

Samarco celebrates the signing of Terms of Conduct Adjustment with its shareholders and Brazilian authorities

On Monday, June 25, a Terms of Conduct Adjustment (TAC) was signed between Samarco and its shareholders, BHP Billiton Brasil and Vale, the Public Prosecutor's Office (of the Federal Government, Espírito Santo and Minas Gerais), the Public Defender's Office (of the Federal Government, the State of Espírito Santo and the State of Minas Gerais) and the State Prosecutor's Office (of the Federal Government, Espírito Santo and Minas Gerais). The agreement, which was signed on March 2, 2016 by Samarco, Vale, BHP, the Federal Government, and the governments of Minas Gerais and Espírito Santo, provides for innovations in governance defined by the Terms of Transaction and Conduct Adjustment (TTAC), and seeks to improve the participation of those who were impacted by the Fundão Dam break and are involved in the reparation programs. The parties also agreed to establish a negotiation process for the possible renegotiation of reparations programs, which will be discussed after experts hired by Samarco to advise the Public Prosecutor's Office have completed their work.

Samarco's CEO, Rodrigo Vilela, reaffirmed the company's commitment to the communities and areas impacted by the Fundão Dam break. "The presence of all of these parties in the signing of this agreement shows that there is a consensus about improving solutions and increasing the participation of those impacted by the crisis, which will give even more legitimacy to the process."

Renegotiation

The agreement states that all parties involved will work together, seeking a possible renegotiation of the 42 programs provided for in the Terms of Transaction and Conduct Adjustment (TTAC), signed in March 2016.

The Renova Foundation will continue implementing previously established programs during the next two years, which is the period of time designated for the renegotiation and revision of TTAC programs.

Improving governance

Increased participation of those impacted will begin with the revision of the governance structure established in the TTAC. The new structure includes four new members in the InterFederative Committee (CIF). The Committee, which will now have 16 members, will continue to be the permanent liaison to the Renova Foundation and is responsible for monitoring and supervising the management and results of the programs. The revision also adds two new members to the Renova Foundation's Board of Trustees, which will be chosen by the communities impacted by the crisis.

Public Civil Action

The agreement extinguishes judicial actions, including the R\$ 20 billion Public Civil Lawsuit (ACP) filed by the Federal Government and the States of Minas Gerais and Espírito Santo. Requests for compensation from the R\$ 155 ACP that are covered by the present agreement will be immediately terminated. The agreement also addresses the discussion

concerning legal guarantees set at R \$ 2.2 billion, bringing, therefore, greater legal certainty for companies.

The agreement requires the Federal Government's signature, by means of the Solicitor General of Brazil, and is subject to the homologation of the 12th Federal Court of Minas Gerais.

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