

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

March 27, 2019

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 March, 2019

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

Av. Brigadeiro Luiz Antonio,
3142 São Paulo, SP 01402-901
Brazil
(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 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

(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

(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

COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

CNPJ/MF (Brazilian Taxpayer Id.) No. 47.508.411/0001-56 NIRE (State Registry) No. 35.300.089.901

**MANAGEMENT'S PROPOSAL AND MANUAL TO ATTEND ANNUAL AND EXTRAORDINARY
GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 25, 2019.**

Sao Paulo (SP, Brazil), March 25, 2019.

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1. INTRODUCTION

Dear shareholders,

The Management of Companhia Brasileira de Distribuição (hereinafter, the "Company") hereby submits below information on the matters to be resolved by the Management's proposal at the Company's Annual and Extraordinary General Meeting of Shareholders (the "Meetings") to be held on April 25, 2019 at 3.00 p.m., at Avenida Brigadeiro Luís Antonio, No. 3,227, 7th floor, in the City of Sao Paulo, State of Sao Paulo, Brazil, as well as the clarifications necessary for the shareholders to attend such meetings.

The Company prepared this Management's Proposal and Manual to Attend such Meeting (the "Proposal") in compliance with good corporate governance and transparency practices, aiming at guiding and clarifying to all its Shareholders about the matters to be addressed, and also the Company's Investor Relations Board of Executive Officers is fully made available for them to answer any further questions.

At the Annual Shareholders' Meeting, the following matters on the agenda will be resolved:

- I. Review of the accounts as rendered by the Management, as well as examination, discussion and voting of the Company's Management Report and Financial Statements for the fiscal year ended on December 31, 2018;
- II. Proposal for allocation of profit for the fiscal year ended on December 31, 2018;
- III. Determination of the annual global compensation of the members of both the Management and the Fiscal Council of the Company, in case shareholders require the installation of such Council; and
- IV. Proposal of an investment plan for fiscal year 2019;

At the Annual General Meeting of Shareholders, the following matters on the agenda will be resolved:

- I. Rectification and ratification of the annual global remuneration of the Company's Board of Executive Officers for fiscal year 2018;

- II. Proposal to amend the Stock Option Plans and Equity Compensation Plan of the Company; and
- III. Proposal to amend Article 4 of the Company's Bylaws and consolidate the Company's Bylaws.

The Management's proposals on the agendas of such Meetings, as well as the information about each of the topics, are detailed in section 3 of this Proposal.

Sao Paulo (SP, Brazil), March 25, 2018.

The Management
Companhia Brasileira de Distribuição

2. REQUIREMENTS FOR SHAREHOLDERS TO ATTEND MEETINGS

Shareholder can attend Meeting whether (a) being personally present at them, (b) by a duly appointed proxy, or (c) by distance votes cast by means of remote ballots through their corresponding custodian agents (if they provide such type of service), or by an appointed bookkeeping agent, or directly to the Company, as shown below:

2.1. Personal Attendance

Shareholders that are interested in attend in person at the Meeting must send to the Corporate Legal Department at the Company's headquarters, upon delivery receipt, 72 (seventy-two) hours in advance from the date of the corresponding Meeting, a certified copy of the documents (physical copies with notarized signatures) proving the status of Company's shareholder, under article 126, II of Law 6,404/76 accompanied of a certified copy of the following documents:

- (a) For individuals: shareholder's identification document with photo;
- (b) For organizations: (i) restated bylaws or articles of association, in addition to the corporate documents proving that such shareholder is duly represented pursuant to the law; and (ii) identification document with photo of such organizations' legal representative; and
- (c) For investment funds: (i) restated rules of such fund; (ii) the bylaws or articles of association of its manager or administrator, as the case may be, subject to the voting policy of the fund and corporate documents proving the powers/authority of representation; and (iii) identification document with photo of the fund's legal representative.

The Company shall not require the certified translation of documents originally drawn up in Portuguese, French, English or Spanish, or that are submitted accompanied of a translation in those languages; being required in all other cases. The following identification documents will be accepted, provided they bear a photo and are still effective: RG (Brazilian citizen's identification document), RNE (Brazilian identification document for foreigners), CNH (driver's license), passport or officially recognized professional class identification documents (like identification documents for lawyers, engineers, physicians etc.).

It is worth emphasizing that shareholders may attend the Meeting even without having submitted such documents beforehand, being enough for them to provide such documents at the beginning of the Meetings, at the place, date, and time set forth in section 1 of this Proposal, pursuant to article 5, paragraph 2 of CVM (Securities and Exchange Commission) Instruction No. 481, of December 17, 2009, as amended ("CVM Instruction 481/09").

2.2. Participation by Proxy

Shareholders that want to be represented by proxy at the Meeting must send to the Corporate Legal Department at the Company's headquarters, upon delivery receipt, 72 (seventy-two) hours prior to the date of such Meetings, a certified copy of the (i) corresponding documents able to prove the status of shareholder of the Company (physical copies with notarized signatures); (ii) documents containing the corresponding powers and authority of representation/proxy (physical copies with notarized signatures); (iii) identification documents of the proxy to attend the Meeting, as well as, in the case of an organization or an investment fund, certified copies of the identification document and minutes of election of the corresponding legal representative(s)'s who had undersigned the power of attorney evidencing the proxy's authority to represent those shareholders (physical copies with notarized signatures); and (iv) the documents referred to in section 2.1 above. The Company does not accept instruments of power of attorney granted by Shareholders by electronic means.

It is worth emphasizing that shareholders may be represented by proxy at the Meeting even without having submitted such documents beforehand, being enough for them to provide such documents at the beginning of the Meetings, at the place, date, and time set forth in section 1 of this Proposal, pursuant to article 5, paragraph 2 of CVM Instruction 481/09.

2.3. Participation by means of a Distance Voting Ballot

Shareholders who want to exercise their voting right by means of a distance voting ballot, pursuant to CVM Instruction 481/09, must (a) fill in the Distance Voting Ballots related to the Meetings, according to the filling-in instructions contained therein as available in the Company's Investor Relations website (the "Ballots"), and (b) send them (i) directly to the Company; (ii) to the Company's bookkeeping agent, or (iii) to its corresponding custodian agent (if this type of service is provided), observing the following instructions:

I. Submitting the Voting Ballots directly to the Company: the Shareholder must send to the Corporate Legal Department, at the Company's headquarters, by mail service, the physical and printed form of such Ballots (filled in, initialed and signed, according to the filling-in instructions included therein) accompanied of a certified copy of the documents listed hereinabove in section 2.1; or

II. Submitting the voting Ballots to the Company's Bookkeeping Agent or Custodian Agent: Shareholders holding shares issued by the Company deposited in a central securities depository may transmit their voting instructions to fill in the Ballots, through their corresponding custody agents, if they provide such kind of service. Shareholders who do not have their shares deposited with a central depository may transmit their voting instructions to the Company's bookkeeping agent, Itaú Corretora de Valores S.A., a financial entity contracted by the Company to provide securities bookkeeping services, through channels available. The delivery of such Ballots will be subject to the rules, guidelines and deadlines set by each custodian or by Itaú, as the case may be. For that purpose, every Shareholder should contact them and verify the procedures, documents and information provided for by them to issue voting instructions through Ballots.

In all cases, for such Ballots to produce valid effect, April 18, 2019 (that is, up to seven (7) days before the date of the Meetings, pursuant to Article 21-B of CVM Instruction 481/209) shall be the last day allowed for such Ballots to be received through one of the forms pointed out hereinabove, and not the last day for sending them. If the Ballots are received after April 18, 2019, such votes will not be counted.

2.3.1. Establishing the Fiscal Council

It is worth highlighting that the establishment of the Fiscal Council, which will be included in the Ballot referring to the Annual General Meeting, is not included in this Proposal, as it was included in the Ballot due to a regulatory requirement.

In this sense, the Management hereby clarifies that, under the terms of its Bylaws, the Company already has a Statutory Audit Committee the members of which are appointed by the Board of Directors - consisting of independent members of the Board and external ones - and that it complies with (i) the mandatory requirements set forth in CVM Instruction No. 308 of May 14, 1999 and (ii) the regulatory requirements set forth by the *Securities and Exchange Commission* (SEC), considering that the Company has shares admitted and listed on the New York Stock Exchange - NYSE (ADR Level III) in the United States since May 29, 1997.

The Statutory Audit Committee has the legal authorities of the Fiscal Council, including those ones required by the Sarbanes-Oxley Act, in line with the requirements of the companies listed on NYSE.

3. MANAGEMENT'S PROPOSAL

The Company's Management hereby submits to the Meeting the following proposals.

(A) ANNUAL GENERAL MEETING OF SHAREHOLDERS

I. COMMENTS BY THE MANAGEMENT ON THE COMPANY'S FINANCIAL CONDITION

The Management proposes that the Management's accounts, the Management Report, the Financial Statements, and the Independent Auditors' Report for the fiscal year ended on December 31, 2018 be approved, which counted on a favorable opinion by the Company's Audit Committee, as (a) disclosed on February 20, 2019 and February 21, 2019, respectively, on the Company's Investor Relations page and on the websites of the Brazilian Securities and Exchange Commission ("CVM") and B3 S.A. – Brasil, Bolsa, Balcão, and (b) published on February 26, 2019 in the "Official Gazette of the State of São Paulo" and "Folha de S. Paulo" newspapers.

Pursuant to article 9, section III, of CVM Instruction 481/09, the information set out below is set forth in section 10 of the Reference Form, pursuant to section 10 of Appendix 24 of CVM Standard 480, of December 7, 2009, as amended ("CVM Instruction 480/09"), reflect the Management's comments on the Company's financial condition:

Annex 3 (A) I

Financial Condition of the Company

(Section 10 of the Reference Form)

10.1 General financial and equity conditions

Introduction

The following comments should be considered together with our individual and consolidated financial statements for the year ended December 31, 2018, issued on February 20, 2019, including Notes to the financial statements, as well as other financial information contained herein.

In the consolidated financial statements of Companhia Brasileira de Distribuição (“GPA” or “Company”) of December 31, 2018, due to the ongoing divestment of the interest held by GPA in Via Varejo S.A., the operations of Via Varejo are being treated as discontinued operations. Accordingly, net sales and other income/expense lines were adjusted retrospectively from January 1, 2016, as defined in CPC31, approved by CVM Resolution 598/09 - Sale of non-current assets and discontinued operations, equivalent to IFRS 5. Consequently, the following comments do not include the performance of Via Varejo.

(a) *general financial and equity conditions*

The year 2018 brought excellent results for GPA, with important market share gains and consistent results for the businesses of the Group. The accelerated store expansion at Assaí in recent years drove strong sales and substantial net income growth. Multivarejo registered a

sequential improvement in sales, accompanied by higher profitability. Our multi-channel, multi-format and multi-region portfolio, combined with the optimization of our store portfolio through conversions, renovations and new concepts, has ensured a better offering of products and services for our customers, further empowering their power of choice. The Company also advanced in the digital transformation of our businesses, reinforcing GPA's pioneering role in fronts such as food e-commerce and loyalty programs, which ensure greater efficiency in our search for new revenue streams.

In 2018:

- Gross sales came to R\$ 53.6 billion, increasing 10.7% compared to 2017, with market share gains in Multivarejo and Assaí.
- EBITDA adjusted by "Other Operating Income and Expenses" and excluding non-recurring effects came to R\$ 2.801 billion, improving 27.8% from 2017. At GPA Food, EBITDA was R\$ 2.846 billion, advancing 22.3% on 2017, with margin of 5.8% (vs. 5.2% in 2017), due to:
 - ü Multivarejo: Adjusted EBITDA was R\$ 1.467 billion with margin of 5.5% in 2018, expanding 50 bps compared to 2017, basically due to the reduction in personnel expenses as a result of the operational efficiency program and the labor reform, as well as strict control over general expenses;
 - ü Assaí: Adjusted EBITDA grew 34.1% to R\$ 1.379 billion, with margin of 6.0% (+40 bps from 2017), above the guidance for 2018, due to the quicker maturation of the stores opened in recent years.
- The financial result was negative at R\$ 474 million, accounting for 1.0% of net revenue, advancing 60 bps from the previous year;
- Consolidated net income attributable to controlling shareholders was R\$ 1.2 billion, increasing 106% from 2017, with margin of 2.4%. Net income attributable to the controlling shareholders of GPA Food was R\$ 1.3 billion, while net margin doubled to 2.6% (vs. 1.3% in 2017).
- Solid financial structure due to the low leverage maintained, which reached -0.32 times EBITDA;
- Shareholders' equity amounted to R\$ 13.939 billion, increasing R\$ 897 million. For more information, see item 10.1.h.

(b) *capital structure and eventual redemption of shares*

GPA CONSOLIDATED

(R\$ million)	<u>12.31.2018</u>	<u>AV</u>	<u>12.31.2017</u>	<u>AV</u>	<u>12.31.2016</u>	<u>AV</u>
	38,910	73.6%	34,666	72.7%	32,634	72.4%

Liabilities (Current and Non-Current)

Total Shareholders' Equity	13,939	26.4%	13,041	27.3%	12,417	27.6%
Total Liabilities and Shareholders' Equity	52,849	100.0%	47,707	100.0%	45,051	100.0%

Above is GPA's capital structure for the periods mentioned, considering as a percentage of equity, the amount resulting from total consolidated shareholders' equity divided by total liabilities (current and non-current) and shareholders' equity, and as a percentage of debt capital, the amount resulting from the sum of current and noncurrent liabilities divided by total liabilities (current and non-current) and shareholders' equity:

Debt

(R\$ million)	GPA Consolidated		
	12.31.2018	12.31.2017	12.31.2016
Short Term Debt	(1,973)	(1,250)	(2,957)
Loans and Financing	(905)	(770)	(2,389)
Debentures and Promissory Notes	(1,068)	(481)	(568)
Long Term Debt	(3,465)	(3,309)	(2,912)
Loans and Financing	(387)	(775)	(1,008)
Debentures	(3,078)	(2,534)	(1,904)
Total Gross Debt	(5,438)	(4,559)	(5,869)
Cash and Financial investments	4,369	3,792	5,112
Net Debt	(1,069)	(767)	(757)
EBITDA⁽¹⁾	3,066	2,315	1,580
Net Debt / EBITDA⁽¹⁾	-0.35x	-0.33x	-0.48x
On balance Credit Card Receivables not discounted	96	402	235
Net Debt incl. Credit Card Receivables not discounted	(973)	(366)	(522)
Net Debt incl. Credit Card Receivables not discounted / EBITDA⁽¹⁾	-0.32x	-0.16x	-0.33x

The Company ended 2018 with a low level of leverage, with net debt/EBITDA ratio of -0.32 times, compared to -0.16 times in 2017. Net debt, adjusted by the balance of receivables not sold, totaled R\$ 973 million in December 2018.

Cash position and receivables not sold totaled R\$ 4.4 billion and R\$ 96 million respectively, amounting to R\$ 4.5 billion in cash and cash equivalents, in addition to approximately R\$ 1.8 billion in pre-approved/confirmed credit lines.

Gross debt increased R\$ 879 million to R\$ 5.438 billion in the period. Of this total, around R\$

2.0 billion refers to the issue of debentures at a coupon of 104.75% of the CDI rate and maturing in 2021 (15th issue) and two series referring the 16th issue, which the 1st at a coupon of 106.0% of the CDI maturing in 2021 and the second at a coupon of 107.4% of the CDI maturing in 2022.

Early redemption is allowed only in accordance with the terms of the indenture.

(c) *ability to pay financial commitments*

The Management believes that the cash flow and the funds currently available fully ensure the GPA to pay all its short- and long-term financial commitments.

(d) *sources of financing for working capital and investments in non-current assets utilized by GPA*

The Company raised funds in 2018, 2017 and 2016 through: (A) financial agreements that represent: (i) Brazilian reais denominated loans with obligation to payment principal and DI (interbank deposit)-pegged interest rates; (ii) foreign currency-denominated loans, which are immediately and fully “swapped,” with Brazilian reais denominated payment obligations with DI-pegged interest rates, through swap operations; and (B) funding on capital markets, through the issue of debentures, promissory notes and agribusiness receivables certificates; (C) cash generation through its operations; and (D) anticipation of receivables.

In 2018, 2017 and 2016, we had no difficulties in obtaining loans or refinancing its current debt.

(e) *sources of financing for working capital and investments in non-current assets that GPA plans to utilize to cover liquidity deficiencies*

In the opinion of the management, the funding sources used in the fiscal years ended December 31, 2018, 2017 and 2016 are adequate, and will continue to be used by GPA as sources of financing, if necessary.

(f) *debt levels and debt characteristics, as well as if the issuer has complied with these restrictions*

i. *Relevant loans and financing agreements*

The tables below present the GPA's debt with financial institutions and the funding transactions performed on capital markets on December 31, 2018, 2017 and 2016. Debt breakdown, including: (i) loans and financing; and (ii) debentures.

In R\$ million:

		Consolidated		
	Weighted Average rate	12.31.2018	12.31.2017	12.31.2016
<u>Debentures</u>				
Debentures, CRA and promissory note	101.22% of CDI	4,146	3,015	2,472
		4,146	3,015	2,472
<u>Loans and Financing</u>				
<u>Local currency</u>				
a. BNDES	3.91% per year	37	45	51
Working Capital	94.94% of CDI	238	285	1,302
Working Capital	TR+ 9.80% per year	112	125	135
Financial lease		152	195	215

SWAP contract	101.44% of CDI	(11)	(19)	(10)
Borrowing cost		(3)	(4)	(6)
		525	627	1,687
<u>Foreign currency</u>				
Working Capital	USD + 3.26% per year	843	664	1,361
Working Capital		-	200	172
SWAP contract	102.59% of CDI	(76)	55	177
Borrowing cost		-	(1)	-
		767	918	1,710
Total Debt		5,438	4,560	5,869

The assets and liabilities of Via Varejo now presented net in the line "assets held for sale" and "liabilities related to assets held for sale".

Maturity schedule of loans and financing, including derivatives in the assets and long term liab