

Samarco counterproposal – Dec. 19th

	Opening Proposal	Counterproposal
Exchange ratio:	<ul style="list-style-type: none"> Cap Option A to \$800mm Principal + accrued interest at contractual interest rate Extinguishment of default interest 	<ul style="list-style-type: none"> Same
Interest:	<ul style="list-style-type: none"> A) L+1.15% B) 4.93% C) 1.0% PIK PIK-toggle for life, subject to ECS for Options A & B 	<ul style="list-style-type: none"> A) Same B) PIK 5.25% / 4.93% cash, PIK-toggle for life C) Same Same
Maturity:	<ul style="list-style-type: none"> A) Dec 2028 B) Dec 2031 C) Dec 2033 Maturities extend automatically to the extent restart is delayed beyond Jan'20 	<ul style="list-style-type: none"> A) Same B) Same C) Same Same
Change of Control	<ul style="list-style-type: none"> Silent 	<ul style="list-style-type: none"> Same as existing bonds (i.e., put @ 101 with carve out for one Shareholder selling to the other)
Call Protection	<ul style="list-style-type: none"> Silent 	<ul style="list-style-type: none"> None
Amortization:	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Same
Excess Cash Sweep (“ECS”):	<ul style="list-style-type: none"> 100% of Excess Cash applied according to the following priority: (i) SD cumulative interest plus \$500mm of SD principal; (ii) pro-rata to Options A & B cumulative interest; (iii) SD principal Excess Cash defined as the greater of (i) end of fiscal year unrestricted cash balance minus US\$300mm, minus insurance proceeds received minus proceeds from permitted asset disposals and (ii) zero 	<ul style="list-style-type: none"> Same, except stepdowns from 100% TBD and mechanics TBD <ul style="list-style-type: none"> i. \$300mm of SD principal iii. Pro rata to SD and Options A & B principal Same, except remove permitted asset disposals from the ECS
Security/collateral:	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Same
Voluntary Prepayment:	<ul style="list-style-type: none"> Samarco may voluntarily prepay SD, RRO and Options A & B on a pro-rata basis 	<ul style="list-style-type: none"> Voluntary Prepayments applied first to cumulative interest on Options A & B (pro rata); thereafter pro rata to outstanding debt balances of Options A & B, SD and RRO
Renova Reimbursement Obligation (“RRO”):	<ul style="list-style-type: none"> Currency: BRL Rate: None Maturity: None Amortization: None Ranking: Pari with A+B+SD 	<ul style="list-style-type: none"> Same
Shareholder Debentures (“SD”) (existing and future):	<ul style="list-style-type: none"> Rate: 4.93%, PIK Toggle Maturity: Dec 2028 Ranking: Pari with A+B+RRO ECS priority as specified above 	<ul style="list-style-type: none"> PIK 5.25% / 4.93% cash, PIK-toggle for life (same as Option B) Maturity: Dec 2029 Same Same
Insurance proceeds:	<ul style="list-style-type: none"> Applied to the amortization of SD first and then after available for Samarco general corporate purposes 	<ul style="list-style-type: none"> Same

Samarco counterproposal – Dec. 19th (cont'd)

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Permitted Debt	<ul style="list-style-type: none"> • Until payment in full of Options A & B, Samarco shall not incur, issue, assume or maintain any indebtedness other than Permitted Debt • Permitted Debt includes: (i) Options A, B & C, (ii) Renova, (iii) New Shareholder Debentures, (iv) capital leases, (v) debt secured by Permitted Liens, (vi) any refinancing, (vii) renewals of Permitted Debt and (viii) other agreed debt 	<ul style="list-style-type: none"> • Same
Permitted liens:	<ul style="list-style-type: none"> • Existing liens, as disclosed • Liens to provide to tax/civil litigation/bonding facilities • Liens in respect of remediation litigation and proceedings • Negative pledge prohibiting collateral grant to any other creditor except pari passu liens to CCB loan and any drawn LCs 	<ul style="list-style-type: none"> • Same
Restricted payments:	<ul style="list-style-type: none"> • Prohibition on dividends until Options A & B are paid in full 	<ul style="list-style-type: none"> • Same
Maintenance and Financial Covenants	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Same
Affirmative and Negative Covenants	<ul style="list-style-type: none"> • Usual and customary 	<ul style="list-style-type: none"> • Same
Disposal of assets:	<ul style="list-style-type: none"> • If Samarco receives aggregate net cash proceeds from sale of assets (other than permitted disposals) in an amount greater than \$100mm, such excess amount shall be applied according to the priority stated in the ECS mechanism 	<ul style="list-style-type: none"> • Remove
Event of Default	<ul style="list-style-type: none"> • Usual and customary 	<ul style="list-style-type: none"> • Same
Conditions Precedent	<ul style="list-style-type: none"> • Usual and customary 	<ul style="list-style-type: none"> • Same
Shareholders support:	<ul style="list-style-type: none"> • Shareholders to make funding available to Samarco through December 2018 for operating expenses and capital expenditures in the form of Shareholder Debentures in accordance with the Vale and BHP press releases dated June 28, 2018 and June 29, 2018, respectively • Funding for early 2019 has not been approved by the Shareholders' respective Boards. Samarco expects such funding to be made available by Shareholders in due course on terms substantially similar to those that have been made previously • Any Shareholder funding commitment for the funding need shown in the Business Plan for operating expenses and capital expenditures would be subject to milestones and other conditions TBD related to, among other things, the restart licensing process, legal and regulatory requirements, and the debt restructuring process. It is expected that any such commitment would be entered into contemporaneously with the execution of a Restructuring Support Agreement between Samarco and its financial creditors. Any funding made pursuant to such commitment would have the same terms as the Shareholder Debentures described herein. The terms and conditions of any such commitment are subject to and shall be determined by Shareholders' Board approval 	<ul style="list-style-type: none"> • Same