
Brazil
Minority Shareholder Rights
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SOURCES OF PROTECTION AND ENFORCEMENT

Please provide an overview of the sources of protection for minority shareholders in your jurisdiction. Who enforces these rights?

Law 6,404/76 (the Brazilian Corporations Law) is the main source of protection for minority shareholders of a corporation, while Law 10,406/02 (the Brazilian Civil Code) sets forth the rights of minorities in limited liability companies and other legal entities (except the corporation). Minority rights may also be granted under the relevant organisational corporate documents, and under shareholders' or quotaholders' agreements, provided that such rights are not contrary to the applicable law.

Under the Brazilian Civil Code, a limited liability company (*limitada*) may elect that the rules of the Brazilian Corporations Law shall apply in cases where there is no equivalent provision in the Brazilian Civil Code. As such, the Brazilian Corporations Law may be a secondary source of protection for minority shareholders also in respect to limitadas.

Public companies are subject to the rules issued by the Brazilian Securities Exchange Commission (Comissao de Valores Mobiliarios or CVM), which also provide certain minority rights in addition to those existing under the Brazilian Corporations Law. Public companies which are listed on certain segments (the Bovespa Mais, Bovespa Mais Nível 2, Nível 1, Nível 2 and Novo Mercado) of the São Paulo Stock Exchange (B3) are required to follow an additional set of rules that provide additional minority shareholder rights.

Minority shareholder rights are typically enforced by minority shareholders themselves. In the case of public companies, CVM may take action at its own initiative (based on ongoing market oversight) or based on minority shareholders' complaints. B3 plays a similar role, both in enforcing general corporate law and CVM's regulation (based on an operational agreement between CVM and B3), and in ensuring compliance with the listing rules of the corporate governance segments mentioned above.

PROTECTION AGAINST DILUTION

Are there any mechanisms in your jurisdiction to protect against dilution of shareholdings? For example, are existing shareholders granted any rights on the issue of new shares in a company?

Pursuant to the Brazilian Corporations Law, all shareholders have pre-emptive rights over the issuance of shares, founder's shares, debentures convertible into shares and subscription bonuses. This anti-dilution right is limited to the subscription of shares pro-rata to the shareholders' existing interest, provided that, in public companies, the company shall either sell the non-subscribed shares in the stock exchange or allow the shareholders to acquire such non-subscribed shares.

Considering that under the Brazilian Corporations Law shares may be of different classes (class A, class B, etc.) or types (common or preferred), if the issuance of new shares observes the existing proportion between different classes and types of shares, the preemptive right applies in respect of shares of the same class and type as the ones held by the shareholder. If the issue of new shares is made in a proportion that is different from the proportion between different classes and types of shares, shareholders will be allowed to subscribe for shares of different classes and types to the extent necessary to preserve such shareholders' overall equity interest in the company before the issue of such shares.

On the other hand, pursuant to the Brazilian Corporations Law, the preemptive right does not apply to shares issued as a result of stock option plans, a merger or merger of shares. Such preemptive right may also be excluded or limited in the bylaws of listed companies for share issuances in the context of a public offering or a tender offer for the acquisition of another company's control.

With respect to limitadas, article 1.081 of the Brazilian Civil Code provides a similar right for quotaholders to acquire newly issued quotas pro rata to their existing interest.

RIGHTS TO APPOINT DIRECTORS

Do minority shareholders have any special rights to appoint directors to safeguard their interests? Are other protections available to minority shareholders in this context (such as general duties of directors)?

Minority shareholders are allowed to request the adoption of the *voto múltiplo* system, which is an election process in which each share is granted a number of votes equivalent to the number of members of the board of directors. The shareholders can then cumulate all their votes in only one candidate or distribute them among candidates. Shareholders holding at least 10 per cent of the voting shares may request to adopt this process provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount.

Further to the above, minority shareholders of public companies are also entitled to appoint and dismiss a member of the board of directors and his respective alternate in a separate election, from which the controlling shareholder is excluded. Such right may be exercised by the majority of:

- voting shareholders holding at least 15 per cent of the company's voting shares (or 10 per cent, if the company has issued only voting shares); and
- non-voting shareholders or shareholders with restricted voting rights holding at least 10 per cent of the company's shares.

If the minority shareholders owning voting shares and non-voting shares do not represent the required quorum, then they may combine their voting and non-voting shares in order to reach at least 10 per cent of the company's shares, then elect a director and the respective alternate in a separate election.

The Brazilian Corporations Law provides the following director's fiduciary duties:

- duty of care;
- duty of loyalty; and
- duty to inform.

CVM has regularly enforced these duties in connection with minority shareholder claims.

There are no corresponding provisions in the Brazilian Civil Code governing the creation of a board of directors and appointment rights for minority quotaholders. Most limitadas in Brazil are managed exclusively by their officers. The percentage of votes required for the appointment of managers in a limitada varies depending on whether the manager is a quotaholder or not, and if the corporate capital is fully paid or not. A small minority of limitadas adopt a board of directors by inserting a specific provision to that end in their articles of association. In this case, minority shareholders' right to appoint directors will be limited to the provisions in the relevant articles of association, if any.

In terms of directors' duties in limitadas, a minority quotaholder may arguably rely on the general diligence duty applicable to managers and on the more extensive duties provided under the Brazilian Corporations Law, if the articles of association include a provision pursuant to which the rules of the Brazilian Corporations Law apply in cases where there is no equivalent provision in the Brazilian Civil Code.

PROTECTION AGAINST TAKEOVER BIDS FOR THE COMPANY

Do minority shareholders have any protection in your jurisdiction where the company is the subject of a takeover bid?

There are certain disclosure requirements that must be followed when a company is the subject of a takeover bid in order to safeguard minority shareholders' decision-making processes.

First, within three business days from the publishing of the offer notice in respect of the takeover bid, the company shall disclose comprehensive information, including:

- the amount of company's shares held in treasury or by the members of the management and their related persons;
- any trading of the company's shares by the company itself, members of the management and their related persons that have taken place in the three months prior to the beginning of the offer period;
- the execution of any agreement referring to the acquisition or sale of company's shares which has been entered into by the company itself, members of the management and their related persons; and
- benefits that will be enjoyed by the management upon the completion of the takeover.

During the period in which the takeover bid remains open, the offeror, the company, the members of the management, their respective related persons, and any third parties that have expressed their intention to interfere in the takeover bid shall disclose any trading of the company's shares or execution of any agreement referring to the acquisition or sale of company's shares. Similar disclosure requirements apply to shareholders holding more than 2.5 per cent of any class of the company's shares.

Further, the board of directors of the company subject to a takeover bid may provide their recommendation regarding the acceptance or rejection of the offer by the shareholders, provided that such recommendation shall:

- address all material aspects to the shareholders' decision, with particular emphasis on the price offered in the takeover bid; and
- describe any material changes in the company's financial situation since the date of the latest annual or quarterly financials disclosed to the market.

The rules applicable to companies listed in the Nível 2 or Novo Mercado segments, however, require the Board of Directors to disclose their opinion on any tender offer for the company's shares (in the case of Novo Mercado, such opinion must address at least certain aspects of the offer, including possible alternatives to accepting the offer).

Any minority shareholder that has chosen not to sell its shares in a takeover bid shall have the option to sell the shares of that same class or type for an additional period of 30 days after the completion of the takeover bid at the same price per share as the final price offered in the takeover. In addition to the takeover rules, whenever there is a direct or indirect disposal of the corporate control of a publicly held company pursuant to a private negotiation between the acquirer and the company's controlling shareholder, the acquirer of the corporate control shall launch a tender offer to all minority shareholders owning voting shares, provided that such offer shall be made at least 80 per cent of the price paid to the controlling shareholder.

To the extent that the relevant company is listed in the Bovespa Mais, Bovespa Mais Nível 2, Nível 2 or Novo Mercado segments, then the minority shareholders are entitled to receive the same price per share paid to the controlling shareholder.

ACTIONS AND SEEKING REMEDIES ON BEHALF OF THE COMPANY

Are shareholders in your jurisdiction able to bring actions and seek remedies on behalf of the company? For example, is there any mechanism for a judicial or other official representative to oversee or intervene in the management of the company?

Under the Brazilian Corporations Law, the company is entitled to file a lawsuit against its current or former managers to recover losses caused to the company by such managers. The filing of such lawsuit is subject to approval in the annual shareholders' meeting or, if included in the agenda (or directly related to the matters that are included in the agenda), in any other shareholders' meeting.

If the shareholders' meeting has not approved the filing of a lawsuit against the company's managers, shareholders holding 5 per cent or more of the company's corporate capital will be entitled to propose such lawsuit, provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount. On the other hand, if the general shareholders' meeting has approved the filing of a lawsuit against the company's managers but the relevant lawsuit is not initiated within three months, any shareholder will be entitled to file such lawsuit.

The remedies awarded in a lawsuit filed by a shareholder against the company's managers in accordance with the above are designed to redress the company's losses and therefore any proceeds obtained in connection with such lawsuit shall be transferred to the company. The shareholder, however, is entitled to be reimbursed for any expenses incurred, including monetary restatement and interest. It is worth noting that the filing of a lawsuit on behalf of the company does not preclude the shareholder's right to file a lawsuit on his own behalf to recover for any personal losses that he may have suffered.

A similar right to initiate a lawsuit on behalf of the company against the company's controlling shareholder is available for minority shareholders (see page 10).

Shareholders are generally allowed to seek such remedies from a court of law, except to the extent that the company has adopted an arbitration provision in its bylaws, in which case such conflicts are settled by arbitration. B3 requires companies listed in the Bovespa Mais, Bovespa Mais Nível 2, Nível 2 and Novo Mercado segments to adopt such provisions in their bylaws.

Public companies are also constantly monitored by CVM, which sometimes initiates investigations into acts or facts that may have breached the law. If CVM confirms the occurrence of any misconduct, it is entitled to impose sanctions including warnings, financial penalties and even disqualification orders which prevent access to the securities exchange market for a certain period. As a result, minority shareholders in Brazil often reach out to the CVM to file complaints and seek enforcement of the rules governing controlling shareholder action. B3 plays a similar role in respect of corporate governance rules and other aspects that may influence in the trading of shares negotiated in the B3 and may also act as the enforcer of rules protecting minority shareholders (albeit on a smaller scale than CVM).

There are no corresponding provisions authorising quotaholders to litigate on behalf of a limitada. As such, minority quotaholders have to resort to the residual applicability of the rules of the Brazilian Corporations Law, to the extent authorised by the articles of association, in order to bring action on behalf of the company.

RIGHTS TO PARTICIPATE IN DECISION-MAKING

To what extent do minority shareholders have rights to participate in the decision-making of companies in your jurisdiction?

Pursuant to the Brazilian Corporations Law, shareholders are entitled to inspect the company's business in accordance with the applicable provisions of such law. The decision-making of a Brazilian corporation is trusted to either the shareholders meeting or the management (board of directors and/or officers) provided that certain matters are subject to shareholder approval.

In terms of management decision-making, the participation of minority shareholders is carried out through the rights to appoint directors. Minority shareholders are also able to require installation of a fiscal committee (*conselho fiscal*). Under the Brazilian Corporations Law, shareholders holding at least 10 per cent of the company's voting shares or 5 per cent of the company's non-voting shares are entitled to request the installation of a fiscal committee of the company, provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount. Once the fiscal committee is installed, minority shareholders holding preferred shares will be entitled to appoint one member of the fiscal committee and the respective alternate, in a separate vote from which the voting shareholders are excluded.

Minority shareholders holding common shares have a similar right to the extent that they hold 10 per cent or more of the company's voting shares – CVM understands that minority shareholders present at the relevant shareholders meeting may exercise this right regardless of their stake in the company, as long as at least 10 per cent of the company's voting shares are held by minority shareholders. The fiscal committee is trusted with the responsibility of overseeing and scrutinising the company's management.

On the other hand, when it comes to the shareholders meeting, all shareholders of a company, whether they hold voting or non-voting shares, have the right to attend the general shareholders meeting and discuss the items in the agenda. The annual shareholders meeting must be carried out during the first four months of each fiscal year to approve the financial statements of the prior fiscal year, allocate the results and elect the managers (when applicable). A special shareholders meeting may be carried out whenever required by the company's activities.

A shareholders meeting is called by either the board of directors or the officers, subject to the relevant provisions of the bylaws. Shareholders holding at least 5 per cent of the company's corporate capital are entitled to convene a general shareholders' meeting if the managers of a company fail to do so within eight days, counted from a request presented by such shareholders (in public companies, this threshold may be reduced depending on the company's capital stock amount). A similar right is available for shareholders holding at least 5 per cent of the voting or non-voting shares with respect to shareholders meeting for purposes of installing the fiscal committee. In addition, any shareholder is entitled to convene a general shareholders' meeting if the general shareholders meeting is required under the applicable law or under the bylaws, and management fails to convene such meeting for a period of more than 60 days.

Minority shareholders also participate in the decision-making of the company to the extent that they may influence (and sometimes veto) the outcome of certain initiatives that are subject to shareholder approval.

First, a shareholders' meeting convened to approve amendments to the bylaws will be held on first call only if shareholders holding at least two-thirds of the company's voting capital are present. Other shareholders' meetings are held on first call with the attendance of shareholders representing at least 25 per cent of the company's voting capital. In both cases, the shareholders' meeting may be held on second call with any number of attendees.

In addition to the attendance quorum outlined above, it is important to draw attention to certain resolution quorum rules. As a general rule, all shareholders resolutions are passed by the majority of votes of shareholders attending the meeting, with shareholders abstaining from voting on a certain matter deemed not present for purposes of voting on such matter. Certain matters such as creation of preferred shares, merger, amalgamation or spin-off of the company, change of the company's purpose and the company's liquidation require approval of at least 50 per cent of all voting shares issued by the company. Companies other than public companies may determine additional quorum rules in their bylaws.

The Brazilian Corporation Law requires unanimous approval of the shareholders in the following cases, among others:

- conversion of the company's corporate type into another (for instance, the conversion of a corporation into a limitada) to the extent that the bylaws do not address this matter;
- a disproportional spin-off of the company; and
- a disproportional capital reduction.

While those matters are not commonly important, they are effectively subject to a minority shareholder veto. The payment of dividends in an amount lower than the mandatory dividend or the withholding of all the net profit of the company also requires the approval of all shareholders attending the general shareholders meeting (such provision is generally not applicable to publicly held companies).

While the Brazilian Civil Code does not contain extensive rules on the rights of minority quotaholders to participate in the decision-making of a limitada, it does subject changes to the company's articles of association to the affirmative vote of 75 per cent of the quotaholders. Since several important matters are provided under the articles of association, a minority quotaholder with more than 25 per cent of the quotas of a limitada enjoys a broad veto power.

A similar veto power exists with respect to the appointment of officers, since the Brazilian Civil Code includes a provision pursuant to which the appointment of an officer who is not a quotaholder depends on the approval of quotas representing two-thirds of the corporate capital (provided that the corporate capital is fully paid up). If the corporate capital is not fully paid up, a unanimous quotaholder resolution is required.

RIGHTS WHEN A COMPANY IS EXPERIENCING FINANCIAL DIFFICULTIES

Do minority shareholders have any particular rights or protections when a company is experiencing financial difficulties? For example, are they able to demand that the company be wound up?

One of the fundamental rights of shareholders corresponds to the right to inspect the company's business in accordance with the applicable provisions of the Brazilian Corporations Law. While, as a general rule, the law does not allow a minority shareholder to require the management to produce specific documents or take certain actions, a common approach would be to request the installation of a fiscal committee (subject to the procedure discussed in the previous section). As part of its activities, the fiscal committee will be entitled to request specific documents to be produced or recommend certain action to be taken. Shareholders holding at least 5 per cent of the capital stock are entitled to request the fiscal committee to provide them with information regarding matters within the fiscal committee's scope, provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount.

Minority shareholders representing at least 5 per cent of the company's corporate capital are entitled to request a court to issue an order for production of copies of the company's books in case there is a breach of the law or bylaws, or a reasonable suspicion of fraud – provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount.

An interesting feature of the Brazilian Corporations Law which is designed to empower shareholders in companies facing financial difficulties is as follows: if the company does not pay the fixed or minimum dividend during three consecutive fiscal years (unless the bylaws set forth a shorter period), then the preferred, non-voting shares automatically acquire voting rights, thereby possibly shifting the company's political balance.

The Brazilian Corporations Law provides that shareholders representing at least 5 per cent of the company's corporate capital may apply for a court order to wind up the company to the extent that there is evidence that the company is not able to fulfil its corporate purpose. A similar right is available to minority quotaholders in a limitada, provided that any quotaholder may present such request. On the other hand, a company's reorganisation or bankruptcy request typically depends on the prior approval of the majority of shareholders attending a general shareholders meeting.

RIGHTS ENFORCEABLE AGAINST OTHER SHAREHOLDERS

Do minority shareholders have any rights or protections which are enforceable against other shareholders; for example, where the majority of shareholders act in contravention of the company's articles of association?

The Brazilian Corporations Law sets forth certain rules governing controlling shareholder's actions. A shareholder (or group of shareholders bound by a voting agreement (ie, a shareholders' agreement) or under common control) are deemed to control a Brazilian corporation when such shareholder (or group of shareholders):

- is the bearer of voting rights that permanently affords the majority of votes at a company's shareholders' meeting and the power to appoint the majority of a company's managers; and
- effectively uses its voting rights to direct and guide the company's business and operations.

The controlling shareholder owes fiduciary duties to the company and is required to use its power in the company's best interest.

Under the Brazilian Corporations Law, the controlling shareholder is required to indemnify the company for damages caused by abuse of power. Minority shareholders holding 5 per cent or more of the company's corporate capital may initiate a lawsuit on behalf of the company to recover such damages. A shareholder with less than a 5 per cent equity interest is also entitled to do so, but will be required to deposit the relevant court and attorney's fees. These will be incurred by the company if the lawsuit is dismissed, provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount.

More generally, any shareholder who casts a vote to cause damages to the company or other shareholders, or to obtain an undue advantage to himself or others, may be sued by the company or other shareholders and held liable for the damages caused – even if the unlawful vote did not prevail in the relevant shareholders' meeting.

SUMMARY OF RIGHTS

Below is a table providing a brief summary of the rights of minority shareholders in Brazil, organised according to the percentage threshold at which the various protections become available.

Shareholding (per cent)	Description	Reference
15	Shareholders of a public company holding at least 15 per cent of the voting shares of the company are entitled to appoint and dismiss a member of the board of directors and his respective alternate in a separate election, from which the controlling shareholder is excluded.	Article 141, section 4º, I of the Brazilian Corporations Law.
10	Shareholders holding at least 10 per cent of the voting shares are entitled to require the adoption of the multiple vote system for the election of the members of the board of directors, provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount.	Article 141 of the Brazilian Corporations Law; CVM Instruction No. 165/91*.
	Non-voting or restricted voting shareholders of public companies holding at least 10 per cent of the corporate capital of the company are entitled to appoint and dismiss a member of the board of directors and his respective alternate in a separate election, from which the controlling shareholder is excluded.	Article 141, section 4º, II of the Brazilian Corporations Law.
	Shareholders holding at least 10 per cent of the voting shares are entitled to require the installation of the fiscal committee of the company, provided that in public companies such threshold may be reduced depending on the company's capital stock amount.	Article 161, section 2º of the Brazilian Corporations Law; CVM Instruction No. 324/00*.
	Shareholders holding at least 10 per cent of the voting shares are entitled to appoint one member of the fiscal committee and the respective alternate by means of a separate election. Please note that, in this case, CVM understands that, as long as at least 10 per cent of the company's voting shares are held by minority shareholders, minority shareholders present at the relevant shareholders meeting may exercise this right, regardless of their stake in the company.	Article 161, section 4º (a) of the Brazilian Corporations Law.
5	Shareholders holding at least 5 per cent of the company's corporate capital are entitled to request a court to issue an order for production of copies of the company's books in case there is a breach of law or of the bylaws, or a reasonable suspicion of fraud, provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount.	Article 105 of the Brazilian Corporations Law; CVM Instruction No. 627/20*.

Shareholding (per cent)	Description	Reference
	Shareholders holding at least 5 per cent of the company's corporate capital are entitled to convene the general shareholders meeting if the managers of a company fail to do so within eight days, counted from the request presented by such shareholders, provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount.	Article 123 (c) of the Brazilian Corporations Law; CVM Instruction No. 627/20*.
	Shareholders holding at least 5 per cent of voting shares or non-voting shares, are entitled to convene the general shareholders' meeting if the managers of a company fail to do so within eight days counted from the request to convene a general shareholders meeting for the creation of the fiscal committee, as presented by such shareholders.	Article 123 (d) of the Brazilian Corporations Law
	Shareholders holding 5 per cent or more of the corporate capital may request the manager of the company to disclose certain information in the shareholders' meeting provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount.	Article 157, section 1 of the Brazilian Corporations Law; CVM Instruction No. 627/20*.
	Shareholders holding at least 5 per cent of the corporate capital are entitled to file a lawsuit against the managers of the company to recover losses caused to the company, if the general shareholders' meeting of the company has not approved the filing of such lawsuit, provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount.	Article 159, section 4º of the Brazilian Corporations Law; CVM Instruction No. 627/20*.
	Shareholders holding at least 5 per cent of the non-voting shares are entitled to require the installation of a fiscal committee of the company, provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount.	Article 161, section 2º of the Brazilian Corporations Law; CVM Instruction No. 324/00*.
	Shareholders holding at least 5 per cent of the corporate capital are entitled to request the fiscal committee to provide information regarding matters within the fiscal committee's scope, provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount.	Article 163, section 6 of the Brazilian Corporations Law; CVM Instruction No. 627/20*.
	Shareholders holding 5 per cent or more of the corporate capital may apply for a court order to wind up the company to the extent that there is evidence that the company is not able to fulfil its corporate purpose.	Article 206, II, b of the Brazilian Corporations Law.
	Any shareholder holding 5 per cent or more of the corporate capital may initiate a lawsuit on behalf of the company to recover for the damages caused by the controlling	Article 246, section 1a of the Brazilian Corporations Law;

Shareholding (per cent)	Description	Reference
	shareholder's abuse of power, without depositing the relevant court and attorney's fees which will be incurred by the company if the lawsuit is dismissed, provided that, in public companies, such threshold may be reduced depending on the company's capital stock amount.	CVM Instruction No. 627/20.*
0.5	Shareholders holding at least 0.5 per cent of the capital stock of the company are entitled to request a list containing the addresses of all shareholders of the company for purposes of proxy request.	Article 126, section 3 of the Brazilian Corporations Law.
One share	Any shareholder is entitled to require certificates of the notes of the corporate books, such as: shares register book and share transfer book (subject to certain requirements).	Article 100, section 1 of the Brazilian Corporations Law.
	Any shareholder is entitled to participate in the profit sharing of the company (dividend distribution).	Article 109, I of the Brazilian Corporations Law.
	Any shareholder is entitled to take part in the company's net assets, in case of liquidation.	Article 109, II of the Brazilian Corporations Law.
	Any shareholder is entitled to inspect the company's business in accordance with the applicable provisions of such law.	Article 109, III of the Brazilian Corporations Law.
	Any shareholder is entitled to preemptive rights in the issuance of shares, founder's shares, debentures convertible into shares and subscription bonuses.	Article 109, IV of the Brazilian Corporations Law.
	Any shareholder is entitled to convene a general shareholders' meeting required under the applicable law or under the bylaws, if management fails to convene such meeting for a period of more than 60 days.	Article 123, (b) of the Brazilian Corporations Law.
	Any shareholder is entitled to have access to the documents to be discussed in the general shareholders meetings, which need to be made available to the shareholders at the company's headquarters upon the publication of the first call notice to the meeting.	Article 135, section 3 of the Brazilian Corporations Law.
	Any shareholder is entitled to convene a general shareholders' meeting when there is a vacancy of all officers' positions, provided that the company does not have a board of directors.	Article 150, section 2 of the Brazilian Corporations Law.
	Any shareholder is entitled to file a lawsuit against the managers of the company to recover losses caused to the company, if the general shareholders' meeting has approved	Article 159, section 3 of the Brazilian Corporations Law.

Shareholding (per cent)	Description	Reference
	the filing of a lawsuit against the company's managers but the relevant lawsuit is not initiated within three months.	
	Any shareholder is entitled to veto the approval of dividends distribution lower than the mandatory dividends or the withholding of all the net profit of the company.	Article 202, section 3 of the Brazilian Corporations Law.
	Any shareholder is entitled to veto a conversion of the company's corporate type into another (for instance, the conversion of a corporation into a limitada) to the extent that the bylaws do not address this matter.	Article 221 of the Brazilian Corporations Law.
	Any shareholder is entitled to veto a disproportional spin-off or capital reduction of the company.	Article 229, section 5 of the Brazilian Corporations Law.
	Any shareholder is entitled to judicially carry out the liquidation of the company, in case the directors/officers or the majority of the shareholders do not carry it out or refuse to do so.	Article 209, I of the Brazilian Corporations Law.
	Any shareholder may initiate a lawsuit on behalf of the company to recover for the damages caused by the controlling shareholder's abuse of power, provided that, if the relevant shareholder does not hold a minimum of 5 per cent or more of the corporate capital (in public companies, such threshold may be reduced depending on the company's capital stock amount), they will be required to deposit the relevant court and attorney's fees which will be incurred by the company if the lawsuit is dismissed.	Article 246, section 1, (b) of the Brazilian Corporations Law; CVM Instruction No. 627/20.*
	Where the company has been subject to a sale of control, any shareholder holding voting shares of a public company is entitled to sell their shares in a tender offer for a price per share of at least 80 per cent of the price per share paid to the controlling shareholder.	Article 254-A of the Brazilian Corporations Law.

* These CVM Instructions are soon expected to be consolidated into a single document.