

Samarco presents final proposal for Voluntary Resignation

Samarco presented yesterday (15 June) its final proposal for the Voluntary Resignation Incentive Program (PDV) to be offered to the Company employees. The objective is to reduce by 1200 its current work force of 3000, considering both Minas Gerais and Espírito Santo. The Minas Gerais union has already scheduled a meeting with the employees for Monday, Tuesday and Wednesday of the coming week.

The adoption of this PDV program was suggested by the unions to minimize the impacts of the dismissals that are necessary to adjust Samarco's work force to the new reality of the Company, since there are still uncertainties about the resumption of operations.

Among the items contained in the final proposal are the following:

- 50% of the employee's monthly salary for each year worked, up to a limit of four salaries
- Fixed amount equivalent to three monthly salaries, up to a total limit of R\$ 7,500
- No discount in the termination of the contract for prepayment of the profit-sharing program PLR
- Assurance of continued effectiveness of AMS health insurance for six months after the date of severance
- If the employee has outstanding debts with the AMS, the amount exceeding 30% of the amount of the severance will be forgiven.

Samarco employees may adhere to the PDV between 27 June and 29 July of this year.

The personnel at management level, with the exception of team leaders, cannot adhere to the PDV. In their case, the dismissals will be carried out at the discretion of the Company. The dismissed employee shall enjoy the same benefits as those provided in the PDV.

The Company's expectation is that the proposal also be informed to the employees through the Informative Meeting to be called by the unions.

Samarco reiterates that, since the collapse of the Fundão dam in November 2015, it has made several efforts to keep on its work force, such as:

- Granting paid leave (from 10/Nov/15 to 29/Nov/15);
- Mandatory paid vacations (from 30/Nov/15 to 29/Dec/15);
- 2nd period of paid leave (from 4/Jan/16 to 10/Jan/16);
- 1st layoff* period (from 25/Jan/16 to 25/Apr/16);
- 2nd layoff period (from 25/Apr/16 to 25/Jun/16).

(*) Brazilian labor laws allow a temporary suspension of the employment contract for 2 to 5 months, under specific rules, known as “layoff”.

However, the new circumstances of the Company require a reduction of some 40% of its staff. The Company still has not defined when the leaves will be granted, as it expects that the resumption of its operations would involve only 60% of its capacity for some years.

It is necessary to point out that the restart of Samarco's operations is indispensable to the maintenance of 60% of its work force in Minas Gerais and Espírito Santo, so that the Company can continue providing employment, paying taxes and contributing toward the socioeconomic development of the communities.

And finally, Samarco reaffirms that the entire process of negotiation with the unions was carried out in a correct and transparent manner, seeking to minimize the impacts of the current circumstances on its employees. Samarco has always been known on the market for treating its employees with respect, a trust relation that has been built over its 38 years of operation.

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