to the Wording third paragraph of Article 35 of unchanged. Law No. 6,404 dated 12/15/76, subject to the maximum limits established by the Brazilian Commission ("Comissão de

ARTICLE 5 -

The Company is entitled to issue new shares without maintaining proportion between types and/or classes of the existing shares, provided that the number of preferred shares shall not exceed the limit of two thirds (2/3) of the total issued shares. First	ARTICLE 5 - The Company is entitled to issue new shares without maintaining proportion between types and/or classes of the existing shares, provided that the number of preferred shares shall not exceed the limit of 2/3 (two thirds) of the total issued shares.	ARTICLE5 -The Companyisentitledtoissuenew a shareswithoutmaintainingproportion betweentypesand/orclassesof theexistingshares,providedthatthenu shares shall not exceed the limit of <u>2/3(</u> two thirds (2/3) ofthe total issued shares.	Wording unchanged on the Portuguese version. Wording mberofpreferred adjustment on the English version with no economic or legal effect.
Paragraph The preferred shares shall be entitled to the following privileges and preferences	First Paragraph - The preferred shares shall be entitled to the following privileges and preferences:	First Paragraph - The preferred shares shall be entitled to the following privileges and preferences:	Wording unchanged.

a) priority in the reimbursement of capital, in an amount a) priority in the calculated by reimbursement of capital, in **a)** priority in the reimbursement of an amount calculated by capital, in an amount calculated by dividing the Capital Stock by dividing the Capital Stock by dividing the Capital Stock by the Wording number of outstanding shares, the number of the number of outstanding unchanged. outstanding shares, without premium, in without premium, in the event of shares, without the event of liquidation of the liquidation of the Company; premium, in the Company; event of liquidation of the Company; **b)** priority in the receipt of a minimum annual dividend **b**) priority in the receipt of a **b)** priority in the receipt of a in the amount minimum annual dividend in minimum annual dividend in the of R\$ 0.08 the amount of R\$ 0.08 (eight Wording amount of R\$ 0.08 (eight cents of (eight cents of cents of Real) per one (1) unchanged. Real) per one (1) preferred share, preferred share, on a Real) per one on a non-cumulative basis: (1) preferred non-cumulative basis; share, on a non-cumulative basis;

c)

participation under equal conditions as the common shares in the distribution of bonus shares resulting from capitalization of reserves or retained earnings; and

 c) participation under equal conditions as the common shares in the distribution of bonus shares resulting from capitalization of reserves or retained earnings; and
 Wording unchanged.

d) **d**) participation in the **d**) participationinthe receiptof dividendas Adjustment participationreceipt of dividend as setforthinArticle 35,36,IV,item"c" of in the in the set forth in Article 36, theseBy-Laws, wording due IV, item "c" of these whichshallbedistributedforthecommonandpreferted sharessoastof receipt of dividend as By-Laws, which shall share shall beascribed a dividend ten percent renumbering set forth in be distributed for the (10%)higherthanthedividendassignedtoeach of the Article 35, common and common share, pursuant to the provisions articles. No IV, item "c" preferred shares so as of Article 17, firstparagraph, of Law legal or of these to for each preferred No.6,404/76, as amended by Law No. economic share shall be 10,303/01, including, for purposes of such By-Laws, effect. which shall ascribed a dividend calculation, in the sum of the totalamountofdividendspaidtothepreferredshares, the amount paida ten percent (10%) be distributed higher than the setforthinitem"b"ofthis FirstParagraph. dividend assigned to for the each common share, common pursuant to the and provisions of Article preferred shares so as 17, first paragraph, of to for each Law No. 6,404/76, as amended by Law No. preferred share shall 10,303/01, including, be ascribed for purposes of such a dividend calculation, in the sum ten percent of the total amount of (10%) dividends paid to the higher than preferred shares, the the dividendamount paid as assigned to minimum dividend set forth in item "b" of each this First Paragraph. common share, pursuant to the provisions of Article 17, first paragraph, of Law No. 6,404/76, as amended by Law No. 10,303/01, including, for purposes of such calculation, in the sum of the total

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amount of dividends paid to the preferred shares, the amount paid as minimum dividend set forth in item "b" of this First Paragraph.

preferred shares shall have no voting rights. Second Paragraph - The preferred Wording shares shall have no voting rights. Second Paragraph - The preferred Wording unchanged.	shares shall p have no voting			5
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ARTICLE 6 -

above.

The Company is authorized to increase its **Capital Stock** by resolution of the Board of Directors Wording without the **ARTICLE 6 -** The Company is unchanged ARTICLE6-TheCompanyisauthorizedtpincreaseitsCapita BoardofDirectorswithouttheneedtoamendmenttheCompa 400,000,000 (four hundredmillion need to authorized to increase its amendment Capital Stock by resolution of the Companythe Board of Directors without 400,000,000 (four hundredmillion (400,000,000) shares, through issuance adjustment by-laws, up the need to amendment the to the limit of Company by-laws, up to the ofnewcommonorpreferred shares, 400,000,000 limit of four hundred million in the with due regard to he limit (400,000,000) shares, through English (four established in article 5 above. hundred issuance of new common or version million) preferred shares, with due with no regard to the limit established shares, economic in article 5 above. through or legal effect. issuance of new common or preferred shares, with due regard to the limit established in article 5

First Paragraph - The limit of the Company's authorized capital shall only be modified by decision of a General Shareholders Meeting.	The limit of the Company's authorized capital shall only be modified by decision of a General Shareholders
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Second Paragraph - Within the limit of the authorized capital and in accordance second Paragraph - Within with the plan the limit of the authorized capital and in accordance capital and in accordance with Weeting, the General Shareholders Meeting, the General Shareholders Meeting, be loan approved by the Stock options the company may grant stock Metory of to the options to the members of its management management bodies or members of its management bodies or employees, or to individuals providing services to the modulas providing company.	Paragraph - Within the limit of the authorized capital and in accordance with the plan approved by the General ShareholdersSecond Paragraph - Within the limit of the authorized capital and in accordance with the limit of the authorized capital and in accordance with the plan approved by the General Shareholders Meeting, the Company may grant stock options to the members of itsSecond Paragraph - Within the limit of the authorized capital and in accordance with the plan approved by the General Shareholders Meeting, by the General Shareholders options to the members of its management bodies or employees, or to individuals providing services to the Company.Second Paragraph - Within the limit of the authorized capital and in accordance with the plan approved by the General Shareholders Meeting, the Company may grant stock options to the members of its management bodies or employees, or to individuals providing services to the Company.Second Paragraph - Within the limit of the authorized capital and in accordance with stock options to the members of its management bodies or employees, or to individuals providing services to the Company.Or to individuals providing services toCompany.Second Paragraph - Within the limit of the authorized capital and in accordance with the plan approved stock options to the members of its management bodies or employees, or to individuals providing services to the company.	Wording
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Directors, with the exclusion or reduction of the exclusion or reduction of the exclusion or reduction of the term for the exercise of preemptive rights, as provided in Article 172 of the term for the exercise of preemptive rights, as provided in Article 172 of Law No. 6,404/76.
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CHAPTER III

GENERAL SHAREHOLDERS	GENERAL SHAREHOLDERS		
MEETING		CHAPTER III	
General Shareholders' Meeting is the meeting of the shareholders. The	deliberarem sobre as matérias de interesse da Sociedade.	GENERAL SHAREHOLDERS MEETING ARTICLE 8 - The General Shareholders' Meeting is the Wording meeting of the shareholders. The unchanged shareholders may participate at the General Shareholders' Meetings either in person or through attorneys-in-fact appointed as provided by law, in order to resolve upon the matters of interest of the Company.	ł.

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CHAPTER III

ARTICLE 9 –

The General Meeting shall be instated and chaired by the Board of Directors Chairman, in ARTICLE 9 - The General his absence, Shareholders' Meeting shall be **ARTICLE9**-The Wording unchanged instated and chaired by the GeneralShareholders'Meeting shall bein the Executive Board of Directors Chairman. Officer and, instated and chaired by the Board of Portuguese in his absence, by the Chief Directors Chairman, in his absence, in his version. Executive Officer and, in his by the Chief Executive Officer and, in Wording absence, by absence, by an Officer his absence, by an Officer appointed adjustment an Officer appointed by the Board of by the Board by the Board of Directors in the Chairman.TheGeneralMeetingshallbec Ehedibly the General Meeting shall be of Directors Board of Directors Chairman version with called by the Board of andshallhave the following Chairman. no **Directors Chairman and shall** attributions: The General economic or have the following Meeting legal effect. attributions: shall be called by the Board of Directors Chairman and shall have the following attributions: I-the amendment I. the amendment to the I. the amendment to the Company's Wording to the Company's Bylaws; Bylaws; unchanged. Company's Bylaws;

 II -the appointment and removal of members of the Company's Board of Directors at any time;
 II. the appointment and removal of members of the Company's Board of Directors at any time;
 II. the appointment and removal of members of the Company's Board of Directors at any time;

II. the appointment and removal of members of the Company's Board of Unchanged. Directors at any time;

III -the appointment and removal of the Chairman of the Company's Board of Directors;III. the appointment and removal of the Chairman and the Vice-Chairman of the Company's Board of Directors;III. the appointment and removal of the Chairman and the Vice-Chairman of the Company's Board of Directors;III. the appointment and removal of the Chairman and the Vice-Chairman of the Company's Board of Directors;III. the appointment and removal of the Chairman and the Vice-Chairman of the Company's Board of Directors;III. the appointment and removal of the Chairman and the Vice-Chairman of the Company's Board of Directors;III. the appointment and removal of the Chairman and the Vice-Chairman of the Company's Board of Directors;III. the appointment and removal of the Chairman and the Vice-Chairman of the Company's Board of Directors;III. the appointment and removal of the Chairman and the Vice-Chairman of the Company's Board of Directors;III. the appointment and removal of the Chairman and the Vice-Chairman of the Company's Board of Directors;III. the appointment and removal of the Chairman and the Vice-Chairman of the Company's Board of Directors;III. the appointment and removal of the Chairman and the Vice-Chairman of the Chairman and the Vice-Chairman of the Chairman and the Vice-Chairman and the Vic	Vording mended in rder to stablish as a ower of the hareholders General leeting the lection and estitution of the Chairman nd also of the fice-Chairman f the Board of Directors, with he purpose to djust the ylaws rovisions to his new
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position;

V-the V. the approval of any issuance of common or approval of any issuance preferred shares up to the of common or limit of the authorized capital, as provided in Article 6 above preferred as provided in Article 6 above and/or any bonuses, debentures and/or any bonuses, shares up to the limit of the debentures convertible into its secured guarantee or securities or authorized shares or with secured capital, as quarantee or securities or provided in other rights or interests which exercisable for its shares, or any Article 6 are convertible or above and/or exchangeable into or any bonuses, exercisable for its shares, or any other options, warrants, debentures convertible rights, contracts or into its shares commitments of any characterotherwise acquire any shares and pursuant to which the or with Company is or may be bound subscription and payment; secured guarantee or to issue, transfer, sell, repurchase or otherwise securities or other rights or acquire any shares and the terms and conditions of interests which are subscription and payment; convertible or exchangeable into or exercisable for its shares, or any other options, warrants, rights, contracts or commitments of any character pursuant to which the Company is or may be bound to issue, transfer, sell, repurchase or otherwise acquire any shares and the terms and conditions of

V. the approval of any issuance of common or preferred shares up to the limit of the authorized capital, convertible into its shares or with other rights or interests which are convertible or exchangeable into or other options, warrants, rights, contracts or commitments of any character pursuant to which the Company is or may be bound to issue, transfer, sell, repurchase or the terms and conditions of

Wording

unchanged.

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subscription and payment;

VI -the approval of any appraisals of assets, which the vapproval of any appraisals of assets, which the shareholders may may contribute contribute for the formation for the vapproval of any appraisals of assets, which the shareholders may may contribute contribute for the formation of the Company's capital; formation of the Company's capital; VII -the	VI. the approval of any appraisals of assets, which the shareholders Wording may contribute for the formation of unchanged. the Company's capital;
approval of any proposal for change the corporate form, amalgamation, merger (including merger of shares - incorporação de ações), spin-off or split of the Company, or any other form of restructuring of the Company;	ações), spin-off or split of the unchanged.

VIII -the approval of any proposal for dissolution or liquidation of the Company, appointing or replacement of its liquidator(s);	VIII. the approval of any proposal for dissolution or liquidation of the Company, appointing or replacement of its liquidator(s);	VIII. the approval of any proposal for dissolution or liquidation of the Company, appointing or replacement of its liquidator(s);	Wording unchanged.
IX -the approval of the accounts of the liquidator(s); X -the establishment	IX. the approval of the accounts of the liquidator(s);	IX. the approval of the accounts of the liquidator(s);	Wording unchanged.
of the global annual	X. the establishment of the global annual compensation of the members of any management body of the	X. the establishment of the global annual compensation of the members of any management body of the Company, including fringe benefits;	Wording unchanged.

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XI -the approval or the amendment of the annual operating plan; XI. the approval or the amendment of the annual operating plan;

XI. the approval or the amendment Wording of the annual operating plan; unchanged..

XII -the approval of any agreement or the amendment in any agreement, directly or indirectly, between the Company and/or its affiliates and XII. the approval of any agreement or the amendment XII. the approval of any agreement any of its in any agreement, directly or or the amendment in any controlling shareholders indirectly, between the agreement, directly or indirectly, or their Company and/or its affiliates between the Company and/or its and any of its controlling affiliates and any of its controlling relatives, members of shareholders or their relatives, shareholders or their relatives, Wording members of its management members of its management bodies its unchanged. management bodies or any of its controlled or any of its controlled companies and affiliates thereto, exception bodies or any companies and affiliates of its thereto, exception made to made to those executed in the controlled those executed in the ordinary ordinary course of business, which course of business, which should be contracted at arms length companies and affiliates should be contracted at arms (market conditions); length (market conditions); thereto, exception made to those executed in the ordinary course of business. which should be contracted at arms length (market conditions); 69

XIII -the purchase, sale, disposal of or creation of lien on any asset of the Company or any other investment by the Company in an individual amount or cumulated over a fiscal year in excess of the amount in Reais equivalent to US\$ 100,000,000.00 (one hundred million U.S. Dollars) or in excess of an amount or in excess of an 6% (six per cent) of c the net worth ("patrimôniolíquido"), of the Company as higher; determined in its latest annual balance sheet, whichever is the higher;

XIII. the purchase, sale, disposal of or creation of lien on any asset of the Company or any other in an individual amount or cumulated over a fiscal year in excess of the amount in Reais equivalent to US\$ 100,000,000.00 (one hundred million U.S. Dollars) the net worth Company as determined in sheet, whichever is the

XIII. the purchase, sale, disposal of or creation of lien on any investment by the Company asset of the Company or any other investment by the Company in an individual amount or cumulated over a fiscal year in excess of the amount in Reais equivalent to US\$ 100,000,000.00 (one hundred million U.S. Dollars) or equal to 6% (six per cent) of courts of an amount equal to 6% (six per cent) of the net worth ("patrimôniolíquido") of the Company as determined in its latest annual balance sheet, whichever is the higher;

Wording unchanged.

Company of self-bankruptcy or of protection under any bankruptcy or reorganization law;	XIV. the approval of request by the Company of self-bankruptcy or of protection under any bankruptcy or reorganization law;	XIV - the approval of request by the Company of self-bankruptcy of of protection under any bankruptcy or reorganization law;	Wording unchanged.
exchanges or filing for new listings;	XV. the approval of any	XV -the approval of any delisting of shares of the Company for trading on stock exchanges or filing for new listings;	Wording unchanged.
•••		XVI – the approval of any change i the Company's dividend policy;	nWording unchanged

the Company of funds and the issuance of non-convertible debentures, in excess of an	inds and the issuance of on-convertible debentures, in ccess of an individual amount qual to two (2) times EBITDA of ne preceding twelve (12) months;
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Wording unchanged.

XVIII - the approval of any joint venture of the Company with a third parties involving an **XVIII.** the approval of any XVIII - the approval of any joint individual joint venture of the venture of the Company with a investment or Company with a third third parties involving an cumulated over a parties involving an individual investment or fiscal year in individual investment or cumulated over a fiscal year in excess of the cumulated over a fiscal vear excess of the amount in Reais amount in Reais in excess of the amount in equivalent to US\$ equivalent to US\$ Reais equivalent to US\$ 100,000,000.00 (one hundred 100,000,000.00 100,000,000.00 (one Wording million U.S. Dollars) or in excess (one hundred hundred million U.S. Dollars) unchanged. of an amount equal to six (6) million U.S. Dollars) or in excess of an amount percent of the net worth equal to six (6) percent of or in excess of an ("patrimôniolíquido") of the the net worth amount equal to Company as determined in its six (6) percent of ("patrimôniolíquido") of the latest annual balance sheet, the net worth Company as determined in whichever is the higher. ("patrimôniolíquido"its latest annual balance of the Company as sheet, whichever is the determined in its higher. latest annual balance sheet, whichever is the

higher.

ARTICLE 10 -

Any resolution of the General Shareholders' Meeting shall be taken by the approval ARTICLE 10 - Any resolution of of the General Shareholders' shareholders Meeting shall be taken by the representing approval of shareholders at least the representing at least the absolute majority of the absolute majority of present shareholders entitled to vote, except if qualified the present shareholders guorum is required by law. entitled to vote, except if qualified quorum is required by law.

ARTICLE10 –Anyresolutionofthe GeneralShareholders'Meeting shall betakenby the approval of shareholders representing at least the absolute majority of the presentWording shareholders entitled to vote, unchanged. except if qualified quorum is required by law.

ARTICLE 11 -

	ARTICLE 11 -The Annual Shareholders' Meeting shall have the attributions set forth in the law and shall take place during the first four months following the end of each fiscal year.		Wording
Whenever necessary, the General Shareholders' Meeting may be installed	Sole Paragraph - Whenever necessary, the General Shareholders' Meeting may be installed extraordinarily, and may be carried out	SoleParagraph -Whenevernecessa Meeting maybeinstalled extraordinarily, and may be carried out subsequently with the Annual Shareholders' Meeting.	
	subsequently with the Annual Shareholders' Meeting.	75	

CHAPTER IV

MANAGEMENT	CHAPTER IV	CHAPTER IV	
	MANAGEMENT	MANAGEMENT	
ARTICLE 12 - The Company shall be managed by a Board of Directors and an Executive Officers Committee.	ARTICLE 12 - The Company shall be managed by a Board of Directors and an Executive Officers Committee.	ARTICLE12 -TheCompanyshallben Officers Committee.	Wording unchanged. nanagedbyaBoardofI
First			
Board of Directors and the Executive Officers Committee shall be up to three (3) years, reelection being	the Board of Directors and the Executive Officers Committee shall be up to three (3) years, reelection being permitted.	membersoftheBoardofDirectorsan Executive Officers Committee sha be up to three (3)years, reelection	ll Wording
permitted.			

Committee, as Book of Minutes of the Boardthe case mayof Directors or of thebe. TheExecutive Officersinvestiture ofCommittee, as the case maythe membersbe. The investiture of theof the Board of members of the Board ofDirectors andDirectors and the Executivethe ExecutiveOfficers Committee shall beOfficersconditioned on priorCommitteeexecution of the Statementshall beof Consent of theprior execution terms of the provision in the	SecondParagraph-The Directorsand theExecutiveOfficersshalltakeoffice bysigningtheir oathsintheBookofMinutesoftheBoard asthe case maybe.The investiture ofthemembers oftheBoard ofDirectors andtheExecutive OfficersCommitteeshallbeconditioned onpriorexecutionoftheStatementofCo Administratorsunderthetermsofthe provisionintheLevel 1 Regulation,aswellascompliance with the applicable legal requirements.	Wording unchanged.
requirements.	77	

Section I	Section I		
The Board of Directors shal consist of at	t	Board of Directors	of the Company's Board of Directors, in order to

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of the occurrence of vacancy to fulfill such position permanently, until the end of the relevant term in office.

ARTICLE 14 - ARTICLE 14 - The Board of

The Board of Directors shall have a Directors shall Chairman and a have a Vice-Chairman, both Chairman, appointed by the General appointed by Shareholders' Meeting. the General Shareholders' Meeting.

ARTICLE14-TheBoardofDirectors Mandiagea Chairman,

and a Vice-Chairman, both appointedbytheGeneral Shareholders'Meeting. amended in order to reflect that the Board of Directors of the Company will have a Chairman and a Vice-Chairman, with the purpose to adjust the Bylaws provisions to this new position.

In the event of absence of the Chairman of the Board of Directors, he shall appoint, in writing, other Director to replace him, who will perform the Chairman's duties. In the event of permanent vacancy of the Chairman any of the Directors sha call a General	appointment, he shall be replaced by the Vice-Chairman of the Board of Directors, being that the one in replacement shall perform the Chairman's duties. In the event of permanent vacancy of the Chairman, the Vice-Chairman shall automatically take his position and call a General Shareholders' Meeting within fifteen (15) days from the date , of vacancy, for the appointment of the new I Chairman of the Board of Directors in permanent manner, until the end of the relevant term in office.	eventofabsenceofthe Chairmanof theBoardof Directors,he shall appoint, in writing, other Director to replace him, who will <u>be replaced by</u> another Director to be appointed by him, in writing, and in the absence of the latter or lack of gappointment, he shall be replaced by the Vice-Chairman of the Board of Directors, being that the one in replacement shall performtheChairman'sduties.Inth eventofpermanent vacancyof theChairman,any of the DirectorsVice-Chairmanshall	absence or inability of the Chairman of the Board of Directors, he may indicate another Director as his substitute, and
in office.			

ARTICLE 15 - The Board of Directors shall ordinarily meet at least five times every year, to review the financial and other results of the Company and to review and follow-up of the annual operating plan and shall extraordinarily meet whenever	ARTICLE 15 - The Board of Directors shall ordinarily meet a least five times every year, to review the financial and other results of the Company and to review and follow-up of the annual operating plan, and shal extraordinarily meet whenever necessary.	ARTICLE 15 - The Board of tDirectors shall ordinarily meet at least five times every year, to review the financial and other results of the Company and to review and follow-up of the annual operating plan, and shall extraordinarily meet whenever necessary.	Wording unchanged.
meet whenever necessary.			

Second Second Paragraph – The calls for the meetings of the Board of Paragraph -The calls for Directors shall be made in the meetings of writing, either by telex, facsimile the Board of or letter, with at least seven (7) Directors shall days in advance, including a be made in detailed agenda of the meeting Wording writing, either and specifying the place and amended by telex, date to be held on first call, in to facsimile or the event it is held on second establish letter, at least call, a three (3) business days SecondParagraph that the seven (7) days term between such dates must -Thecallsforthemeetings meetings prior to the be observed. Any proposal of oftheBoard ofDirectors shall of the date of each resolutions and all necessary bemadein writing, either by telex, Board of meeting, shall documentation related thereto facsimileor letter, with at least Directors shall be at the Board of Directors seven (7) days prior to the date of on second specify time and place and disposal at the Company's head each meeting, shall specify time call shall comprise a office. The meetings shall be heldand place and comprisein observe a advance, includingadetailed detailed regardless the respective call three (3) agendaofthemeeting and notice in case of attendance of agenda of the business all Directors in office at such specifying the place and date to meeting. Any days term be held on first call, in the event it from the proposal of time, or by the prior written resolutions and consent of the absents Directors. is held on second call, a three (3) date on business days term between such which all necessary dates must be observed. Any documentation such proposalof resolutionsandall related thereto meeting shall be at the necessarydocumentationrelated would be Board of thereto shall be atthe Board of held on Directors Directorsdisposalatthe first call, disposal at the Company'sheadoffice.Themeetingsshallbeeheldrega respective call notice in case of Company's the head office. attendance of all Directors in decision The meetings office at such time, or by the prior making writtenconsent of the absents shall be held process of regardless the Directors. the Board respective call more notice in case efficient of attendance and of all Directors speedy. in office at such time, or by the prior written consent of the absents

absents Directors.

presence of required for the installation of a according at least ten meeting of the Board of Directors articles 1 (10) on first call, and the presence of required members of at least eight (8) members of the meeting the Board of Board of Directors shall be on first ca Directors, required for the installation of a including meeting on second call. For members those purposes of the quorum required shall be r represented in this Paragraph, it shall include according to the members represented in the sole accordance with the sole quorum r paragraph of paragraph of articles 13 and 14 articles 13 above. and 14	those represented order to those represented order to to the sole paragraph ofestablish and 14 above, shall be that the minimum of the Board of Directors all, and the presence of ight (8) of the Board of Directors equired for the on of a meeting on all. For purposes of the equired in this h, it shall include the represented in ce beparagraphofarticles13amdd,4ambove. second call, eight (8) Board members, with the purpose to make the performance of the Board
	of the Board of Directors more

efficient.

vote.

ARTICLEARTICLE 16 - The Board of Directors meetings shall be presided by its Chairman, or in his absence by he shall be replaced by another Director to be appointed by him, and in the absence of the latter or lack of appointment, he shall be replaced by the Vice-Chairman or in its latter's absence, by other Director indicated by him.	to be appointed by him, and in the absence of the latter or lack	Wording amended in order to provide that the Board of Directors meetings shall be chaired by its Chairman, or in his absence by another Director indicated by the Chairman as his substitute, and that the Vice-Chairman shall replace the Chairman in case such substitute is absent or has not been indicated, with the purpose to make the performance of the Board of
--	--	--

Directors more

efficient.

Sole Paragraph –	Sole Paragraph -The	Sole Paragraph	Wording
The resolutions of	resolutions of the Board of	-TheresolutionsoftheBoardofDi	ræratenssænda i hoetaken b
the Board of	Directors shall be taken by	castbyits members, and in	order to (i)
Directors shall be	majority of votes cast by its	case of a draw, the Chairman	exclude the
taken by majority	members. Board members	of the Board shall cast the tie	provision
of votes cast by its	may partake of the meetings	braking vote, except as	regarding the
members, and in	of the Board of Directors	regards to the matters in	qualified vote
case of a draw, the	through e-conferencing,	which there is a conflict of	of the Board
Chairman of the	through video-conferencing	interests, in which case the	of Director's
Board shall cast the	or through any other means	Chairman shall abstain from	Chairman, in
tie braking vote,	of electronic	voting.Boardmembersmayparta	advælæfit ltu e meetingsoft l
except as regards	communications allowing the	ofDirectorsthroughe-conferenc	i ngatterolug hvideo-con
to the matters in	identification of the director	othermeansof	Company's
which there is a	and simultaneous	electroniccommunications,	Bylaws
conflict of interests,	,communication with all the	being construed as attending	compatible
in which case the	other ones attending the	the meeting and being	with the
Chairman shall	meeting. In this case,	required to confirm their vote	Shareholders
abstain from	directors will be considered	through a written	Agreement of
voting. Board	as present to the meeting	representation forwarded to	Wilkes
members may	and shall execute the	the Chairman of the Board by	Participações
partake of the	corresponding minutes of	letter, by facsimile or by e-mail	
meetings of the	such meeting.	right after the end of the	Company's
Board of Directors		meeting. Once said	controlling
through		representation has been	shareholder,
e-conferencing,		•	so as to
through		Board shall have been fully	reflect the
video-conferencing		empowered to sign the	current
or through any		minutes of the <u>allowing the</u>	control
other means of		identification of the director	structure in
electronic		and simultaneous	the Company
communications,		communication with all the	since Casino
being construed as		other ones attending the	has become
attending the		meeting. In this case, directors	
meeting and being		will be considered as present	controlling
required to confirm		to the meeting and shall	shareholder
their vote through		execute the corresponding	of the
a written		minutes of such meeting in the	
representation		name of said board member.	and (ii)
forwarded to the			facilitate the
Chairman of the		<u>correspondenteata</u> .	remote
Board by letter, by			participation
facsimile or by			by Directors
e-mail right after			in meetings
the end of the			of the Board
meeting. Once said			of Directors
representation has			of the
been received, the			Company,
Chairman of the			with the

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Board shall have been fully empowered to sign the minutes of the meeting in the name of said board member. purpose to make the performance of the Board of Directors more efficient

an Executive Secretary, appointed	majority of its members, and have an Executive Secretary, appointed by majority of the Directors, who shall perform the duties defined in the Rules of Procedure, as well as issue ycertificates and confirm, to third parties, the authenticity of resolutions taken by the Board of Directors.	ARTICLE17-TheBoard ofDirectorsshall <u>follow its Rules of</u> Procedure, to be approved by the majority of its members, andhaveanExecutiveSecretary, app of the Directors, whosewho shall perform the duties shall be defined in the meeting at which he is appointeddefined in the Rules of Procedure, as well as issue certificates and confirm, to third parties, the authenticity of resolutions taken by the Board of Directors.	order to provide that dhæædbanchøj ority Directors of
			performance

of the Board of Directors

efficient and improve its corporate governance practices.

more

ARTICLE 18

- In addition to the powers provided for ARTICLE 18 - In addition to the ARTICLE 18 - In addition to the powers provided for in the in the powers provided for in the Wording applicable law, the Board of applicable applicable law, the Board of unchanged. Directors shall have the powers law, the Directors shall have the powers to: Board of to: Directors shall have the powers to: a) set forth the general guidelines of**a)** set forth the general guidelinesa) set forth the general guidelines Wording of the Company's business; of the Company's business; unchanged. the Company's business; **b)** appoint and remove the Executive **b)** appoint and remove the b) appoint and remove the Executive Officers of the Officers of Executive Officers of the Wording Company, establishing their the Company, establishing their duties unchanged. duties and titles; and titles: Company, establishing their duties and titles;

c) supervise action of the Executive Officers of the Company, examine, at any time, the records and books of the Company, request information on agreements executed or to be executed and on any other acts or	c) supervise action of the Executive Officers of the Company, examine, at any time, the records and books of the Company, request information on agreements executed or to be executed and on any other acts or matters;	c) supervise action of the Executive Officers of the Company, examine, at any time, the records and books of the Company, request information on eagreements executed or to be executed and on any other acts or matters;	Wording unchanged.
matters; d) call the General Shareholders' Meeting;	-	' d) call the General Shareholders' Meeting;	Wording unchanged.

 e) issue an opinion on the report of the management, the accounts of the Executive Officers Committee and the financial statements of the Company; f) approve the issuance of shares of any type or class up to the limit of the authorized capital and establish the respective price and payment 	e) issue an opinion on the report of the management, the accounts of the Executive Officers Committee and the financial statements of the Company;	e) issue an opinion on the report of the management, the accounts of the Executive Officers Committee and the financial statements of the Company;	⁵ Wording unchanged.
	f) approve the issuance of	f) approve the issuance of shares of any type or class up to the limit of the authorized capital and establish the respective price and payment conditions;	Wording
conditions; g) appoint and remove the independent public accountants;	g) appoint and remove the	g) appoint and remove the ; independent public accountants;	Wording unchanged.

 h) issue an opinion on any and all proposals of h) issue an opinion on any and the Executive all proposals of the Executive Officers Officers Committee to be Committee to submitted to the General be submitted Shareholders' Meetings; to the General Shareholders' i) authorize the 	h) issue an opinion on any and al proposals of the Executive Officers Committee to be submitted to the General Shareholders' Meetings;	l Wording unchanged.
acquisition of shares of the Company for purposes of cancellation or maintenance in treasury;	i) authorize the acquisition of shares of the Company for purposes of cancellation or maintenance in treasury;	Wording unchanged.

j) develop, jointly with the Executive Officers Committee, and approve a profit			
sharing and additional benefits program for the members of the management bodies and for the employees of the Company (Profit Sharing Program);	(Front Sharing Frogram),	j) develop, jointly with the Executive Officers Committee, and approve a profit sharing and additional benefits program for the members of the management bodies and for the employees of the Company (Profit Sharing Program);	Wording unchanged.

k) define **k**) define the share of Company's **k**)define the share of Company's Wording the share of profits to be allocated to the Profit profits to be allocated to the Profit unchanged. Company's Sharing Program in due Sharing Program in due profits to be compliance with the applicable compliance with the applicable allocated to legal provisions, these By-laws legal provisions, these By-laws and and the Profit Sharing Program in the Profit Sharing Program in effect the Profit effect at such time. The amounts at such time. The amounts Sharing Program in expensed or accrued in each expensed or accrued in each fiscal due fiscal year by way of profit year by way of profit sharing in compliance sharing in addition to granting addition to granting option to with the option to purchase Company's purchase Company's stock shall be applicable stock shall be limited up to 15% limited up to 15% (fifteen per cent) legal (fifteen per cent) of the profit of the profit recorded in each fiscal provisions, recorded in each fiscal year after year after the pertinent deductions the pertinent deductions have have been effected in accordance these By-laws and been effected in accordance with with Article 189 of Law No. the Profit Article 189 of Law No. 6404/76; 6404/76: Sharing Program in effect at such time. The amounts expensed or accrued in each fiscal year by way of profit sharing in addition to granting option to purchase Company's stock shall be limited up to 15% (fifteen per cent) of the profit recorded in each fiscal vear after the pertinent deductions

have been

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effected in accordance with Article 189 of Law No. 6404/76;

plan to previously op approved by by the General M Shareholders	be issued under the stock otion plan previously approved y the General Shareholders eeting, provided that the limit stablished in item "I" above is	I) set forth the number of shares to be issued under the stock option plan previously approved by the General Shareholders Meeting, provided that the limit established in item "I" above is duly observed;	Wording unchanged.
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m) set up Committees, that shall be responsible for shall be responsible for making **m**) set up Committees, that **m**) set up Committees, that making proposals shall be responsible for making or proposals or recommendations and giving their opinions to the proposals or recommendations recommendations and giving their opinions to the Wording and giving their Board of Directors and set Board of Directors and set forth unchanged. opinions to the forth its respective **Board of Directors** its respective attributions, in attributions, in accordance and set forth its accordance with the provisions with the provisions of these of these Bylaws ; respective Bylaws ; attributions, in accordance with the provisions of these Bylaws;

n) approve the acquisition, sale, disposal or creation of any lien on any asset, including any real estate, of the Company or any **n)** approve the acquisition, **n)** approve the acquisition, other investments sale, disposal or creation of sale, disposal or creation of made by the any lien on any asset, any lien on any asset, including any real estate, of Company in an including any real estate, of individual amount the Company or any other the Company or any other or cumulated over a investments made by the investments made by the fiscal year in excess Company in an individual Company in an individual amount or cumulated over a of the amount in amount or cumulated over a Reais equivalent to fiscal year in excess of the fiscal year in excess of the US\$20,000,000.00 amount in Reais equivalent to amount in Reais equivalent to (twenty million U.S. US\$20,000,000.00 (twenty US\$20,000,000.00 (twenty Dollars) and up to million U.S. Dollars) and up to Wording million U.S. Dollars) and up to the amount in Reais the amount in Reais unchanged. the amount in Reais equivalent to equivalent to equivalent to US\$100,000,000.00 US\$100,000,000.00 (one US\$100,000,000.00 (one hundred million U.S. Dollars) (one hundred hundred million U.S. Dollars) million U.S. Dollars) or in excess of an amount or in excess of an amount equal to 1% (one percent) or in excess of an equal to 1% (one percent) and amount equal to 1% and up to 6% (six percent) of up to 6% (six percent) of the the net worth (one percent) and net worth (patrimôniolíquido) up to 6% (six (patrimôniolíquido) of the of the Company as determined percent) of the net Company as determined in its in its latest annual balance latest annual balance sheet, worth sheet, whichever is the higher; (patrimôniolíquido) whichever is the higher; of the Company as determined in its latest annual balance sheet, whichever is the higher; 100

Report of Foreign Private Issuer

financial arrangement involving the Company including the lending of	rincluding the lending o	
the issuance of	the issuance of	the issuance of
non-convertible and	non-convertible and	non-convertible and
unsecured debentures,	unsecured debentures,	unsecured debentures, Wording unchanged.
in excess of an	in excess of an	in excess of an
individual amount	individual amount	individual amount
equivalent to one half	equivalent to one half	equivalent to one half
(0.5) and up to two (2)	(0.5) and up to two (2)	(0.5) and up to two (2)
times EBITDA of the	times EBITDA of the	times EBITDA of the
preceding twelve (12)	preceding twelve (12)	preceding twelve (12)
months;	months;	months;

p) approve the joint venture of the Company with third parties involving an individual investment or **p)** approve the joint venture cumulated over a **p)** approve the joint venture of of the Company with third fiscal year up to the the Company with third parties parties involving an individual amount in Reais involving an individual investment or cumulated over investment or cumulated over equivalent to a fiscal year up to the amount US\$100,000,000.00 a fiscal year up to the amount in Reais equivalent to in Reais equivalent to (one hundred US\$100,000,000.00 (one million U.S. Dollars) US\$100,000,000.00 (one hundred million U.S. Dollars) hundred million U.S. Dollars) or up to an amount Wording or up to an amount equal to equal to 6% (six or up to an amount equal to unchanged. 6% (six percent) of the net percent) of the net 6% (six percent) of the net worth (patrimôniolíquido) of worth (patrimôniolíquido) of worth the Company as determined (patrimôniolíquido) the Company as determined in in its latest annual balance of the Company as its latest annual balance sheet, whichever is the higher determined in its sheet, whichever is the higher to be submitted to the to be submitted to the General latest annual General Shareholders' balance sheet, Shareholders' Meetings; and Meetings; and whichever is the higher to be submitted to the General Shareholders'

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Meetings; and

q) approve any and all agreement or amendment in any agreement, directly or indirectly, between the Company and/or its affiliates and **q)** approve any and all agreement or amendment in any **q)** approve any and all any of its agreement or amendment in any agreement, directly or indirectly, controlling agreement, directly or indirectly, shareholders between the Company and/or its between the Company and/or its affiliates and any of its or their affiliates and any of its controlling controlling shareholders or their relatives, shareholders or their relatives, members of relatives, members of its members of its management Wording management bodies and their its bodies and their affiliates, except unchanged. management affiliates, except from those from those matters under regular matters under regular course of bodies and course of business, which shall be their affiliates, business, which shall be executed under market except from executed under market conditions (armslength) to be those matters conditions (armslength) to be submitted to the General under regular submitted to the General Shareholders' Meetings. Shareholders' Meetings. course of business, which shall be executed under market conditions (armslength) to be submitted to the General Shareholders' Meetings. 103

	Section II	Section II	Wording
			altered in
	Committees	<u>Committees</u>	order to
			provide for the establishment
			of the Audit
	ARTICLE 19 - The Company	ARTICLE 19 – The Company sha	
	shall have as support	have three (<u>3as support</u>	well as to
	committee to the Board of	committee to the Board of	provide
	Directors an Audit Committee	Directors an Audit Committee	certain rules
	composed of three (3)	composed of three (3) members	_applicable to
	members, at least two (2) of	at least two (2) of which shall be	
	which shall be external and	external and independent	purpose to
	independent members	members ("External Members")	•
	("External Members"), observe	Article 21 and the Chapter V of	Company's
	the Chapter V of these	theseBy-Laws.	corporate governance
	By-Laws.	<u>incseby Laws.</u>	practices.The
	_,		establishment
No			of the Audit
corresponding			Committee
provision.			should be
			incentivized
			by shareholders
			and
			management,
			and is aligned
			with the most
			recent
			regulations
			issued by
			CVM, the
			authority responsible for
			the
			supervision of
			the
			Company's
			practices and
		104	conduct.
		104	

No corresponding provision.	First Paragraph - The members of the Audit Committee shall be elected by the Board of Directors and meet all the applicable independency requirements as set forth in the rules of the Securities and Exchange Comission.	First Paragraph - The members of the Audit Committee shall be elected by the Board of Directors and meet all the applicable independency requirements as set forth in the rules of the Securities and Exchange Comission.	Same as above.
No corresponding provision.	Second Paragraph - The External Members of the Audit Committee shall:	<u>Second Paragraph - The</u> <u>External Members of the Audit</u> Committee shall:	Same as above.
No	a) not be a member of the Board of Directors of the Company or of its controlled companies; and	a) not be a member of the Board of Directors of the Company or of its controlled companies; and	Same as above.
	b) have knowledge or experience in auditing, controls, accounting, taxation or rules applicable to publicly-held companies, in so far as they refer to the adequate preparation of their financial statements.	b) have knowledge or experience in auditing, controls, accounting, taxation or rules applicable to publicly-held companies, in so far as they refer to the adequate preparation of their financial statements.	Same as above.
No corresponding provision.	Audit Committee shall be elected by the Board of Directors for a term of office of one (1) year, with <u>reelection being permitted</u> for successive terms.	ARTICLE 20 – The members of the Audit Committee shall be elected by the Board of Directors for a term of office of one (1) year, with reelection being permitted for successive terms. First Paragraph - During their	Same as
corresponding provision.	First Paragraph - During their term of office, the members of the Audit Committee may not be replaced except for the following reasons:	term of office, the members of the Audit Committee may not be replaced except for the following reasons:	Same as above.
No corresponding provision.	a) death or resignation;	a) death or resignation:	Same as above.

No corresponding provision.	 b) unjustified absence from three (3) consecutive meetings or six (6) alternate meetings per year; or 	b) unjustified absence from three (3) consecutive meetings or six (6) alternate meetings per year; or	Same as above.
No corresponding provision.	c) a substantiated decision of the Board of Directors.	c) a substantiated decision of the Board of Directors.	Same as above.
No corresponding provision.	Second Paragraph - In the event of a vacancy in the Audit Committee, the Board of Directors shall elect a person to complete the term of office of the replaced member.	Second Paragraph - In the event of a vacancy in the Audit Committee, the Board of Directors shall elect a person to complete the term of office of the replaced member.	
No corresponding provision.	Third Paragraph -The Audit Committee shall:	<u>Third Paragraph -The Audit</u> <u>Committee shall:</u>	Same as above.
No corresponding	a) propose to the Board of Directors the nomination of the	a) propose to the Board of Directors the nomination of the	Same as
provision.	their replacement;	independent auditors as well as their replacement;	above.
provision. No	their replacement;	their replacement; b) review the management report and the financial statements of the	

No corresponding provision.	d) assess the effectiveness and sufficiency of the internal control structure and of the internal and independent audit processes of the Company and of its controlled companies, including in relation to the provisions set forth in the Sarbanes-Oxley Act, submitting the recommendations it deems necessary for the improvement of policies, practices and procedures;	<u>companies, including in relation to</u> <u>the provisions set forth in the</u> <u>Sarbanes-Oxley Act, submitting</u>	Same as above.
No corresponding provision.	 e) provide its opinion, upon request of the Board of Directors, with respect to the proposals of the management bodies, to be submitted to the Shareholders' Meetings, relating to changes to the capital stock, issuance of debentures or warrants, capital budgets, dividend distribution, transformation, merger, amalgamation or spin-off; and f) provide its opinion on the 	e) provide its opinion, upon request of the Board of Directors, with respect to the proposals of the management bodies, to be submitted to the Shareholders' Meetings, relating to changes to the capital stock, issuance of debentures or warrants, capital budgets, dividend distribution, transformation, merger, amalgamation or spin-off; and f) provide its opinion on the	Same as above.
No corresponding provision.	matters submitted to it by the Board of Directors, as well as on those matters it determines to be	matters submitted to it by the Board of Directors, as well as on those matters it determines to be	Same as above.
No corresponding provision.	relevant. ARTICLE 21 In the event the Fiscal Council is established as set forth in Law 6,404/76 and in Chapter V below, the Board of Directors shall resolve on the duties and activities to be performed by the Audit Committee during the period that the Fiscal Council is operating. The Board of Directors, based on its own discretion, is also entitled to opt for the suspension of the operation of the Audit Committee during the period that the Fiscal Council is operating, assigning to the later, all or part of the duties and functions of the Audit Committee, and with respect to its members, subject to all the requirements and limitations	relevant. ARTICLE 21 – In the event the Fiscal Council is established as set forth in Law 6,404/76 and in Chapter V below, the Board of Directors shall resolve on the duties and activities to be performed by the Audit Committee during the period that the Fiscal Council is operating. The Board of Directors, based on its own discretion, is also entitled to opt for the suspension of the operation of the Audit Committee during the period that the Fiscal Council is operating, assigning to the later, all or part of the duties and functions of the Audit Committee, and with respect to its members, subject to all the requirements and limitations provided for by law.	:

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ARTICLE 19 – The ARTICLE 22 – In addition to

will be responsibl for elaborating proposals or making recommendations to the Board of	Compensation Committee; (ii) Financial Committee; (iii) Development Sustainable Development Committee; and (iv) Corporate Governance Committee, which will be responsible for elaborating proposals or making e recommendations to the Board of Directors, in their respective business areas. The Board of Directors may	ARTICLE 22 – In addition to the Audit Committee the Company shall have four (4) Special Committees, namely: (i) Human Resources and Compensation Committee; (ii) Financial Committee; and (iii) Development Sustainable Development Committee; and (iv) Corporate Governance Committee, which will be responsible for elaborating proposals or making recommendations to the Board of Directors, in their respective business areas. The Board of Directors may constitute other Committees in addition to those aforementioned.	establishment of the Committee of Corporate Governance, which shall analyze the Company's current structure and practices and make recommendations and suggestions with the purpose to improve the Company's corporate
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- Each Special Committee shall be composed of no less than three (3) and up to five (5) members,	9 f	their composition an external
committee.		

Second Second Paragraph - In the **Paragraph** - event of absence or temporary In the event impediment of any member of of absence or any Special Committee, the temporary absent member shall appoint, impediment from among the other members among the other members of the of any of the Board of Directors, his or Board of Directors, his or her member of her replacement. In the event of replacement, in the event of any Special vacancy, the Chairman of the Board of Directors shall call a Committee. the absent General Meeting up to seven (7) General Meeting up to seven (7) member shall days after the position has been days after the position has been appoint, from confirmed verified vacant for the confirmed verified vacant for the among the election of the new member of other the Special Committee, until the Special Committee, until the end members of end of the term of office. There of the term of office. There is no the Board of is no prohibition against Directors, his appointment of a member to more than one Special or her replacement. Committee during the same In the event term of office. of vacancy, the Chairman of the Board of Directors shall call a General Meeting up to seven (7) days after the position has been confirmed verified vacant for the election of the new member of the Special Committee. until the end of the term of office. There is no prohibition against appointment of a member

Second Paragraph - In the event Wording of absence or temporary unchanged. impediment of any member of any Special Committee, the absent member shall appoint, from vacancy, the Chairman of the Board of Directors shall call a election of the new member of the prohibition against appointment of a member to more than one Special Committee during the same term of office.

to more than one Special Committee during the same term of office.

Third	Third Paragraph -Each Special		Wording
	Committee shall hold meetings	Each Special	amended in
The Special	whenever called by its	Committees <u>Committee</u> shall	order to (i)
Committees	respective Chairman or by the	holdmeetingswhenevercalledbyits	provide that
shall hold	Chairman of the Board of	respective Chairman or by the	the meetings
meetings	Directors, on his own initiative	Chairman of <u>the</u> Board of	of the
whenever	or per written request of any	Directors, on his owninitiative orper	Special
called by the	other member of such Special	writtenrequest of any other	Committees
	Committee. Meetings of the	memberofthe <u>such</u> Special	may be
Board of	Special Committees may be	CommitteesCommittee.Meetingsof	5
	called by any member of the		their
his own		respectiveCommitteewheneverthe	
initiative or	the corresponding Chairman	•	Chairman,
per written	• •	Board of Directorsdoesnotrespond	-
•	• •	•	
request of	for call presented by said	to the request for call presented	prejudice to
-	member within three (3)		the
of the	consecutive days counting from		prerogative
Special	the day of receipt of such	consecutivedayscountingfrom the	
	request. A copy of the call	day of receipt of the request.such	
-	notices of the Special	request. A copy of the call notices	
the Special	Committees meetings shall be	of the Special Committees	Directors to
	forwarded to the Chairman of		call it, and
may be	the Board of Directors.	<u>the Chairman of the Board <mark>of</mark></u>	(ii) reduce
called by any	1	Directors.	from seven
member of			(7) to three
the			(3) days the
respective			period within
Committee			which the
whenever			Chairmen of
the			the Special
Chairman of			Committees
the Board of			shall call a
Directors			meeting of
does not			their
respond to			respective
the request			Committees
for call			in
presented by	,		compliance
said member			with the
within 7			requests of
			other
(seven)			
consecutive			members, with the
days			
counting			purpose to
from the day			improve the
of receipt of			performance
the request.			of such
			Committees

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and to solidify the Company's corporate governance practices.

Fourth Paragraph - The duties of each Fourth Paragraph - The duties Fourth Paragraph - The duties of Special of each Special Committee shall each Special Committee shall be Wording Committee be established by the Board of established by the Board of unchanged. shall be Directors. Directors. established by the Board of Directors.

Executive Officers Committee ("Diretoria	")		
at least two (2) and no more than fourteen (14) members, shareholders or not, resident in Brazil, appointed	more than fourteen (14) members, shareholders or not, resident in Brazil, appointed and removed by the Board of Directors, one (1) being the Chief Executive Officer and the others Executive Officers.	Section []]]] Securical Securical Securical OfficersCommittee("Diretoria") sha be composed of at least two (2) and no more than fourteen (14) members, shareholders or not, resident in Brazil, appointed and removed by the Board of Directors, one (1) being the Chief Executive Officer and the others Executive Officers.	wording due to the renumbering

Section II

ARTICLE 21

-The Executive Officers shall be in charge of the general duties set Adjustment forth in these ARTICLE 24 - The Executive in the **ARTICLE 2124** - The Executive by-laws and wording due Officers shall be in charge of the Officers shall be in charge of the those to the general duties set forth in these general duties set forth in these renumbering establish by by-laws and those establish by by-laws and those establish by Directors and Learning the Board of Directors and shall the Board of Directors and shall of the articles. No keep mutual corporation among keep mutual corporation among shall keep legal or themselves and assist each themselves and assist each other economic mutual other in the performance of their the performance of their duties effect. corporation duties and functions. and functions. among themselves and assist each other in the performance of their duties and functions. First Paragraph -The duties and titles of First Paragraph – The duties First Paragraph - The duties and each and titles of each Executive titles of each Executive Officer, Wording Executive Officer, shall be established by shall be established by the Board unchanged. Officer, shall the Board of Directors. of Directors. be established by the Board of Directors. 114

Second Paragraph -

In the event of absences, occasional **Second Paragraph -** In the impairments event of absences, occasional and vacancy, impairments and vacancy, the the Executive Officers shall be Executive replaced in the following Officers shall manner: be replaced in the following manner:

Second Paragraph - In the event

of absences, occasional impairments and vacancy, the Executive Officers shall be replaced in the following manner:

Wording unchanged.

a) in the event of absences and occasional impairments of the CEO, he shall be replaced by other a) in the event of absences and a) in the event of absences and Executive occasional impairments of the occasional impairments of the Officer CEO, he shall be replaced by CEO, he shall be replaced by other indicated by other Executive Officer indicated Executive Officer indicated by him him and in by him and in the event of and in the event of permanent Wording the event of permanent vacancy, the Board ofvacancy, the Board of Directors unchanged. permanent Directors shall appoint the CEO's shall appoint the CEO's substitute vacancy, the substitute within thirty (30) days, within thirty (30) days, who shall Board of who shall complete the term of complete the term of office of the Directors office of the CEO; CEO: shall appoint the CEO's substitute within thirty (30) days, who shall complete the term of office of the CEO:

ARTICLE

22 - The Executive Officers Committee **ARTICLE 25** - The Executive shall meet Officers Committee shall meet upon call of upon call of its CEO or of half of upon call of its CEO or of half of its of the its CEO or its Executive Officers in office. of half of its Executive Officers in office.

in the wording due ARTICLE 2225 - The Executive to the Officers Committee shall meet renumbering Executive Officers in office. articles. No legal or economic

Adjustment

effect.

of the installation of a meeting of the Executive Officers Committee is Officers in the presence of at least one third (1/3) of the Executive Officers in office at such time. The resolutions of the Executive resolutions of the Executive officers in office at such time. The resolutions of the Executive resolutions of the Executive of the approved by the majority of the Executive votes. In the event of a tie in Officers connection of any matter subject to the Executive Officers shall be approval, such matter shall be approved bysubmitted to the Board of the majority Directors. of the votes. In the event of a tie in connection of any matter subject to the Executive Officers approval, such matter shall be submitted to the Board of Directors.
--

I - manage the Company's business and ensure compliance with these bylaws; II -ensure	I - manage the Company's business and ensure compliance with these bylaws;	I. manage the Company's business and ensure compliance with these bylaws;	Wording unchanged.
that the Company's purpose is carried out; III - approve all plans, programs and general rules	II -ensure that the Company's purpose is carried out;	II. ensure that the Company's purpose is carried out;	Wording unchanged.
and control for the	development of the Company, in accordance with the guidelines	III. approve all plans, programs and general rules of operation, management and control for the development of the Company, in accordance with the guidelines determined by the Board of Directors;	Wording unchanged.

and submit to the Annual Shareholders' Meeting a report on the corporate business IV - prepare and submit to the IV. prepare and submit to the activities, Annual Shareholders' Meeting a Annual Shareholders' Meeting a including the report on the corporate business report on the corporate business balance sheet activities, including the balance and financial sheet and financial statements	the Annual Shareholders' Meeting a report on the corporate business activities, including the balance sheet and financial statements required by law for each fiscal year, as well as the respective opinions of the Audit Committee, as the case may	IV - prepare and submit to the Annual Shareholders' Meeting a report on the corporate business activities, including the balance sheet and financial statements required by law for each fiscal year, as well as the respective opinions of the Audit Committee, as the case may be	Annual Shareholders' Meeting a sreport on the corporate business activities, including the balance sheet and financial statements required by law for each fiscal year, as well as the respective opinions of the Audit Committee,	Wording unchanged.
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	V. guide all Company's activities under the guidelines set forth by the Board of Directors and appropriate to the fulfillment of its purposes;	Wording unchanged.
purposes; VI -suggest investment and operating plans or programs to the Board of Directors;	VI. suggest investment and operating plans or programs to the Board of Directors;	Wording unchanged.

VII - authorize the opening and closing of branches, agencies or depots and/or institute delegations, offices and representations in any location of the national territory or abroad;	VII - authorize the opening and closing of branches, agencies or depots and/or institute delegations, offices and representations in any location of the national territory or	closing of branches, agencies or depots and/or institute	Wording unchanged. f
VIII -render an opinion on any matter to be submitted to the Board of Directors approval; and IX - develop and carry out,	VIII -render an opinion on any matter to be submitted to the Board of Directors approval; and	VIII. render an opinion on any matter to be submitted to the Board of Directors approval; and	Wording unchanged.
jointly with the Board of Directors, the	IX - develop and carry out, jointly with the Board of Directors, the Employee Profit Sharing Program.	IX - develop and carry out, jointly with the Board of Directors, the Employee Profit Sharing Program.	Wording unchanged.

ARTICLE 24 –The Chief Executive Officer, in particular, is entitled to:	ARTIGO 27 – The Chief Executive Officer, in particular is entitled to:	ARTICLE 24<u>27</u>– The Chief , Executive Officer, in particular, is entitled to:	Adjustment in the wording due to the renumbering of the articles. No legal or economic effect.
a) plan, coordinate, conduct and manage all Company's activities, as we as perform all executive and decision-making	a) plan, coordinate, conduct and manage all Company's activities, as well as perform all executive and decision-making functions;	a) plan, coordinate, conduct and manage all Company's activities, as well as perform all executive and decision-making functions;	d Wording unchanged.

functions;

b) carry out the overall supervision of all Company's activities, coordinating and guiding the other Executive Officers' activities;	supervision of all Company's activities, coordinating and guiding the other Executive	b) carry out the overall supervision of all Company's activities, coordinating and guiding the other Executive Officers' activities;	Wording unchanged.
 c) call, install and preside the meetings of the Executive Officers Committee; d) coordinate and conduct the 	c) call, install and preside the meetings of the Executive Officers Committee;	c) call, install and preside the meetings of the Executive Officers Committee;	Wording unchanged.
process of approval of the annual/pluriannual budget and of the investment and expansion plans together with the Board of Directors; and	d) coordinate and conduct the process of approval of the annual/pluriannual budget and of the investment and expansion plans together with the Board of Directors; and	d) coordinateandconduct theprocessofapprovaloftheann investment and expansionplans together with the Board of Directors; and	ual/ <mark>pluriannual<u>multi</u> Wording unchanged.</mark>

e) suggest functions and respective candidates for the Executive Officers	e) suggest functions and respective candidates for the	e) suggest functions and respective candidates for the	
•	•	Executive Officers positions of the	Wording
the	Company and submit such	Company and submit such	unchanged.
	suggestion to the Board of Directors approval.	suggestion to the Board of Directors approval.	
such			
suggestion			
to the			
Board of			
Directors approval.			

ARTICLE 25 -

It is incumbent upon the Executive Officers to assist and support the CEO in the ARTIGO 28 - It is incumbent ARTIGO 2528 - It is incumbent Adjustment administration upon the Executive Officers to upon the Executive Officers to in the of the wording due assist and support the CEO in assist and support the CEO in Company, in the administration of the the administration of the to the accordance Company, in accordance with Company, in accordance with renumbering determined by the Board duties determined by the Board of the of Directors and perform all acts of Directors and perform all acts articles. No the Board of necessary for the regular necessary for the regular legal or Directors and Company's activities, as long as Company's activities, as long as economic acts necessary these acts have been duly effect. authorized by the Board of authorized by the Board of for the regular Directors. Directors. Company's activities, as long as these acts have been duly authorized by the Board of Directors.

ARTICLE

result in obligations to the Company.

26 - The Executive Officers shall represent the Company actively ARTIGO 29 - The Executive and Officers shall represent the passively, Company actively and passively, Company actively and passively, in court and outside courts and in court and outside before third parties, performing courts and and signing all acts that result in and signing all acts that result in before thirdobligations to the Company. parties, performing and signing all acts that

ARTIGO 2629- The Executive Officers shall represent the in court and outside courts and before third parties, performing obligations to the Company.

Adjustment in the wording due to the renumbering of the articles. No legal or economic effect.

First Paragraph -

For the granting of powers-of-attorney, the Company shall be represented by First Paragraph -For the two (2) Executive granting of powers-of-attorney, the Officers, acting jointly, of whom one Company shall be must always be the represented by two (2) CEO or others Executive Officers, acting Executive Officers jointly, of whom one must to be appointed by always be the CEO or others the Board of Executive Officers to be appointed by the Board of Directors, and all powers-of-attorney Directors, and all shall a validity term, powers-of-attorney shall a validity term, except for except for powers-of-attorney powers-of-attorney granted granted for judicial for judicial purposes, in purposes, in addition to the description of addition to the the powers granted which description of the may cover any and all acts, powers granted including those related to which may cover banking operations; any and all acts, including those related to banking operations;

First Paragraph -For the

granting of powers-of-attorney, the Company shall be represented by two (2) Executive Officers, acting jointly, of whom one must always be the CEO or others Executive Officers to be appointed by the Board of Wording Directors, and all unchanged. powers-of-attorney shall a validity term, except for powers-of-attorney granted for judicial purposes, in addition to the description of the powers granted which may cover any and all acts, including those related to banking operations;

Second	
--------	--

Nording
unchanged.

Third Paragraph The Company shall be considered duly represented: a) jointly by two Executive	Third Paragraph - The Company shall be considered duly represented:	Third Paragraph - The Company shall be considered duly represented:	Wording unchanged.
Officers of whom one must always be the CEO or other Executive Officer to be appointed by the Board of Directors;	/	a) jointly by two Executive Officers of whom one must always be the CEO or other Executive Officer to be appointed by the Board of Directors;	Wording unchanged.

b) jointly by one **Executive Officer** to be appointed **b)** jointly by one Executive **b)** jointly by one Executive by the Board of Officer to be appointed by the Officer to be appointed by the Directors, and an Board of Directors, and an Board of Directors, and an attorney-in-fact, attorney-in-fact, when so attorney-in- fact, when so determined by the negret of atternance of at power-of-attorney and in power-of-attorney and in respective accordance with the powers accordance with the powers power-of-attorney and in accordance contained therein; contained therein; with the powers contained therein;

Wording unchanged.

 c) jointly by two attorneys-in-fact, when so determined by the respective power of attorney and in accordance with the powers contained therein; d) solely by an 	c) jointly by two attorneys-in-fact, when so determined by the respective power of attorney and in accordance with the powers contained therein;	c) jointly by two attorneys-in-fact, when so determined by the respective power of attorney and in accordance with the powers contained therein;	Wording unchanged.
cases, when so determined by the respective	cd) solely by an attorney-in-fact or Executive Officer, in specific cases, when so determined by the respective power of attorney and in accordance with the powers contained therein.	or Executive Officer, in specific cases, when so determined by the respective power of attorney and in accordance with the powers contained therein.	Wording unchanged.

CHAPTER V

ADVISORY BOARD

ADVISORY BOARD

ARTICLE 27 -

The Company may have an Advisory Board, No corresponding provision. on a non-permanent basis, with up to thirteen (13) members, shareholders or not, appointed by the General Shareholders' Meeting. **ARTICLE 27 -** The Company
may have an Advisory Board,
on a non-permanent basis, with
up to thirteen (13) members,
shareholders or not, appointed
by the General Shareholders'
Meeting.Company's
corporate
governance
structure,
given that the
amendments
comprise the

Wording excluded in order to reflect the removal of the Advisory Board in order to make the Company's management more efficient, aligned with the proposal for the improvement of the Company's corporate structure, amendments comprise the establishment of two other Committees. one of which is the Corporate Governance Committee. which shall be responsible for the functions currently performed by the Advisory Board.

First Paragraph -

The members of the Advisory Board shall have a term of office of three (3) years, reelection No corresponding provision. being permitted, and may receive the compensation set forth by the General Shareholders' Meeting.

First Paragraph - The members of the Advisory Board shall have a term of office of three (3) years, reelection being permitted, and may receive the compensation set forth by the General Shareholders' Meeting.

Same as above.

Second

Paragraph – The Advisory Board, when installed, shall meet ordinarily once every six months and extraordinarily whenever called by the Chairman of the Board of Directors.

Second Paragraph – The Advisory Board, when installed, shall meet

ordinarily once every six months and extraordinarily whenever called by the Chairman of the Board of Directors.

Third Paragraph - The call notices for the meetings of the Advisory Board shall appoint the agenda to be discussed, as well as the place, date and time of the meetings, and shall be sent by mail or facsimile, at least five (5) days	Third Paragraph - The call notices for the meetings of the Advisory Board shall appoint the agenda to be discussed, as well as the place, Same as date and time of the meetings, and above. shall be sent by mail or facsimile, at least five (5) days prior to the meeting.
sent by mail or facsimile, at least five	

meeting.

Fourth Paragraph - The resolutions of the Advisory Board shall be record in the proper book, which shall be signed by	sion shall be record in the brober book	Same as above.
the present members. ARTICLE 28 - It is incumbent upon the Advisory Board to:	SION	Same as above.

a)

recommend to the Board of Directors measures to be taken to ensure the preservation and development of Company business and activities; and	No corresponding provision.	a) recommend to the Board of Directors measures to be taken to ensure the preservation and development of Company business and activities; and	Same as above.
b) render opinion on any matters	No corresponding provision.	b) render opinion on any matters submitted to them by the Board of Directors.	Same as above.

CHAPTER VI FISCAL COUNCIL	CHAPTER VI	Wording amended in order to provide that the Fiscal Council will operate on a non-permanent basis, being installed in the
CHAPTER \	_	legal
	FISCAL COUNCIL	hypotheses,
shall operate on a non-permanent basis installed by the Gene	ARTICLE 29 <u>30</u> –Th <u>eCompany</u> mpany buncil that shall have a Fiscal Council <u>that</u> shall operate permanently and its members shall be annually appointed <u>on a non-permanent</u>	with the purpose to make the Company's management more efficient, especially in view of the new Audit orCommittee, without prejudice to the installation of the Fiscal Council in compliance with the applicable legislation.

Second

Paragraph – At their first meeting, the members of Second Paragraph – At their Second Paragraph - At their first the Fiscal first meeting, the members of meeting, the members of the the Fiscal Council shall elect its Fiscal Council shall elect its Council shall Wording elect its Chairman, who shall be Chairman, who shall be unchanged. Chairman, who responsible for enforcing the responsible for enforcing the committee's resolutions. committee's resolutions. shall be responsible for enforcing the committee's resolutions. Third Paragraph -The Fiscal Council may Third Paragraph - The Fiscal Third Paragraph - The Fiscal request the Council may request the Council may request the Company to Company to appoint qualified Company to appoint qualified Wording appoint personnel to provide personnel to provide unchanged. qualified administrative and technical administrative and technical personnel to support. support. provide administrative and technical support.

ARTICLE 30

- The Fiscal Council shall be composed of no less than three Adjustment (3) and up to ARTIGO 31 - The Fiscal Council ARTICLE 3031 - The Fiscal in the wording due five (5) shall be composed of no less Council shall be composed of no effective to the than three (3) and up to five (5) less than three (3) and up to five and the same members renumbering (5) effective members and the of the same number of alternates, same number of alternates, articles. No number of residents in the country, residents in the country, alternates, legal or shareholders or not, all of them shareholders or not, all of them residents in economic qualified in accordance with the qualified in accordance with the effect. the country, legal provisions. legal provisions. shareholders or not, all of them qualified in accordance with the legal provisions.

First

Paragraph -In the case of absence of **First Paragraph** In the case of **First Paragraph** In the case of **First Paragraph** In the case of impediment, absence of impediment, the the members members of the Fiscal Council of the Fiscal shall be replaced by their Council shall respective alternates. be replaced by their respective alternates.

absence of impediment, the members of the Fiscal Council shall be replaced by their respective alternates.

Wording unchanged.

Second

Paragraph - In addition to cases of death, resignation, dismissal and other cases provided for by Second Paragraph - In addition to law, the position cases of death, resignation, of the member dismissal and other cases provided shall be for by law, the position of the member shall be considered vacant considered vacant when the when the member of the Fiscal member of the Council is absent, without just Fiscal Council is cause, at two (2) consecutive absent, without meetings or three (3) just cause, at non-consecutive meetings in the two (2) course of the year. consecutive meetings or three (3) non-consecutive meetings in the course of the year.

Second Paragraph - In addition to cases of death, resignation, dismissal and other cases provided for by law, the position of the member shall be considered vacant when the member of the Fiscal Council is absent, without just cause, at two (2) consecutive meetings or three (3) non-consecu