



# **CORPORATIONS**

## **PART II**

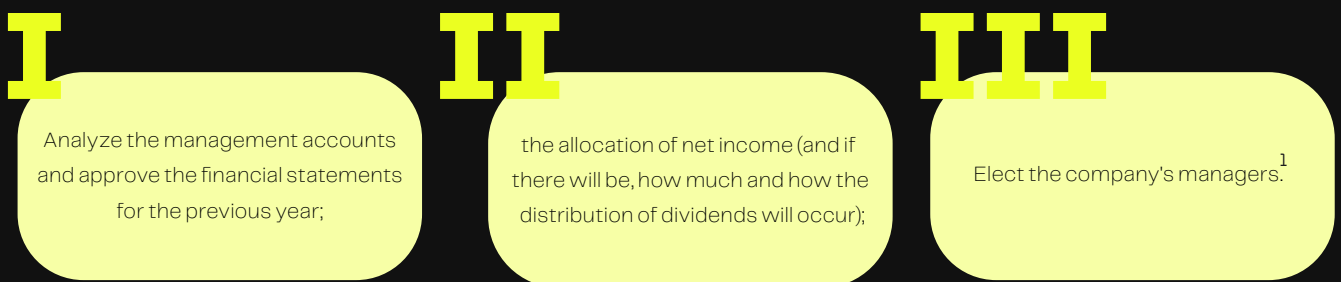
We explained the basic organizational chart (in the Brazilian language "S/A"). In this publication, we will investigate some of the legal obligations of a company.

The general meeting is the company's highest decision-making body. During the meeting, the main determinations of the company's structure will be decided.

There are two types of general meetings, depending on the frequency of holding and the matters to be dealt with at the meeting:

## ORDINARY

Which are the shareholders' councils that must take place every year between January and the end of April, to discuss and decide especially



## EXTRAORDINARY

which despite the name, are not special meetings, but only the shareholders' council whose matters for deliberation are not those provided for above. Typically, a company conducts several extraordinary meetings throughout the year.

All shareholders are entitled to participate in the meeting, even if they do not have the right to vote on the matters to be discussed. To ensure the effectiveness and validity of the meeting and to prevent any shareholder from raising the annulment of all decisions rendered at the meeting, it is necessary for the company's management to adequately notify the entire shareholder body.

For this, shareholders must be summoned! To simplify the call procedures, we created the infographic below:

<sup>1</sup> Não é incomum que além das matérias descritas na Lei para as assembleias ordinárias, sejam discutidas, também, outras matérias. Assim, a mesma assembleia é ordinária e extraordinária, podendo toda a discussão e decisões serem lavradas na mesma ata de assembleias.



# AM I SURE ALL SHAREHOLDERS WILL ATTEND THE MEETING?

YES

*Suppose all shareholders attend and sign the Attendance Book (or the minutes drawn up at the end of the meeting). In that case, it is not necessary to follow the rules of formal notice (a simple e-mail is enough).*

The meeting is ordinary (with matters required by law to be discussed every year) or extraordinary (discussion of other matters):

## ORDINARY

In this case, despite not having to comply with the convening rules, it is necessary to publish (see item below this infographic) the management accounts and financial statements up to 1 day before the meeting is held

## EXTRAORDINARY

If there is any document that will be discussed at the meeting (contracts, business plan, balance sheets, etc.), the company's management must make such documents available in advance to the partners.

*In this case, it is better to be cautious and follow the rules of formal summons. Did the company have annual gross revenue of more than R\$78 million?*

NOT

YES

: You can make all publications electronically in the "Central de Balanços" do SPED (system operated by the Brazilian Federal Revenue, which allows free publication), including the publication of the call notice.

NOT

It is necessary to publish the call notice three times in newspapers with wide circulation at the company's headquarters and in any location where its securities are traded<sup>2</sup>. The Meeting is ordinary (with matters required by law to be discussed every year) or is extraordinary (discussion of other matters):

ORDINARY

Before publishing the notice, it is necessary to announce to shareholders that the management report and financial statements are available one month in advance of the meeting, and such documents must be published (as described below, five days in advance).<sup>3</sup>

EXTRAORDINARY

If there is any document that will be discussed at the meeting (contracts, business plan, balance sheets, etc.) it is necessary for the company's management to make such documents available in advance to the partners.



## IS THE COMPANY PUBLICLY OR PRIVATELY HELD?

### PUBLICLY

The 1st call must occur 21 days in advance. Jeez, there was no minimum quorum to hold the meeting on the day of the meeting (shareholders representing 25% of the votes). Then it is necessary to make the 2nd call 8 in advance (not forgetting the three publications of the announcement).

There is no installation quorum here, and the meeting is valid no matter how many shareholders attend.

### PRIVATELY

The 1st call must occur 8 in advance. Jeez, there was no minimum quorum to hold the meeting on the day of the meeting (shareholders representing 25% of the votes). Then it is necessary to make the 2nd call 5 in advance (not forgetting the three publications of the announcement).

There is no installation quorum here, and the meeting is valid no matter how many shareholders attend.

Since the Covid-19 pandemic, all meetings can be held virtually.

## OTHER MEETINGS

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In addition to the general meeting, the company can (and must) promote the meeting of other interest groups of the shareholder body to resolve matters of interest to this group. Thus, there is a meeting of preferred shareholders (depending on the size of the company, there are meetings for each class of preferred shares) and meetings of debenture holders (the holders of securities issued by the company's debt, and as with preferred shareholders, there may be different meetings for each issue of debentures).

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<sup>2</sup> Something recent in the legislation is the company's permission to publish a summarized version of publications in the newspaper (which, as we know, charges for text size), and a full version on the newspaper's website.

<sup>3</sup> In general, instead of publishing the announcement of the availability of the financial statements and soon after the statements themselves (incurring a double cost), the companies publish the financial statements directly – observing the minimum advance of 1 month of the meeting – which guarantees, by law, the effectiveness of the meeting.



# Our recognitions



Análise  
Advocacia (2021)



Chambers & Partners  
Brazil (2021 & 2022)



Leaders League  
(2021 & 2022)



Transactional  
Track Record  
(2021 & 2022)



The Legal  
500 (2022)

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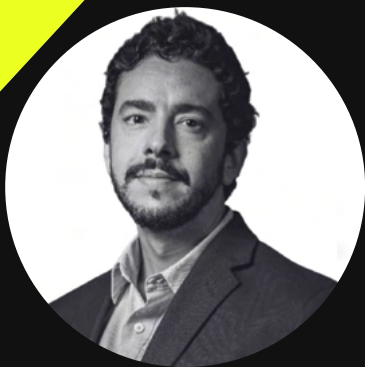
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