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Official Letter No. 042/AGU

Brasilia, *March 21*, 2016

To His Excellency
Congressman JOSÉ SARNEY FILHO
Coordinator of CEXBARRA
House of Representatives – Praça dos Três Poderes
70160-900 – Brasilia/DF

**Re.: External Commission destined to monitor the development of the rupture of the dam
in the region of Mariana/MG (CEXBARRA)**

Dear Congressman,

In response to the Official Letter No. 47/16 – Pres., I submit to you, for all due purposes, copy of the agreement executed between the Federal Government, the States of Minas Gerais and Espírito Santo and the companies Samarco, Vale, and BHP Billiton, which has defined the programs, actions, and measures seeking the full recovery of the environment and social economic conditions in the area following the impacts caused by the rupture of the Fundão dam, in the city of Mariana/MG.

Sincerely,

[signature]
JOSÉ EDUARDO CARDOZO
Federal General Attorney

17mar-of/mfes

CERT. MERRILL VER

TERMS OF AGREEMENT AND CONDUCT ADJUSTMENT

The **FEDERAL GOVERNMENT**, a legal entity of public law; the **BRAZILIAN INSTITUTE OF ENVIRONMENT AND RENEWABLE NATURAL RESOURCES – IBAMA** [*Instituto Brasileiro de Meio Ambiente e dos Recursos Naturais Renováveis – IBAMA*], a federal agency; the **CHICO MENDES INSTITUTE ON THE BIODIVERSITY PRESERVATION** [*Instituto Chico Mendes de Conservação da Biodiversidade – ICMBio*], federal agency; the **NATIONAL WATER AGENCY – ANA** [*Agência Nacional de Águas – ANA*]; federal agency; the **NATIONAL DEPARTMENT OF MINERAL PRODUCTION – DNPM** [*Departamento Nacional de Produção Mineral*], a federal agency; the **NATIONAL FOUNDATION FOR INDIGENOUS PEOPLE – FUNAI** [*Fundação Nacional do Índio*], a federal agency, all represented by the Federal General Attorney; the **FORESTS STATE INSTITUTE – IEF** [*Instituto Estadual de Florestas – IEF*], a federal agency supervised by the State Secretary of Environment and Sustainable Development, created by Law No. 2,606/1962, with regulation approved by [sic] with regulation approved by Decree No. 45,834, dated December 22, 2011, registered with the Taxpayers’ Registry of the Ministry of Finance under No. CNPJ 18.746.164/0001-28; the **WATER MANAGEMENT INSTITUTE OF MINAS GERAIS – IGAM** [*Instituto Mineiro de Gestão de Águas – IGAM*], federal public agency supervised by the State Secretary of Environment and Sustainable Development, created by Law No. 12,584, dated July 17, 1997, with regulation approved by Decree No. 46,636, dated October 28, 2014, registered with the Taxpayers’ Registry of the Ministry of Finance under No. 17.387.481/0001-32; the **STATE ENVIRONMENT FOUNDATION – FEAM** [*Fundação Estadual de Meio Ambiente – FEAM*], established by Decree No. 28,163, dated June 6, 1988, pursuant to Law No. 9,525, of December 29, 1987, registered with the Taxpayers’ Registry of the Ministry of Finance under No. CNPJ 25.455.858/0001-7, all represented by the General Attorney of the State of Minas Gerais, with headquarters at Rua Espírito Santo, 495, 8º andar, Belo Horizonte, 30160-030; the **STATE OF ESPÍRITO SANTO**, legal entity of public law; the **STATE ENVIRONMENT AND WATER RESOURCES INSTITUTE – IEMA** [*Instituto Estadual de Meio Ambiente e Recursos Hídricos – IEMA*], a state agency; the **INSTITUTE FOR AGRICULTURAL, LIVESTOCK AND FORESTRY DEFENSE OF ESPÍRITO SANTO – IDAF** [*Instituto de Defesa Agropecuária e Florestal do Espírito Santo*], a state agency, and the **STATE AGENCY OF WATER RESOURCES – AGERH** [*Agência Estadual de Recursos Hídricos – AGERH*], state agency, all represented by the State Attorney’s Office of the State of Espírito Santo, hereinafter **PROMISORS**;

Samarco Mineração S.A., legal entity of private law, private corporation, registered with the Taxpayers’ Registry of the Ministry of Finance under No. CNPJ 16.628.281/0001-61, headquartered at

Rua Paraíba, 1122, 9, 10, 13, 19 e 23 andares, Bairro Funcionários, Belo Horizonte, MG, 30130-918 herein represented by ROBERTO LÚCIO NUNES DE CARVALHO, Managing President, registered with the Taxpayers' Registry of the Ministry of Finance under No. CPF 294.322.436-72 and MAURY DE SOUZA JUNIOR, Project and Eco-Efficiency Executive Officer, registered with the Taxpayers' Registry of the Ministry of Finance under No. CPF 639.573.296-04, hereinafter referred to as **SAMARCO; VALE S.A.**, legal entity of private law, publicly held corporation, registered with the Taxpayers' Registry of the Ministry of Finance under No. CNPJ 33.592.510/0001-54, headquartered at Avenida das Américas, 700, Bloco 8, Loja 318, Barra da Tijuca, Rio de Janeiro/RJ –22640-100100, herein represented by MURILO PINTO DE OLIVEIRA FERREIRA, Brazilian, married, business administrator, bearer of identity card IFP/RJ 004.922.272-2, registered with the Taxpayers' Registry of the Ministry of Finance under No. CPF/MF 212.466.706-82, and CLOVIS TORRES JUNIOR, Brazilian, married, lawyer, registered with the Brazilian Bar Association (OAB/RJ) under No. 127.987, registered with the Taxpayers' Registry of the Ministry of Finance under No. CPF/MF 423.522.235-04, hereinafter referred to as **VALE**; and **BHP BILLITON BRASIL LTDA.**, a legal entity of private law, limited liability company, registered with the Taxpayers' Registry of the Ministry of Finance under No. CNPJ 42.156.596/0001-63, headquartered at Av. das Américas, 3434, Bloco 07, sala 501, Bairro Barra da Tijuca, Rio de Janeiro, RJ, CEP 22.640-102, herein represented by DIANO SEBASTIANO DALLA VALLE, Australian, Married, Engineer, bearer of Australian Passport No. N5335479, with commercial address in the City of Rio de Janeiro, at Av. das Américas, 3434, Bloco 7, Salas 505 e 506 and FLAVIO DE MEDEIROS BOCAYUVA BULCÃO, Brazilian, married, lawyer, bearer of identity card OAB/RJ 60.160, with commercial address in the City of Rio de Janeiro, at Av. das Américas, 3434, Bloco 7, Salas 505 e 506, hereinafter referred to as **BHP**, and jointly with VALE hereinafter referred to as “SHAREHOLDERS”;

WHEREAS the provisions of Article 225 of the Federal Constitution, which deals with the responsibility of the government to defend and preserve the ecologically balanced environment;

WHEREAS the need to recover, mitigate, remediate, and repair, including compensation, for the social-environmental and socioeconomic impacts, when feasible, caused by the rupture of Fundão dam

belonging to the mining complex of Germano in Mariana, MG, as well as the provision of social assistance to the IMPACTED parties;

WHEREAS the execution of this judicial agreement aims to end the litigation upon voluntary act by the parties, acknowledging that self-composition is the fastest and most effective way to solve the controversy, and it does not imply any assumption of liability for the EVENT;

WHEREAS the compensatory measures must be proportionate to the non-repairable or non-mitigatable impacts caused by the EVENT, having, among other measures in this Agreement, the purpose of accelerating the recovery process of the Doce River Basin, the estuary, coastal and marine regions, especially the quality and quantity of water in tributaries and, thus, in the main impacted stream;

WHEREAS the rupture of the Fundão dam gave rise to environmental and social consequences, in an EVENT that affected more than 680 km of water bodies in the states of Minas Gerais and Espírito Santo, in addition to impacts on the estuarine regions of Rio Doce and coastal and marine regions;

WHEREAS the **PROMISORS** understand that, among the social-environmental impacts arising out of the dam rupture, are:

- a) impact of habitats and fish populations along the rivers Gualaxo, Carmo and Doce, amounting to 680 km of rivers;
- b) change to the quality of water of rivers impacted with ore tailings mud;
- c) suspension of public supply due to EVENT in impacted cities and municipalities;
- d) suspension of water withdrawals due to the EVENT for economic activities, farms and small communities along the rivers Gualaxo do Norte, Carmo and Doce;

- e) partial silting up of the bed of rivers Gualaxo do Norte, Carmo and Doce up to the hydroelectric dam reservoir of UHE Risoleta Neves;
- f) impact on lakes and springs adjacent to riverbeds;
- g) impact on the riparian and aquatic vegetation;
- h) impact in the connection with tributaries and marginal lagoons;
- i) change of water flow as a result of the EVENT;
- j) impact on estuaries and mangroves at the mouth of the Doce River;
- k) impact on areas of reproduction of fish;
- l) impact of “nurseries” areas for restoration of fish fauna (feeding areas of larvae and young);
- m) impact on the food chain;
- n) impacts on the genetic flow of species between bodies of water arising from the EVENT;
- o) impacts on species with habitat specificity (rapids, dens, pits, backwaters, etc.) in the rivers Gualaxo do Norte and Carmo;
- p) death of specimens in the food chain arising from the EVENT;
- q) impact on the conservation status of species already listed as threatened and inclusion of new species on the list of endangered species;
- r) impairment of the structure and function of aquatic ecosystems and associated terrestrial ecosystems as a result of the EVENT;
- s) impairment of fish stocks, with impact on fishing as a result of the EVENT;
- t) impact on the life of riverside populations, estuarine populations, indigenous peoples and other traditional communities; and
- u) impacts on Conservation Units.

WHEREAS the impacts that may be identified in relation to fishermen, family farmers, sandpits, tourism sector and business related to sports and recreation, among other economic sectors;

WHEREAS the impacts that may be identified in relation to indigenous and other peoples, communities and traditional populations;

WHEREAS the impacts that may be identified in relation to the historical and cultural heritage and culture of the affected communities;

WHEREAS the need to provide the IMPACTED, including individuals and legal entities, communities and organized social movements, with social participation in the discussion and follow-up actions set out in this Agreement;

WHEREAS the need to grant access to all concerned to comprehensive, transparent and public information, in an accessible, adequate and understandable language, as a necessary condition for informed social participation;

WHEREAS the need to create channels of communication and interaction with society at permanent or itinerant spaces, with the establishment of the dialogue table and creation and maintenance of dialogical spaces with communities;

WHEREAS the rupture impacted the population, including casualties, disappearances, physical and health injury, and damages to public and private property that may be identified as a result of the EVENT;

WHEREAS there are several actions to be taken to restore the environment affected by EVENT, as well as for the recovery of socioeconomic conditions of those IMPACTED;

WHEREAS the intent to implement a specific program for environmental and socioeconomic monitoring in the AFFECTED AREAS,

as provided under this Agreement, in order to learn the impacts and effectiveness of the actions, provided in this Agreement;

WHEREAS the need to provide technical and logistical support to the restoration of public services, as provided in this Agreement;

WHEREAS it is important to resume SAMARCO's operations, which resumption shall be preceded by satisfaction of the appropriate legal procedures;

WHEREAS the necessary measures to repair the damage shall be performed in short, medium and long term;

WHEREAS the filing of Public Civil Action (ACP) against SAMARCO and SHAREHOLDERS, registered under No. 0069758-61.2015.4.01.3400, pending in the 12th Federal Court of the Judiciary Section of Minas Gerais, which seeks the recovery, mitigation, remedying, offsetting and reparation, including payment of compensation, of socio-environmental and socioeconomic impacts caused by the EVENT;

WHEREAS the parties, through an agreement that will be exhaustive in relation to the EVENT and its effects, intend to put an end to this ACP and other actions with subject matter contained in or related to this ACP, ongoing or that may be filed by any agents with standing;

WHEREAS this Agreement may be used for due legal purposes, and may be submitted in the records of the lawsuits which have as their subject matter any obligations arising from the EVENT and provided for in this Agreement, with the purpose of seeking the resolution or joinder of the filed lawsuits;

WHEREAS the PROMISEES shall make submissions in the records of the lawsuits listed in the ANNEX and other class actions that may be filed with respect to the EVENT, provided that their subject matter is covered by this AGREEMENT, in order to make the clauses and obligations provided in this AGREEMENT prevail;

WHEREAS the objective of the PUBLIC AUTHORITIES is not to raise values, but the recovery of the environment and the socioeconomic conditions of the region, taking into consideration the PREVIOUS SITUATION;

WHEREAS SAMARCO, VALE and BHP expressed their legitimate and voluntary interest in executing the AGREEMENT with the purpose of recovering, mitigating, remedying, repairing, including payment of compensation, and, where it is not possible to repair, compensate the impacts in the socio-environmental and socioeconomic realms, arising from the EVENT, including ongoing actions;

WHEREAS the management of the actions above mentioned shall be made in a centralized manner at a non-profit private foundation, with its own governance, supervision and control structure, aiming at making the repair and compensation due to the EVENT more efficient;

DECIDE to enter into this AGREEMENT, in the Case No. 69758– 61.2015.4.01.3400 pending before the 12th Federal Court of the Judicial Section of Minas Gerais, and submit it to court approval to confer enforceable effectiveness under the terms of Articles 1, paragraph 4 and 4a of Law No. 9,469, dated July 10, 1997 and Article. 5, paragraph 6 of the Federal Law No. 6,347, dated July 24, 1985, always complying with the procedures and forms set out in the clauses of this AGREEMENT and its respective annexes:

CHAPTER ONE: GENERAL CLAUSES

CLAUSE 01: This AGREEMENT shall be delimited and interpreted from the following technical definitions:

- I. EVENT:** the rupture of the Fundão dam belonging to SAMARCO, located in the mining complex of Germano in Mariana-MG, which occurred on November 5, 2015.
- II. IMPACTED:** individuals or legal entities, and their respective communities, which have been directly affected by the EVENT, pursuant to the items below and this AGREEMENT:

- a) loss of spouse, life partner, relatives to the second degree, by death or disappearance;
- b) loss due to death or disappearance of family members with varying degrees of kinship or people with whom one cohabited and/or were economically dependent;
- c) loss proved by the owner of chattels or immovable property or loss of real property ownership;
- d) loss of productive capacity or the possibility of use of the real property or portion of it;
- e) proven loss of areas of fishing activity and fishing and extractive resources, preventing the extraction or productive activities;
- f) loss of income sources, work or self-subsistence of which they depend economically, because of the rupture of the connection with affected areas;
- g) proven damages to local productive activities, with impracticability of the establishment or economic activities;
- h) impracticability of access or management activity of natural and fishery resources, including the lands of the public domain and collective use, affecting income, livelihoods and way of life of populations;
- i) damage to physical or mental health; and
- j) destruction or interference that affects community livelihoods or the conditions of reproduction of sociocultural and cosmologic processes of coastal communities, estuarine, traditional and indigenous peoples.

III. INDIRECTLY IMPACTED: the present or future individuals and legal entities that are not contemplated in the foregoing paragraphs, who reside or shall reside in the COVERAGE AREA and that suffer limitation on the exercise of their fundamental rights as a result of environmental and economic, direct or indirect, present or future consequences of the EVENT, which will be granted the access to information and participation in community discussions,

as well as having access to the public equipment resulting from the PROGRAMS.

- IV. ENVIRONMENTAL AREA 1:** areas covered by the deposition of tailings in the riverbed and margins of rivers Gualaxo do Norte, Carmo and Doce, considering the respective portions of their feeders and tributaries, as well as estuarine, coastal and marine areas in the portion affected by the EVENT.
- V. ENVIRONMENTAL AREA 2:** municipalities bordered by the Doce River and the affected stretches of the rivers Gualaxo do Norte and Carmo, namely: Mariana, Barra Longa, Rio Doce, Santa Cruz do Escalvado, Sem-Peixe, Rio Casca, São Pedro dos Ferros, São Domingos do Prata, São José do Goiabal, Raul Soares, Dionísio, Córrego Novo, Pingo-D'Água, Marliéria, Bom Jesus do Galho, Timóteo, Caratinga, Ipatinga, Santana do Paraíso, Ipaba, Belo Oriente, Bugre, Iapu, Naque, Periquito, Sobrália, Fernandes Tourinho, Alpercata, Governador Valadares, Tumiritinga, Galileia, Conselheiro Pena, Resplendor, Itueta, Aimorés, Baixo Guandu, Colatina, Marilândia, and Linhares.
- VI. SOCIOECONOMIC COVERAGE AREA:** localities and communities adjacent to the Riverbed of the Doce River, Carmo, Gualaxo do Norte rivers and the Santarém Stream and estuarine, coastal and marine impacted areas.
- VII. MUNICIPALITIES OF THE STATE OF MINAS GERAIS IN THE SOCIOECONOMIC COVERAGE AREA:** Mariana, Barra Longa, Rio Doce, Santa Cruz do Escalvado, Rio Casca, Sem-Peixe, São Pedro dos Ferros, São Domingos do Prata, São José do Goiabal, Raul Soares, Dionísio, Córrego Novo, Pingo-D'Água, Marliéria, Bom Jesus do Galho, Timóteo, Caratinga, Ipatinga, Santana do Paraíso, Ipaba, Belo Oriente, Bugre, Iapu, Naque, Periquito, Sobrália, Fernandes Tourinho,

Alpercata, Governador Valadares, Tumiritinga, Galiléia, Conselheiro Pena, Resplendor, Itueta and Aimorés.

- VIII. MUNICIPALITIES AND PLACES OF THE STATE OF ESPÍRITO SANTO IN THE SOCIOECONOMIC COVERAGE AREA:** Baixo Guandu, Colatina, Barra do Riacho in Aracruz, Marilândia and Linhares, in addition to the estuarine, coastal and marine impacted areas.
- IX. SOCIOECONOMIC PROGRAMS:** set of measures and actions to be performed according to a technically based plan, necessary for repair, mitigation, compensation, and indemnification for socioeconomic damages arising out of the EVENT, monitored and supervised by PUBLIC AUTHORITIES, pursuant to this AGREEMENT.
- X. SOCIOENVIRONMENTAL PROGRAMS:** set of measures and actions to be performed according to a technically based plan, necessary for repair and compensation for socioenvironmental damages caused by the EVENT, monitored and supervised by PUBLIC AUTHORITIES, pursuant to the AGREEMENT.
- XI. PROGRAMS:** these are SOCIOENVIRONMENTAL PROGRAMS and SOCIOECONOMIC PROGRAMS when jointly referred.
- XII. SOCIOENVIRONMENTAL PROGRAMS:** these are the actions and measures approved by the FOUNDATION under this AGREEMENT for the implementation of certain SOCIOENVIRONMENTAL PROGRAMS;
- XIII. SOCIOECONOMIC PROGRAMS:** these are the actions and measures approved by the FOUNDATION under this AGREEMENT for the implementation of certain SOCIOECONOMIC PROGRAMS;

- XIV. PROJECTS:** these are the SOCIOENVIRONMENTAL PROJECTS and SOCIOECONOMIC PROJECTS when jointly referred.
- XV. PUBLIC AUTHORITY:** public agencies and entities that compose or are linked to the PROMISORS and that, because of their institutional duties, have the legal authority to regulate and/or monitor actions related to a particular PROGRAM.
- XVI. ENVIRONMENTAL BODIES:** Brazilian Institute of Environment and Renewable Natural Resources – IBAMA [*Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis – IBAMA*]; Chico Mendes Institute on the Biodiversity Preservation – ICMBio [*Instituto Chico Mendes de Conservação da Biodiversidade – ICMBio*]; State Office of Environment and Water Resources – SEAMA/ES [*Secretaria Estadual de Meio Ambiente e Recursos Hídricos – SEAMA/ES*]; Institute for Agricultural, Livestock and Forestry Defense of Espírito Santo – IDAF [*Instituto de Defesa Agropecuária e Florestal do Espírito Santo*]; Office of Environment and Sustainable Development – SEMAD/MG [*Secretaria de Meio Ambiente e Desenvolvimento Sustentável*]; State Environment and Water Resources Institute – IEMA/ES [*Instituto Estadual de Meio Ambiente e Recursos Hídricos do Espírito Santo – IEMA/ES*]; Forests State Institute [*Instituto Estadual de Florestas – IEF/MG*]; State Environment Foundation – FEAM/MG [*Fundação Estadual de Meio Ambiente – FEAM/MG*].
- XVII. WATER MANAGEMENT BODIES:** National Water Agency – ANA [*Agência Nacional das Águas – ANA*]; State Agency for Water Resources of Espírito Santo – AGERH/ES [*Agência Estadual de Recursos Hídricos do Espírito Santo – AGERH/ES*]; and Water Management Institute of Minas Gerais – IGAM/MG [*Instituto de Gestão das Águas de Minas – IGAM/MG*].
- XVIII. REPARATORY PROGRAMS:** these include measures and actions of reparatory nature that seek to mitigate, remediate and/or repair environmental and socioeconomic impacts arising from EVENT;
- XIX. COMPENSATORY PROGRAMS:** these include measures and actions that aim to compensate impacts deriving from the EVENT that are not subject to mitigation or not repairable, by improving the socioenvironmental and socioeconomic conditions of the impacted areas, which repair is not possible or feasible, pursuant to the PROGRAMS.

XX. FOUNDATION: non-profit foundation of private law, in compliance with the requirements of the law, to be created by SAMARCO and the SHAREHOLDERS in order to prepare and perform all measures provided by the SOCIOENVIRONMENTAL PROGRAMS and SOCIOECONOMIC PROGRAMS.

XXI. EXPERT: individual or legal entity or group of individuals or legal entities, legally qualified and contracted by the FOUNDATION for the full or partial management, evaluation, development and/or implementation of the PROGRAMS and/or the PROJECTS.

XXII. PREVIOUS SITUATION: socioenvironmental and socioeconomic situation immediately prior to 5/11/2015.

SOLE PARAGRAPH: As long as done expressly, the PROGRAMS may adopt more limited concepts of COVERAGE AREA, IMPACTED and INDIRECTLY IMPACTED, to ensure a more specific focus to the respective PROGRAM.

CLAUSE 02: This AGREEMENT has the purpose of setting forth PROGRAMS to be designed, developed and implemented by the FOUNDATION in order to restore the environment and the socioeconomic conditions of the COVERAGE AREA impacted by the EVENT, considering the PREVIOUS SITUATION, and the adoption of the necessary mitigation, compensation and indemnity measures provided for in the PROGRAMS, which compliance and enforcement will be supervised and followed up by PROMISORS, according to governance, financing, scientifically-grounded studies, if applicable, and other terms contained in this AGREEMENT.

CLAUSE 03: The PARTIES expressly acknowledge that the subject matter of the lawsuits listed in the ANNEX, filed by the PUBLIC AUTHORITIES, is

covered by this Agreement, reason why they shall seek the dismissal of such lawsuits on the merits, pursuant to the terms of CLAUSE 254.

PARAGRAPH ONE: The PROMISORS shall make submissions in the records of the lawsuits listed in the ANNEX and other existing collective actions, in addition to those that might be filed in connection with the EVENT, provided that the subject matter is covered by this AGREEMENT, to enforce the clauses and obligations set out in this AGREEMENT.

PARAGRAPH TWO: PARAGRAPH ONE does not apply to the Public Civil Action 0043356-50.2015.8.13.0400, which was originally assigned to the 2nd Civil Court of Mariana / MG.

CLAUSE 04: The obligations provided for by this Agreement shall not limit or supersede the powers legally attributed to entities and bodies of the PUBLIC AUTHORITIES and the bodies and entities with authority to perform the inspection, licensing and authorization of the activities of SAMARCO.

CLAUSE 05: For development, approval and implementation of the PROGRAMS and PROJECTS, the following shall be observed, except as otherwise expressly provided in this Agreement:

I – The subject matter of this Agreement is the establishment of PROGRAMS to be developed and conducted by the FOUNDATION, with the goal of recovering the environment and the socioeconomic conditions of the COVERAGE AREA impacted by the EVENT, in order to restore the PREVIOUS SITUATION.

II – The preparation and execution of the SOCIOECONOMIC PROGRAMS shall observe the standard and rules of the applicable public policies, in addition to the other provisions of this AGREEMENT.

III – The PROJECTS shall determine the measures for recovery, mitigation, remediation and reparation, including payment of indemnification, as well as, when achieving such

results is unfeasible, the necessary compensatory measures provided for in the PROGRAMS, whose implementation and execution will be inspected and monitored by the PROMISORS, in accordance with governance, financing, studies and other provisions contained in this Agreement.

IV – SAMARCO, VALE and BHP will create a Foundation governed by Private Law, with autonomy in relation to the founders, with the purpose of managing and to executing all measures provided for in the SOCIOECONOMIC and SOCIOENVIRONMENTAL PROGRAMS.

V – Until the FOUNDATION is organized and effectively initiates its operation within the terms provided in this Agreement, all the emergency measures and other obligations provided for in this Agreement shall be performed directly by SAMARCO.

VI – The measures for socioeconomic and socioenvironmental reparation comprise measures and actions with the purpose of recovering, mitigating, remedying and/or repairing, including payment of indemnification, the impacts arising from the EVENT, having as reference the PREVIOUS SITUATION.

VII – The PROGRAMS referred to in this Agreement, and the measures arising from them, will be, as a general rule, acknowledged as reparatory programs, and only those programs expressly indicated as compensatory will be classified as such.

VIII – The measures of socioeconomic and socioenvironmental compensation have the purpose of offsetting impacts arising from the EVENT for which recovery, mitigation, remediation and reparation are not feasible or possible, by means of improvement of socioenvironmental and socioeconomic conditions of the affected areas.

IX – The PROGRAMS provided for in the Agreement shall be classified among those of socioenvironmental or socioeconomic nature, and the FOUNDATION's annual budget

shall breakdown the resources allocated for SOCIOENVIRONMENTAL PROGRAMS and for SOCIOECONOMIC PROGRAMS, as well as the amounts allocated to recovery and compensatory actions for each one of them.

X – In order to conduct the studies, diagnoses, identification of the adequate measures to perform the reparation and/or compensation PROGRAMS of both socioenvironmental and socioeconomic nature, as well as to execute those programs, the FOUNDATION may hire EXPERTS.

XI – The FOUNDATION may also hire education and research entities or non-profit organizations with recognized competence in the subject matters of the SOCIOENVIRONMENTAL PROGRAMS and SOCIOECONOMIC PROGRAMS.

XII – The FOUNDATION and the EXPERTS shall consider the technology available, the current methodology and the public policy standards.

XIII – The studies to be conducted by the FOUNDATION by means of EXPERTS based on PROGRAMS provided for in the Agreement shall guide the preparation and execution of the PROJECTS, whose implementation will have the effect of repairing and/or offsetting the impacts, damages and losses arising from the EVENT.

XIV – The preparation and execution of the PROGRAMS and PROJECTS shall also, as a general rule, consider:

- a) transparency of the actions and involvement of the communities in the discussions of the measures to be planned and executed;
- b) preference for hiring and using local and regional workforce in order to stimulate the economy of the states of Minas Gerais and Espírito Santo;

- c) performance of socioeconomic actions observing the sectorial standards and public policies;
- d) establishment of schedules, subject to the time limitations imposed by the administrative proceedings, indicating proposed dates for beginning and end of the established actions, goals and indicators;
- e) dissemination of information concerning the EVENT and the ongoing actions;
- f) liaison and dialogue between the FOUNDATION, the INTER-FEDERATIVE COMMITTEE and the IMPACTED;
- g) permanent monitoring of the actions encompassed by the PROGRAMS and PROJECTS pursuant to the terms of the Agreement; and
- h) responsible and planned execution of the PROGRAMS avoiding the environmental and social impacts resulting from the PROGRAMS themselves or, if not possible, to mitigate those impacts.

CLAUSE 06: The preparation and execution, by the FOUNDATION, of the PROJECTS and other activities, actions and measures of the SOCIOENVIRONMENTAL PROGRAMS and SOCIOECONOMIC PROGRAMS shall also consider the following principles (“PRINCIPLES”), except as otherwise expressly provided in this Agreement:

I The purpose of the socioenvironmental and socioeconomic recovery is to remediate, mitigate and repair, including to indemnify, the socioenvironmental and socioeconomic impacts, as applicable, resulting from the EVENT based on the PREVIOUS SITUATION;

II The PROJECTS and other activities, actions and measures of the SOCIOENVIRONMENTAL PROGRAMS and SOCIOECONOMIC PROGRAMS will be determined

based on study for assessment of the socioenvironmental and socioeconomic impacts, as applicable, resulting from the EVENT, observing the deadlines of the Agreement, to be conducted by EXPERTS so that all PROJECTS, activities, actions and measures set forth by the PROGRAMS have scientific grounds, when applicable, and have proportionality and efficiency, and shall be intended for the remediation and/or offsetting of environmental and socioeconomic impacts that materialized as a result of the EVENT;

III – With the purpose of giving celerity and efficiency, the PROJECTS shall be prepared in stages, which will be established in accordance with the subject matter, nature and complexity of the PROJECTS as provided for in the respective studies, without prejudice to the possibility of implementing such stages simultaneously, provided that this is justified by the studies, considering, among others, the following stages:

- a) preliminarily, initial assessment of the impacts made based on information that is known and that is possible to obtain;
- b) establishment of monitoring programs and programs to determine the PREVIOUS SITUATION;
- c) assessment of the impacts, observing the identified risks arising from them;
- d) establishment of criteria for measuring and assessing the effectiveness in the implementation of the PROJECTS;
- e) definition of the PROJECTS, actions and measures of socioenvironmental and socioeconomic repair established based on the identification of the environmental resources impacted by the EVENT;

IV – As a general rule, the SOCIOECONOMIC PROGRAMS of a reparatory nature have preference over other the other PROGRAMS.

V – The SOCIOECONOMIC PROJECTS will be prepared and performed with main focus on the IMPACTED, so as to give effectiveness to the implemented measures, in accordance with objective criteria of transparency, freedom of contract, rationality, recognition of citizenship and human dignity, aiming at promoting social and economic self-sufficiency, and in accordance with general principles of Brazilian law and parameters contained in the existing Brazilian case law in similar cases.

VI – The SOCIOECONOMIC PROJECTS shall seek to establish and provide efficient and fast benefits to the IMPACTED, prioritizing the IMPACTED that have suffered displacement or that have lost all production capacity and that satisfy the criteria established by this Agreement, without prejudice to the emergency measures that are already in course.

VII – If in the course of the performance of this Agreement it is technically proved the inexistence of a possible or feasible solution for the actions of recovery, mitigation, remediation and/or reparation provided for in the PROGRAMS and PROJECTS, considering proportionality and efficiency, such actions shall be replaced with compensatory measures additional to those provided for in this Agreement, as validated by the INTER-FEDERATIVE COMMITTEE, after hearing the competent bodies.

VIII – Such compensatory measures will be determined by means of studies conducted by the EXPERTS hired by the FOUNDATION and approved by the INTER-FEDERATIVE COMMITTEE, after hearing the competent public bodies.

IX – Whenever the execution of the reparation measures cause environmental impact that supersedes the projected environmental benefits, the FOUNDATION will propose to the INTER-FEDERATIVE COMMITTEE the replacement of such

reparatory measures for compensatory measures that are economically equivalent additional to those provided for in this Agreement.

X – The measures provided for in items VII and IX of this clause, and the other compensatory measures provided for in this Agreement, shall be included in and limited to the amount established in the heading of CLAUSE 232.

XI – The following shall neither be included in nor limited to the amount established in the heading of CLAUSE 232: (i) the amount of BRL 500,000,000.00 (five hundred million reais) to be made available to the Program of sewage collection and treatment and disposal of solid waste, pursuant to CLAUSE 169; (ii) the compensatory measures provided in the hypothesis of items VII and IX of this Clause, which may arise from the obligation to repair subject to the Program for the management of the tailings resulting from the rupture of the Fundão Dam, pursuant to CLAUSES 150 to 152; and (iii) the hypothesis set forth in CLAUSE 203, paragraph three.

XII – To determine the compensatory measures set forth in items VII and IX of this Clause that arise from the remaining tailings, if any, from the rupture of the Fundão dam, after complying with the PROGRAM set forth in CLAUSES 150 to 152, one should consider, based on technical grounds, the environmental benefits arising from the performance of COMPENSATORY PROGRAMS established under this Agreement, as validated by the INTER-FEDERATIVE COMMITTEE, upon hearing the relevant environmental bodies.

XIII – Within up to 60 (sixty) days from its organization, the FOUNDATION shall submit an initial planning of the PROGRAMS, activities, actions and measures of each one of the PROGRAMS, and this planning shall be validated by the INTER-FEDERATIVE COMMITTEE, pursuant to this Agreement, without prejudice of the lower specific deadlines or the execution of emergency measures.

XIV – The planning approved by the internal bodies of the FOUNDATION shall provide the budget, indicators, goals and schedule for each PROGRAM, and shall take into consideration the guidelines contained in this Agreement and the applicable technical criteria.

XV – Periodic reports of the progress of all PROGRAMS shall be produced and sent to the INTER-FEDERATIVE COMMITTEE, pursuant to the terms of this Agreement.

XVI – All activities developed by the FOUNDATION will be subject to independent external audit to be hired by the FOUNDATION, pursuant to the terms of this Agreement.

XVII – The FOUNDATION will conduct the periodic revision of all PROGRAMS, in order to calculate and seek the effectiveness of the reparatory and compensatory activities, submitting the result of the evaluation to the INTER-FEDERATIVE COMMITTEE.

XVIII – The FOUNDATION will have an advisory board in its internal governance structure that shall issue opinions on the PROGRAMS and PROJECTS, indicate proposals for resolving current and futures scenarios resulting from the dynamic nature of the impact caused by the EVENT, and shall hear the associations that have standing to defend the rights of the IMPACTED, as well as establish participation channels for the civil society, and it may, for such purpose, call specific meetings and hear the opinions of interested organizations.

XIX – The FOUNDATION will prepare compliance policies and manuals, including anticorruption, based on international standards.

XX – The PUBLIC AUTHORITIES will constitute an INTER-FEDERATIVE COMMITTEE, as an instance that is external to and independent from the FOUNDATION, for permanent dialogue with the FOUNDATION, and to determine priorities in the implementation

and execution of the PROJECTS, following up, monitoring and inspecting the results.

XXI – The INTER-FEDERATIVE COMMITTEE shall validate the PROGRAMS and PROJECTS presented by the FOUNDATION, taking into consideration the PRINCIPLES and the other terms of the Agreement, without prejudice to the need to obtain environmental permits from the relevant environmental agency and other public bodies, pursuant to the procedures provided for in this Agreement.

XXII – The process for validation of PROGRAMS and PROJECTS shall be based on an organized dialogue among the parties, in which the FOUNDATION shall submit the PROGRAMS and PROJECTS for validation by the INTER-FEDERATIVE COMMITTEE, in accordance with the PRINCIPLES and guidelines established by the INTER-FEDERATIVE COMMITTEE.

XXIII – The INTER-FEDERATIVE COMMITTEE shall review the submitted PROGRAMS and PROJECTS and shall indicate the need for corrections, adaptations or shall pose questions concerning the actions to be performed. If a divergence between the FOUNDATION and the INTER-FEDERATIVE COMMITTEE persists, any of the parties may submit the matter to the EXPERTS PANEL, as well as, thereafter, to the competent court, if applicable.

XXIV – Each PROGRAM or PROJECT shall be individually ended when the goals and purposes provided in such program are achieved, by means of objective demonstration supported by indicators and technical data, as applicable.

XXV – The INTER-FEDERATIVE COMMITTEE shall certify the full satisfaction of the PROGRAM.

XXVI – After all PROJECTS prepared and executed in the scopes of the PROGRAMS are fully satisfied, which shall be certified by the

INTER-FEDERATIVE COMMITTEE after hearing the competent public bodies, all rights, claims and interests referred to in the Public Civil Action and in this Agreement shall be deemed covered and repaired, or compensated, as applicable. In such case, the PROMISORS will give full and irrevocable release to the FOUNDATION, SAMARCO and the SHAREHOLDERS.

CLAUSE 07: The development and implementation of the PROGRAMS set forth in this Agreement shall observe the following principles:

- a) restoration of the environment to the *status quo* in the PREVIOUS SITUATION;
- b) recover, mitigate, remediate, repair, including payment of an indemnification, and, when reaching such results is unfeasible, compensate for socioenvironmental and socioeconomic impacts arising out of the EVENT, under the terms in this AGREEMENT;
- c) transparency and community engagement in the discussions about the actions;
- d) preference for hiring and using local and regional workforce to stimulate the economy of Minas Gerais and Espírito Santo;
- e) performance of socioeconomic actions in compliance with the sectoral rules and public policies;
- f) recovery of public and private infrastructure impacted by the EVENT, reverting them to operation and consequent defrayal and maintenance by their owners;
- g) establishment of schedules for the PROJECTS, indicating start and end information for the defined actions, goals and indicators;

- h) negotiations under the COORDINATED NEGOTIATION PROGRAM described in this AGREEMENT;
- i) use of proportionality and efficiency concepts, as well as technical and scientific criteria, when applicable, for assessing and quantifying the impact and implementation of the PROJECT;
- j) performance of socioeconomic actions, including assistance actions, intended to reestablish the PREVIOUS SITUATION, without prejudice to other measures set forth in this Agreement;
- k) acknowledgment of the public nature of information broadcast regarding the actions undertaken within the PROGRAMS in this Agreement;
- l) dialogue and interlocution between the FOUNDATION, the INTER-FEDERATIVE COMMITTEE and the IMPACTED;
- m) monitoring of impacts and corrective actions, as well as prevention of any possible new impacts;
- n) responsible and planned implementation of the PROGRAMS, in order to avoid the environmental and social impacts arising from the PROGRAMS themselves or, if not possible, to mitigate such impacts;
- o) private implementation under the supervision of the PUBLIC AUTHORITY within the terms established by the law and this Agreement.
- p) follow up, monitoring and supervision by the PUBLIC AUTHORITY and by the hired independent consultants;
- q) promote transparency and access to information by the society during the implementation process of the actions set forth in this Agreement; and

- r) respect the privacy rights of the IMPACTED.

CLAUSE 08: The thematic axes and respective SOCIOECONOMIC PROGRAMS to be prepared, developed and implemented by the FOUNDATION to be organized, which are detailed in a separate chapter, are the following:

I. SOCIAL ORGANIZATION:

- a) Program for survey and registration of the IMPACTED;
- b) Program for compensation and indemnification of the IMPACTED;
- c) Program for protection and recovery of the quality of life of indigenous peoples;
- d) Program for protection and recovery of the quality of life of other peoples and traditional communities;
- e) Program for Social Protection;
- f) Program for Communication, Participation, Dialogue and Social Control; and
- g) Program for Assistance to Animals.

II. INFRASTRUCTURE:

- a) Program for reconstruction, recovery and reallocation of Bento Rodrigues, Paracatu de Baixo and Gesteira;
- b) Program for recovery of the UHE Risoleta Neves Reservoir; and
- c) Program for recovery of other Communities and Infrastructure impacted between Fundão and Candonga, including Barra Longa.

III. EDUCATION, CULTURE AND LEISURE:

- a) Program for recovery of Schools and Reintegration of the School Community;
- b) Program for the Conservation of Historical, Cultural and Artistic Memory; and
- c) Program to support tourism, culture, sport and leisure.

IV. HEALTH:

a) Program to Support Physical and Mental Health of the Impacted Population.

V. INNOVATION:

a) Program to Support Research for Development and Use of Socioeconomic Technologies Applied to Impact Remediation.

VI. ECONOMY

a) Program to Resume Aquiculture and Fishery Activities;

b) Program to Resume Agricultural Activities;

c) Program for Recovery and Diversification of Regional Economy with Incentive to the Industry;

d) Program for Recovery of Micro and Small Businesses in the Trade Sector, Services and Production;

e) Program to Stimulate Local Employment;

f) Program for Emergency Financial Assistance to the IMPACTED; and

g) Program for Reimbursement of extraordinary public expenses of the PROMISORS

VIII. MANAGEMENT OF ACTION PLAN

a) Program for the management of socioeconomic programs.

CLAUSE 09: The parties acknowledge that the following should be provided to IMPACTED PARTIES in connection with the SOCIOECONOMIC PROGRAMS:

I. Reparation;

II. Participation in the PROGRAMS, PROJECTS and actions;

III. Information; and

IV. Restitution of public and community assets.

SOLE PARAGRAPH: The guidelines referred to in the **heading** do not exclude measures and actions that arise out of the breakdown of the SOCIOECONOMIC PROGRAMS.

CLAUSE 10: The following are forms of socioeconomic reparation: replacement, restitution and recovery of assets; the monetary compensation in single or continued installment while the necessity is technically identified; the standard rural or urban rearrangement, pursuant to the Agreement, and compliant with political and public rules; self-rearrangement; the exchange; the assistance for remediation and mitigation of the effects of the EVENT; and, to the extent that the reparation may not be feasible, considering proportionality and efficiency criteria and complying with the PRINCIPLES, according to the following definitions:

I – Replacement, Restitution and Recovery of Assets: replacement, renovation, reconstruction or construction of new structures, according to public policy standards, when the asset, improvement, accessory part or structure has been destroyed or damaged by the EVENT;

II – Pecuniary compensation in a Single Installment: repair in monetary form, paid in a lump sum, on an individual basis or family unit, paid to individuals or legal entities (in the latter case, only to microenterprises and small sized companies), being such payment for the compensation for damages, pursuant to the standards set forth in the COORDINATED NEGOTIATION PROGRAM;

III – Pecuniary Damages in Continued Installments while there is a technically-proven need: repair in monetary form, paid in monthly installments, on an individual basis or family unit, paid to individuals or legal entities (in the latter case, only to microenterprises and small sized companies), when the repair is due to the loss or partial impairment of income-generating or subsistence activity, whose amount may not be inferior to the minimum wage, plus the payment of social rent in the event of loss or unavailability of property, according to the deadline defined in the respective PROGRAM;

IV – Standard Rural and Urban Rearrangement: when the repair occurs through joint delivery of land, housing and infrastructure, observing the provisions of the property law and based on basic parameters of orientation, such as choice of land and size of house being such mode applicable when the replacement, restitution or restoration of the affected asset is not technically feasible, pursuant to the public policies and rules;

V – Assisted self-rearrangement: when there is economic and financial condition in which the recipient accepts and is responsible for his/her own relocation, and the agreed value includes not only the amount of the property and the land, but also a compensation for the furniture and the destroyed assets and improvements, except when the furniture or assets have been provided in advance; the costs of moving; and amount equivalent to a rent estimated by the parties, covering the period between the EVENT and the actual payment of compensation, with deduction of amounts that have already been advanced by SAMARCO to the IMPACTED parties for that end.

VI – Exchange: when a new asset is offered, or the possibility to exercise any other material or immaterial right as a form of reparation, within the parameters to be defined in the SOCIOENVIRONMENTAL PROGRAMS and SOCIOECONOMIC PROGRAMS and there is no violation to the principles essential to human dignity; and

VII – Assistance for remediation and mitigation of effects of the EVENT: support and assistance to those IMPACTED by the EVENT in the form of actions and services to remediate and mitigate its effects, focused on the recovery of the supporting capacity, pursuant to the PROGRAMS in this Agreement.

PARAGRAPH ONE: The measures referred to in this Clause shall be negotiated between the FOUNDATION and those IMPACTED, and shall provide for mechanisms to assure a just, simple, quick and transparent negotiation, which might be followed up by the PUBLIC AUTHORITIES pursuant to the COORDINATED NEGOTIATION PROGRAM.

PARAGRAPH TWO: the indemnification mentioned on item III of this Clause cannot be lower than 1 (one) minimum wage per month, plus 20% (twenty percent) per dependent, considering as dependent the persons enlisted in Article 16 of Law No. 8,213/1991.

CLAUSE 11: It is understood as participation in PROGRAMS, the possibility of those IMPACTED to effectively participate, to be heard and influence at all stages and phases under this Agreement, both in the planning phase and the effective implementation of programs and actions referred to in this Agreement, and such participation must be ensured in a collective manner, following methodologies that allow individual expression and participation, pursuant to this Agreement.

CLAUSE 12: The Right to Information implies that all PROGRAMS under this Agreement should be publicly available and be published in an accessible language to those IMPACTED, and should be presented in a transparent, clear and, whenever possible, objective way.

CLAUSE 13: Restitution of Public and Community Assets concerns the reparatory and compensatory measures of a collective nature, seeking to restitute the public assets and services affected by the EVENT, as well as the appropriate compensations.

SOLE PARAGRAPH: The Right to Restitution of Public and Community Assets is of public and collective character and may not be subject to any individual negotiation.

CLAUSE 14: The IMPACTED are entitled to use an ecologically balanced environment as well as to take advantage of public and community assets, under public policy terms, that have been impacted by the EVENT, observing the PREVIOUS SITUATION.

CLAUSE 15: The thematic axes and respective SOCIOECONOMIC PROGRAMS to be prepared and implemented by the FOUNDATION, which are detailed in a separate chapter, are the following:

- I. TAILINGS MANAGEMENT AND RECOVERY OF THE QUALITY OF WATER
 - a) Program for the management of the tailings arising from the rupture of the Fundão dam, considering conformation and *in situ* stabilization, excavation, dredging, transportation, treatment and disposal;
 - b) Program for the implementation of the tailings containment systems and *in situ* treatment of the affected rivers;

- II. FOREST RESTORATION AND WATER PRODUCTION
 - a) Program for recovery of the ENVIRONMENTAL AREA 1 in the municipalities of Mariana, Barra Longa, Rio Doce and Santa Cruz do Escalvado, including bioremediation
 - b) Program for recovery of Permanent Preservation Areas (APP) and recharge areas of the Doce River Basin and erosion control;
 - c) Program for recovery of Headstreams.

- III. BIODIVERSITY CONSERVATION
 - a) Program for the conservation of aquatic biodiversity, including freshwater, coastal and estuarine zone and affected marine area;
 - b) Program to strengthen the screening structures and reintroduction of wildlife;
 - c) Program for the conservation of the terrestrial fauna and flora.

- IV. WATER SAFETY AND WATER QUALITY
 - a) Program for collection and treatment of sewage and disposal of solid waste; and
 - b) Program for improvement of water supply systems.

- V. EDUCATION, COMMUNICATION AND INFORMATION

- a) Program of environmental education and preparation for environmental emergencies;
- b) Program of information for the population of ENVIRONMENTAL AREA 1; and
- c) Program of national and international communication.

VI. ENVIRONMENTAL PRESERVATION AND SAFETY

- a) Program of environmental risk management in ENVIRONMENTAL AREA 1 of the Doce River Basin; and
- b) Program for research and monitoring of the Doce River Basin, estuarine, coastal and marine impacted areas.

VII. LAND MANAGEMENT AND SUSTAINABLE USE

- a) Program for consolidation of conservation units; and
- b) Program for encouragement of implementation of CAR and PRAs in ENVIRONMENTAL AREA 1 of the Doce River Basin.

VIII. MANAGEMENT OF ACTION PLAN

- a) Program for management of the environmental recovery plan of the Doce River Basin, estuarine, coastal and marine areas.

CLAUSE 16: The SOCIOECONOMIC or SOCIOENVIRONMENTAL PROGRAMS might determine, provided that it is expressly set forth in this Agreement, specific measures and actions in places outside the COVERAGE AREA, provided that they refer to the impacted population or concur for effective environmental recovery of bodies of water directly affected by the EVENT.

CLAUSE 17: The SOCIOECONOMIC and SOCIOENVIRONMENTAL PROGRAMS include measures whose implementation may depend on third-party acts, and in such situations the FOUNDATION shall not be held liable for any delays or modifications in the manner of performance of the PROGRAMS that are not imputable to the FOUNDATION, subject to PARAGRAPH ONE of CLAUSES 185 and 248.

CHAPTER TWO: SOCIOECONOMIC PROGRAMS:

CLAUSE 18: For the reparation and compensation for socioeconomic consequences of the EVENT, the following PROGRAMS shall be designed, developed and implemented by the FOUNDATION, grouped into seven thematic axes: (i) Social Organization; (ii) Infrastructure; (iii) Education, Culture and Leisure; (iv) Health; (v) Innovation; (vi) Economy; and (vii) Action Plan Management.

PARAGRAPH ONE. All socioeconomic actions, including records, that have already been completed by SAMARCO may be used by the FOUNDATION.

PARAGRAPH TWO. The regular performance of SOCIOECONOMIC PROGRAMS requires effective participation of the public network in the enforcement of their regular authority, observing their flows, treatment protocols and rendering of public services.

PARAGRAPH THREE: If, during the performance of this Agreement, it is proven that there is no feasible solution for the reparation actions provided for in the PROGRAMS, such actions shall be replaced with equivalent compensatory measures, which will be determined by means of studies conducted by the EXPERTS and approved by the INTER-FEDERATIVE COMMITTEE, upon hearing the opinion of the competent bodies of the PUBLIC AUTHORITIES.

SECTION I: SOCIAL ORGANIZATION

SUBSECTION I.1: Program for survey and registration of the IMPACTED.

CLAUSE 19: Within up to eight (8) months from the execution of this Agreement, the FOUNDATION shall complete the individual registration of the IMPACTED considering the SOCIOECONOMIC COVERAGE AREA.

CLAUSE 20: All the areas where potential social, cultural, economic or environmental impacts are found must be identified in a study commissioned by the FOUNDATION and conducted by an independent institution based on the guidelines of the INTER-FEDERATIVE COMMITTEE, which shall validate it.

CLAUSE 21: Registration refers to individuals and legal entities (in the latter case, only to microenterprises and small sized companies), families and communities, and should contain the survey of material losses and impacted economic activities.

PARAGRAPH ONE: To be registered, the IMPACTED should present by means of public or private documents or other means of evidence, a confirmation of personal data, age, gender, composition of household, place of original residence, occupation, education level, family income before the EVENT, the identity card number and the tax registry number (CPF), if any, the basis to qualify as IMPACTED, the suffered losses, by means of public or private documents, or other means of evidence, and other data that may be considered necessary.

PARAGRAPH TWO: In exceptional cases, the FOUNDATION might accept that the IMPACTED who do not hold the documents mentioned in the foregoing paragraph can prove the required information by signing a public declaration to be written, under the legal consequences, according to the FIRST AMENDMENT TO THE PRELIMINARY SOCIOENVIRONMENTAL AGREEMENT entered into by the Federal Prosecutor's Office, the Labor Prosecutor's Office, and the State of Espírito Santo Prosecutor's Office on December 4, 2015.

PARAGRAPH THREE: For registration of legal entities, one must submit documents proving the following: tax registry number (CNPJ), state registry, corporate name, trade name, composition of corporate structure, line of business, revenue and annual profit, address of head office and branches, when applicable, information regarding the classification as small or microenterprise, cooperative or association and other data that may prove necessary.

PARAGRAPH FOUR: Observed the criteria established in PARAGRAPH ONE above, when applicable, it shall be registered the definition of the registered person in specific situations of greater vulnerability that require specialized care and/or priority, including in this criterion women who are the head of the family, children, adolescents, the elderly, the illiterate and people with disabilities, which should, in these cases, follow their own protocols.

PARAGRAPH FIVE: Technical study performed by the EXPERTS may include the need to survey other information.

PARAGRAPH SIX: The eligibility for the COORDINATED NEGOTIATION PROGRAM shall be determined pursuant the established on CLAUSE 34, in such a way that the registry inclusion does not imply the automatic acknowledgment of the eligibility and alleged damage extension.

CLAUSE 22. The FOUNDATION shall define, from the technical studies, whether the individual or legal entity, families or communities met the requirements and criteria to be registered, and the registry must be submitted for approval by the INTER-FEDERATIVE COMMITTEE.

PARAGRAPH ONE: The records shall be revised, supplemented or corrected in case of distortions, inaccuracies or deficiencies identified by the FOUNDATION itself, the INTER-FEDERATIVE COMMITTEE or the independent audit consultants.

PARAGRAPH TWO: In the case of fraud identification that is duly investigated, the FOUNDATION can delete the respective registration and shall refer the matter for validation by the INTER-FEDERATIVE COMMITTEE.

CLAUSE 23: The registry provided for in this PROGRAM shall serve as a reference for the dimensioning and quantification of all SOCIOECONOMIC PROGRAMS.

CLAUSE 24: The FOUNDATION shall be responsible for making the survey of material losses of the IMPACTED through the registration defined in CLAUSE 22, recording the damages reported by them, adding other information verified upon local inspection or other means of evidence.

SOLE PARAGRAPH: Whenever possible, photographic records of sites and objects that are allegedly damaged should be kept.

CLAUSE 25: The INTER-FEDERATIVE COMMITTEE should be notified quarterly about the progress of the registration up to its conclusion, which must be submitted to be validated by the INTER-FEDERATIVE COMMITTEE.

SOLE PARAGRAPH: Until the completion and approval of the registry, the registry should be considered for emergency actions and other necessary actions.

CLAUSE 26: People identified as IMPACTED shall be informed by the FOUNDATION about the rights and PROGRAMS provided for in this AGREEMENT.

CLAUSE 27: Individuals and families identified as in vulnerability or risk situation due to violation of fundamental rights, without prejudice to the FOUNDATION's obligations, shall be sent by the FOUNDATION for service in established programs and social policies under the authority of the PUBLIC AUTHORITY, when qualified for such programs.

CLAUSE 28 The FOUNDATION shall create permanent mechanisms for updating, revision and correction of the registration for individualized situations, which may be used both for inclusion as well as exclusion of individuals and legal entities.

SOLE PARAGRAPH: There should be socioeconomic monitoring of families under the specific scope of the PROGRAMS.

CLAUSE 29: There should be access to the database referred to in this PROGRAM to representatives of the INTER-FEDERATIVE COMMITTEE and competent public agencies, when required.

PARAGRAPH ONE: The IMPACTED may have access to their own records upon request submitted to the FOUNDATION.

PARAGRAPH TWO: Any request for report of the data in the database that are requested by PUBLIC AUTHORITY shall be responded within up to twenty days.

PARAGRAPH THREE: Any request for report of the data in the database that may be requested by representatives of the IMPACTED shall be responded within up to twenty days.

CLAUSE 30: The registration shall comply with the National Joint Protocol for Comprehensive Protection of Children and Adolescents, Elderly and Persons with Disabilities in Risk and Disaster Situation (Ministerial Ordinance No. 2, dated December 6, 2012).

SUBSECTION 1.2 Program for compensation and indemnification program for the IMPACTED

CLAUSE 31: The FOUNDATION should create and run a redress and indemnification program, by means of coordinated negotiation, seeking to repair and compensate the IMPACTED, according to CLAUSE 10, who prove losses and damages or demonstrate the impossibility of doing so, according to CLAUSE 21.

CLAUSE 32: The PROGRAM shall prioritize the reparation of the IMPACTED who live in the municipalities and districts of Mariana, Barra Longa, Rio Doce and Santa Cruz do Escalvado, Mascarenhas, Regência and Povoação.

CLAUSE 33: For the implementation of the program provided for in Clause Thirty Two, the FOUNDATION shall establish a coordinated negotiation program directed and led by a coordinator with education in the area of Law (“COORDINATED NEGOTIATION PROGRAM”), who will manage the COORDINATED NEGOTIATION PROGRAM, considering the specificities of each of the IMPACTED, the produced evidence, the amount of compensation and the applicable reparation modes.

CLAUSE 34: The FOUNDATION shall create indemnification parameters considering the socioeconomic condition of the IMPACTED parties in their PREVIOUS SITUATION, as well as the general principles under Brazilian law and the parameters found in Brazilian case law.

PARAGRAPH ONE: The registry in the COORDINATED NEGOTIATION PROGRAM by the IMPACTED is facultative.

PARAGRAPH TWO: The eligibility of the IMPACTED to be part of the COORDINATED NEGOTIATION PROGRAM, as well as the general indemnification parameters to be established within such program, will be determined by the FOUNDATION and will be submitted to INTER-FEDERATIVE COMMITTEE for validation.

CLAUSE 35: The registered IMPACTED who meet the criteria for compensation and have been declared eligible by the FOUNDATION to join the COORDINATED NEGOTIATION PROGRAM should be invited to join this initiative and participate in the negotiations, according to a schedule to be established and published by the FOUNDATION.

SOLE PARAGRAPH: Negotiations should take place in locations and environments that facilitate access and participation of the IMPACTED.

CLAUSE 36: The IMPACTED who, by the end of the negotiations, do not accept the terms of the agreement presented under the COORDINATED NEGOTIATION PROGRAM, may claim a potential compensation on their own, but cannot be excluded from other SOCIOECONOMIC PROGRAMS as the exclusive result of such rejection.

CLAUSE 37: For entering into individual agreements in the scope of the Coordinated Negotiation Program, free legal assistance should be promoted to the IMPACTED who are not represented by lawyers, particularly for vulnerable affected population.

SOLE PARAGRAPH: For compliance with the terms in the **heading**, the FOUNDATION shall seek partnerships with the Public Defender's Office and the Brazilian Bar Association (OAB).

CLAUSE 38: The COORDINATED NEGOTIATION PROGRAM should be completed within a maximum of 12 (twelve) months from the execution of this Agreement, and the payment of compensation should be made within 3 (three) months after the conclusion of the negotiations without prejudice to the emergency actions that are already under way, which shall be considered under the SOCIOECONOMIC PROGRAM.

SOLE PARAGRAPH: The deadlines provided for in the **heading** may be exceptionally revised, provided that duly justified and validated by the INTER-FEDERATIVE COMMITTEE.

SUBSECTION 1.3: Program for protection and recovery of the quality of life of indigenous peoples;

CLAUSE 39: The FOUNDATION shall run a program to offer specialized service to the indigenous peoples of the KRENAK territory and of the COMBOIOS, TUPINIQUIM and CAIEIRAS VELHAS II indigenous lands.

SOLE PARAGRAPH: The PROGRAM shall be constructed together with the indigenous peoples, in dealings and negotiations with the participation of the National Indigenous Foundation – FUNAI.

CLAUSE 40 The service referred to in this PROGRAM shall respect the particular forms of social organization, customs, habits and traditions of the KRENAK, TUPINIQUIM and GUARANI indigenous peoples.

CLAUSE 41: Mechanisms shall be provided to carry out consultation and participation of indigenous peoples in all phases of this PROGRAM.

CLAUSE 42: Supervision, participation and validation by the National Indigenous Foundation – FUNAI and the Special Office of Indigenous Health of the Ministry of Health – SESAI shall be provided for in all phases of this PROGRAM, according to their authorities.

CLAUSE 43: The following actions shall be undertaken by the FOUNDATION in relation to the KRENAK people in the state of Minas Gerais, without prejudice to what is directly agreed upon with the indigenous people:

- I. Maintenance of emergency support measures provided for in the 11.16.2015 agreement entered with VALE S.A.;
- II. Continuous monitoring of the following situations provided for in the 11.16.2015 agreement entered with VALE S.A.:
 - a) water supply;
 - b) water quality;
 - c) cattle;

- d) monthly financial support for families;
- e) health; and
- f) update of the needs in dialogue with KRENAK indigenous people.

III. Hiring of independent consultant firm, according to the Term of Reference to be submitted by FUNAI to prepare a detailed study of the socioenvironmental and socioeconomic impacts of the EVENT on the KRENAK;

IV. Detailing a Permanent Action Plan based on the study provided for in item III;

V. Performance, monitoring and reassessment of the actions part of the Permanent Action Plan.

PARAGRAPH ONE: The measures provided for in items I and II, if not implemented yet, shall be initiated within 10 (ten) days from the execution of this Agreement, and shall be maintained until the Permanent Action Plan becomes effective.

PARAGRAPH TWO: The hiring of the consultant firm mentioned in item III shall be made within 90 (ninety) days of the submission of the Term of Reference to be presented by FUNAI. The Term of Reference shall be delivered by FUNAI within 30 (thirty) days from the execution of the Agreement.

PARAGRAPH FOUR: The actions provided for in item V shall be maintained throughout the entire duration of the Permanent Action Plan referred to in this Clause.

CLAUSE 44: The following actions shall be undertaken by the FOUNDATION or by SAMARCO in relation to TUPINIQUIM and GUARANI people located in the COMBOIOS, TUPINIQUIM and CAIEIRAS VELHAS II indigenous lands:

- I. If, upon specific diagnosis carried out by the FOUNDATION or by SAMARCO and made available to Funai and to the indigenous people within 20 (twenty) days from the execution of the Agreement, a need is identified, emergency support measures shall be implemented upon agreement with the communities with participation of Funai, observing what is provided for in CLAUSES 40, 41 and 42, without prejudice to Funai preparing its diagnosis at its own expenses;
- II. Continuous performance and monitoring of the emergency support measures, if applicable, pursuant to item I;
- III. Hiring of independent consultant firm, according to the Term of Reference to be submitted by FUNAI for the preparation of a detailed study of possible socioenvironmental and socioeconomic impacts of the EVENT on the TUPINIQUIM and GUARANI peoples;
- IV. Detailing of a Permanent Action Plan, based on the study referred to in item III;
- V. Performance, monitoring and reassessment of the actions part of the Permanent Action Plan, based on the study referred to in item III;

PARAGRAPH ONE: Negotiations to identify possible impacts deriving from the EVENT should be immediately initiated/resumed with the communities, with the participation of FUNAI;

PARAGRAPH TWO: In case of disagreement in relation to the diagnosis and proposals of emergency measures provided in item I, the FOUNDATION and FUNAI may take judicial and extrajudicial measures to solve the conflict. While the discussions on diagnosis and emergency measures proposals are in progress, the measures on

which there is convergence of understanding shall be implemented by the FOUNDATION.

PARAGRAPH THREE: The hiring of the consultant firm mentioned in item III shall be made within 90 (ninety) days, counted from the submission of the Term of Reference to be presented by FUNAI. The Term of Reference shall be provided by FUNAI within 30 days counting from the execution of the Agreement.

PARAGRAPH FOUR: The actions provided for in item V shall be maintained for the entire duration of the Permanent Action Plan referred to in this clause.

CLAUSE 45: The preparation, development, and execution of the PROGRAMS, PROJECTS and actions provided for in this Sub-section do not exclude the members of indigenous communities from other PROGRAMS, except for those that are incompatible with those, pursuant to the terms of the PROGRAMS.

SUBSECTION I.4: Program for protection and recovery of the quality of life of other peoples and traditional communities;

CLAUSE 46: The FOUNDATION shall negotiate with Remaining Communities of Quilombo de Santa Efigenia in Mariana – MG, and undertake an assessment to identify potential impacts to such communities deriving from the EVENT.

PARAGRAPH ONE: If impacts that justify the adoption of emergency measures are identified, the FOUNDATION shall implement such measures urgently, while necessary.

PARAGRAPH TWO: For the preparation of the assessment established on the heading, the FOUNDATION shall hire an independent consultant firm within 90 (ninety) days from the presentation of the Term of Reference by the Palmares Cultural Foundation – FCP [*Fundação Cultural Palmares – FCP*].

PARAGRAPH THREE: In case the result of the study provided for in the heading indicates such need, the FOUNDATION shall prepare a permanent action plan,

[illegible]

which must be created together with the communities, in negotiations and discussions with participation of the Palmares Cultural Foundation – FCP [*Fundação Cultural Palmares – FCP*].

CLAUSE 47: The emergency measures and those arising out of the program, if needed under the terms of this subsection, must comply with the particular forms of social organization, customs, habits and traditions of the Remaining Communities of Quilombo de Santa Efigênia.

CLAUSE 48: For the emergency measures and those arising out of the program, if needed under the terms of this subsection, mechanisms should be provided for in order to allow the consultation and participation of the communities in every phase, as well as its supervision, participation and validation by FCP in all phases to the extent of their authority.

CLAUSE 49: The preparation, development and performance of the programs and actions provided in this Subsection do not exclude the communities and their members from other PROGRAMS, except for those with which they are incompatible, pursuant to the PROGRAMS.

CLAUSE 50: In case there is indicative evidence produced by the PUBLIC AUTHORITIES of other traditional communities that may have been impacted by the EVENT, the FOUNDATION shall adopt the same procedure provided for in this subsection.

CLAUSE 51: The terms Traditional Communities and Peoples mean culturally differentiated groups that recognize themselves as such, which have their own forms of social organization, which occupy and use territories and natural resources as a condition for their cultural, social, religious, ancestral and economic reproduction, using knowledge, innovations and practices generated and transmitted by tradition.

SOLE PARAGRAPH: This program excludes the indigenous peoples, who shall have their own program provided for in the Clauses in SUBSECTION I.3.

CLAUSE 52: For purposes of this Agreement, Traditional Territories are understood as the spaces needed for the cultural, social and economic reproduction of Traditional Communities and Peoples, used permanently even if with effective use on a seasonal basis.

CLAUSE 53: This program shall comply with the terms in Article 68 of the Transitory Constitutional Provisions (ADCT); Law No. 7,668, dated August 22, 1988; Decree No. 4,887, dated November 2, 2003; Decree No. 6,040, dated February 7, 2007; and Decree No. 3,551, dated August 4, 2000, as well as the Convention No. 169 of the International Labor Organization – ILO.

SUBSECTION I.5: Program for Social Protection

CLAUSE 54: The Foundation shall prepare, develop and implement a program to promote social protection through social assistance actions, including sociocultural activities and psychosocial support, developing the monitoring of families and individuals who were impacted by the EVENT, prioritizing the IMPACTED with physical dislocation.

CLAUSE 55: The PROGRAM should be directed to families and persons in need of social protection actions in accordance with the parameters established by the FOUNDATION, in compliance with public policies, as a consequence of the EVENT.

CLAUSE 56: Excluding what is within the authority of PUBLIC AUTHORITIES, the social protection PROGRAM should support the adoption of a protocol to serve the IMPACTED who are in situations of vulnerability or social risk for violation of fundamental rights as a consequence of the EVENT.

SOLE PARAGRAPH: The social protection PROGRAM should support the continuity of essential public services, where interruption or undermining of the service to the population is a consequence of the EVENT.

CLAUSE 57: The actions referred to in the previous article shall observe the rules and guidelines of Law No. 8,742, dated December 7, 1993 (Organic Law of Social Assistance – LOAS); Law No. 12,608, dated April 10, 2012; the National Policy for Social Assistance; and the National Joint Protocol for Comprehensive Protection of Children and Adolescents, Elderly and People with Disabilities in Risk and Disaster Situation (Inter-ministerial Ordinance No. 2, dated December 6, 2012).

CLAUSE 58: This PROGRAM shall start within 30 (thirty) days from the execution of this Agreement and shall last for 36 (thirty-six) months counting from its effective date.

SOLE PARAGRAPH: The term provided for in the **heading** of this clause may be extended if such need is duly justified 12 (twelve) months before the end of the original term.

SUBSECTION 1.6: Program for Communication, Participation, Dialogue and Social Control

CLAUSE 59 The FOUNDATION should ensure social participation in the processes to identify and detail the PROGRAMS and PROJECTS, including accountability of actions relating to SOCIOECONOMIC PROGRAMS.

CLAUSE 60: The impacted population and the INDIRECTLY IMPACTED are entitled to access comprehensive, transparent, accurate and public information in an accessible, appropriate and understandable language to all interested parties, as a necessary condition for clarified social participation.

CLAUSE 61: The multiplicity of disclosure forms and promotional procedures and effective social participation is hereby acknowledged, from public hearings to the use of multiple media to favor enlightened participation.

CLAUSE 62: This program shall promote the participation of individuals and legal entities, communities and organized social movements.

CLAUSE 63: The FOUNDATION is responsible for the realization of periodic thematic panels, or upon duly justified specific demand, considering the area of influence of the subject to be addressed, during the respective PROGRAM.

SOLE PARAGRAPH: In addition to the thematic panels, there should be annual accountability events related to actions by the FOUNDATION in all regional bases of physical reference, with reporting of actions taken.

CLAUSE 64: Permanent channels of communication and interaction with society must be created at permanent and itinerant spaces, if necessary, and the following actions must be provided for:

- a) creation of a permanent negotiation and dialogue table, during the PROGRAM;
- b) construction and maintenance of the specific website on the Internet for dissemination of information related to the EVENT;
- c) creation and maintenance of dialogical spaces with communities, both permanent and mobile spaces;
- d) implementation of the ombudsman mechanism to monitor the actions of the reparation plan, and to receive complaints and comments by the IMPACTED; and
- e) 0800 central services to the population.

CLAUSE 65: The FOUNDATION shall create an interactive platform related to the EVENT, its consequences and measures implemented under the PROGRAMS and PROJECTS.

SOLE PARAGRAPH: The purpose of this platform is to provide an inventory of data and information, as well as preserve the cultural, technical and scientific memories of the EVENT, promoting people's access to information.

CLAUSE 66: The FOUNDATION will be responsible for creating a team of multidisciplinary communication and social participation, with adequate professionals and structure.

CLAUSE 67: In addition to the above measures, the following actions shall be implemented:

- a) creation of a manual of “questions and answers,” which shall be available to community leaders and shall clarify the processes of temporary housing, financial assistance, compensation and others;
- b) disclosure on social networks of the FOUNDATION’s initiatives, clarification of questions and transfer of information; and
- c) relationship with press and availability of *releases* to the broadcasters;

CLAUSE 68: A specific ombudsman office should be created, with appointment of an ombudsman whose name and contact information should be widely publicized in institutional channels.

CLAUSE 69: All monitoring reports of all SOCIOECONOMIC PROGRAMS should be available for public consultation directly on the website, regardless of any prior registration.

CLAUSE 70: Service channels suitable for vulnerable groups should be ensured.

CLAUSE 71: All of the channels of communication referred to in this PROGRAM should be in place within 90 (ninety) days of the execution of this Agreement and shall operate while this Agreement is in force.

CLAUSE 72: The Ombudsman shall issue quarterly reports, to be published on the website with statistical data and the presentation of the progress of the activities covered by this program.

Subsection I.7: Program for Assistance to Animals

CLAUSE 73: The FOUNDATION shall develop a program to assist homeless and stray animals, including domestic animals such as dogs and cats, aimed specifically at Mariana and Barra Longa.

SOLE PARAGRAPH: It is not included in the scope of this PROGRAM the wild animals and the protection of aquatic fauna, which shall be addressed in their own PROGRAMS.

CLAUSE 74: The FOUNDATION shall be responsible for performing the following actions:

- a) rescue animals impacted by the EVENT;
- b) referral to CRAs (Animal Collection Centers) implemented by the FOUNDATION;
- c) provide food to animals that may remain on their land of origin;
- d) provide veterinary medical care to all animals rescued and directly impacted;
- e) registration of all animals received at the CRAs;
- f) promote adoption event for animals that are not withdrawn by their tutors; and
- g) allocate the animals not adopted for a Sanctuary, as requested by the TCP (Preliminary Commitment Agreement) signed between the State of Minas Gerais Prosecutor's Office [MPMG] and SAMARCO.

CLAUSE 75: This program shall be kept for a minimum of 2 (two) years from the date of execution of this Agreement.

SECTION II: INFRASTRUCTURE:

SUBSECTION II.1: Program for reconstruction, recovery and reallocation of Bento Rodrigues, Paracatu de Baixo, and Gesteira;

CLAUSE 76: This PROGRAM shall foresee actions for recovery, reconstruction, and reallocation of the areas of Bento Rodrigues, Paracatu de Baixo and Gesteira that were affected by the EVENT.

CLAUSE 77 The following actions are part of this PROGRAM and shall be developed by the FOUNDATION:

- a) definition of the new location for rearrangement together with the communities;
- b) acquisition of areas that were chosen together with the communities;
- c) preparation and approval of urban design and other engineering deliverables of the new community;
- d) deployment of the infrastructure for power, water, sanitation, street layout, paving, drainage and access;
- e) drafting and approval of architectural plans and subsequent construction of properties;
- f) rearrangement of public use buildings such as schools, health facilities, parks, indoor court and places of worship, equivalent to the PREVIOUS SITUATION and in compliance with the standards of the public policy;
- g) demolition of compromised structures and consequent cleaning;
- h) collective negotiation in a participatory body for the determination of the location, discussion of PROJECTS and monitoring of the works;
- i) depending on the peculiarity of each case, the possibility of self-assisted rearrangement, exchange and/or compensation for the IMPACTED will be considered for those who so wish; and

- j) provision of temporary housing for homeless people for a period of 3 (three) months after the final solution of their housing.

CLAUSE 78: This program shall start within up to 15 (fifteen) days and must be completed within 36 (thirty-six) months, both periods counting from the execution of this Agreement.

SUBSECTION II.2: Program for recovery of UHE Risoleta Neves Reservoir

CLAUSE 79: The FOUNDATION shall develop a program to address the necessary actions to dredging the Reservoir of UHE Risoleta Neves and the recovery of operating conditions of UHE Risoleta Neves.

CLAUSE 80: Actions should be developed for the dredging of the Reservoir of UHE Risoleta Neves and for the repair in the infrastructure of the Hydroelectric Plant, subject to the judicial agreement signed with the STATE OF MINAS GERAIS PROSECUTOR'S OFFICE and with the STATE OF MINAS GERAIS on February 6, 2016 (case No. 0024.15.086.405-6).

CLAUSE 81: Remediation actions shall be completed according to the PROGRAM to be approved by the FOUNDATION, and such PROGRAM should remain active until the effective resumption of UHE Risoleta Neves operation, pursuant to this agreement.

SUBSECTION II.3. Program for recovery of other Communities and Infrastructure impacted between Fundão and Candonga, including Barra Longa.

CLAUSE 82: The FOUNDATION shall provide the recovery or reconstruction of infrastructure damaged by the EVENT, observing the PREVIOUS SITUATION and the standards of the public policy.

PARAGRAPH ONE: This program aims the communities and infrastructure impacted between Fundão and Candonga, including Barra Longa,

exception made for the measures provided for in the program for reallocation, reconstruction and recuperation of Bento Rodrigues, Paracatu de Baixo and Gesteira.

PARAGRAPH TWO: If other communities and/or infrastructure affected in another location as a result of EVENT are identified, the program will also be extended to them.

PARAGRAPH THREE: Should the temporary rearrangement or reallocation of the families be required, as well as the reallocation of public equipment, there should be a provision for the supply of basic infrastructure, namely: access to drinking water, electric power, and sanitation, in an accessible area.

CLAUSE 83: The plan shall observe the standard and parameters of public policy.

CLAUSE 84: The program shall predict the following remedial actions in the areas impacted between Fundão and Candonga, subject to the paragraph two of CLAUSE 82:

- a) reestablishment of access;
- b) cleaning and removal of waste in the affected structures, rubble and debris resulting from the EVENT;
- c) demolition of compromised structures and consequent cleaning;
- d) reconstruction of bridges;
- e) drainages;
- f) rebuilding or refurbishing of fences, corrals and barn;
- g) reconstruction or renovation of churches and other houses of worship;
- h) reconstruction or renovation of football fields and spaces for sports practice of public access;
- i) reconstruction or renovation of community centers, parks and public places of leisure;
- j) reconstruction or renovation of artesian wells and rudimentary bridges;

- k) recovery or renovation of access routes impacted by the EVENT;
- l) containment of embankments and access slopes;
- m) reconstruction or renovation of affected housing units;
- n) reconstruction and recovery of impacted health and education facilities;
- o) reconstruction and recovery of all bridges, accesses and impacted road networks;
- p) recovery of affected water collection, treatment and distribution structures;
- q) recovery of impacted sewage collection and treatment structures;
- r) reconstruction and recovery of impacted sports, leisure, and cultural facilities;
- s) reconstruction, recovery of the remaining affected public buildings.

CLAUSE 85: Whenever the repair of the structure cannot be made at the same place, the choice of land for new construction shall count with the participation of the IMPACTED and approval of the PUBLIC AUTHORITY to which the service is bound.

CLAUSE 86 In the case of damaged public structures, in addition to the repair of the property, equipment, furniture and instruments must be refurbished, as well as consumables evidently lost or damaged directly as a consequence of the EVENT, and that are required to operate the respective service;

CLAUSE 87: For purposes of CLAUSE 86 above, when it is not possible to estimate the stock volume of destroyed consumables, the amount correspondent to the consumption of the installation over six (6) months shall be indemnified.

CLAUSE 88: This program shall start within up to 15 (fifteen) days and shall be concluded within up to 30 (thirty) months, counting from the execution of this Agreement.

SECTION III: EDUCATION, CULTURE AND LEISURE

SUBSECTION III.1: Program for Recovery of Schools and Reintegration of the School Community

CLAUSE 89: The FOUNDATION shall provide the reconstruction, observing the PREVIOUS SITUATION and according to the standards and parameters of public policy, acquisition of furniture, equipment and materials necessary for impacted schools from Fundão to Candonga, providing the means to reintegrate their students and professionals involved with school routines.

SOLE PARAGRAPH: The acquisition referred to in the **heading** shall be aligned with the standards and public policy and the standards set forth by the Ministry of Education – MEC and the National Fund for Education Development – FNDE.

CLAUSE 90: In cases of rearrangement, school structures shall be built in new communities, observing the PREVIOUS SITUATION and following norms and standards of the PUBLIC AUTHORITIES and the need dimensioned in the rearrangement plans.

CLAUSE 91: While the final structures are not available, the FOUNDATION shall provide the offer of conditions of accessibility to temporary schools by the students.

CLAUSE 92: Qualification actions for education professionals must be provided to work in emergency situations, as well as for the rendering of services arising from the EVENT, from Fundão to UHE Risoleta Neves.

CLAUSE 93: The PROGRAM shall also include actions of psycho-pedagogical support for students and professionals in impacted schools during the period of 36 (thirty-six) months from the date of the execution of this Agreement.

SOLE PARAGRAPH: The term provided for in the **heading** may be extended, if such need is duly justified 6 (six) months before the end of the original term.

CLAUSE 94: The terms of this PROGRAM shall be compatible with the schedule of the Program for reconstruction, recovery and reallocation of Bento Rodrigues, Paracatu de Baixo and Gesteira and the Recovery Program of other communities and infrastructure impacted between Fundão and Candonga.

SUBSECTION III.2 Program for the Conservation of Historical, Cultural and Artistic Memory

CLAUSE 95: The FOUNDATION shall prepare a program to recover cultural objects of material nature and preserve cultural heritage of the communities of Bento Rodrigues, Paracatu de Baixo and Gesteira affected by the EVENT, provided that the assets are of historical, archaeological, artistic nature, inventoried and/or listed by IPHAN and/or IEPHA and affected by the EVENT.

CLAUSE 96: Actions to preserve the patrimony shall observe the provisions stipulated in the Preliminary Commitment Agreement executed with the STATE OF MINAS GERAIS PROSECUTOR'S OFFICE on November 30, 2015.

SOLE PARAGRAPH: Supplementing the information made available by IPHAN and IEPHA, the diagnosis shall include the performance of participatory inventory in the affected communities in order to identify the tangible and intangible elements that make up the local culture, as well as to implement memory centers.

CLAUSE 97: The diagnosis shall be followed by a Proposal of Intervention for preservation and conservation that establishes scale of priorities of action because of the degree of risk of irreversible losses of cultural property, whether tangible or intangible.

CLAUSE 98: The Proposal of Intervention on cultural heritage, to be implemented by the FOUNDATION, shall contemplate:

- a) development and implementation of an archaeological project of impacted sites through qualified professionals;
- b) Dissemination of scientific knowledge already produced with regard to archaeological heritage of the affected region to which access and further research has been frustrated by the changes in the landscape caused by EVENT;
- c) implementation of works for the rehabilitation of impacted cultural heritage preferably by means of school sites that encourage the use and training of the local workforce;
- d) actions to the rescue, the generational transmission and encouragement of cultural activities of the communities, such as parties and celebrations, knowledge and traditional techniques, craftsmanship and cuisine.

CLAUSE 99: With regard to sports and leisure, the FOUNDATION shall promote the re-establishment and revitalization of spaces and conditions necessary for the holding of sports competitions, dance and music events, occupational and training activities for the elderly, children's activities in counter-shifts or vacation periods, as well as the insertion of the affected population in new activities and sports available in the cities of Bento Rodrigues and Barra Longa.

CLAUSE 100: This program should be maintained for a period of 60 (sixty) months counting from the approval of the PROJECT by the FOUNDATION.

SOLE PARAGRAPH: The term provided for in the **heading** may be extended, if such need is duly justified 6 (six) months before the end of the original term.

SUBSECTION III.3: *Program to support tourism, culture, sport and leisure, with reparatory and compensatory aspects.*

CLAUSE 101: The FOUNDATION shall perform a diagnosis of the impact on the Tourism, Culture, Sport and Leisure in the municipalities of the SOCIOECONOMIC COVERAGE AREA of both States.

CLAUSE 102: The diagnosis shall be discussed with the communities and should include a survey of the cultural, sports and leisure events of the COVERAGE AREA, with emphasis on those associated with natural resources that became unavailable due to the EVENT.

SOLE PARAGRAPH: The diagnosis shall include the impacted local tourism inventory and the diagnosis of tourism potentialities of the impacted areas.

CLAUSE 103: In light of the diagnosis, the following actions related to culture, tourism, sport and leisure in the areas identified as impacted in the diagnosis, may be developed as compensatory measures:

- a) implementation of sports and leisure facilities;
- b) creation of a Memorial in Bento Rodrigues, in agreement with the community;
- c) technical and material support to expand the Programs Mais Cultura in Universities and Mais Cultura in Schools;

- d) campaign of self-declaration of cultural groups, collectives and entities by means of the “Rede Cultura Viva” Platform;
- e) modernization of municipal public libraries and the creation of a National Committee for the Encouragement of Reading, in order to encourage reading promotion activities.
- f) implementation of cultural facilities and development of actions to foster and provide incentives to culture in line with the Policy and the National Culture System;
- g) revitalization of the Estrada Real Program in the COVERAGE AREA, in order to attract more tourism to the affected localities; and
- h) Undertaking of actions for development of Sports/Amateur Fishing activities at the hydrographic basin.

CLAUSE 104: In light of the diagnosis, the following actions related to culture, tourism, sport and leisure in the areas identified in the diagnosis as impacted must be developed as reparatory measures:

- a) strengthening of local institutions related to tourism activities;
- b) preparation of participative tourism plan; and
- c) technical support for implementation of the tourism plan, including advertising.
- d) submission of proposal prepared together with the impacted communities, to address the losses of the environment necessary to perform leisure, sports and sociability activities, to be validated by the involved PUBLIC ENTITIES;

- e) reparation of the segments of Estrada Real that were impacted by the EVENT;
- f) implementation of the recovery actions of Sport/Amateur Fishing for the hydrographic basin; and
- g) professional requalification of impacted local agents of Sport Fishing, including fishing guides, skippers, accommodation structures and producers of baits, in case it is impossible to resume the original activity.

CLAUSE 105: The diagnosis referred to in this program must be completed within 12 (twelve) months from the execution of this agreement, and the promotional actions undertaken for a period of 60 (sixty) months, counting from the approval of the PROJECT by the FOUNDATION.

SECTION IV: HEALTH:

SUBSECTION IV.1: Program to Support Physical and Mental Health of the Impacted Population.

CLAUSE 106: It should be provided technical support for the development and implementation of health monitoring Protocol of the population exposed to the effects of the EVENT.

CLAUSE 107: The FOUNDATION shall be responsible for creating a program to provide technical support for serving the municipalities of Mariana and Barra Longa in the implementation of health action plans or health actions already agreed to date as a result of the effects deriving from the EVENT.

CLAUSE 108: The program shall provide for measures and actions needed to mitigate the damages caused to the health of the population directly affected by the EVENT.

CLAUSE 109: This program shall include actions to be performed by the FOUNDATION in the following areas, which shall be limited to the effects resulting from the EVENT:

- a) primary care;
- b) surveillance in environmental Health, epidemiology, worker's Health, sanitation and promotion of Health;
- c) pharmaceutical care;
- d) laboratorial support;
- e) secondary care; and
- f) mental health care;

CLAUSE 110: The actions provided for in this health support program shall be maintained for a period of 36 (thirty-six) months counting from the date of execution of this Agreement.

SOLE PARAGRAPH: The term provided for in the **heading** may be extended, if such need is duly justified 6 (six) months before the end of the original term.

CLAUSE 111: The FOUNDATION is responsible for developing an Epidemiological and Toxicological Study to identify the retrospective, current and prospective epidemiological and health profile of residents from Mariana to the mouth of the Doce River, to assess risks and correlations arising from the EVENT.

PARAGRAPH ONE: The area covered by the Study may be expanded if there are technical evidence of risks to the population's health in coastal areas of the COVERAGE AREA not covered by the Study, by means of technically justified request submitted by the PUBLIC AUTHORITIES.

PARAGRAPH TWO: If health impacts of the EVENT are identified, the study will indicate the necessary mitigating actions to be performed by the FOUNDATION to ensure the health of the IMPACTED.

PARAGRAPH THREE: The study shall be based on health indicators of 10 (ten) years prior to the EVENT and should be kept for a minimum of 10 (ten) years after the EVENT.

PARAGRAPH FOUR: The term referred to in the previous paragraph shall be extended in case of verification of increasing evidence on the incidence of diseases or negative changes in the epidemiological profile that can be a consequence of the EVENT, for the necessary period.

CLAUSE 112: The study shall be conducted in the form of a qualitative and quantitative, exploratory and descriptive field research with mapping of the epidemiological and health profile using available official data, field samples and other rules set forth in the standard of public policy.

SOLE PARAGRAPH: The raw data and analysis produced during the Study shall be made available for public consultation and sent to State Health Departments or equivalent, in the states of Minas Gerais and Espírito Santo.

SECTION V: INNOVATION

SUBSECTION V.1: Program to Support Research for Development and Use of Socioeconomic Technologies Applied to Impact Remediation, with a compensatory nature.

CLAUSE 113: The FOUNDATION shall encourage and fund the production of knowledge related to the recovery of the areas affected by the disaster through the creation and strengthening of applied technology research lines, with internalization of technologies developed for the recovery process.

CLAUSE 114: The following actions must be performed:

- a) encouragement of research aimed at economic utilization and disposal of waste;

- b) encouragement of educational and professional training on themes related to the recovery of the affected areas.

CLAUSE 115: The actions under this program, which has a compensatory nature, may be carried out through partnerships with public educational and research institutions.

SECTION VI: ECONOMY

SUBSECTION VI.1 Program to Resume Aquiculture and Fishery Activities

CLAUSE 116: The FOUNDATION shall develop a program to support the IMPACTED fishermen along the COVERAGE AREA.

CLAUSE 117: The FOUNDATION shall seek the restoration of the productive areas and conditions for the production of the fisherman, including impacted equipment and infrastructure for storage, manufacturing and commercializing what was fished.

CLAUSE 118: The FOUNDATION shall provide technical assistance to fishermen impacted by the EVENT and their respective cooperatives and associations, in order to facilitate the resumption of activities, as well as financial aid to impacted fishermen in the amount set by the Financial Assistance Program to the IMPACTED until the fishing condition is equivalent to the PREVIOUS SITUATION.

SOLE PARAGRAPH. Technical assistance should be provided under the terms in the National Program of Technical Assistance and Rural Extension – PNATER, according to guidelines given by PUBLIC AUTHORITIES, and funded by the FOUNDATION.

CLAUSE 119: Whenever the resumption of fishing activity is not possible by virtue of the EVENT, professional training courses in other activities shall be offered, providing technical assistance pursuant to the terms of PNATER, as appropriate, in order to identify and

facilitate the reallocation into new economic or productive activity, without prejudice to the payment of Financial Assistance provided for in CLAUSE 118 until the fishing condition is equivalent to the PREVIOUS SITUATION or until conditions for professional reallocation are established, whichever occurs first, ensuring the conclusion of offer of ongoing qualification courses in the scope of this PROGRAM.

CLAUSE 120: Obligations related to training and technical assistance should be maintained for 24 (twenty-four) months.

SOLE PARAGRAPH: The period provided for in the **heading** may be extended if this need is based on a reasoned justification.

CLAUSE 121: This program also applies to IMPACTED sandpits, provided that legally authorized to conduct such activity.

CLAUSE 122: A plan for recovery of fishing in the COVERAGE AREA shall be prepared and implemented, and in case of identification of impacts due to the EVENT, a plan for recovery of impacted aquaculture activities should also be prepared, and it shall be articulated with environmental studies.

CLAUSE 123: Emergency measures should be provided for readjustment or adaptation of the forms of work and income generation directly related to the river, notably concerning fishermen and sanding, and alternatives of social collective business may be planned and encouraged.

SUBSECTION VI.2: Program to Resume Agricultural Activities

CLAUSE 124: The purpose of this program is to recover agricultural activities and IMPACTED producers along the Riverbed of the Doce River.

CLAUSE 125: This program shall include the following actions to IMPACTED producers along the Riverbed of the Doce River:

- a) providing area to producers who had their agricultural activities permanently affected due to the EVENT, equivalent to the PREVIOUS SITUATION, observing the public policy;
- b) recovery of productive areas subject to restoration and the conditions to produce according to the PREVIOUS SITUATION, including soil, animals, equipment and facilities;
- c) technical assistance to impacted producers, cooperatives and associations in order to facilitate the resumption of activities, under the terms of PNATER, for 24 months counting from the rebuilding of the PREVIOUS SITUATION of the productive areas in which restoration is possible; this term may be extended if this need is based on a reasoned justification;
- d) financial aid to IMPACTED producers in the amount set by the Financial Assistance Program to IMPACTED until the production condition is equivalent to the PREVIOUS SITUATION or performance of what is provided in letter “a”;
- e) whenever the resumption of the activity is not possible, professional training courses in other activities shall be offered, providing technical assistance under the terms in PNATER, as appropriate, in order to identify and facilitate the reallocation to new economic or productive activity, without prejudice to the payment of Financial Assistance provided in letter “d,” until conditions for professional reallocation are met or the recovery of pasture in the impacted areas, when technically viable;
- f) establishment of equivalent pasture in other areas of the property to replace pastures which recovery is technically unfeasible;
- g) replacement of pasture by other feeding sources with improved productivity that can be grown in the affected property;
- h) implementation of management techniques seeking to try to increase the productivity of the property;

- i) reestablishment of the impacted structures for collection of water for irrigation and watering animals to the PREVIOUS SITUATION or, if not possible, to develop alternatives to the reestablishment of water collection structures; and
- j) supply of food for animals on farms directly affected, until pasture recovery.

CLAUSE 126: Specific actions for the rehabilitation of compromised irrigation systems shall be planned.

CLAUSE 127: Agricultural activities shall not be reestablished in APPs (Permanent Preservation Areas).

CLAUSE 128: Obligations related to training and technical assistance should be maintained for 24 (twenty-four months).

SOLE PARAGRAPH: The term provided for in the **heading** may be extended if this need is based on a reasoned justification.

***SUBSECTION VI.3:** Program for Recovery and Diversification of Regional Economy with Incentive to the Industry, with a compensation nature*

CLAUSE 129: The FOUNDATION is responsible for adopting, with a compensatory purpose, strategies for the development of other economic activities in the region that promote the reduction of its dependence on the mining industry, stimulating the emergence of new industries in the region, based on technological alternatives with a sustainable base and able to promote greater productive integration of the population.

CLAUSE 130: The FOUNDATION must take the following actions within the limits of the IMPACTED COVERAGE AREA:

- a) Establishment of lines of productive credit by means of equalization and constitution of a guarantee fund;

- b) technical support for the development of economic diversification plan in the Germano region;
- c) diagnosis of the potentialities and encouragement of economic activities;
- d) actions to restore the image of local products;
- e) encouragement of associations and cooperatives; and
- f) encouragement of new industries and services to meet the demands arising from the affected areas.

CLAUSE 131: The term of this program should be proposed by the FOUNDATION and validated by the INTER-FEDERATIVE COMMITTEE.

***SUBSECTION VI.4:** Program for Recovery of Micro and Small Businesses in the Trade Sector, Services and Production;*

CLAUSE 132: The FOUNDATION shall establish and run a specific program for the recovery of micro and small businesses in the trade, services and productive sectors, located from Fundão to Candonga and Regência and Povoação, directly impacted by the EVENT, which should be completed in 24 months counted from the approval of the budget of the FOUNDATION.

PARAGRAPH ONE: The term provided for in the **heading** may be extended if this need is based on reasonable justification.

PARAGRAPH TWO: Without prejudice to the participation in the COORDINATED NEGOTIATION PROGRAM, actions should be provided for the reconstruction of affected facilities, replacement of affected input necessary for resumption of business operations and encouraging the resuming of production.

PARAGRAPH THREE: For purposes of this program, micro and small businesses are the micro and small enterprise, small business, individual entrepreneurs, workers who have their own business,

formalized or not, and the self-employed without formal or informal employment relationship.

PARAGRAPH FOUR: The recipients of this program will be provided with financial assistance in the amount set by the Financial Assistance Program to the IMPACTED until resumption of the conditions for the exercise of the original economic activities or the establishment of the conditions to the new business to replace the previous one.

CLAUSE 133: In case of impossibility to resume the original economic activities located from Fundão to Candonga and Regência and Povoação, due to the EVENT, the FOUNDATION will also be responsible for supporting small entrepreneurs in the incubation of new businesses to replace the previous one, for 36 (thirty-six) months counting from the approval of the PROGRAM at the FOUNDATION.

SOLE PARAGRAPH: The term provided for in the **heading** may be extended, if such need is duly justified within up to 6 (six) months following the end of the original term.

SUBSECTION VI.5: Program to Stimulate Local Employment, with compensatory nature

CLAUSE 134: The FOUNDATION shall prepare and implement local hiring prioritization program to encourage the use of local workforce and local network of providers for the actions that are developed from Fundão to Regência.

CLAUSE 135: For compliance with this program, the following actions shall be developed:

- a) performance of research studies to identify potential entrepreneurs, businesses and markets;
- b) strategy of prioritizing local shopping, including the survey of the supply of local products and services, provided that

- compatible with market prices, disclosure of the demand for goods and services, performance of business round with potential suppliers; and
- c) emphasis on areas that have had greater impairment of their productive activities and activities associated to local vocations.

CLAUSE 136: This program should come into effect ninety (90) days from the creation of the FOUNDATION and must be maintained while the FOUNDATION is active.

SOLE PARAGRAPH: The implementation of this PROGRAM shall observe the provision in Clause 223, as well as the rules contained in the policies and manuals provided therein.

SUBSECTION VI.6: Program for Emergency Financial Assistance to the IMPACTED

CLAUSE 137: The Foundation shall be responsible for developing a program for emergency financial assistance for the IMPACTED population who has had impairment of their income due to the interruption, proved pursuant to CLAUSE 21, of their productive or economic activities due to the EVENT until the restoration of conditions for resumption of productive or economic activities.

SOLE PARAGRAPH: The provision contained in the **heading** does not compromise the continuity of the implementation of agreements and commitments entered into prior to the execution hereof.

CLAUSE 138: In order to grant a monthly financial aid, there should be registration and verification of financial dependence of the production or economic activity.

SOLE PARAGRAPH: The monthly financial assistance will be in the amount of 1 (one) minimum wage, plus 20% (twenty percent) per dependent according to

the dependent referred to in Article 16 of Law No. 8,213/1991, and a basic food basket, according to the value determined by DIEESE, without prejudice to compensation under the COORDINATED NEGOTIATION PROGRAM, and subject to the provisions of the TAC signed with the Federal Prosecutor's Office, the Labor Prosecutor's Office, and the State of Espírito Santo Prosecutor's Office.

CLAUSE 139: The beneficiaries of this program should receive cards, or equivalent, based on criteria established in the TAC.

CLAUSE 140: The payment shall be made until the conditions for the exercise of the economic activities are restored or, in case such restoration is not feasible, until the conditions are established for a new productive activity to replace the previous one, according to term set forth in the PROGRAM, limited to a maximum term of 5 (five) years counting from the date of execution of this Agreement.

SOLE PARAGRAPH: The maximum term provided in the **heading** can be extended for an additional period of one year, in case this need is duly justified within 3 (three) months before the end of the original term, and successively up to the ninth year counted from the execution of this Agreement, so that the payment provided in the heading does not exceed 10 (ten) years.

SUBSECTION VI. 7: Program for Reimbursement of extraordinary public expenses of the PROMISORS

CLAUSE 141: The FOUNDATION shall reimburse the PROMISORS for any extraordinary public expenses arising from the EVENT that are duly evidenced by official documents, including expense notes and statements by a competent authority, pursuant to the ANNEX, in the amount of R\$ 27,463,793.00 (twenty seven million, four hundred and sixty three thousand, seven hundred and ninety-three reais), duly updated by IPCA from the date of disbursement until effective payment, respecting the compliance policy of the FOUNDATION.

SOLE PARAGRAPH: The other PROGRAMS subject to this Agreement shall precede the reimbursement of the PROMISORS' extraordinary expenses provided for in the heading.

CLAUSE 142: The FOUNDATION will discuss the reimbursement of the extraordinary public expenses resulting from the EVENT with the impacted Municipalities.

CLAUSE 143: After the reimbursement provided for in CLAUSE 141 is completed, the PROMISORS shall give full release for the monetary losses resulting from the EVENT.

SOLE PARAGRAPH: Other public extraordinary expenses arising from the EVENT that have the same nature from those provided in the ANNEX mentioned in the heading of CLAUSE 141, and were incurred by the PROMISORS from the date of this Agreement, shall be subject to compensation under this PROGRAM.

SECTION VII:

MANAGEMENT OF ACTION PLAN

SUBSECTION VII.1: Program for the Management of socioeconomic programs

CLAUSE 144: The FOUNDATION shall equip SOCIOECONOMIC PROGRAMS with management, monitoring and evaluation mechanisms and processes, including information systems, databases, definition of indicators, in accordance with governance mechanisms and processes set forth in this Agreement.

PARAGRAPH ONE: The program portfolio management model to be adopted should include at least the management of cost, time and scope, with the budget for each program, indicators, targets and schedule.

PARAGRAPH TWO: This program shall be in effect within six (6) months, counting from the date of execution of this Agreement.

CHAPTER THREE: SOCIOENVIRONMENTAL PROGRAMS:

CLAUSE 145: The SOCIOENVIRONMENTAL PROGRAMS should have a diffuse and trans-individual nature, embracing reparatory and compensatory measures pursuant to the agreement.

SOLE PARAGRAPH: In the context of the SOCIOENVIRONMENTAL PROGRAMS, the following PROGRAMS shall be designed, developed, and ran, grouped into eight thematic axes: (i) Management of Tailings; Recovery and Improvement of Water Quality; (ii) Forest Restoration and Water Production; (iii) Biodiversity Conservation; (iv) Water Security and Water Quality; (v) Education, Communication and Information; (vi) Environmental Preservation and Safety; (vii) Management and Sustainable Use of the Land; and (viii) Action Plan Management.

CLAUSE 146: For purposes of this Agreement, SOCIOENVIRONMENTAL PROGRAMS are classified as REPARATORY PROGRAMS and COMPENSATORY PROGRAMS.

SOLE PARAGRAPH: The SOCIOENVIRONMENTAL PROGRAMS referred to in this Agreement, and the ensuing measures shall, as a general rule, be understood as REPARATORY, being classified as COMPENSATORY only those programs and measures expressly indicated as such herein.

CLAUSE 147: For purposes of CLAUSE 146, the Parties acknowledge that all measures implemented by the FOUNDATION exceeding mitigation, remediation and/or recovery of environmental impacts directly arising from the EVENT have socioenvironmental compensatory nature.

CLAUSE 148: The measures and actions described in the SOCIOENVIRONMENTAL PROGRAMS shall be performed as reviewed and approved by ENVIRONMENTAL BODIES and/or WATER RESOURCES MANAGEMENT BODIES, pursuant to this AGREEMENT.

CLAUSE 149: If during the performance of this Agreement one demonstrates the non-existence of feasible solution for reparatory actions provided for in the PROGRAMS, these shall be replaced by equivalent compensatory measures, which shall be defined through studies undertaken by EXPERTS and approved by the INTER-FEDERATIVE COMMITTEE, upon hearing competent ENVIRONMENTAL BODIES or WATER RESOURCES MANAGEMENT BODIES.

SECTION I:

TAILINGS MANAGEMENT AND RECOVERY OF WATER QUALITY

SUBSECTION I.1: Program for ***the*** management of the tailings arising from the rupture of the Fundão dam, considering conformation and in situ stabilization, excavation, dredging, transportation, treatment and disposal, encompassing the following measures with a reparatory nature:

CLAUSE 150: The FOUNDATION shall be responsible for carrying out identification studies and detailed assessment of the ENVIRONMENTAL AREA 1, considering the PREVIOUS SITUATION and the effects arising from the EVENT.

PARAGRAPH ONE: The evaluation of changes and characterizations shall include biogeochemistry, hydrodynamics and hydro sediment evaluation.

PARAGRAPH TWO: The studies referred in the **heading** shall be disclosed until the last business day of July 2016 and shall contain a schedule for the presentation and implementation of PROJECTS, to be evaluated

and approved by the ENVIRONMENTAL BODIES and WATER RESOURCES MANAGEMENT BODIES.

PARAGRAPH THREE: Specifically for the Reservoir of UHE Risoleta Neves, SAMARCO shall dredge the first 400 m (four hundred meters) in such reservoir by December 31, 2016.

CLAUSE 151: The FOUNDATION shall be responsible for the management of the tailings arising from the rupture of the Fundão dam, according to results of the assessments established in this program, as well as considering the area's environmental, social and economic aspects.

SOLE PARAGRAPH: The management of tailings referred to in the **heading** includes the preparation of a project and recovery actions of river, estuarine and coastal areas, excavation, dredging, transportation and final disposal and/or treatment *in situ*.

CLAUSE 152: The FOUNDATION shall be responsible for the disposal of tailings resulting from the rupture of the Fundão dam, to be quantified according to studies provided for under this program, including a schedule, treatment and environmentally proper disposal, upon approval by ENVIRONMENTAL BODIES.

CLAUSE 153: The activities of management and disposal of waste resulting from the rupture of the Fundão dam set forth in this program will seek to provide income generation for the impacted population, if economically feasible, in the manner provided for in the SOCIOECONOMIC PROGRAMS.

SUBSECTION I.2: Program for implementation of tailings containment system and in situ treatment of the affected rivers, encompassing the following measures with a reparatory nature

CLAUSE 154: The FOUNDATION is responsible for building and operating emergency structures for sediment containment and/or *in situ* treatment systems

of the area comprised between the Fundão Dam and the UHE Risoleta Neves, with completion up to December 31, 2016.

CLAUSE 155: Studies shall be conducted and outline alternative scenarios shall be created to the assessment and adoption the best and most efficient techniques and procedures, under the terms of the approved plan/program, seeking the containment of the tailings disposed of in the area of the Fundão and Santarém Dams and along the riverbed and marginal areas of the rivers Gualaxo do Norte, Carmo and Doce up to the UHE Risoleta Neves and water treatment in order to maximize the effectiveness of containment systems and to minimize the impact associated with the continuity of the transportation of sediments to the Doce River, which shall be presented until the last business day of August, 2016.

CLAUSE 156: The FOUNDATION shall implement techniques and procedures for the containment of the tailings and the water treatment approved by ENVIRONMENTAL BODIES, according to studies referred to in this program.

SOLE PARAGRAPH: The techniques and procedures referred in the heading may include the construction of permanent structures.

CLAUSE 157: The measures described in the PROGRAMS will seek to gradually reduce the turbidity of the Gualaxo do Norte, Carmo and Doce rivers up to UHE Risoleta Neves, to maximum levels of 100 (one hundred) NTU in the dry season, within the term specified in accordance with the studies established in CLAUSE 150, observing the maximum term of 3 (three) years.

SECTION II:

FOREST RESTORATION AND WATER PRODUCTION

SUBSECTION II.1. Program for recovery of the ENVIRONMENTAL AREA 1 in the municipalities of Mariana, Barra Longa, Rio Doce and Santa Cruz do Escalvado, including bioremediation, encompassing the following measures of reparatory nature.

CLAUSE 158: The FOUNDATION is responsible for the initial, emergency and temporary reforestation, using grasses and legumes, seeking the reduction of the laminar and wind erosion, with a total length of 800 ha (eight hundred hectares) and completed by the last business day of June 2016, according to the program approved by the ENVIRONMENTAL BODIES.

CLAUSE 159: The FOUNDATION shall also recover 2,000 ha (two thousand hectares) in the **ENVIRONMENTAL AREA 1** in the municipalities of Mariana, Barra Longa, Rio Doce and Santa Cruz do Escalvado, according to the program approved by ENVIRONMENTAL BODIES.

SOLE PARAGRAPH: The implementation of the actions mentioned in the **heading** shall take place in a period of 4 (four) years, counting from the date of execution of this Agreement, with 6 (six) additional maintenance years, pursuant to a schedule to be established in the respective program.

CLAUSE 160: The FOUNDATION shall be responsible for regularizing the riverbeds and margins and control erosion processes in the Gualacho do Norte, Carmo and Doce rivers in the stretch located upstream of UHE Risoleta Neves, to be approved by ENVIRONMENTAL BODIES, and concluded by the last business day of December 2017.

SOLE PARAGRAPH: The FOUNDATION is responsible for the management of tailings, pursuant to the terms stipulated in CLAUSE 151.

SUBSECTION II.2 Program for recovery of the Permanent Preservation Areas (APP) and recharge areas of the Doce River Basin and erosion control, in accordance with the following measures and requirements of compensatory nature.

CLAUSE 161: The FOUNDATION, as a compensatory measure, shall recover the degraded APPs of the Doce River and tributaries preferably, but not limited to, in the sub-basins of the rivers that are defined as alternative sources of supply for the municipalities and districts listed in the second and

third paragraphs of CLAUSE 171 of this agreement, in accordance with the priorities determined by the INTER-FEDERATIVE COMMITTEE in an area of 40,000 ha within 10 years.

PARAGRAPH ONE: From the area described in the **heading** for recovery of degraded APPs, 10,000 ha should be run through reforestation and 30,000 ha should be carried out through conduction of natural regeneration.

PARAGRAPH TWO: For the execution of this PROGRAM, it is established the minimum amount of R\$ 1,100,000,000.00 (one billion, one hundred million reais).

PARAGRAPH THREE: Should the activities provided for in paragraph one cost less than R\$ 1,100,000,000.00 (one billion, one hundred million reais), the FOUNDATION shall perform other reforestation and/or regeneration in the area defined by the INTER-FEDERATIVE COMMITTEE until it reaches that amount.

PARAGRAPH FOUR: The recovery of APPs mentioned in the **heading** shall follow methodology similar to the Reforestation Program, Water Producer or similar initiatives in the states of Minas Gerais and Espírito Santo.

CLAUSE 162: For purposes of recovery of marginal areas and compensation of degraded APPs, projects of seed and forest native species production shall be implemented or one shall support related projects with the same goals, in line with the programs mentioned in the paragraph four of CLAUSE 161.

SOLE PARAGRAPH: In the APPs subject to recovery in this Program, there should also be performed soil management for the recovery of erosion areas and prioritizing the recharge areas of the Doce River Basin.

Subsection II.3: Program for recovery of Headstreams, encompassing the following measures of compensatory nature

CLAUSE 163: The FOUNDATION is responsible for, as a compensatory measure, recovering 5,000 (five thousand) springs, to be defined by the Hydrographic Basin Committee of Rio Doce (CBH-Doce), with the recovery of 500 (five hundred) springs a year counting from the execution of this agreement, within a period of up to ten (10) years, as set forth in the Integrated Water Resources Plan of the CBH-Doce, and it may encompass the entire area of the Doce River Basin.

**SECTION III:
BIODIVERSITY CONSERVATION**

SUBSECTION III.1: *Program for the conservation of aquatic biodiversity, including freshwater, coastal and estuarine zone and affected marine area, encompassing the following measures of reparatory nature*

CLAUSE 164: The Foundation shall prepare and implement measures for the recovery and conservation of the aquatic fauna in ENVIRONMENTAL AREA 1, including:

- a) population study of freshwater fish fauna of the riverbed and tributaries of the Doce River in ENVIRONMENTAL AREA 1, which shall be submitted up to the last business day of December 2016, as directed by ICMBIO;
- b) evaluation process of the conservation status of the native fish species from the Doce River Basin in ENVIRONMENTAL AREA 1, which shall be presented up to the last business day of December 2016, as directed by ICMBIO; and
- c) measures for the recovery and conservation of the aquatic fauna in the Doce River Basin in ENVIRONMENTAL AREA 1, according to results of studies indicated in letter b above, which shall be submitted up to the last business day of December 2016, as directed by ICMBIO.

SOLE PARAGRAPH: The program provided for in this Clause shall be guided and supervised by ICMBio, in conjunction with other ENVIRONMENTAL BODIES, which will monitor its implementation.

CLAUSE 165: The FOUNDATION shall prepare and implement fauna monitoring measures at the mouth of the Doce River and affected estuarine and marine environments, and shall:

I. Present, by the last business day of June 2016:

- a) Proposal of study to assess the water quality and eco-toxicity on aquatic, estuarine, marine and freshwater organisms; and
- b) Methodological description of the fauna monitoring measures in the mouth of the Doce River and impacted estuarine and marine environments.

II. Perform and present the results, by the last business day of May 2017, of studies for:

- a) identification and characterization of acute and chronic impact on the species and the food chain of freshwater, estuarine and marine environments; and
- b) assessment of seabed habitats, including calcareous algae, rhodoliths and corals in estuarine, marine and river mouth areas affected by the material arising from the EVENT;

III. implement and execute the monitoring measures referred to in this Clause for a period of 5 years, counting from the approval of the proposed studies by ICMBio.

PARAGRAPH ONE: From the first business day of July 2017, the monitoring measures referred to in this program and the parameters resulting from the outcome of the studies provided for in the preceding paragraphs shall be consolidated.

PARAGRAPH TWO: The program provided for in this Clause shall be guided and supervised by ICMBio, in conjunction with other ENVIRONMENTAL BODIES, which will monitor its implementation.

CLAUSE 166: This program shall include potential contingency actions associated with the monitoring of the fauna in the river mouth of the Doce River, the impacted estuarine and marine environments.

PARAGRAPH ONE: The contingency actions mentioned in the **heading** must be submitted up to the last business day of July 2017, under the guidance and supervision by ICMBio, in conjunction with other ENVIRONMENTAL BODIES, which shall monitor its implementation.

PARAGRAPH TWO: The actions referred to in this article shall be maintained for a period of 5 years, counting from the approval of the proposed studies by the competent environmental body.

Subsection III.2: Program to strengthen the screening structures and reintroduction of wildlife, encompassing the following measures of compensatory nature

CLAUSE 167: As a compensatory measure, the FOUNDATION is responsible for the construction and the rigging of 2 (two) Centers for Screening and Rehabilitation of Wild Animals (CETAS), pursuant to the Terms of Reference to be issued by IBAMA and its respective equipment list, within **ENVIRONMENTAL AREA 2**, being one unit in Minas Gerais and another in Espírito Santo, in free and unimpeded areas for building as indicated by IBAMA;

PARAGRAPH ONE: The schedule and the location to build the CETAS shall be defined between the parties, without exceeding a maximum period of 2 (two) years from the date in which this Agreement was entered into.

PARAGRAPH TWO: The FOUNDATION shall ensure resources for the operational maintenance of CETAS for a period of 3 (three) years, counting from the delivery of each CETAS, except for the operating expenses with personnel,

according to the Project Management Plan to be determined by the appropriate governing body.

PARAGRAPH THREE: The resources provided for in the foregoing paragraph shall include the maintenance expenses of the third-party handler teams during the period provided for in the foregoing paragraph.

Subsection III.3: Program for conservation of the terrestrial fauna and flora, with a reparatory nature

CLAUSE 168: The FOUNDATION shall submit, by the last business day of December 2016, a study to identify and characterize the impact of the EVENT on the endangered terrestrial species within the ENVIRONMENTAL AREA 1.

PARAGRAPH ONE: Until the last business day of December 2016, it shall be presented an action plan for the conservation of terrestrial fauna and flora, according to results of the study provided in the **heading**.

PARAGRAPH TWO: The plan referred to in the foregoing paragraph shall be performed as of the last business day of January 2017, after approval by the ENVIRONMENTAL BODIES.

SECTION IV:

WATER SAFETY AND WATER QUALITY

Subsection IV.1: Program for collection and treatment of sewage and disposal of solid waste, with a compensatory nature

CLAUSE 169: The FOUNDATION will provide financial resources on the amount of R\$ 500,000,000.00 (five hundred million reais) to the Municipalities in ENVIRONMENTAL AREA 2 for the funding basic sewage implementation programs, implementation of the construction of sewage collection and treatment, eradication of landfills and implementation of regional sanitary landfills.

PARAGRAPH ONE: The amount referred to in the **heading** shall remain deposited in a separate banking account of the FOUNDATION.

PARAGRAPH TWO: The FOUNDATION shall not undertake the actions described on the **heading** nor elect the municipalities to be attended, being only obligated to make such resources available, observing the FOUNDATION's compliance policy proceedings.

PARAGRAPH THREE: Based on the analysis of the projects presented by the interested Municipalities, the INTER-FEDERATIVE COMMITTEE shall formally point out to the FOUNDATION the Municipalities entitled to receive the resources and the respective amounts to be made available by the FOUNDATION.

PARAGRAPH FOUR. The allocation referred to in PARAGRAPH THREE may be used to partially or totally cover the costs of the public partner's pecuniary consideration, owed by the concession-granting authority in case of sponsored concession.

CLAUSE 170: The amounts foreseen in the **heading** of the previous clause shall be deposited by the FOUNDATION in the banking account referred to in the paragraph one of the previous clause, observing the following schedule:

I – R\$ 50,000,000.00 (fifty million reais) in the second semester of 2016;

II – R\$ 100,000,000.00 (one hundred million reais) in the first semester of 2017;

III – R\$ 100,000,000.00 (one hundred million reais) in the second semester of 2017;

IV – R\$ 125,000,000.00 (one hundred and twenty-five million reais) in the first semester of 2018; and

V – R\$ 125,000,000.00 (one hundred and twenty-five million reais) in the second

semester of 2018.

***SUBSECTION IV.2:** Program for improvement of water supply systems, encompassing the following measures of reparatory and compensatory nature*

CLAUSE 171: As a reparatory measure, in Municipalities that have locations whose operation of the public supply system was temporarily unavailable due to the EVENT, the FOUNDATION shall build alternative collection and distribution systems and improve water treatment plants for all municipal centers and locations that directly collect from the riverbed of the Doce River, using appropriate technology, seeking to reduce by 30% (thirty percent) the direct supply dependence on that river compared to levels prior to the EVENT.

PARAGRAPH ONE: This program shall include field surveys, design studies and basic projects that shall be developed in 2 (two) years counting from the date of execution of this Agreement. From these activities, the necessary construction work shall be completed within 3 (three) years.

PARAGRAPH TWO: The operation of the public water supply system shall be deemed temporarily unavailable in the headquarters of the following municipalities: (i) Alpercata; (ii) Gov. Valadares; (iii) Tumiritinga; (iv) Galiléia; (v) Resplendor; (vi) Itueta; (vii) Baixa Guandu; (viii) Colatina; and (ix) Linhares.

PARAGRAPH THREE: The operation of the public water supply system shall be deemed temporarily unavailable in the following municipalities: a) In Mariana: (i) Camargos; (ii) Pedras; (iii) Paracatu de Baixo; b) In Barra Longa: (i) Gesteira; (ii) Barreto; c) In Santana do Paraiso: (i) Ipaba do Paraiso; d) In Belo Oriente: (i) Cachoeira Escura; e) In Periquito: (i) Pedra Corrida; f) In Fernandes Tourinho: (i) Senhora da Penha; g) In Governador Valadares: (i) São Vitor; h) In Tumiritinga: (i) Sao Tomé do Rio Doce; i) In Aimorés: (i) Santo Antônio do Rio Doce; j) In Baixo Guandu: (i) Mascarenhas; k) In Marilândia: (i) Boninsenha; l) In Linhares: (i) Regência.

PARAGRAPH FOUR. For municipalities with more than 100,000 (one hundred thousand) inhabitants, the reduction of dependence from direct supply from the Doce River may be of up to 50%, and the amounts incurred as a result of what exceeds the percentage established in the **heading** shall be deemed a compensatory measure.

PARAGRAPH FIVE. The limit established in the foregoing paragraph may be revised, and additions arising from such revision shall be deemed compensatory measures in municipalities that produce a technical study proving the need for revision to reduce the supply risk, conditional on the approval of the INTER-FEDERATIVE COMMITTEE.

SECTION V:

EDUCATION, COMMUNICATION AND INFORMATION

Subsection V.1: Program of environmental education and preparation for environmental emergencies, encompassing the following measures of compensatory nature

CLAUSE 172: The FOUNDATION shall implement environmental education measures, partnering with the City Councils of municipalities located in the ENVIRONMENTAL AREA 1, in accordance with Federal Law No. 9,795/1999 and its regulatory decree No. 4,281/2002.

PARAGRAPH ONE: These measures shall be initiated within 6 (six) months counting from the execution of this Agreement and shall be maintained for a period of 10 (ten) years counting from the date it became effective.

PARAGRAPH TWO: The environmental education program shall encompass, in addition to other content provided by law, information relating to environmental emergencies;

CLAUSE 173: The FOUNDATION shall implement measures in order to enhance the support structure for emergency and warning systems with an action system integrated to the Civil Defense in the municipalities of Mariana, Barra Longa,

to be adopted within 1 (one) year counting from the date of execution of this Agreement, and maintained for a period of 5 (five) years counting from the date it became effective.

PARAGRAPH ONE: The FOUNDATION shall submit, within 6 (six) months counting from the date of execution of this Agreement, diagnostics and study on the need for inclusion of municipalities of Santa Cruz do Escalvado and Rio Doce in the actions provided for in the **heading**, consulting the respective bodies of the Civil Defense.

PARAGRAPH TWO: The FOUNDATION is responsible for submitting, within 6 (six) months counting from the date of execution of this Agreement, a diagnosis of the specific needs of the actions, after consulting the respective bodies of the Civil Defense, which must also approve such diagnosis.

SUBSECTION V.2: Program of information for the population of ENVIRONMENTAL AREA 1, encompassing the following measures of compensatory nature

CLAUSE 174: The FOUNDATION shall implement a center of technical information in ENVIRONMENTAL AREA 1, which will concentrate the environmental information for this area.

PARAGRAPH ONE: It should be created and maintained 1 (one) regional physical base in Minas Gerais and 1 (one) in Espírito Santo in municipalities that are different from those that will host the center of technical information provided in the **heading**, those with infrastructure and appropriate equipment to be defined by the FOUNDATION, and validated by the INTER-FEDERATIVE COMMITTEE, permanently connected to the center of technical information and located within the ENVIRONMENTAL AREA 1, intended to communicate and inform the population about the environmental aspects.

PARAGRAPH TWO: The structures mentioned in this program shall be implemented until the last business day of December 2016 and maintained for a period of 10 (ten) years counting from the date of execution of this Agreement.

Subsection V.3: Program of national and international communication, encompassing the following measures of compensatory nature

CLAUSE 175: The FOUNDATION shall submit by July 2016, for consideration and approval of the ENVIRONMENTAL BODIES, a regional, national and international communication program, through a website in at least three languages – English, Portuguese and Spanish – covering the actions and programs developed under this Agreement, which shall be maintained for 10 (ten) years counting from the execution of this Agreement.

SECTION VI:
ENVIRONMENTAL PRESERVATION AND SAFETY

***SUBSECTION VI.1:** Program of environmental risk management program in ENVIRONMENTAL AREA 1 of the Doce River Basin, encompassing the following measure of reparatory nature*

CLAUSE 176: The FOUNDATION shall present a study to identify environmental risks of SAMARCO's assets directly affected by the EVENT, which may impact the Doce River Basin, as well as propose preventive and mitigating actions associated with these risks.

SOLE PARAGRAPH: These studies shall be presented to the ENVIRONMENTAL BODIES within up to 1 (one) year, counting from the date of execution of this Agreement and those studies shall be reviewed at every renewal of the environmental licensing of these assets.

***SUBSECTION VI.2:** Program for research and monitoring of the Doce River Basin, impacted estuarine, coastal and marine areas, encompassing the following measures of reparative and compensatory nature*

CLAUSE 177: The FOUNDATION shall develop and implement a permanent systematic qualitative and quantitative monitoring program (PMQQS) of water and sediments, also covering the evaluation of toxicological and eco-toxicological risks on **ENVIRONMENTAL AREA 1**, according to the study, for the definition and set up of a monitoring network made up of automated equipment, water samples collection and sediments,

and laboratory tests, until December 2016, approved by RESOURCE MANAGEMENT WATER BODIES and the ENVIRONMENTAL BODIES.

PARAGRAPH ONE. The network referred to in the **heading** should be implemented and ready to operate up to the last business day of July 2017.

PARAGRAPH TWO. The monitoring network project, as well as the location of the stations, shall be approved by WATER RESOURCE MANAGEMENT BODIES and the ENVIRONMENTAL BODIES.

CLAUSE 178: In addition to the monitoring network, the FOUNDATION shall plan and implement a qualitative and quantitative monitoring plan of the waters of the Doce River and its tributaries, due to the interventions to be performed by the FOUNDATION to detect, monitor and register potential impacts of structural interventions implemented by the FOUNDATION in ENVIRONMENTAL AREA 1, to deal with removal operations or the recovery of environmental areas or sections of the Doce River and from flooding, such as dredging and removal of waste and other interventions under this Agreement;

CLAUSE 179: The competent WATER RESOURCE MANAGEMENT BODIES and ENVIRONMENTAL BODIES will approve the monitoring plan.

CLAUSE 180: Until December 2016, the FOUNDATION shall present a study identifying the irrigation areas along the Doce River, considering as the study area a marginal strip of the Doce River with a width of 1 km on each side.

SOLE PARAGRAPH: If any contamination process deriving from the EVENT is identified, specific measures for redress or compensation shall be proposed for the approval by the ENVIRONMENTAL BODIES.

SECTION VII:

LAND MANAGEMENT AND SUSTAINABLE USE

***SUBSECTION VII.1:** Program for consolidation of conservation units, encompassing the following measures of reparatory and compensatory nature*

CLAUSE 181: The FOUNDATION shall fund studies on the impacts of Protected Areas directly affected by the EVENT, namely: Rio Doce State Park/MG, Comboios Biological Reserve, Seaweed Environmental Protection Area and Santa Cruz Wildlife Refuge, and implement reparatory actions that may be necessary, according to the above referenced studies.

PARAGRAPH ONE: The studies provided in the **heading** and the remedial actions provided thereto should be concluded until July 2017.

PARAGRAPH TWO: The obligations under this Clause have the nature of reparatory measures.

CLAUSE 182: The FOUNDATION shall fund actions related to the consolidation of 2 (two) Conservation Units, namely the Rio Doce State Park and the Santa Cruz Wildlife Refuge, and the preparation and implementation of the management plan as well as the construction of the headquarter of the Environmental Protection Area in the Mouth of the Doce River, with an estimated area of 43,400 ha, to be created by the PUBLIC AUTHORITIES.

PARAGRAPH ONE: Among the possible compensatory actions to be defined by the FOUNDATION and approved by the management bodies of Conservation Units there are the preparation, review or implementation of Management Plans of the conservation units or the implementation of the management system of the areas, including advice, monitoring, physical infrastructure and equipment, pursuant to the schedule agreed upon between the FOUNDATION and the management bodies of Conservation Units.

PARAGRAPH TWO: The obligations in the **heading** have the nature of compensatory measures and should be adopted until January 2017.

SUBSECTION VII.2: Program for encouraging the implementation of the CAR and the PRAs in ENVIRONMENTAL AREA 1 of the Doce River Basin, with a compensatory nature

CLAUSE 183: The FOUNDATION will be responsible for supporting and providing technical support for the registration of rural properties in the Rural Environmental Registry (CAR) when located in **ENVIRONMENTAL AREA 1**, in addition to encouraging the development and implementation of its Environmental Adjustment Programs (PRA).

PARAGRAPH ONE: This program should be completed within 10 (ten) years counting from the execution of this Agreement, with intermediate annual milestones.

PARAGRAPH TWO: The FOUNDATION, SAMARCO and the SHAREHOLDERS shall not be liable for any delays and/or changes in the way of executing such a program arising, directly or indirectly, from acts and/or third-party events, including, but not limited to, individuals who do not agree to grant access and/or information and carry out interventions and/or interference in property owned or possessed by them.

SECTION VIII:

MANAGEMENT OF ACTION PLAN

SUBSECTION VIII.1: Program for management of the environmental recovery plan of the Doce River basin, estuarine, coastal and marine areas

CLAUSE 184: The FOUNDATION shall furnish the SOCIOENVIRONMENTAL PROJECTS with management, monitoring and evaluation mechanisms and processes, including information systems, databases, indicators, in accordance with the mechanisms and governance processes set forth in this Agreement.

PARAGRAPH ONE: The programs portfolio management model to be adopted shall include at least the management of cost, time and scope, with the budget for each program, indicators, targets and schedule.

PARAGRAPH TWO: This program must be running in up to 6 (six) months counting from the execution of this Agreement.

CHAPTER FOUR: GENERAL RULES APPLICABLE TO SOCIOENVIRONMENTAL AND SOCIOECONOMIC PROGRAMS

SECTION I:

POSSIBILITY OF HIRING SPECIALIZED COMPANIES

CLAUSE 185: The SOCIOENVIRONMENTAL and SOCIOECONOMIC PROGRAMS shall be prepared, planned and performed by the FOUNDATION, which may hire EXPERTS.

PARAGRAPH ONE: The hiring of EXPERTS by the FOUNDATION does not exempt the FOUNDATION from the obligations of preparation, planning, and performing the PROGRAMS, pursuant to the terms this Agreement.

PARAGRAPH TWO: The EXPERTS may provide support for the FOUNDATION in the preparation, planning and performance of the PROGRAMS.

PARAGRAPH THREE: The EXPERTS shall have proven experience in the area to which they will be hired for.

PARAGRAPH FOUR: The same EXPERT may be hired to work in one or more PROGRAMS, as long as it has proven experience for each of the contracted programs.

PARAGRAPH FIVE: The FOUNDATION may contract teaching and research entities or nonprofit organizations with recognized competence in the topics part of the SOCIOENVIRONMENTAL PROGRAMS.

CLAUSE 186: Unless explicitly stated otherwise, all actions under this Agreement are of responsibility of the FOUNDATION.

SECTION II:

PLANNING AND SUPERVISION

SUBSECTION II.1: Initial Planning:

CLAUSE 187: Within 60 (sixty) days of the organization of the FOUNDATION, it will present an initial plan of the PROGRAMS, activities, actions and measures of each one of the PROGRAMS, which shall be validated by the INTER-FEDERATIVE COMMITTEE, according to the terms of this Agreement, without prejudice to lower specific set deadlines or implementation of emergency actions.

PARAGRAPH ONE: The planning approved by the internal instances of the FOUNDATION shall provide for the budget, indicators, targets and schedule of each PROGRAM, taking into account the guidelines contained in this Agreement and the applicable technical criteria.

PARAGRAPH TWO: The PUBLIC AUTHORITIES may recommend corrections and adjustments in the PROJECTS and in the planning referred to in the **heading**, with proper justification, which shall be provided within thirty (30) days, and this term may be extended as long as duly justified, pursuant to this Section.

PARAGRAPH THREE: The planning shall foresee measures to be adopted during an initial term of 3 (three) years.

SUBSECTION II.2: Annual planning and project approvals:

CLAUSE 188: Until the 30th of September of each year, the FOUNDATION shall present to the INTER-FEDERATIVE COMMITTEE a proposal of the action plan for the following year, which shall include the forecast of the indicators, targets, schedule and specific actions of each program,

planned for next year, considering the performed diagnosis, including studies prepared by the EXPERTS contracted by the FOUNDATION.

PARAGRAPH ONE: Until the 30th of November of each year, the FOUNDATION will present to the INTER-FEDERATIVE COMMITTEE a proposed budget for the following year, as well as the schedule of contributions and the FOUNDATION's equity composition, and such contributions shall comply with the limits established in CLAUSES 169, 226 and 231, and also complying with CLAUSE 232.

PARAGRAPH TWO: The INTER-FEDERATIVE COMMITTEE may point out the necessity of making corrections, readjustments or make inquiries in relation to the budget proposal and action plan, including the PROJECTS contained therein, in a justified manner, which should be complied with or answered within 30 (thirty) days, and this term may be as long as duly justified.

PARAGRAPH THREE: The course provided for in the **heading** and in the foregoing paragraphs does not prevent the INTER-FEDERATIVE COMMITTEE, at an earlier stage, from submitting to the FOUNDATION the priorities and guidelines for the preparation of the PROJECTS and the action plan, pursuant to this AGREEMENT.

PARAGRAPH FOUR: Upon presenting the plan, and upon its approval, the performance should begin according to the schedule proposed in the Plan.

CLAUSE 189: In the event of persistent divergences between the INTER-FEDERATIVE COMMITTEE and the FOUNDATION, the divergence should be submitted to the evaluation of an EXPERT PANEL, as set forth herein, and successively, if it is not resolved, to the Judicial Branch.

CLAUSE 190: The planning of each PROGRAM will be grouped and consolidated into two major plans: SOCIOENVIRONMENTAL RECOVERY PLAN and SOCIOECONOMIC RECOVERY PLAN.

PARAGRAPH ONE: The annual budget of the FOUNDATION shall be divided between the budget of the SOCIOENVIRONMENTAL RECOVERY PLAN and the budget of the SOCIOECONOMIC RECOVERY PLAN.

PARAGRAPH TWO: The annual budget should discriminate resources for SOCIOENVIRONMENTAL and SOCIOECONOMIC PROGRAMS, and, for each of those programs, the amounts allocated to recovery and compensation actions.

PARAGRAPH THREE: The planning for each PROGRAM may be evaluated and approved separately, and any pending items of one of the PROGRAMS do not prevent starting actions related to already approved PROGRAMS.

CLAUSE 191: The planning and performance of PROGRAMS must follow the guidelines specified in this Agreement.

PARAGRAPH ONE: The measures to be taken in each PROGRAM may not be limited to the actions described in this Agreement, given that the consequences of the EVENT are dynamic and is still at a stage of evaluation and diagnosis.

PARAGRAPH TWO: The need to adopt new measures and actions should be technically justified, according to the purposes and rules of each PROGRAM.

CLAUSE 192: A progress report of all these PROGRAMS shall be submitted monthly to the INTER-FEDERATIVE COMMITTEE on the tenth business day of each month.

PARAGRAPH ONE: The reports must be individualized by PROGRAM, if possible, containing targets and indicators for each of the measures taken.

PARAGRAPH TWO: In addition to the monthly reports, an annual report shall be issued until January 20 of each year, and this annual report shall have to be submitted for validation by the INDEPENDENT AUDIT.

CLAUSE 193: All SOCIOENVIRONMENTAL and SOCIOECONOMIC PROGRAMS shall be monitored by the IMPACTED, as well as supervised and monitored by the INTER-FEDERATIVE COMMITTEE and the INDEPENDENT AUDIT.

CLAUSE 194: The SOCIOENVIRONMENTAL and SOCIOECONOMIC PROGRAMS shall be subject to continuous monitoring both to evaluate their effectiveness as well as to prevent or mitigate the new impacts deriving from the implementation of these PROGRAMS.

CLAUSE 195: Each PROGRAM or PROJECT may be individually ended when the global targets and goals set forth therein as certified by the INDEPENDENT AUDIT, after validation by the INTER-FEDERATIVE COMMITTEE, which shall consult the competent body or entity.

[sic] PARAGRAPH TWO: The closure of each PROGRAM OR PROJECT shall be duly grounded, pursuant an objective demonstration supported by indicators and technical data, as applicable.

CLAUSE 196: The deadlines set forth in the SOCIOENVIRONMENTAL and SOCIOECONOMIC PROGRAMS shall be suspended when the PUBLIC AUTHORITY exceeds the statutory deadline to undertake authorizing or licensing acts.

SOLE PARAGRAPH: The ENVIRONMENTAL BODIES should expedite the analysis of cases involving acts related to SOCIOENVIRONMENTAL and SOCIOECONOMIC PROGRAMS.

CLAUSE 197: The obligations and commitments resulting from SOCIOENVIRONMENTAL and SOCIOECONOMIC PROGRAMS performed by the FOUNDATION do not exempt the PUBLIC AUTHORITIES from their legal duties.

SECTION III:

INDEPENDENT AUDITORS

CLAUSE 198: All the activities undertaken by the Foundation shall be subject to independent external audit to be carried out by consulting firm among the 4 (four) top business leaders practicing in the country, namely: *Ernest & Young (EY); KPMG; Deloitte; or Pricewaterhouse Coopers (PwC)*, herein referred to as INDEPENDENT AUDIT.

SOLE PARAGRAPH: The FOUNDATION may hire an INDEPENDENT AUDIT company or institution other than those listed, provided that the equivalent structure and expertise is proven.

CLAUSE 199: The hired INDEPENDENT AUDIT shall monitor the activities of the FOUNDATION throughout the period covered by this Agreement.

CLAUSE 200: Within 30 (thirty) days from the signing of this agreement, the INDEPENDENT AUDIT shall begin its activities, and shall:

I – analyze and validate the fulfillment of the indicators and targets for each of the PROGRAMS, which will be reviewed annually;

II – analyze and validate the format of the monthly and annual reports and audit the accuracy of the annual report content;

III – analyze and validate the fulfillment of the annual planning of activities related to the PROGRAMS referred to in this agreement, verifying their effectiveness, adequacy to the goals of this agreement and compliance with the technical criteria;

IV – audit the accounts of each of these PROGRAMS; and

V – audit the effective correspondence between the approved PROJECTS contained in the PROGRAMS and the performance of their actions, making relevant notes.

PARAGRAPH ONE: Within ninety (90) days from its contracting, the INDEPENDENT AUDITOR must submit to the PROMISORS its entire planning and methodological framework necessary to perform and fulfill its responsibilities, and the model should be approved by the INTER-FEDERATIVE COMMITTEE.

PARAGRAPH TWO: The activity of the INDEPENDENT AUDITORS should be maintained until completion of all PROGRAMS.

CLAUSE 201: The INDEPENDENT AUDITORS is responsible for the completion of the audit activities pursuant to this agreement, with both accounting and financial nature as well as purposive, i.e., monitoring and supervising the quality of the implementation of the PROGRAMS, the fulfillment of the goals and objectives, the performance of the obligations in this Agreement and in the approved plans and the adequacy of the adopted measures compared to the established environmental and socioeconomic needs.

SOLE PARAGRAPH: The FOUNDATION may hire more than one INDEPENDENT AUDITOR company or institution to perform the activity.

CLAUSE 202: The FOUNDATION is forbidden to hire the INDEPENDENT AUDITORS whose board of directors is composed of former officers or former directors of SAMARCO and the SHAREHOLDERS, as well as hiring individuals who compose the staff of INDEPENDENT AUDITORS.

SECTION IV:

PROGRAM REVIEW

CLAUSE 203: After 3 (three) years from the execution of this AGREEMENT, the FOUNDATION shall review all PROGRAMS, to ensure

and measure the effectiveness of the repair and compensation activities and submit to the INTER-FEDERATIVE COMMITTEE.

PARAGRAPH ONE: If the FOUNDATION, the INDEPENDENT AUDIT or the INTER-FEDERATIVE COMMITTEE, at any time, realize, based on technical parameters, that the PROGRAMS are insufficient to remedy, mitigate or compensate the damages arising from the EVENT, the FOUNDATION shall revise and adjust the terms, targets and indicators of the PROGRAMS, and also reallocate the funds among the PROGRAMS, after its approval by the INTER-FEDERATIVE COMMITTEE.

PARAGRAPH TWO: The review of reparatory measures is not subject to any ceiling and should be established in the amount required to fully repair the described socioenvironmental and socioeconomic damages, according to the PRINCIPLES and other clauses in this Agreement.

PARAGRAPH THREE: Proven the failure to execute or the negligent or defective execution of some of the measures associated with the REPARATORY PROGRAMS in this Agreement, the INDEPENDENT AUDIT and the INTER-FEDERATIVE COMMITTEE may determine the need for further measures, including compensatory measures, seeking to restore the damage caused and in this case, the limits in CLAUSE 232 do not apply.

PARAGRAPH FOUR: The review of the PROGRAMS must be completed within up to 1 (one) year counting from the date referred to in the **heading**.

PARAGRAPH SIX [sic]: The INTER-FEDERATIVE COMMITTEE must validate the revisions.

CLAUSE 204: The SOCIOENVIRONMENTAL and SOCIOECONOMIC PROGRAMS may be subject to extraordinary reviews upon mutual agreement between the FOUNDATION and the INTER-FEDERATIVE COMMITTEE, and its

terms and obligations may be reviewed, provided that technically justified, upon hearing competent bodies.

SECTION V:

EMERGENCY MEASURES

CLAUSE 205: SAMARCO shall present, within up to 15 (fifteen) days of the execution of this Agreement, a detailed report of the emergency measures that are in progress.

PARAGRAPH ONE: All emergency measures already in progress shall be maintained by SAMARCO until the beginning of the FOUNDATION starts to take over the implementation.

PARAGRAPH TWO: There should be no regression in relation to the quality and service levels already achieved during the implementation of the measures of an emergency nature, while the emergency persists.

SECTION VI:

OTHER PROVISIONS

CLAUSE 206: The suspension of activities related to the dams of Germano, Fundão and Santarem by SEMAD's notice inspection n. 38963/2015 and DNPM's notice of interdiction n. 15/2015 shall remain in force. The parties, namely DNPM and the relevant ENVIRONMENTAL BODY shall start, in an expedited manner, the technical analysis of the request submitted by the SAMARCO related to the activities of the industrial complex of Germano, and the request must be accompanied by the documents, information and technical projects required by DNPM and the relevant ENVIRONMENTAL BODY, complying with the applicable legislation.

CLAUSE 207: The SOCIOENVIRONMENTAL and SOCIOECONOMIC PROGRAMS under this Agreement may be presented to

the PUBLIC AUTHORITIES in administrative proceedings of environmental licensing and other proceedings related to topics in connection with the PROGRAMS.

CLAUSE 208: The measures and actions of preparation, development and performance resulting from this Agreement shall be the responsibility of the FOUNDATION, except when expressly provided otherwise and subject to the sole paragraph of CLAUSE 235.

CHAPTER FIVE: MANAGER AND PERFORMER OF THE SOCIOECONOMIC AND SOCIOENVIRONMENTAL PROGRAMS

SECTION I:

PRIVATE LAW FOUNDATION

SUBSECTION I.1: General aspects of the FOUNDATION

CLAUSE 209: SAMARCO and the SHAREHOLDERS shall establish a non-profit Private Law Foundation, referred to in this agreement as FOUNDATION, with autonomy to manage and implement all the measures provided for in the SOCIOECONOMIC and SOCIOENVIRONMENTAL PROGRAMS, including the encouragement of social assistance to the IMPACTED as a consequence of the EVENT.

PARAGRAPH ONE: The FOUNDATION shall be organized within 120 (one hundred and twenty) days and shall start its operation within thirty (30) days counting from the date of its organization.

PARAGRAPH TWO: The FOUNDATION will be headquartered in Belo Horizonte/MG and will be governed by its bylaws.

PARAGRAPH THREE: The FOUNDATION is exclusively responsible for managing the funds provided by the founding companies in compliance with this Agreement.

PARAGRAPH FOUR: The Bylaws of the FOUNDATION shall determine the composition, functioning, goals and tasks of the internal bodies of the entity.

PARAGRAPH FIVE: Until the FOUNDATION is organized and effectively starts its operation, all emergency measures and other obligations of the FOUNDATION set forth in this Agreement shall be performed by SAMARCO.

PARAGRAPH SIX: For all PROGRAMS set forth in this Agreement, the FOUNDATION shall, if necessary, hire a team managed by a professional with a graduate degree.

PARAGRAPH SEVEN: The team shall have experience in management, administration and implementation of projects and professional qualification compatible with the goal of the respective program.

CLAUSE 210: The FOUNDATION shall hire EXPERTS and INDEPENDENT AUDITS, as detailed in Chapter Four of this agreement.

PARAGRAPH ONE: The FOUNDATION may enter into agreements and partnerships with Government entities and civil society organizations to carry out the activities under its responsibility.

PARAGRAPH TWO: The FOUNDATION's governance structure should enable the management of hiring procedures and the establishment of partnerships.

CLAUSE 211: The FOUNDATION shall have a Board of Governors, an Executive Office, an Advisory Council and an Audit Board, pursuant to the Bylaws and the following guidelines.

SUBSECTION I.2: Board of Governors

CLAUSE 212: Based on the guidelines, orientations and priorities set out in this Agreement, the Board of Governors has authority to approve, within the FOUNDATION, the plans, programs and projects to be proposed by the Executive Office, upon hearing the Advisory Committee.

PARAGRAPH ONE: The Board of Governors shall also have authority to deliberate about the acts of strategic management of the FOUNDATION, such as the annual and multi-annual planning, budgeting and contracting, which shall observe the provision in Clause 223, as well as the rules contained in the policies and manuals provided therein.

PARAGRAPH TWO: The FOUNDATION is not obligated to perform, in whole or in part, any PROGRAM or PROJECT or any other measure that implies in the violation, whether by the FOUNDATION, SAMARCO, or any of its SHAREHOLDERS, to rules of the policies and manuals contained in Clause 223. In this case, the PROGRAM, PROJECT, or measure in question shall be adapted to meet those policies and manuals, and comply with this Agreement.

CLAUSE 213: The Board of Governors shall be composed of 7 (seven) members, of which 2 (two) members shall be appointed by each founding company, and 1 (one) private representative appointed by the INTER-FEDERATIVE COMMITTEE.

PARAGRAPH ONE: All members of the Board of Governors shall be individuals endowed with technical training and proven professional experience in the market, consistent with the complexity of the task and the volume of resources to be managed.

PARAGRAPH TWO: The Board of Governors' decisions shall be taken by at least 5 (five) votes of its members.

SUBSECTION I.3: Executive Office

CLAUSE 214: The Executive Office will be responsible for developing, proposing, facilitating and implementing plans, programs and projects approved by the Board of Governors, and taking the specific actions required to implement those, in addition to answering the routine activities of the FOUNDATION.

CLAUSE 215: All members of the Executive Office shall be elected and removed by the Board of Governors and shall be individuals provided with

technical training and proven professional experience in the market, consistent with the complexity of the task and the volume of resources to be managed.

SUBSECTION I.3 [sic]: Audit Board

CLAUSE 216: The Audit Board shall be responsible for implementing the activities of supervising the management and examination of accounts, verification of conformity of the performed actions with both accounting and financial nature.

SOLE PARAGRAPH: The Audit Board shall be composed of 7 (seven) members, of which 1 (one) will be appointed by the Board of Governors of the FOUNDATION, 1 (one) appointed by each of the three founding companies, 1 (one) by the Federal Government, 1 (one) by the State of Minas Gerais and 1 (one) by the State of Espírito Santo.

SUBSECTION I.4 [sic]: Advisory Committee

CLAUSE 217: The Advisory Committee is the advisory body of the FOUNDATION and may render opinions on plans, programs and projects, and appoint proposed solutions for the present and future scenarios resulting from the dynamic nature of the damages caused by the rupture of the dams.

SOLE PARAGRAPH: The Advisory Committee may also listen to the associations with standing to protect the rights of IMPACTED and establish channels of participation for the civil society, and can, to that effect, call specific meetings and listen to organizations interested in the matter to be discussed by the Committee.

CLAUSE 218: The Advisory Committee may act and manifest regardless of a consultation or provocation made by the Board of Governors, the Executive Office or Audit Board and may issue a non-binding recommendation.

CLAUSE 219: The Advisory Committee shall be composed of 17 (seventeen) members appointed as follows:

I – 5 (five) by the Committee of Rio Doce Hydrographic Basin – CBH-DOCE;
II – 2 (two) by the Inter-ministry Commission for the SEA Resources – CIRM;
III – 5 (five) representatives of educational and research institutions or experts with proven knowledge, appointed as follows:

- a) 1 (one) by the Federal Prosecutor’s Office – MPF;
- b) 1 (one) by the Espírito Santo and Minas Gerais State Prosecutor’s Offices.
- c) 2 (two) by the FOUNDATION’s Board of Governors; and
- d) 1 (one) by the INTER-FEDERATIVE COMMITTEE.

IV – 5 (five) representatives of the impacted communities, being three from the State of Minas Gerais and two from the State of Espírito Santo, appointed by the INTER-FEDERATIVE COMMITTEE.

PARAGRAPH ONE: Pursuant to the proposal of the Advisory Committee, the Board of Governors may create thematic committees, subcommittees or commissions, in the scope of the Advisory Committee, to address internal issues.

PARAGRAPH TWO: A thematic commission composed of 6 (six) representatives of the population to liaise with the impacted communities of the municipalities and districts of Mariana and Barra Longa is hereby created.

CLAUSE 220: Notwithstanding the recommendations and demonstrations issued by the Advisory Council shall not be binding, if the Board of Governors does not follow the recommended understanding it shall formally justify its disagreement, pursuant to the Bylaws of the FOUNDATION.

Subsection I.52: General Provisions

CLAUSE 221: The FOUNDATION shall meet the precepts of transparency and efficiency.

CLAUSE 222: Acts carried out by the FOUNDATION, approved PROGRAMS and PROJECTS, and the FOUNDATION's reports shall be disclosed on a dedicated website.

CLAUSE 223: THE FOUNDATION shall prepare compliance policies and manuals, including anticorruption, money laundering and counterterrorism, trade sanctions and human rights, based on international standards, which shall apply to the PROGRAMS and PROJECTS and other actions implemented by the FOUNDATION, including in relation to the hiring and performance of the contracts with suppliers.

SOLE PARAGRAPH: With the purpose of meeting their own compliance rules and verifying the compliance by the FOUNDATION with the provision in the **heading**, at any time SAMARCO or any SHAREHOLDER shall be entitled to perform an due diligence at the FOUNDATION.

CLAUSE 224: The FOUNDATION shall be inspected by the Prosecutor's Office in accordance with the law.

SUBSECTION I.5: Property Composition

CLAUSE 225: SAMARCO, VALE, and BHP shall organize and maintain the FOUNDATION, as provided for in CLAUSE 209, in order to implement the PROJECTS approved under the PROGRAMS set forth in this Agreement.

CLAUSE 226: SAMARCO shall make annual contributions in the course of 2016, 2017 and 2018, in the amounts established below, always subject to the terms established in the paragraphs of this clause and of the following clauses:

- I. 2016: contribution of R\$ 2,000,000,000.00 (two billion reais);
- II. 2017: contribution of R\$ 1,200,000,000.00 (one billion and two hundred million reais)
- III. 2018: contribution of R\$ 1,200,000,000.00 (one billion and two hundred million reais)

SOLE PARAGRAPH: The difference between the amount of the annual contributions provided in this clause and the amounts actually contributed to the FOUNDATION during the relevant fiscal years shall be deposited until December 20 of the relevant year in the FOUNDATION's account, observing the provision in CLAUSES 227, 228 and 233.

CLAUSE 227: The following amounts shall be considered for purposes of the contribution provided for in the year 2016:

- I. R\$ 600,000,000.00 (six hundred million reais), corresponding to R\$ 50,000,000,000.00 (fifty million reais) to be deposited monthly by SAMARCO in consideration for the obligations set forth under the Preliminary Terms of Social and Environmental Agreement, executed with the State of Minas Gerais Prosecutor's Office and the Federal Prosecutor's Office on November 16, 2015, provided that these are deposited in 2016; and
- II. amounts kept as judicial deposits, totalizing R\$ 300,000,000.00 (three hundred million reais), which were determined in the Public Civil Action 043356-50.2015.8.13.0400, in the Court of Mariana, Minas Gerais.

CLAUSE 228: The amount of R\$ 158,523,361.96 (one hundred and fifty eight million, five hundred and twenty three thousand, three hundred and sixty one reais and ninety-six cents) will be considered part of the amount to be contributed in 2016, according to the ATTACHED spreadsheet, corresponding to amounts already disbursed by SAMARCO to perform actions related to the EVENT and related to the goals of this Agreement.

CLAUSE 229: Within thirty (30) days counting from the issuance of the Taxpayer Identification Number (CNPJ) of the FOUNDATION, SAMARCO will make an initial deposit of R\$ 200,000,000.00 (two hundred million reais), which will correspond to the start of the 2016 contribution.

SOLE PARAGRAPH: Within the same term established in the **heading**, SAMARCO shall submit a schedule of contributions and the composition of the FOUNDATION's assets in the amount of R\$ 741,476,638.04 (seven hundred forty-one million, four hundred seventy-six thousand, six hundred thirty-eight reais and four cents), which will correspond to the difference to be deposited to complete the value of the contribution for the year of 2016.

CLAUSE 230: The values related to the Preliminary Terms of Socioenvironmental Settlement executed with the State of Minas Gerais Prosecutor's Office and the Federal Prosecutor's Office on November 16, 2015, deposited during 2017 will be considered part of the 2017 contribution.

CLAUSE 231: Starting in 2019, the amount of annual contributions will be set in an amount sufficient and compatible with the forecast for the performance of the PROJECTS for that year, subject to the provisions in CLAUSE 232.

PARAGRAPH ONE: The amount of the annual contributions for the years of 2019, 2020 and 2021 may vary between the minimum amount of R\$ 800,000,000.00 (eight hundred million reais) and the maximum amount of R\$ 1,600,000,000.00 (one billion, six hundred million reais), due to the need resulting from the PROJECTS to be performed in each respective year.

PARAGRAPH TWO: The difference between the amount of the annual contributions foreseen in paragraph one of this Clause and the amounts actually contributed to the FOUNDATION during the relevant fiscal years shall be deposited until December 20 of the years 2019, 2020 and 2021 respectively in the FOUNDATION's account, observing the provision in CLAUSE 233

CLAUSE 232: THE FOUNDATION shall allocate the fixed amount, neither higher nor lower, of R\$ 240,000,000.00 (two hundred and forty million reais) per year, indexed pursuant to the terms of CLAUSE 257, for a period of 15 (fifteen) years counting from 2016, within the annual budgets, for the performance of PROJECTS of a compensatory nature and of compensatory measures in the scope of the PROGRAMS, and the unused amounts, in whole or in part, in a certain fiscal year shall be added to said fixed amount of the following year.

PARAGRAPH ONE: The following will not be computed in the amount referred in the **heading** (i) the amount of R\$ 500,000,000.00 (five hundred million reais), to be available for the Program of sewage collection and treatment and disposal of solid waste, under the terms of CLAUSE 169; (ii) the compensatory measures set forth in items VII and IX of CLAUSE 6 that arise from the remaining tailings, if any, from the rupture of Fundão dam, after the fulfillment with the PROGRAM provided in CLAUSES 150 to 152; and (iii) the hypothesis provided in CLAUSE 203, paragraph three.

PARAGRAPH TWO: Subject to the provisions in the foregoing paragraph, the total amount to be allocated by the FOUNDATION for the performance of PROJECTS of a compensatory nature and of compensatory measures in the scope of the PROGRAMS shall be a fixed total amount, neither higher nor lower, of 3,600,000,000 (three billion six hundred million reais), duly indexed pursuant to the terms of CLAUSE 257, to be annually distributed, as provided in the **heading**.

CLAUSE 233: 50% (fifty percent) of the amounts blocked or deposited with the courts, in cash or cash equivalents, by any of the founders (SAMARCO, BHP or VALE), as a result of judicial decisions in collective actions covering measures or actions that are the subject matter of this Agreement, shall be considered as part of the annual contribution.

PARAGRAPH ONE: Amounts paid by court order in individual actions seeking compensation for monetary damages resulting from the EVENT filed by the IMPACTED, which in case of legal entities only micro enterprises and small-sized companies will be considered, may also be taken into account for the purposes set forth in the **heading**.

PARAGRAPH TWO: The impact arising from the blocks considered in the terms of the **heading** shall not compromise, in the first 3 (three) years counted from the organization of the FOUNDATION, more than 50% (fifty) percent of the respective annual budget.

PARAGRAPH THREE: If there is a court decision authorizing the release, the amount corresponding to 50% (fifty percent) computed as contribution pursuant to the terms of the **heading** shall be contributed to the FOUNDATION.

PARAGRAPH FOUR: If the amount corresponding to 50% (fifty percent) of the blocked amounts computed as contribution pursuant to the terms of the **heading**, added to the contributions already made in the current year, exceed the estimated annual budget, the respective reduction may occur in the following years, and cannot, under any circumstances, have a reversal of amounts already contributed by the founders to the FOUNDATION.

PARAGRAPH FIVE: The obligations to act performed under other judicial or extrajudicial agreements, which are included in the subject matter of the ENVIRONMENTAL and SOCIOECONOMIC PROGRAMS shall be considered for proof of performance of such obligations under this Agreement. In case such obligations to act (i) are provided for in the PROJECTS of the relevant year, the amounts incurred in its implementation shall be included for purposes of the annual contribution; or (ii) are not referred to in the PROJECTS of the relevant year to the PROGRAMS, then the amounts incurred shall be deducted from the year immediately after, unless such deductions impair the PROJECTS in progress.

CLAUSE 234: In the event the FOUNDATION's expenses exceed the limit for the fiscal year, the amount that exceeds the annual budget shall be deducted, in the proportion of 1/3 (one third) for each year, from the annual budgets provided for the following 3 (three) years.

CLAUSE 235: In addition to the contributions of the founders, any and all goods and rights to be affected, bequeathed, given, and transferred by national or international individuals or legal entities to the FOUNDATION shall be considered as part of the assets of the FOUNDATION.

SOLE PARAGRAPH: Actions and measures in the scope of the PROJECTS and PROGRAMS may be performed directly by SAMARCO, case in which the duly evidenced relevant expenses shall be deducted from the respective annual contributions, always in compliance with the rules contained in the policies and manuals in CLAUSE 223

CLAUSE 236: Subject to the amounts of the annual contributions, SAMARCO shall maintain a working capital amount in the FOUNDATION of (i) R\$ 100,000,000.00 (one hundred million reais) for a 10 (ten) year term counted from the formal organization of the FOUNDATION, and (ii) R\$ 10,000,000.00 (ten million reais), counting from the end of this term.

PARAGRAPH ONE: In order to meet the rule set forth in the **heading**, on the last business day of every month, the FOUNDATION shall prepare a statement of its bank account(s) and, if the amount assessed is less than that mentioned above, SAMARCO should restore such amount within 15 (fifteen) days.

PARAGRAPH 2: For the purposes of Paragraph One, the statements of bank accounts provided for in CLAUSE 169 and CLAUSE 250 shall not be considered.

CLAUSE 237: VALE and BHP shall have the obligation to perform, to the proportion of 50% (fifty percent) for each of them, the contributions

SAMARCO is required to make under this Agreement and fails to make in the provided term.

SOLE PARAGRAPH: In case SAMARCO delays its contributions in excess of 15 (fifteen) days, the amount may be demanded from VALE and BHP, in the terms of the **heading**, which shall perform the corresponding contributions or payments within 10 (ten) days.

CLAUSE 238: The FOUNDATION's annual budget shall foresee, separately, administrative and purposive expenses.

PARAGRAPH ONE: For the purposes of this Agreement, administrative expenses are those necessary to organize and maintain the FOUNDATION, pay employees' payroll, rents, potential taxes, office supplies, expenses with FOUNDATION attorney's fees, as well as all other administrative costs, whether or not permanent.

PARAGRAPH TWO: For the purpose of this Agreement, purposive expenses are those directly related to the preparation, monitoring, performance, and accounting in connection with the SOCIOENVIRONMENTAL AND SOCIOECONOMIC PROGRAMS foreseen in this Agreement, including salaries or fees of employees or third parties contracted for preparing, monitoring, performing, and accounting for, in connection with the SOCIOENVIRONMENTAL and SOCIOECONOMIC PROGRAMS.

CLAUSE 239: Only the amounts allocated to the realization of FOUNDATION's purposive expenses are the subject matter of this Agreement, and SAMARCO shall make the applicable annual contributions aimed at the payment of the administrative expenses of the entity.

CLAUSE 240: Under no circumstance the budget intended to purposive expenses may be allocated, even provisionally, to the realization of administrative expenses.

CLAUSE 241: The following may be considered as assets of the FOUNDATION:

I – amounts resulting from its property, from trusts, and from usufruct;

II – amounts to its benefit transferred by third parties; and

III – contributions to it made by individuals or legal entities of private law.

SOLE PARAGRAPH: The FOUNDATION's assets may only be used for the performance of FOUNDATION's goals.

SECTION II:

INTER-FEDERATIVE COMMITTEE

CLAUSE 242: An INTER-FEDERATIVE COMMITTEE shall be organized, the authority of which is defined in this Agreement.

PARAGRAPH ONE: The INTER-FEDERATIVE COMMITTEE shall be an external and independent instance of the FOUNDATION, exclusively composed of PUBLIC AUTHORITY representatives.

PARAGRAPH TWO: The INTER-FEDERATIVE COMMITTEE does not remove the need to obtain the environmental licenses from the competent environmental body, nor does it replace the authority legally vested in the licensing bodies and other public bodies.

PARAGRAPH THREE: The INTER-FEDERATIVE COMMITTEE shall act as a standing interlocution instance of the FOUNDATION, following up, monitoring, and supervising its results, without prejudice to the legal authorities of the competent bodies.

PARAGRAPH FOUR: The INTER-FEDERATIVE COMMITTEE shall obtain information with the competent ENVIRONMENTAL BODIES and others, about the environmental licensing procedures and other procedures required by the FOUNDATION, in order to expedite them for implementing the PROGRAMS and PROJECTS.

CLAUSE 243: The INTER-FEDERATIVE COMMITTEE will act in accordance with the provisions of this AGREEMENT and its Bylaws, to be approved by its members.

CLAUSE 244: The INTER-FEDERATIVE COMMITTEE shall be composed of the following members:

I – 2 (two) representatives from the Ministry of Environment;

II – 2 (two) other representative from the Federal Government;

III – 2 (two) representatives from the State of Minas Gerais;

IV – 2 (two) representatives from the State of Espírito Santo;

V – 2 (two) representatives from the municipalities of Minas Gerais affected by the Rupture of the Dam;

VI – 1 (one) representative from the municipalities of the State of Espírito Santo affected by the Rupture of the Dam; and

VII – 1 (one) representative from CBH-Doce;

PARAGRAPH ONE: Representatives provided in item I above will be appointed by the Ministry of Environment and representatives provided in item II will be designated by the Chief of Staff of the Presidency of the Republic.

PARAGRAPH TWO: The states of Minas Gerais and Espírito Santo will be responsible for appointing their representatives, as well as the representatives of their respective municipalities.

PARAGRAPH THREE: CBH-Doce shall appoint the representative referred to in item VIII among its members who represent the Public Authorities.

PARAGRAPH FOUR: The appointments provided for in this Clause shall be made within 30 (thirty) days of the execution of this AGREEMENT and will be published

by an act of the Minister of Environment.

PARAGRAPH FIVE: The participation of the INTER-FEDERATIVE COMMITTEE shall not be compensated, but is considered provision of relevant public service.

PARAGRAPH SIX: The INTER-FEDERATIVE COMMITTEE shall be presided by one of the representatives appointed by the Ministry of Environment, the other being his replacement in the event of absence or impediment.

PARAGRAPH SEVEN: The Chairman of the INTER-FEDERATIVE COMMITTEE shall call an inaugural meeting within up to 40 (forty) days of the execution of this AGREEMENT.

PARAGRAPH EIGHT: The President of the INTER-FEDERATIVE COMMITTEE shall submit a draft of Internal Rules for discussion until the second meeting of the Committee.

PARAGRAPH NINE: As a general rule, the INTER-FEDERATIVE COMMITTEE shall decide by a simple majority of its members, subject to the minimum installation quorum of two thirds of its members, and the Chairman shall have the casting vote to break a tie.

PARAGRAPH TEN: In order to ensure the compliance with its purposes, the INTER-FEDERATIVE COMMITTEE may request comments and/or invite representatives of public bodies for meetings, with the purpose of providing technical support to the Committee's decision-making with regard to matters related to their institutional authorities.

PARAGRAPH ELEVEN: The INTER-FEDERATIVE COMMITTEE shall define in its Internal Rules the procedures for the request for comments and invitation, as well as the deadlines for meeting these requests.

PARAGRAPH TWELVE: The INTER-FEDERATIVE COMMITTEE may organize thematic chambers, and may invite representatives from public bodies or entities to compose them whenever necessary, considering

their respective institutional authorities.

PARAGRAPH THIRTEEN: The representatives provided for in item II of the heading shall come from areas responsible for monitoring topics related to the SOCIOECONOMIC PROGRAMS.

PARAGRAPH FOURTEEN: The representatives provided for in items III and IV of the heading shall come from areas responsible for monitoring topics related to the SOCIOECONOMIC and/or SOCIOENVIRONMENTAL PROGRAMS.

CLAUSE 245: Pursuant to this Agreement and complying with the provisions of the PROGRAMS, the INTER-FEDERATIVE COMMITTEE shall:

- I. guide the FOUNDATION about the priorities to be met both during the preparation and implementation phases of the SOCIOENVIRONMENTAL and SOCIOECONOMIC PROGRAMS;
- II. define the guidelines for the preparation and implementation of the SOCIOENVIRONMENTAL and SOCIOECONOMIC PROGRAMS by the FOUNDATION;
- III. evaluate, follow up, monitor, and supervise the preparation and implementation of the SOCIOENVIRONMENTAL and SOCIOECONOMIC PROGRAMS, pointing out the need of correcting any actions performed by the FOUNDATION;
- IV. monitor the implementation of the Agreement;
- V. assist the FOUNDATION in the interlocution with public authorities;
- VI. pursue a resolution in case of disputes and inconsistencies of demands of different agents or public authorities;
- VII. validate the plans, PROGRAMS, and PROJECTS presented by the FOUNDATION, without prejudice of the need to obtain the environmental licenses from the competent environmental body and the authority legally vested in the licensing bodies, as well as from other public bodies; and
- VIII. receive the FOUNDATION's periodical reports.

SECTION III:

ADVISORY PANEL OF EXPERTS

CLAUSE 246: An Advisory Panel of Experts shall be created as a permanent instance external to the FOUNDATION to provide technical opinions that are not binding to the parties, with the purpose of assisting in the search for solutions to divergences existing between the INTER-FEDERATIVE COMMITTEE and the FOUNDATION.

PARAGRAPH ONE: The Advisory Panel of Experts shall have 3 (three) members, being one appointed by the FOUNDATION, one by the INTER-FEDERATIVE COMMITTEE, and both shall appoint the third member together.

PARAGRAPH TWO: The Parties may consult the ADVISORY PANEL OF EXPERTS at any time and in any circumstances, and the panel shall issue a technical opinion on the divergences and questions based on good practices pursuant to the applicable Brazilian legislation.

PARAGRAPH THREE: In case the divergences between the INTER-FEDERATIVE COMMITTEE and the FOUNDATION persist after the technical opinion of the ADVISORY PANEL OF EXPERTS, the divergence may be submitted to the Judicial Branch.

PARAGRAPH FOUR: For urgent matters, divergences may be submitted directly to the Judicial Branch, without prejudice to concomitantly submitting the matter to the ADVISORY PANEL OF EXPERTS.

CHAPTER 6: PENALTIES

CLAUSE 247: In case any obligations assumed in any of the clauses in this Agreement are not met due to an exclusive fault by FOUNDATION, SAMARCO or any of the SHAREHOLDERS, save in Act of God or Force Majeure events,

the INTER-FEDERATIVE COMMITTEE shall formally notify the failure to perform to the breaching party, with a copy to the other companies, so they become aware and the breaching party takes the necessary measures for meeting the obligations or justify the failure to perform, setting a compatible deadline for required adjustments.

PARAGRAPH ONE: In the period set forth in the **heading**, the breaching party may meet the entire identified obligation or, as long as duly justified to the INTER-FEDERATIVE COMMITTEE, request an extension of the granted period.

PARAGRAPH TWO: After the set period expires and the breaching party has not met the obligation yet, the breaching party shall be subject to imposition of a punitive fine for the failure to meet the obligation and a daily fine while persisting the total breach of the obligation.

PARAGRAPH THREE: If the breaching party is the FOUNDATION, after the set period expires and the breach of the obligation remains, SAMARCO will bear the punitive fine for unexecuted obligation and the daily fine while persisting the total breach of the obligation.

PARAGRAPH FOUR: If the breaching party is SAMARCO, after the set period expires and the breach of the obligation remains, SAMARCO will be subject to the imposition of a punitive fine for the failing to meet the obligation and a daily fine while persisting the total breach of the obligation.

PARAGRAPH FIVE: If SAMARCO does not make payment of the fines provided for in paragraphs three and four within ten (10) days, VALE and BHP shall be obliged to make the payment at the rate of 50% (fifty percent) for each one of them.

PARAGRAPH SIX: In case of failure to meet each of the deadlines for presentation of prepared PROJECTS and delivery of studies within and the scope of the SOCIOECONOMIC and ENVIRONMENTAL PROGRAMS by the FOUNDATION, SAMARCO will be required to

pay a fine of R\$ 100,000.00 (one hundred thousand reais) per item failed to comply with coupled with a daily fine of R\$ 10,000.00 (ten thousand reais) per item that was not complied with while persisting the breach.

PARAGRAPH SEVEN: In case of failure to meet the deadlines for the implementation of the planned PROJECTS in each of the SOCIOECONOMIC and SOCIOENVIRONMENTAL PROGRAMS by the FOUNDATION, SAMARCO will be obliged to pay a fine of R\$ 1,000,000.00 (one million reais) per item that was not complied with, coupled with a daily fine of R\$ 50,000.00 (fifty thousand reais) per item that was not complied with.

PARAGRAPH EIGHT: In case of failure to meet the deadlines for organizing and for starting the operations of the FOUNDATION by exclusive fault of the founding companies, the breaching parties will be required to pay a fine of R\$ 500,000.00 (five hundred thousand reais) per item that was not complied with, coupled with a daily fine of R\$ 50,000.00 (fifty thousand reais) while persisting the noncompliance.

PARAGRAPH NINE: In case of noncompliance with the deadlines for making annual contributions, SAMARCO will be required to pay a fine of 10% (ten percent) of the defaulted value, which must be updated by the SELIC rate, applicable from the date of default up until the payment.

PARAGRAPH TEN: In case of failure to comply with any obligation not provided for in the foregoing paragraphs, SAMARCO will be obliged to pay a fine of R\$ 50,000.00 (fifty thousand reais) per item that was not complied with, coupled with a daily fine of R\$ 10,000, 00 (ten thousand reais) per item that was not complied with while persisting the noncompliance.

CLAUSE 248: The concept of exclusive fault of the FOUNDATION includes any act or omission attributable to the FOUNDATION, employees or agents of SAMARCO, VALE and/or BHP or the FOUNDATION and the EXPERTS.

CLAUSE 249: The fines provided for in this Chapter shall be imposed by the INTER-FEDERATIVE COMMITTEE, after approval by a qualified majority of its members, subject to the provisions of CLAUSE 247.

SOLE PARAGRAPH: The Judiciary Branch may modify the amount of the fine if it verifies that it has become insufficient or excessive.

CLAUSE 250: The value of collected fines should be reverted to the NATIONAL ENVIRONMENT FUND, created by Law No. 7,797, of July 10, 1989.

PARAGRAPH ONE: The founder(s) who make the payment of a fine under this Chapter may agree with the relevant ENVIRONMENTAL BODIES and other involved public bodies, where appropriate, the allocation and application of the value of fines to additional compensatory measures not provided for in this Agreement.

PARAGRAPH TWO: In the situation provided for in the foregoing paragraph, the amount of the fines should be segregated in a bank account of FOUNDATION specific for this purpose until those amounts are used.

CLAUSE 251: The imposition of the penalties set forth in this Chapter, with executive enforceability of an obligation to pay, shall occur cumulatively and does not discharge the fulfillment of the main obligation, with the possibility of judicial enforcement of this obligation.

CLAUSE 252: The daily fines referred to in this Chapter shall be applied by calendar day, beginning on the first business day following the notification of the decision referred to in CLAUSE 249.

CHAPTER 7: FINAL CLAUSES AND TRANSITORY RULES

CLAUSE 253: This Agreement shall be submitted to court homologation, resulting in the dismissal on the merits of the evidentiary phase of the case No. 69758–61.2015.4.01.3400, pending before the 12th Court of

the Judiciary Section of Minas Gerais, and such court shall remain competent for the enforcement of the agreement:

SOLE PARAGRAPH: The homologation of this Agreement will resolve and put an end to present and future disputes between the parties in connection with the subject matter of the case 69758-61.2015.4.01.3400, pending before the 12th Court of the Judiciary Section of Minas Gerais.

CLAUSE 254: This Agreement can be used to all lawful purposes and also to be filed in the records of the lawsuits which subject matter is any obligation deriving from the EVENT and foreseen in this Agreement, with the purpose of requesting the resolution or joinder of the filed lawsuits.

CLAUSE 255: The 12th Federal Court of the Judicial Section of the State of Minas Gerais shall have jurisdiction to decide any incident resulting from the enforcement of this Agreement that cannot be resolved by the undersigning parties.

CLAUSE 256: Without prejudice of the faithful compliance with the actions set forth herein, the execution of this Agreement and the undertaking of the obligations established herein does not constitute an admission of fault or liability in the civil, administrative, or criminal instances, nor shall it be construed as admission or allocation of liability, either individually or collectively, in whole or in part, of the EVENT.

CLAUSE 257: The amounts set forth in this Agreement, except as otherwise expressly provided, shall be indexed based on the variation of the IPCA (Broad Consumer Price Index), or another index that may replace it, verified from the date of signature of this Agreement and their respective payment.

CLAUSE 258: Divergences of interpretation arising from this Agreement shall be submitted to the 12th Federal Court of the Judicial Section of Minas Gerais.

CLAUSE 259: If not provided otherwise, the deadlines mentioned in this Agreement shall be counted pursuant to Law No. 9,784/1999.

CLAUSE 260: This Agreement shall remain in force for 15 (fifteen) years, successively renewable for one year until the full performance of all obligations provided hereunder.

To be legally binding and effective, the PARTIES sign this agreement, in 16 (sixteen) counterparts of equal tenor and form.

Brasília, March 2, 2016

[signature]

LUIZ INÁCIO LUCENA ADAMS

FEDERAL GENERAL ATTORNEY

[signature]

IZABELLA MONICA VIEIRA TEIXEIRA

MINISTER OF THE ENVIRONMENT

[signature]

FERNANDO PÍMENTEL

GOVERNOR OF THE STATE OF MINAS GERAIS

[signature]

ONOFRE ALVES BATISTA JUNIOR

GENERAL ATTORNEY OF THE STATE OF MINAS GERAIS

[signature]
PAULO CÉSAR HARTUNG GOMES

GOVERNOR OF THE STATE OF ESPÍRITO SANTO

[signature]
RODRIGO RABELLO VIEIRA

GENERAL ATTORNEY OF THE STATE OF ESPÍRITO SANTO

[signature]
ROBERTO LÚCIO NUNES DE CARVALHO

MANAGING PRESIDENT OF SAMARCO MINERACÃO S.A.

[signature]
MAURY DE SOUZA JUNIOR

**PROJECT AND ECO-EFFICIENCY EXECUTIVE OFFICER OF SAMARCO
MINERAÇÃO S/A**

[signature]
MURILO PINTO DE OLIVEIRA FERREIRA

MANAGING PRESIDENT OF VALE S.A.

[signature]
CLOVIS TORRES JUNIOR

CORPORATE INTEGRITY EXECUTIVE OFFICER OF VALE S.A.

[signature]
DIANO SEBASTIANO DALLA VALLE

BHP BILLITON BRASIL LTDA.

FLAVIO MEDEIROS BOCAYUVA BULCÃO
BHP BILLITON BRASIL LTDA.

ANNEX TO CLAUSE 03

LIST OF LAWSUITS

LAWSUITS PENDING BEFORE THE FEDERAL COURTS OF THE STATE OF ESPÍRITO
SANTO

1. Action: 0132641-52.2015.4.02.5005
Nature: Precautionary Measure
Plaintiff(s): Federal Prosecutor's Office and State of Espírito Santo Prosecutor's Office
Defendant(s): Samarco Mineração S.A., IEMA, SANEAR, Serviço Autônomo de Água e Esgoto de Baixo Guandu
Court: 1st Federal Court of Colatina/ES

2. Action: 0132998-35.2015.4.02.5004
Nature: Precautionary Measure
Plaintiff(s): Federal Prosecutor's Office and State of Espírito Santo Prosecutor's Office
Defendant(s): Samarco Mineração S.A., IBAMA, ANA and IEMA
Court: 1st Federal Court Linhares/ES

3. Action: 0133180-18.2015.4.02.5005
Nature: Precautionary Measure
Plaintiff(s): City of Colatina and SANEAR
Defendant(s): Samarco Mineração S.A., DNPM and ANA
Court: 1st Federal Court of Colatina/ES

4. Action: 0133761-45.2015.4.02.5001
Nature: Public Civil Action
Plaintiff(s): Federal Prosecution Office
Defendant(s): Samarco Mineração S.A.
Court: 3rd Federal Court of Vitória/ES

5. Action: 0135334-09.2015.4.02.5005
Nature: Precautionary Measure
Plaintiff(s): Federal Prosecutor's Office and Labor Prosecutor's Office
Defendant(s): Samarco Mineração S.A., Serviço Colatinense de Meio Ambiente e Saneamento Ambiental– SANEAR, City of Colatina, Federal Government, National Water Agency – ANA, State of Espírito Santo
Court: 1st Federal Court of Colatina/ES

6. Action: 001768-27.2016.4.02.5005
Nature: Enforcement of obligation to act
Plaintiff(s): Federal Prosecutor's Office and Labor Prosecutor's Office
Defendant(s): Samarco Mineração S.A.
Court: 1st Federal Court of Colatina/ES

7. Action: 0002227-29.2016.4.02.5005
Nature: Enforcement of extrajudicial obligation
Plaintiff(s): Federal Prosecutor's Office and Labor Prosecutor's Office
Defendant(s): Samarco Mineração S.A.

Court: 1st Federal Court of Colatina/ES

8. Action: 0002208-23.2016.4.02.5005

Nature: Motion to Challenge the Enforcement

Plaintiff(s): Samarco Mineração S.A.

Defendant(s): Federal Prosecutor's Office and Labor Prosecutor's Office

Court: 1st Federal Court of Colatina/ES

9. Action: 002571-13.2016.4.02.5004

Nature: Public Civil Action

Plaintiff(s): Federal Prosecutor's Office

Defendant(s): Samarco Mineração S.A. and Federal Government

Court: 1st Federal Court of Colatina/ES

LAWSUITS PENDING BEFORE THE STATE COURTS OF THE STATE OF ESPÍRITO SANTO

1. Action: 0016028-80.2015.8.08.0014

Nature: Precautionary Measure

Plaintiff(s): State of Espírito Santo

Defendant(s): Samarco Mineração S.A.

Court: Court of Public Treasury of Colatina/ES

2. Action: 0017045-06.2015.8.08.0030

Nature: Public Civil Action

Plaintiff(s): City of Linhares

Defendant(s): Samarco Mineração S.A.

Court: Court of Public Treasury of Linhares/ES

3. Action: 0017761-81.2015.8.08.0014

Nature: Public Civil Action

Plaintiff(s): Public Defense Office of the State of Espírito Santo

Defendant(s): Samarco Mineração S.A. and others

Court: Court of Public Treasury of Colatina/ES

4. Action: 001768-27.2016.4.02.5005

Nature: Enforcement of obligation to act

Plaintiff(s): Federal Prosecutor's Office and Labor Prosecutor's Office

Defendant(s): Samarco Mineração S.A.

Court: 1st Federal Court of Colatina/ES

LAWSUITS PENDING BEFORE THE FEDERAL COURTS OF THE STATE OF MINAS GERAIS

1. Action: 0062643-50.2015.4.01.3800

Nature: Public Civil Action

Plaintiff(s): Instituto Abolicionista Animal

Defendant(s): Samarco Mineração S.A. and IBAMA– Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis

Court: 22nd Federal Court of Belo Horizonte/MG

2. Action: 0060017-58.2015.4.01.3800

Nature: Public Civil Action

Plaintiff(s): ADIC– Associação de Defesa de Interesses Coletivos

Defendant(s): Samarco Mineração S.A.

Court: 12th Federal Court of Belo Horizonte/MG

3. Action: 9362-43.2015.4.01.3813

Nature: Precautionary Measure

Plaintiff(s): Federal Public Defense Office

Defendant(s): Samarco Mineração S.A. and Federal Government

Court: 2nd Federal Court of Governador Valadares

4. Action: 0060017-58.2015.4.01.3800

Nature: Public Civil Action

Plaintiff(s): ADIC– Associação de Defesa de Interesses Coletivos

Defendant(s): Samarco Mineração S.A.

Court: 12th Federal Court of Belo Horizonte/MG

LAWSUITS PENDING BEFORE THE STATE COURTS OF THE STATE OF MINAS GERAIS

1. Action: 0395595-67.2015.8.13.0105

Nature: Precautionary Measure

Plaintiff(s): State of Minas Gerais Prosecutor's Office

Defendant(s): Samarco Mineração S.A. and Companhia de Saneamento de Minas Gerais

Court: 7th Civil Court of Governador Valadares/MG

2. Action: 0018983-11.2015.8.13.0543

Nature: Precautionary Measure

Plaintiff(s): City of Resplendor

Defendant(s): Samarco Mineração S.A. e Companhia de Saneamento de Minas Gerais

Court: Court of Resplendor/MG

3. Action: 0016395-63.2016.8.13.0521

Nature: Public Civil Action

Plaintiff(s): State of Minas Gerais Prosecutor's Office

Defendant(s): Samarco Mineração S.A., Vale and BHP

Court: 2nd Civil Court of Ponte Nova/MG

4. Action: 0273073-38.2015.8.13.0105

Nature: Public Civil Action

Plaintiff(s): State of Minas Gerais Prosecutor's Office

Defendant(s): Samarco Mineração S.A., Vale S.A. and SAAE

Court: 5th Civil Court of Governador Valadares/MG

5. Action: 0012394-35.2016.8.13.0521

Nature: Public Civil Action

Plaintiff(s): State of Minas Gerais Prosecutor's Office

Defendant(s): Samarco Mineração S.A., Vale and BHP

Court: 2nd Civil Court of Ponte Nova/MG

6. Action: 6137251-24.2015.8.13.0024

Nature: Precautionary Measure

Plaintiff(s): Public Defense Office of the State of Minas Gerais

Defendant(s): Samarco Mineração S.A., Vale S.A. and BHP Billiton Brasil Ltda.

Court: 2nd Court of Public Treasury of Belo Horizonte/MG

7. Action: 0426085-72.2015.8.13.0105

Nature: Public Civil Action

Plaintiff(s): Minas Gerais Prosecutor's Office

Defendant(s): Samarco Mineração S.A. and Vale S.A.

Court: 7th Civil Court of Governador Valadares/MG

8. Action: 0026612-80.2015.8.13.0011

Nature: Public Civil Action

Plaintiff(s): Public Treasury of the City of Aimorés

Defendant(s): Samarco Mineração S.A.

Court: Court of Aimorés/MG

9. Action: 0433800-68.2015.8.13.0105

Nature: Public Civil Action

Plaintiff(s): State of Minas Gerais Prosecutor's Office

Defendant(s): Samarco Mineração S.A.

Court: 6th Civil Court of Governador Valadares/MG

10. Action: 0402334-56.2015.8.13.0105

Nature: Precautionary Measure

Plaintiff(s): Public Defense Office of the State of Minas Gerais

Defendant(s): Samarco Mineração S.A.

Court: 7th Civil Court of Governador Valadares/MG

11. Action: 0028373-15.2015.8.13.0184

Nature: Precautionary Measure

Plaintiff(s): City of Tumiritinga

Defendant(s): Samarco Mineração and COPASA

Court: 2nd Civil Court of Conselheiro Pena/MG

12. Action: 6123882-60.2015.8.13.0024

Nature: Public Civil Action

Plaintiff(s): State of Minas Gerais, Instituto Estadual de Florestas- IEF, Instituto Mineiro de Gestão de Aguas-IGAM and Fundação Estadual do Meio Ambiente-FEAM

Defendant(s): Samarco Mineração S.A.

Court: 2nd Court of Public Treasury of Belo Horizonte/MG

13. Action: 0020161-92.2015.8.13.0543

Nature: Precautionary Measure

Plaintiff(s): City of Ituêta

Defendant(s): Samarco Mineração S.A. and Companhia de Saneamento de Minas Gerais

Court: Court of Resplendor/MG

14. Action: 0400049-90.2015.8.13.0105

Nature: Popular Action

Plaintiff(s): Mauro Jorge de Paula Bomfim and others

Defendant(s): Samarco Mineração S.A.

Court: 7th Civil Court of Governador Valadares/MG

15. Action: 0019957-48.2015.8.13.0543

Nature: Objection

Plaintiff(s): Associação Resplendorenses Transportadores Tiradores de Areia– ARTTA

Defendant(s): Samarco Mineração S.A. and City of Resplendor

Court: Court of Resplendor/MG

16. Action: 0197171-92.2015.8.13.0521

Nature: Public Civil Action.

Plaintiff(s): NACAB– Núcleo Assessoria Atingidas por Barragens

Defendant(s): Samarco Mineração S.A., Vale S.A. and BHP Billiton Brasil Ltda.

Court: 2nd Civil Court of Ponte Nova/MG

17. Action: 0005687-51.2016.8.13.0521

Nature: Public Civil Action

Plaintiff(s): NACAB– Núcleo Assessoria Atingidas por Barragens

Defendant(s): Samarco Mineração S.A.

Court: 2nd Civil Court of Ponte Nova/MG

18. Action: 0019536-58.2015.8.13.0543

Nature: Public Civil Action

Plaintiff(s): Associação Náutica de Resplendor– ANAR

Defendant(s): Samarco Mineração S.A.

Court: Court of Resplendor/MG

19. Action: 0017831-59.2015.8.13.0273

Nature: Public Civil Action

Plaintiff(s): AMGAL– ASSOCIAÇÃO DOS MORADORES DE GALILÉIA and others

Defendant(s): Samarco Mineração S.A.

Court: Court of Galiléia/MG

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ANNEX TO CLAUSE 141

**EXPENSES OF
FEDERAL AND STATE (MG/ES)
PUBLIC BODIES**

JOINT TECHNICAL NOTE DATED MARCH 1, 2016.
INTERESTED PARTY: PGU AGU

Summary: Socioeconomic programs and extraordinary expenses part of the Proposal of Terms of Agreement and Conduct Adjustment in connection with the recovery of environmental and socioeconomic impacts of the rupture of the Fundão Dam, in Mariana/MG

I. REPORT

The Federal Attorney's Office asks for comments on the Terms of Agreement and Conduct Adjustment relative to the recovery of the environmental and socioeconomic impacts of the rupture of the Fundão Dam in Mariana, Minas Gerais, with regard to the process to define the socioeconomic programs that are a part of the Proposal, as well as the amounts pointed out as extraordinary expenses resulting from the event.

2. The excerpt below in the Preliminary Assessment of Environmental Damages prepared by Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis (Ibama) describes in general terms the event that motivates the Proposal addressed in this Technical Note:

On 11/5/2015 there was a rupture in the Fundão Dam, which is part of the mining complex of Germano in Mariana, MG. The dam, property of Samarco, contained approximately 50 million m³ of iron ore tailings, and 34 million m³ of mud leaked with the rupture. Initially, the tailings reached the Santarém dam upstream, causing it to break. Then, the water and mud wave reached the city of Bento Rodrigues causing death and destruction of the village. The gigantic water and mud wave reached the rivers Gualaxo and Carmo and entered the Doce River where it ran for 600 km up to its mouth in Linhares-ES. Along the way, the mud wave destroyed communities, urban structures, permanent preservation areas, dramatically affecting the quality of the water, diminishing the aquatic biodiversity, including fish fauna and wildlife individuals. The levels of

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turbidity in the water caused interruption of the supply of water to the municipalities and economic activities that relate to the collection of water in the affected rivers. In addition to casualties and injuries, there were direct environmental and social damages in the affected area, such as the destruction of houses and urban structures, destruction of permanent preservation areas, isolation of communities, death of cattle and impact on plantations in rural areas, restrictions to fishing, health damages, death of wildlife and domestic animals, difficulties in power generation by affected hydroelectric plants, suspension of the water supply and sensitive environmental damages.

3. Considering the damages listed above, the Federal General Attorney, with the Governments of the States of Minas Gerais and Espírito Santo, filed the Public Civil Action No. 0069758-61.2015.4.01.3400, pending before the 12th Federal Court of the Judicial Section of Minas Gerais, under which it intends to convict Samarco and its controllers to fully repair the damages, mitigate and avoid future damages, as well as compensate and indemnify irreparable damages.

4. Considering (i) that the purpose of the Public Authorities with this claim is not the collection of funds but the full reparation of the environment and the socioeconomic conditions in the area, (ii) the disclosed interest of the company and its controllers to execute the agreement with the purpose of repairing, mitigating, and compensating the social, economic and environmental damages, arising out of the rupture of the Fundão dam and (iii) that the self-composition is the fastest and potentially most effective means to solve the controversy, there have been discussions with the company and its controllers considering a potential settlement between the parties.

5. In this dialogue process, in the federal sphere, the Executive Office of the Chief of Staff of the Presidency of the Republic was responsible for the coordination of the process of production of programs seeking to repair the socioeconomic damages and consolidation of extraordinary expenses incurred by the Federal Government and federal bodies as result of the event, as detailed below. This work has been performed together with representatives of the Governments of the States of Minas Gerais and Espírito Santo.

6. To better understand the context in which the socioeconomic programs and general procedures are included, it is important to summarize some essential elements of the Proposal that are not related to the points subject to this analysis. First, the programs for recovery of damages arising out of the event were divided into two large groups: socioenvironmental and socioeconomic programs, and the latter is the subject matter of this Note. Second: the programs are to be carried out by a private law foundation, organized by the company and its controllers and with engagement of Public Authorities and/or the society (researchers and impacted parties), acting as supervisors and consultants. Third: an Inter-federative Committee is to be created with representatives of the Federal Government, the Government of the States of Minas Gerais and Espírito Santo, impacted municipalities, as well as a representative of the Committee of the Hydrographic Basin of Rio Doce (CDH-Doce), with authority to guide and validate the acts of the Foundation, as well as to monitor, assess and supervise the scope of the expected results. Note that the governance model proposed by the Public Authorities, briefly described above, seems to represent the best manner to combine expedited enforcement (private law Foundation), ensure compliance with the companies' responsibilities (that recognize them, under the terms in the Agreements, ensuring their compliance through the Foundation, an instrument to prepare, execute, and monitor recovery and compensation actions), preservation of public interest (Public Authorities validate the acts of the Foundation, by means of the Inter-Federative Committee, without prejudice to the authority of competent entities) and transparency and

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social participation (under several mechanisms set forth in the Agreement, such as Consulting Board, engagement of impacted parties in the Committee, disclosure of information about the performance, ensure negotiations with impacted parties, and others).

7. Lastly, it is worth noting that the performance of the programs is to be funded by contributions made by the company or its controllers, according to rules and parameters defined in the Proposal.

II. COORDINATION OF THE PROPOSAL OF SOCIOECONOMIC PROGRAMS

8. The socioeconomic programs are the set of measures and actions to be carried out to repair, mitigate, compensate and indemnify the socioeconomic damages arising out of the event. The proposal lists actions and measures that will be detailed after technical studies and registration of affected people and incurred damages. In general, the scope of these programs reach sites and communities adjacent to the riverbeds of the Doce, Carmo, Gualaxo do Norte and Santarém rivers, as well as estuarine, coastal, and marine impacted areas.

9. The process to define and detail this set of programs has engaged several direct and indirect public bodies of the Federal Government, under coordination by the Chief of Staff of the Presidency of the Republic, namely: the Federal General Attorney's Office (AGU), the Ministry of Social Development and Fight against Hunger (MDS), the Ministry of Agricultural Development (MDA), the Ministry of Agriculture, Cattle, and Supply (MAPA), the Ministry of Justice (MJ), the Executive Office of the Presidency of the Republic (Segov), the Ministry of Health (MS), the Ministry of Education (MEC), the Ministry of Culture (MinC), the National Indigenous Foundation (Funai) and Ibama. Representatives of the Governments of the States of Minas Gerais (Executive Office of Regional Development, Urban Policy and Metropolitan Management) and Espírito Santo (Executive Office of Sanitation, Housing, and Urban Development) were also engaged by the Public Authorities. There have been several meetings involving exclusively federal government players, these and representatives of the States or the government and the companies, as seen in the attached list of attendance.

10. The definition of socioeconomic programs was based on the initial proposal by the Government of the State of Minas Gerais, which was in an advanced stage of conclusion of the report on the effects and consequences of the rupture of the Fundão Dam. The work from Minas Gerais encompasses survey of necessary actions to restore the socioeconomic effects of the event and was prepared based on reports and dialogues with public and private institutions, survey of immediate responses already in progress and thematic work groups involving experts of the Public Authorities, private initiative, third sector, and international entities. The initial contribution of Minas Gerais also includes the result of the process of hearing the impacted people by means of the State Dialogue and Negotiation Table, with meetings held in Mariana, Barra Longa, Governador Valadares and Resplendor. The results of the work of the Government of the State of Minas Gerais are published on the internet and available for consultation.¹

11. Based on the initial proposal, the representatives of the Federal and State Governments discussed and improved the content of the socioeconomic programs, incorporating aspects of public policies they respond for, as well as elements arising out of works of services provided to the population by the Federal and State Governments, demands from local governments initially presented by representatives of the Governments of Minas Gerais and Espírito Santo. From governmental discussions, the initial text was presented to the companies, followed by negotiation process and validation of the proposal in the Terms of Agreement and Conduct Adjustment.

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¹ http://www.urbano.mg.gov.br/images/NOTICIAS/2016/relatorio_final.pdf

12. The elements below organize the proposal:
- a. Compensation for deaths, disappearances, and physical damages arising out of the event.
 - b. Recovery of socioeconomic conditions prior to the event, when possible, remediation and mitigation of suffered damages, as well as adoption of compensatory measures.
 - c. Service to the directly impacted people, including fishermen, family farmers, indigenous people and other people and traditional communities, people who deal with sand, individuals with activities in the tourism sector and other economic segments.
 - d. Repair of losses to the cultural and historical heritage, as well as culture and way of life of impacted communities.
 - e. Socioeconomic repair by reposition, restitution and composition of assets; pecuniary compensation; standard rearrangement; self-rearrangement; assistance for remediation and mitigation of effects of the event.
 - f. Socioeconomic measures will be negotiated between the foundation and the impacted, with mechanisms that ensure just, fast, simple, and transparent negotiation and with the follow-up by Public Authorities. Public Authorities validate the compensation parameters.
 - g. Effective engagement of impacted parties in the Programs, with opportunities to the impacted to be heard and influence in the planning and execution stages.
 - h. Broad disclosure and access to information relative to the planning and performance of Programs by impacted people.
 - i. Actions performed in compliance with public rules and public sectorial policies.
 - j. Definition of reparatory measures (to mitigate, remediate and/or repair impacts of the event) as well as compensatory measures (to improve socioeconomic conditions when the reparation is not feasible).
 - k. Registration of the impacted people, identifying all areas subject to social, cultural, economic, or environmental impacts, as well as diagnosis on the losses and actions needed for recovery, by means of studies to be commissioned by the Foundation, carried out by independent entities and with guidelines and validation by the Inter-federative Committee.
 - l. In the case of indigenous people and other traditional people and communities that were impacted, strict compliance with the terms in the Convention No. 169 by the International Labor Organization (ILO).
 - m. Ensure emergency measures while needed, including emergency assistance to those who lost their income-generation capacity.
 - n. Execution of actions according to terms defined in the rules and public policy.
 - o. Structuring of the monitoring of actions, their impacts, and effectiveness along the process in order to seek and measure full repair and compensation for the impacts.

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13. In total, 22 Socioeconomic Programs have been defined and detailed, and their main characteristics are summarized below:

- a. Program for *survey and registration of the impacted*: identifies the areas where there are impacts and register impacted people, families, and communities, with the surveying of material losses and losses of economic activities; reference for the sizing of the other socioeconomic programs; validation of registries by Public Authorities.
- b. *Program for compensation and indemnification of the impacted*: coordinated negotiation seeking to repair and indemnify the impacts, with priority for communities destroyed by mud; eligibility criteria for the negotiations are defined by the Foundation and validated by Public Authorities; negotiations shall consider the specificities of each impacted party and parameters defined by the Foundation and validated by Public Authorities, which ensure the reparation for incurred damages; adherence to the negotiation is optional and free legal assistance should be ensured to the impacted (partnership with public defense offices and Brazilian Bar Association); concluded in up to 12 months from the execution of the Agreement, with payment within three months from the conclusion of the negotiation, without prejudice to the continuity of emergency actions.
- c. *Program for protection and recovery of the quality of life of indigenous peoples*: service to Krenak people in Minas Gerais, and Tupiniquim and Guarani, in Espírito Santo, created jointly with indigenous people and Funai; for the Krenak people, maintenance of measures provided for in the emergency agreement in effect and contracting of independent consulting firm to, with guidance from Funai, prepare study on existing impacts and, based on it, prepare the permanent action plan; for Tupiniquim and Guarani people, agreement on emergency measures and adoption of the same procedure for the Krenak for the permanent action plan.
- d. *Program for protection and recovery of the quality of life of other peoples and traditional communities*: service to Quilombo de Santa Efigênia Remaining Communities in Mariana, Minas Gerais, with emergency support measures and later implementation of permanent action plan, to be prepared in a procedure similar to the procedure adopted for indigenous people, but with supervision by the Palmares Cultural Foundation; service to other people that are later identified to be performed under the same model.
- e. Program for *social protection*: social assistance, sociocultural and psychosocial support actions, with the monitoring of impacted families and individuals; adoption of protocol to serve those in vulnerable situations or social risk due to the event.
- f. *Program for communication, participation, dialogue and social control*: ensures social participation in the processes to identify and detail programs, broad, transparent, accurate and

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- comprehensive information made public to the impacted people; establishment of permanent communication channels and interaction with society.
- g. Program for *assistance to animals*: assistance to lost and unsheltered animals, including domestic animals.
 - h. *Program for reconstruction of Bento Rodrigues, Paracatu de Baixo and Gesteira*: recovery and reconstruction of these communities, in compliance with, among other requirements, definition of a new location together with communities, rearrangement with all of the required structure, engagement of communities to discuss projects and follow-up the construction works.
 - i. Program for *recovery of the UHE Risoleta Neves Reservoir*: dredging the reservoir and recovery of operation conditions.
 - j. Program for *recovery of other communities and infrastructure impacted between Fundão and Candonga*: recovery and reconstruction of infrastructure damaged by the event, defining portfolio of improvements for affected infrastructures, according to standards and parameters in public policies.
 - k. Program for *recovery of schools and reintegration of the school community*: reconstruction and equipment of impacted schools between Fundão and Candonga, as well as furnishing means to reintegrate students and professionals into school routines.
 - l. Program for *conservation of historical, cultural and artistic memory*: recovery of tangible cultural heritage and preservation of the cultural heritage of the affected communities of Bento Rodrigues, Paracatu de Baixo and Gesteira; participative inventory of local cultural heritage with the creation of memory centers; development of archeological projects on impacted sites, promotion of knowledge about lost sites, recovery of impacted assets; rescue and encouragement of cultural activities of impacted communities.
 - m. *Program to support culture, sport, tourism, and leisure*: participative diagnosis of the impacts in four areas; reparatory measures (implementation of gear and resolution of environmental losses for the practice of sports, leisure, and social life) and compensatory measures (implementation of new gear, promotion of cultural actions, support to tourist activities), according to the diagnosis.
 - n. *Program to support physical and mental health of the impacted population*: support to prepare protocol to monitor the health of exposed population; support to Mariana and Barra Longa in the performance of local health plans; development of epidemiological and toxicological study from Mariana to the mouth of the Doce River to evaluate the risks arising out of the event, adoption of mitigating measures to ensure health to the population, if risks are identified.
 - o. *Program to support research for development and use of socioeconomic technologies applied to impact remediation, with a compensatory nature*: encouragement and funding to the production of

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knowledge for recovery of impacted areas, such as fishing areas to be used for economic purposes and disposal of tailings and professional qualification in correlated recovery topics.

- p. *Program to resume aquiculture and fishery activities*: support to impacted fishermen, with recovery of productive areas and production conditions, including gear and infrastructure to preserve, industrialize, and commercialize fish; technical assistance, under the National Program of Technical Assistance and Rural Extension (PNATER) for resumption of activities; financial assistance until fishing conditions are equivalent to the situation prior to the event; professional qualification and technical assistance to allow reallocation to new productive activity, when resumption is not possible and without prejudice to the financial assistance; emergency measures to readapt work methods and income generation directly related to fishermen and people who work with sand.
- q. *Program to resume agricultural activities*: measures to recover agricultural activity and farmers activities along the riverbed of the Doce River; rearrangement of those whose activities have become unfeasible; recovery of areas, when possible (soil, gear, animals, etc.); technical assistance, under the terms in PNATER; financial assistance until production conditions are equivalent to the previous situation; professional qualification and technical assistance when resumption of the previous activity is not possible.
- r. *Program for recovery and diversification of regional economy with incentive to the industry, of compensatory nature*: encouragement of economic activities that decrease the dependence of the area in relation to the mining industry (credit facilities, development of economic diversification plans, etc.)
- s. *Program for recovery of micro and small businesses in the trade sector, services and production*: measures for recovery of impacted micro and small enterprises (including individual entrepreneurs and freelancers, formalized or not), located from Fundão to Candonga, in Regência and in Povoação; reconstruction of facilities and restitution of input, which allows resumption of production; financial assistance until resumption of activities; if resumption of original activities is unfeasible, support to the incubation of new businesses.
- t. *Program to stimulate local employment*: measures to prioritize local hiring, with encouragement to use local workforce and local suppliers to those developed under the terms in the Agreement, from Fundão to Regência.
- u. *Program for Emergency Financial Assistance*: focused on the population whose income has been compromised due to the event, until reestablishment of productive/economic activities; inclusion in the program by means of registry and verification of the financial dependence on the impacted activity.
- v. *Program for reimbursement of extraordinary public expenses of the Promisors (Public Authorities)*: reimbursement of expenses listed in the annex attached to the proposed Agreement, informed by entities and

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bodies of the Federal Government and Governments of the State of Minas Gerais and Espírito Santo; discussion with impacted municipalities for reimbursement of extraordinary expenses incurred by them due to the event.

- w. Program for *management of socioeconomic programs*: adoption of management processes and mechanisms required for execution of programs under the terms in the Agreement.

14. Along the negotiation with companies, adaptations to the initial proposal of the Governments were required, a natural development of the dialogue and composition of interests required to define common terms that would allow entering into the agreement. At the final stages of the negotiation process, the terms have been forwarded to involved entities and bodies of the Federal Government to be validated. However, the principles and guidelines established by the Public Authorities were preserved. The Proposal resulting out of this process is subject of analysis of this Technical Note.

III – CONSOLIDATION OF EXTRAORDINARY EXPENSES OF THE FEDERAL GOVERNMENT DUE TO THE EVENT

15. The Executive Office of the Chief of Staff of the Presidency of the Republic was also responsible for the consolidation of the extraordinary expenses incurred by entities and bodies of the Federal Government for performing emergency actions required to serve the impacted people and to identify and mitigate environmental damages. For this purpose, the entities involved in the efforts to solve the impacts were required to identify extraordinary expenses that were incurred. Data provided are attached to this Note, and are consolidated in the table below.

EXTRAORDINARY EXPENSES DUE TO THE EVENT INFORMED BY ENTITIES AND BODIES OF THE FEDERAL GOVERNMENT (R\$)

Body/entity	Informed Expenses	Value (R\$)
Ibama	Flight costs	501,610.14
Ibama	Air tickets	130,095.86
Ibama	Crew daily fees	8,142.00
Ibama	Servants daily fees	50,215.25
Ibama	Car rental	44,884.80
Ibama	Cost of dislocated servants	250,734.17
Ministry of National Integration (MI)	Support Requests to the Ministry of Defense	1,057,427.77
National Department of Mineral Production (DNPM)	Daily fees and tickets	220,569.05
Ministry of Defense (MD)*	Total cost	5,983,077.89
MAPA	Daily fees, fuel, professional efforts	9,130.19

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MDA	Task force (daily fees, tickets, fuel, vehicle maintenance, etc.)	62,169.62
TOTAL		8,318,056.74

*Discounted the amount decentralized by MI

Source: Data informed by bodies and entities indicated in the table, according to attached documents.

16. Total expenses informed by the Federal Government amounted to R\$ 8.3 million, and almost R\$ 6 million relate to expenses associated to mobilization of Armed Forces. The total presented in the Table above corresponds to the estimated reimbursement to the Federal Government under the Refund Program for Extraordinary Expenses of the Promisors, presented before.

IV – CONSOLIDATION OF EXTRAORDINARY EXPENSES OF THE GOVERNMENT OF MINAS GERAIS DUE TO THE EVENT

17. On behalf of the State of Minas Gerais, the Office for Regional Development, Urban Policy and Metropolitan Management consolidated the extraordinary expenses, amounting to R\$ 12.7 million, according to the table below.

EXTRAORDINARY EXPENSES DUE TO THE EVENT INFORMED BY THE GOVERNMENT OF THE STATE OF MINAS GERAIS (R\$)

Body/entity	Informed expenses	Amount (R\$)
ARSAE	Fuel, daily fees, car rental	3,635.61
SEDESE	Maintenance of technical teams	5,220.00
FHEMG	Treatment of 6 victims	21,579.63
PMMG	Daily fees, operating costs, fuel	290,636.32
Military Cabinet and Civil Defense Coordination	Daily fees, fuel, air transportation	315,562.88
COPASA	Laboratory services, tank trucks, well-drilling and rental, etc.	534,821.56
CEMIG	Material and equipment, use of aircraft, labor	926,312.92
State Environmental System	Travelling and laboratory analysis expenses	1,060,399.54
SES	Transfers to reinforce the payment to hospitals in the area, laboratory analysis, etc.	2,211,090.87
CBM/MG	Operational use of workforce, cars, and aircraft	7,322,119.46
TOTAL		12.691.378,79

Source: Data informed by the State Government, according to attached documents.

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V – CONSOLIDATION OF EXTRAORDINARY EXPENSES OF THE GOVERNMENT OF ESPÍRITO SANTO DUE TO THE EVENT

18. On behalf of the State of Espírito Santo, the Office of Sanitation, Housing, and Urban Development has consolidated the extraordinary expenses in a total of R\$ 6.5 million, according to the table below.

EXTRAORDINARY EXPENSES DUE TO THE EVENT INFORMED BY THE GOVERNMENT OF THE STATE OF ESPÍRITO SANTO (R\$)

Body/entity	Informed expenses	Amount (R\$)
SEAMA/IEMA*	Personnel – daily fees, tickets, technical group and temporary contracts	3,110,814.28
SEAMA/IEMA*	Cars – rental and fuel	889,466.43
SEAMA/IEMA*	Laboratory analysis	1,456,275.00
SEAMA/IEMA*	Administrative equipment	166,667.90
PM	Payment to 120 soldiers	839,272.80
TOTAL		6,462,496.41

Source: Data informed by the State Government, according to attached documents

* Includes expenses arising out of the disaster as provided for by SEAMA/IEMA.

IV– CONCLUSION

19. The Executive Office of the Chief of Staff of the Presidency of the Republic was responsible for coordinating, within the Federal Government, the process to prepare the socioeconomic programs that are part of the Agreement for recovery of damages due to the event, which was carried out together with the Governments of the States of Minas Gerais and Espírito Santo. The achieved result is due to contributions by several federal bodies and entities, as well as suggestions and needs presented by state governments. Contributions arising out of demands by the population and local administrations of impacted sites were made by means of participation of sectorial units of the Federal Government that were present and acted in impacted areas, but mainly by engagement of state administrations, which were closer to the effects of the event.

20. As a result, a broad range of programs was achieved, all of which were aiming to repair different dimensions of the impacts that have been identified, as well as aspects that may be identified in the future, considering that the consequences of the rupture of the dam are still ongoing. In addition to the several Socioeconomic Programs have the purpose of repairing the impacts of the disaster, considering the previous situation, according to standards of public policies, compensatory measures are also to be deployed, which are listed in the Agreement. Some of the fundamental basis of these programs are the engagement of the impacted population in the planning and performance of recovery measures and the actions foreseen by the Public Authorities while validating decisions made by the Foundation and in the monitoring and supervision of results.

21. Lastly, consolidation of information presented on extraordinary expenses due to the event amounted to R\$ 27.5 million,

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according to the distribution presented in tables above, with the purpose of establishing the amounts to be reimbursed under the socioeconomic programs created for such purpose.

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