



Deadline for Limited Liability Companies (“Sociedades Limitadas”) and Corporations (“Sociedades por Ações”) to hold Annual Quotaholders/Shareholders Meeting

In accordance with Article 1078 of the Brazilian Civil Code (Law No. 10406/02) and Articles 132 and 133 of the Brazilian Law of Corporation (Law No. 6404/76 and its amendments), Brazilian limited liability companies (“Sociedades Limitadas”) and Brazilian corporations (“Sociedades Por Ações”) must hold an Annual General Quotaholders’ Meeting (“Reunião” or “Assembléia”) and a General Ordinary Shareholders’ Meeting (“Assembléia Geral Ordinária”) respectively, every year, within four (4) months after the termination of the preceding financial year, in order to deliberate about the following matters:

- i) to examine the accounts rendered by company officers and to examine, discuss and vote the financial statements;
- ii) to decide on the allocation net profits of the preceding financial year and on the distribution of dividends; and
- iii) to elect the officers and the members of the audit committee, if any.

Limited Liability Companies (“Sociedades Limitadas”):

In accordance with to Article 1072 of the Civil Code, a Sociedade Limitada must establish, in its Articles of Association, whether corporate resolutions shall be taken at a General Quotaholders’ Meeting called “Reunião” or “Assembléia”. Moreover, the first paragraph of Article 1072 requires that Sociedades Limitadas with more than ten (10) quotaholders must necessarily hold “Assembléias”.¹

The procedure for calling a “Reunião” is established by the company’s Articles of Association. As for the “Assembléia”, the Civil Code determines that the manager of the company is responsible for calling such meeting. However, the Civil Code provides three (3) exceptions to this rule and authorizes the “Assembléia” to be called:

- a) by any quotaholder, whenever the managers of the company delay to send the call notice for more than sixty (60) days as determined by law or by the company’s Articles of Association;
- b) by quotaholders holding at least 1/5 of the corporate capital, whenever the managers of the company delay to send the call notice for more than eight (8) days upon the quotaholders’ request; and
- c) by the audit committee, if applicable, whenever the managers of the company delay to send the call notice for more than thirty (30) days or whenever there are urgent issues.

The company is required to publish, for at least 3 (three) times, a call notice indicating the venue, date and time for the “Assembléia”, for addition to the meeting’s agenda. The first notice must be published at least 8 (eight) days prior to the meeting with a second notice being published at least 5 (five) days prior to the same. If all quotaholders attend the “Assembléia”, the obligation to publish such notification and/or honor respective timelines is waived.

Furthermore, management must inform, up to thirty (30) days before the scheduled “Reunião” or “Assembléia”, via written notification, that the following documents are available for the quotaholders’ examination: (i) management report regarding corporate transactions and major relevant administrative actions conducted in the preceding period; (ii) a copy of the financial statements; (iii) independent

auditors report, if applicable; (iv) audit committee report, including dissenting votes, if applicable; and (v) other pertinent documents and topics included in the meeting's agenda.

In addition, although not required by law, it is good corporate practice for a Sociedade Limitada to attach the approved companies' Financial Statements to the Minutes of General Meetings.

Furthermore, the minutes of the "Reunião" or "Assembléia" must be recorded in the Book of Minutes of General Meetings, duly signed by all attending quotaholders and, also, shall be filed with the Commercial Registry.

Corporations ("*Sociedades por Ações*")

The company is required to publish, for at least three (3) times, a call notice regarding the venue, date and time for the General Ordinary Shareholders' Meeting, in addition to the meeting's agenda.

The first General Ordinary Shareholders' Meeting notice must be published at least eight (8) days prior to the meeting; if the meeting is not held, a second General Ordinary Shareholders' Meeting with a call notice being at least five (5) days prior to the meeting².

Furthermore, management must inform, up to one (1) month before the scheduled General Shareholders' Meeting, via written notification published as per instructions above, that the following documents are available for the shareholders' examination: (i) management report regarding corporate transactions and major relevant administrative actions conducted in the preceding period; (ii) a copy of the financial statements; (iii) independent auditors report, if applicable; (iv) audit committee report, including dissenting votes, if applicable; and (v) other pertinent documents and topics included in the meeting's agenda. The issued notification must state location(s) where shareholders may obtain copies of these documents.

The above mentioned documents, except those mentioned in the items (iv) and (v) above, must be published at least five (5) days prior to the scheduled General Shareholders' Meeting.

Please note that if all shareholders attend the General Shareholders' Meeting, the obligation to issue such notice and/or honor respective timelines may be waived. However, the publication of the financial statements prior to the General Ordinary Shareholders' Meeting is mandatory.

Furthermore, if the financial statements are published up to one (1) month prior to the scheduled date for the General Ordinary Shareholders' Meeting, such notice stating where the shareholders may obtain them is also waived.

A non-listed corporation with less than twenty shareholders and net worth under R\$ 1,000,000.00 (one million Brazilian reais), may deliver a general shareholders meeting notice directly to each and every shareholder (provided as it holds respective delivery slips and honors the same lead time mentioned above). It may also waive the obligation to publish the documents stated in items (i) to (iii) above, provided as it files a certified copy with the Commercial Registry in addition to the minutes of the Shareholders' Meeting.

Thus, the minutes of the General Shareholders' Meeting shall be kept in the Register of Minutes of General Shareholders' Meeting, and, also, shall be filed at the Registry of Commerce.

Please do not hesitate to contact us should you require assistance in calling and holding such meeting and drafting and filing the respective minutes.

Best regards,

**CORPORATE DEPARTMENT
FELSBERG E ASSOCIADOS**

¹ The difference between the two meetings is that while the procedures for calling and holding the "Reunião" are determined by the quotaholders in the company's Articles of Association, the rules for calling and holding the "Assembléia" are regulated by the Civil Code, and are more complex and bureaucratic.

²In case of public corporation, the first notice must be published at least fifteen (15) days prior, and, the second notice at least eight (8) days prior to the meeting, as per article 124, § 1, II of the Brazilian Corporate Law.