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**MEMBERS' MEETING REQUIRED TO APPROVE ANNUAL ACCOUNTS**

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Brazilian Corporate Law requires that, once a year, shareholders in corporations, members in limited companies, as well as partners in general or limited partnerships that are organized under one of the corporate types referred to in the Brazilian Civil Code, shall meet in order to discuss and deliberate on the financial statements and economical results prepared by the accountants regarding the latest fiscal year.

This meeting shall occur every year within the four months counted from the end of the last fiscal year, which, most of the times, coincides with the calendar year itself. In other words, these meetings and the approval of the corporate accounts usually take place until April 30 of each year.

The minutes of the meeting shall be filed, in the case of limited companies or corporations, at the competent State Registry of Companies or, in case of non-business entities, the local Registry of Legal Entities of their headquarters.

Corporations, whether small, closely held, or large, publicly held corporations are required to publish the minutes of their shareholders' meetings in a newspaper of wide circulation and in the Official Gazette of the State where their headquarters are located.

Also required by the Brazilian Corporate Law is that, before holding such meeting and registering its minutes, the corporation must publish the financial statements in the same newspapers mentioned above, and subsequently filing copies of such publications at the State Registry of Companies.

It is important to mention that, according to the Corporation Act, closely-held corporations with less than 20 shareholders and a net worth of less than R\$ 1.000.000,00 (approximately US\$ 400,000.00) are exempt from publishing their financial statements.

Except for publicly-held corporations, Brazilian Corporate Law does not establish penalties or other sanctions for the failure to timely hold the annual meeting. Nevertheless, third parties and minority partners, members or shareholders may argue that they have been damaged by the lack of information and of the opportunity to analyze the financial statements. Therefore, not complying with this obligation may subject the managing partner, officers and directors to civil liability deriving from damages caused to the company and to the partners, members and shareholders due to the lack of the financial statements' approval and their publication, if required.

Almeida Advogados counts on a team of lawyers who are all experts in Brazilian Corporate Law. Such team is ready to assist our clients in fulfilling all Brazilian Corporate Law requirements and in preparing and filing the minutes of such meetings, analyzing and attaching the relevant documents, with the objective of registering the accounts at the competent department, or regulatory agency and to keep the company in good standing as required by law.