

## CONDUCT ADJUSTMENT AGREEMENT

The **FEDERAL PUBLIC PROSECUTOR OFFICE** (“MPF”), represented by the undersigned Federal Prosecutors, the **PUBLIC PROSECUTOR OFFICE OF THE STATE OF MINAS GERAIS** (“MPMG”), and the **PUBLIC PROSECUTOR OFFICE OF THE STATE OF ESPÍRITO SANTO** (“MPES”), represented by the undersigned Public Prosecutors, hereinafter jointly referred to as the “PUBLIC PROSECUTOR OFFICE”;

The **FEDERAL PUBLIC DEFENSE OFFICE** (“DPU”), the **PUBLIC DEFENSE OFFICE OF THE STATE OF MINAS GERAIS** (“DPMG”), and the **PUBLIC DEFENSE OFFICE OF THE STATE OF ESPÍRITO SANTO** (“DPES”), represented by the undersigned Public Defenders, hereinafter jointly referred to as the “PUBLIC DEFENSE OFFICE”;

The **FEDERAL GOVERNMENT**, a legal entity governed by public law; the **BRAZILIAN INSTITUTE OF ENVIRONMENT AND RENEWABLE NATURAL RESOURCES – IBAMA**, an independent federal agency, **CHICO MENDES INSTITUTE OF BIODIVERSITY CONSERVATION - ICMBio**, an independent federal agency; the **NATIONAL WATERS AGENCY – ANA** an independent federal agency; the **NATIONAL MINING AGENCY – ANM**, successor of the former NATIONAL DEPARTMENT OF MINERAL PRODUCTION – DNPM, an independent federal agency; the **BRAZILIAN INDIGENOUS FOUNDATION – FUNAI**, an independent federal agency, all represented by the Federal Attorney-General’s Office;

The **STATE OF MINAS GERAIS**, a legal entity governed by public law; the **STATE FOREST INSTITUTE – IEF**, an independent public state agency; the **MINAS GERAIS INSTITUTE OF WATER MANAGEMENT – IGAM**, an independent public state agency; the **STATE ENVIRONMENT FOUNDATION – FEAM**, all represented by the Attorney-General’s Office of the State of Minas Gerais;

The **STATE OF ESPÍRITO SANTO**, a legal entity governed by public law, the **STATE INSTITUTE OF ENVIRONMENT AND WATER RESOURCES – IEMA**, an independent public state agency; **INSTITUTE OF AGRICULTURAL AND CATTLE-RAISING AND FOREST DEFENSE OF ESPÍRITO SANTO – IDAF**, an independent public state agency; and the **STATE WATER RESOURCES AGENCY – AGERH**, an independent public state agency, represented by the Public Prosecutor Office of the State of Espírito Santo, the **FEDERAL GOVERNMENT**, the **STATE OF MINAS GERAIS** and the **STATE OF ESPÍRITO SANTO** are hereinafter jointly referred to as “PUBLIC AUTHORITIES”;

**SAMARCO MINERAÇÃO S.A.**, a private law legal entity, a closed joint-stock company, enrolled with the National Register of Legal Entities of the Ministry of Finance (CNPJ/MF) under No. 16.628.281/0001-61, with headquarters located at Rua Parafba, nº 1122, 9º, 10º, 13º, 19º and 23º andares, Bairro Funcionários, Belo Horizonte, MG, CEP 30.130-918 (“SAMARCO”); **VALE S.A.**, a private law legal entity, a publicly-held joint-stock company,

enrolled in the CNPJ under No. 33.592.510/0001-54, with headquarters located at Praia de Botafogo, nº 186, 9º andar, Torre Oscar Niemeyer, Botafogo, Rio de Janeiro, RJ, CEP 22.350-145, Rio de Janeiro/Rio de Janeiro (RJ), CEP 22640-100100 (“VALE”); and **BHP BILLITON BRASIL LTDA.**, a private law legal entity, a limited liability company, enrolled in the CNPJ under No. 42.156.596/0001-63, with headquarters located at rua Paraíba, nº 1122, 5º andar, Bairro Funcionários, Belo Horizonte, MG, CEP 30.130-918 (“BHP BILLITON BRASIL”), all hereinafter referred to jointly as “COMPANIES”, and BHP BILLITON BRASIL and VALE hereinafter jointly referred to as “SHAREHOLDERS”, and also, all together with the PUBLIC PROSECUTOR OFFICE, the PUBLIC DEFENSE OFFICE and the PUBLIC AUTHORITIES hereinafter referred to as “PARTIES”; and

**RENOVA FOUNDATION**, a non-profit private law legal entity, headquartered at Avenida Getúlio Vargas, nº 671 – 4º andar, Bairro Funcionários, Belo Horizonte/MG, enrolled in the CNPJ under No. 25.135.507/0001-83, as INTERVENING PARTY (“FOUNDATION”).

#### **WHEREAS**

- 1) The Public Civil Action brought by the MPF against the COMPANIES, the FEDERAL GOVERNMENT, and the STATE OF MINAS GERAIS (proceedings 0023863-07.2016.4.01.3800), pending before the 12<sup>th</sup> Federal Civil/Agricultural Court of Minas Gerais;
- 2) The Settlement and Conduct Adjustment Agreement (“TTAC”) executed in the records of the Public Civil Action filed by the FEDERAL GOVERNMENT, by the STATE OF MINAS GERAIS, and by the STATE OF ESPÍRITO SANTO, and their respective agencies of the Indirect Public Administration, against the COMPANIES (proceedings 0069758-61.2015.4.01.3400), pending before the 12<sup>th</sup> Federal Civil/Agricultural Court of Minas Gerais;
- 3) The commitment undertaken by the COMPANIES under the TTAC for the full redress of the damages caused by the Fundão Dam’s rupture that occurred on November 5, 2015 (“FUNDÃO DAM’S RUPTURE”), by developing and executing forty-two (42) Socio-environmental and Socio-economic Programs and respective projects and actions (respectively, “PROGRAMS”, “PROJECTS” and “ACTIONS”);
- 4) The governance process established by the parties to the TTAC to follow-up, monitor, validate, and inspect the PROGRAMS;
- 5) The creation of the FOUNDATION on August 2, 2016, for the management of the PROGRAMS and the execution of the necessary measures for the full redress of direct damage resulting from the FUNDÃO DAM’S RUPTURE;
- 6) The creation of the Interstate Committee (“CIF”) as an instance for permanent communication with the FOUNDATION in following up, monitoring, and inspecting its results, without prejudice to the legal duties of the federative entities;
- 7) The creation of Technical Chambers (“TECHNICAL CHAMBERS”) by CIF Resolution No. 7 of July 11, 2016, with the role to assist and advise the CIF in carrying out its purpose of

guiding, following up, monitoring, and inspecting the execution of the measures imposed under the TTAC;

8) The current status of the work carried out by the FOUNDATION according to TTAC terms, under the CIF guidance and supervision, in developing and implementing the PROGRAMS;

9) The need to improve the governance system envisaged in the TTAC, adding more participation, quality and complexity to the decision-making process, as well as the need to avoid impacts in the PROGRAMS' implementation deadlines;

10) The Preliminary Adjustment Agreement ("TAP") entered into on January 18, 2017, by and between the MPF and the COMPANIES, and the respective Amendment, dated November 16, 2017 ("AMENDMENT TO THE TAP");

11) The hiring, under the TAP, of technical entities to act as experts to assist the PUBLIC PROSECUTOR OFFICE in: (a) evaluating and monitoring the PROGRAMS, (b) performing a socio-environmental diagnosis, (c) performing a socio-economic diagnosis, (d) holding public hearings, and hiring and coordinating independent technical advisers services to the affected communities ("PUBLIC PROSECUTOR OFFICE EXPERTS");

12) The hiring of independent technical advisers to the affected people, social groups, and communities, pursuant to the AMENDMENT TO THE TAP ("TECHNICAL ADVISERS");

13) The inclusion of the PUBLIC DEFENSE OFFICE, an independent and essential body, in providing continuing legal support, both in and out of court, to the affected communities since the FUNDÃO DAM'S RUPTURE;

14) The need for enhancing effective participation by the affected people in the way they deem pertinent, at all stages and phases of this AGREEMENT, both in the planning stage and in the actual performance and monitoring of the PROGRAMS and actions set forth in TTAC and in this AGREEMENT.

15) The need of strengthening the joint and articulated action of the Government spheres in protecting the rights of the people affected by the FUNDÃO DAM'S RUPTURE;

16) The need of strengthening transparency mechanisms in disclosing information on the actions for full redress of the damage resulting from the FUNDÃO DAM'S RUPTURE, and facilitating broad and proper access to information, by establishing channels for dialogue among PUBLIC AUTHORITIES, the COMPANIES, the FOUNDATION, the society, and the affected people.

17) The understanding expressed by the PUBLIC PROSECUTOR OFFICE in Opinion No. 279/2018/SPPEA, drafted by the MPF and the MPMG experts;

18) Access to clear and transparent information, which is, pursuant to the national legislation, a presupposition for the legitimacy and democratic control of the decisions made within the

context of the FUNDÃO DAM'S RUPTURE;

19) The concepts and recommendations made by the National Human Rights Council, if applicable;

20) The minutes of the meeting held on May 25, 2018, with participation of the MPMG in charge of the Foundations, which is now part of this AGREEMENT;

21) The need to enhance the participative governance system in order to respect the centrality of the affected people in order to guide the activities to be adopted to fully redress the damage.

**HAVE DECIDED** to execute this **CONDUCT ADJUSTMENT AGREEMENT** ("AGREEMENT") in the records of proceedings 69758-61.2015.4.01.3400 and 0023863-07.2016.4.01.3800, pending before the 12<sup>th</sup> Federal Civil/Agricultural Court of Minas Gerais, and submit it for ratification by the court under articles 487 of the Code of Civil Procedure, articles 1, paragraph 4 and 4-A, of Federal Law No. 9,469, dated July 10, 1997, and article 5, paragraph 6, of Federal Law No. 7,347, dated July 24, 1985:

## CHAPTER I

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### OBJECT

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**SECTION 1.** The purpose of this AGREEMENT is:

I – to change the governance process set forth in the TTAC regarding the definition and implementation of the PROGRAMS, PROJECTS and ACTIONS which are intended to fully redress the damage caused by the FUNDÃO DAM'S RUPTURE;

II – to improve the mechanisms for the effective participation of the people affected by the FUNDÃO DAM'S RUPTURE through all stages and phases of the TTAC and of this AGREEMENT;

III – to set up a negotiation procedure aiming at a possible renegotiation of the PROGRAMS.

**SOLE PARAGRAPH:** This AGREEMENT will be ratified, pursuant to article 487, III, "b" of the Code of Civil Procedure, within the strict limit of the dispute set forth hereto.

## CHAPTER II

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### GENERAL PRINCIPLES

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**SECTION TWO.** This AGREEMENT shall be governed by the following principles:

- I – Effective participation of the affected people in the creation, discussion, evaluation and oversight of the PROGRAMS, PROJECTS and ACTIONS;
- II - Strengthening of the joint and articulated action of Government spheres in protecting the rights of the people affected by the FUNDÃO DAM'S RUPTURE;
- III – Transparency in the disclose of information regarding the actions for full redress within the context of redressing the effects of the FUNDÃO DAM'S RUPTURE;
- IV – Restauration of the living conditions of those affected by the FUNDÃO DAM'S RUPTURE;
- V – Conduct of research and diagnoses, taking the regional diversity into account, in connection with the fulfillment of the obligations set forth in the TTAC and in this AGREEMENT;
- VI – Preferably hiring and using the local workforce and the promoting the hiring of local supplying networks for the actions carried out due to the FUNDÃO DAM'S RUPTURE, always observing market conditions;
- VII – Broad and adequate access to information;
- VIII - Establishment of channels for dialogue and interlocution among the affected people, the PUBLIC AUTHORITIES, the COMPANIES, the FOUNDATION and the society;
- IX – Performance of measures of full redress which are appropriate to the diversity of the damages resulting from the FUNDÃO DAM'S RUPTURE;
- X – Recognition, in the implementation of the PROGRAMS, PROJECTS and ACTIONS for full redress, of the specificity of the situations of women, children and adolescents, the elderly, disabled persons and the chronically ill, among others;
- XI – Acknowledgment of the specificities and singularities of each indigenous, *quilombola* and traditional people upon the full redress of damages;
- XII – Transparency in the process of research and determination of the standards the affected people indemnification, assuring their participation under the TTAC and this AGREEMENT;
- XIII – Protection of the rights of indigenous peoples, traditional and *quilombola* communities, especially with regard to the implementation of and compliance with free and informed prior consultation, pursuant to ILO CONVENTION No. 169; and
- XIV – Recognition of the principles set forth in the TAP, in the AMENDMENT TO THE TAP and in Section 7 of the TTAC, observing the amendments to this AGREEMENT.

## CHAPTER III

### GOVERNANCE AND PARTICIPATION

**SECTION THREE:** The PARTIES hereby agree to amend the TTAC pursuant to the sections set forth in this AGREEMENT, with the purpose of improving effectiveness, celerity, efficiency and social participation in the full redress process of the damage caused by the FUNDÃO DAM'S RUPTURE, through the implementation of changes in the TTAC management and governance, in order to improve the mechanisms which will enable the effective participation of the affected people.

**SECTION FOUR:** The affected people have the right to participate in the governance of the process to fully redress the damage caused by the FUNDÃO DAM'S RUPTURE, in the several decision-making and advisory bodies related to such process, pursuant to the terms set forth in the TTAC and hereto.

**PARAGRAPH ONE.** Pursuant to the terms set forth in this AGREEMENT, the means and mechanisms of participation of the affected people in the governance of the full redress process shall be discussed and decided by them, after the actual implementation of the affected people commissions and the TECHNICAL ADVISERS.

**PARAGRAPH TWO.** The affected people have the possibility to be supported by TECHNICAL ADVISERS in order to follow-up and/or participate in the instances or in resolutions and debate they deem important, pursuant to this AGREEMENT.

**SECTION FIVE.** Pursuant to the TTAC and this AGREEMENT, the PROGRAMS, PROJECTS and ACTIONS shall be discussed among the FOUNDATION and the affected people, assisted by the TECHNICAL ADVISERS, aiming at the full redress of the damage caused by the FUNDÃO DAM'S RUPTURE, in compliance with the applicable legislation and the guarantee of the vested right of the beneficiaries of the PROGRAMS, PROJECTS and ACTIONS.

**SOLE PARAGRAPH.** Changes related to the procedures set forth in this AGREEMENT may not reduce the level of the full redress ensured by the PROGRAMS previously established.

**SECTION SIX:** The PUBLIC PROSECUTOR OFFICE, the PUBLIC DEFENSE OFFICE and the PUBLIC AUTHORITIES shall have unrestricted and proper access, pursuant to the Law, to the data which are direct or indirectly produced by the FOUNDATION, preferably by means of virtual access, including registration data of affected people within all PROGRAMS.

**SOLE PARAGRAPH.** The confidentiality of sensitive information shall be ensured by the receiving body or member pursuant to the Law, regardless of any confidentiality agreement.

**SECTION SEVEN:** The form of participation of the indigenous people and other traditional

people and communities shall observe the provisions of ILO Convention No. 169, including prior, free and informed consultation.

#### CHAPTER IV

#### LOCAL AFFECTED PEOPLE COMMISSIONS

**SECTION EIGHT.** The Parties hereby agree to acknowledge the local commissions composed voluntarily by affected people (“LOCAL COMMISSIONS”) who live in the municipalities affected by the FUNDÃO DAM’S RUPTURE and/or, exceptionally, who may have suffered losses in the activities executed in the scope area of the respective LOCAL COMMISSIONS, as the legitimate interlocutors in the matters related to the participation and governance of the full redress process of the damage arising from the FUNDÃO DAM’S RUPTURE, pursuant to the terms and limits set forth in this AGREEMENT.

**PARAGRAPH ONE.** The commissions of people affected by the FUNDÃO DAM’S RUPTURE that were already in operation by the execution date of this AGREEMENT shall be considered as “LOCAL COMMISSIONS” within the scope of the governance proposed herein, as well as the commissions that may be later implemented, pursuant to the terms of this AGREEMENT.

**PARAGRAPH TWO.** The composition and the operation of the LOCAL COMMISSIONS shall be established by the affected people, and their self-organization shall be respected, with the support of their own TECHNICAL ADVISERS.

**PARAGRAPH THREE.** The LOCAL AFFECTED PEOPLE COMMISSIONS shall be organized at a local level by affected people and residents of the municipalities that were damaged by the FUNDÃO DAM’S RUPTURE and/or, exceptionally, that suffered losses in activities executed in the scope area of the respective COMMISSIONS, with the support of the PUBLIC PROSECUTOR OFFICE EXPERT responsible for hiring the TECHNICAL ADVISERS and of the TECHNICAL ASSISTANTS themselves.

**PARAGRAPH FOUR.** The parties to the AMENDMENT TO THE TAP (PUBLIC PROSECUTOR OFFICE and COMPANIES) will adopt the applicable measures set forth in the TAP and in the AMENDMENT TO THE TAP so the PUBLIC PROSECUTOR OFFICE EXPERT responsible for the socio-economic part be able to work in order to achieve the creation and implementation of the LOCAL COMMISSIONS within the first six (06) months counted from the judicial ratification of this AGREEMENT.

**PARAGRAPH FIVE.** The PUBLIC PROSECUTOR OFFICE EXPERTS, together with the affected people and the TECHNICAL ADVISERS, shall recommend courses and trainings to FOUNDATION, which shall be paid by FOUNDATION, in order to guarantee that the affected people will have the possibility to participate of an educational process related to the creation and management of public policies, the monitoring and social control that guarantee the recovery and sustainable management of the Rio Doce Basin, considering the mid-year budget of the AFFECTED PEOPLE MANAGERS, provided that the respective amounts are not

deducted from the amounts allocated by the FOUNDATION to the PROGRAMS.

**PARAGRAPH SIX.** The activities developed by the LOCAL COMMISSIONS shall be voluntary and will not be remunerated.

**SECTION NINE.** Up to nineteen (19) LOCAL COMMISSIONS shall be initially created, except for the territorial representation corresponding to the indigenous lands affected pursuant to the terms of SECTION SEVENTEEN.

**SOLE PARAGRAPH.** Within twelve (12) months from the judicial ratification of this AGREEMENT, new LOCAL COMMISSIONS may be created, observing the limit corresponding to the number of affected municipalities, if the affected people and communities deem necessary, with the support of the PUBLIC PROSECUTOR OFFICE EXPERT responsible for hiring the TECHNICAL ADVISERS.

**SECTION TEN.** The LOCAL COMMISSIONS will be supported by the TECHNICAL ADVISERS, as well as by the PUBLIC AUTHORITIES, within their legal attributions, especially within the scope of the PROGRAMS, so they may:

- a) have full access, upon disclosure preferably by electronic means available for consultation: (i) to the information on the PROGRAMS, that may be delivered by the FOUNDATION to the CIF, (ii) to all documents and material shared among the FOUNDATION and the TECHNICAL CHAMBERS; and (iii) to the documents, proposals and measures related to matters to be resolved by the CIF related to its respective area of coverage;
- b) make proposals, by means of technical notes, as well as criticism and suggestions, regarding the work of the CIF, the TECHNICAL CHAMBERS and the FOUNDATION, with the support of the TECHNICAL ADVISERS, as applicable;
- c) make proposals, by means of technical notes, with the support of the TECHNICAL ADVISERS, as well as criticism and suggestions, related to its respective area of coverage, in connection to the actions of the PROGRAMS;
- d) articulate with the other committees that are part of the territorial scope of the respective REGIONAL CHAMBER, in order to define the form of participation and the agenda of the meetings, with the purpose of achieving the greatest possible effectiveness; and
- e) discharge other duties, observing the purpose and limit of this AGREEMENT.

**SECTION ELEVEN.** The LOCAL COMMISSION and the FOUNDATION, by mutual agreement and with the support of the respective TECHNICAL ADVISERS, observing the terms of the TTAC and the applicable legislation, may adapt the form of execution of the



actions related to the PROGRAMS to the existing particularities of their areas (“AGREED ADJUSTMENT”).

**PARAGRAPH ONE.** The AGREED ADJUSTMENT shall not change the scope of the PROGRAMS or disrespect the CIF deliberations.

**PARAGRAPH TWO.** The AGREED ADJUSTMENT shall be implemented in accordance with a schedule defined by the FOUNDATION and the LOCAL COMMISSION, which shall jointly inform to CIF, the PUBLIC PROSECUTOR OFFICE and the PUBLIC DEFENSE OFFICE the adjustments made.

**PARAGRAPH THREE.** If the CIF later decides that the AGREED ADJUSTMENT is not in accordance with the scope of the PROGRAMS, it may (i) determine its suspension or readjustment, as it deems appropriate, pursuant to the terms of the TTAC or this AGREEMENT; and/or (ii) apply the penalties set forth in Sections 247 to 252 of the TTAC if it is possible to prove that the FOUNDATION acted in bad faith.

**SECTION TWELVE.** If one LOCAL COMMISSION makes a proposal that (i) considers a change to the scope of the PROGRAMS and (ii) is within the limits of the TTAC, such proposal shall be submitted to the REGIONAL CHAMBER for analysis and discussion, and if agreed, such proposal shall be sent to the CIF for deliberation in accordance with the terms of the TTAC and, as the case may be, for periodic review under Section 203 of the TTAC.

**SECTION THIRTEEN.** If one LOCAL COMMISSION make proposals that exceed the limits of the PROGRAMS, such proposals shall be sent to the PARTIES for discussion under the renegotiation process set forth in SECTION NINETY-FOUR et seq. (“RENEGOTIATION PROCESS”) and/or to the CIF for the periodic revision set forth in Section 203 of the TTAC.

**SECTION FOURTEEN.** If the AGREED ADJUSTMENTS result in additional amounts to those provided for in the PROGRAMS budget, such amounts shall not be discounted from the amounts allocated to the PROGRAMS, and FOUNDATION shall insert a contingency reserve for this purpose in its annual budget, which shall be prepared in accordance with the TTAC and this AGREEMENT.

**SOLE PARAGRAPH.** Any contingency reserve amounts that may not be used will integrate the FOUNDATION’s budget for the following fiscal year for the same purpose.

**SECTION FIFTEEN.** The following are duties of the LOCAL COMMISSIONS: a) to share all information to which they may have access with the respective population, regarding the initiatives and performance of the PROGRAMS; b) to inform the PUBLIC PROSECUTOR OFFICE, the PUBLIC DEFENSE OFFICE, the FORUM OF OBSERVERS, the TECHNICAL CHAMBERS and the CIF about the reality and problems detected; c) to defend the interests of the affected people before the different local agents, representatives of the PUBLIC AUTHORITIES, the FOUNDATION and the COMPANIES; d) to meet periodically to resolve issues of their interest; e) to send a report, every semester, to the PUBLIC PROSECUTOR OFFICE, the PUBLIC DEFENSE OFFICE, the TECHNICAL CHAMBERS and the

FOUNDATION, by means of the TECHNICAL ADVISERS, of the activities performed by the LOCAL COMMISSIONS.

**SOLE PARAGRAPH.** All meetings of the LOCAL COMMISSIONS shall be opened to participation of any affected people and previously disclosed to the respective communities in due time for them to participate.

**SECTION SIXTEEN:** Details of the activities set forth in this chapter shall be contained in the Internal Rules of the LOCAL COMMISSIONS, as resolved upon by their members, with the support of the TECHNICAL ADVISERS.

**SECTION SEVENTEEN:** The indigenous, *quilombola* and traditional communities shall be entitled to form their own LOCAL COMMISSIONS, respecting their own self-organizing.

**PARAGRAPH ONE.** The organization and operation of the indigenous LOCAL COMMISSIONS will be supported by FUNAI, by specific TECHNICAL ADVISERS, pursuant to the AMENDMENT TO THE TAP, by the MPF and by the DPU.

**PARAGRAPH TWO.** The representation of the affected indigenous communities will be carried out with the support of FUNAI, and (i) the hiring of the specialized TECHNICAL ADVISERS to the affected indigenous communities shall observe the term of reference issued by FUNAI, considering previous, free and informed consultation, to each indigenous community, and (ii) the technical staff of such advisors shall be previously submitted and approved by FUNAI.

**SECTION EIGHTEEN:** The LOCAL COMMISSIONS shall seek, in their composition, to ensure the representativeness of all affected groups present in the territory, also ensuring, whenever possible, gender parity, including in any possible participation in the governance system, in compliance with the principles of self-organization.

## CHAPTER V

### FORUM OF OBSERVERS

**SECTION NINETEEN.** The PARTIES agree to create a FORUM OF OBSERVERS, of advisory nature, as one of the instances of social participation and control, whose purpose will be to monitor the work and analyze the results of the diagnostics and evaluations carried out by the PUBLIC PROSECUTOR OFFICE EXPERTS and follow the works performed by the FOUNDATION, being able to present criticisms and suggestions (“FORUM OF OBSERVERS”).

**SECTION TWENTY.** The FORUM OF OBSERVERS will be composed of representatives of the civil society, academic groups, affected people and traditional affected people and communities.

**SECTION TWENTY-ONE.** The members and entities that may be part of the FORUM OF

OBSERVERS cannot act as technical advisers or entities nor can they be subcontracted by technical advisers or entities for as long as they are associated with said Forum. Likewise, entities or their representatives acting as technical advisers or entities or their subcontractors, cannot be part of the FORUM OF OBSERVERS.

**SOLE PARAGRAPH.** In the case of individuals who are members of the FORUM OF OBSERVERS, whether directly or through entities engaged for such purpose, the restriction of participation established in the main section will be extended for twenty-four (24) months following their respective termination.

**SECTION TWENTY-TWO.** Twelve (12) representatives of the civil society shall be appointed by the PUBLIC PROSECUTOR OFFICE from entities, social groups and academic groups with recognized independence, credibility, representativeness and reliability before the affected people.

**SOLE PARAGRAPH.** The PUBLIC DEFENSE OFFICE may suggest representatives of the civil society to compose the FORUM OF OBSERVERS to the PUBLIC PROSECUTOR OFFICE.

**SECTION TWENTY-THREE.** The participation of the affected people in the FORUM OF OBSERVERS is hereby ensured, with the provisions of items 4.2.3 and 4.2.4 of the AMENDMENT TO THE TAP, at least, being guaranteed, as well as the possibility of the affected people to present another form of participation in the FORUM OF OBSERVERS after the actual implementation of the LOCAL COMMISSIONS and the TECHNICAL ADVISERS.

**SECTION TWENTY-FOUR** The PARTIES shall not integrate the FORUM OF OBSERVERS, but they and the FOUNDATION may be present at the meetings as observers.

**SECTION TWENTY-FIVE.** The format of the meetings will be defined by the internal rules of the FORUM OF OBSERVERS, to be prepared by its members at its first meetings, respecting the purpose of its creation, pursuant to this AGREEMENT. The FORUM OF OBSERVERS will have regular quarterly meetings, and may, if called by the PUBLIC PROSECUTOR OFFICE, hold extraordinary meetings.

**SECTION TWENTY-SIX.** All activities carried out by the FORUM OF OBSERVERS will be voluntary and considered relevant public service, and any form of compensation will not be allowed for its members.

**SECTION TWENTY-SEVEN.** The FORUM OF OBSERVERS will receive all reports and results sent to the PUBLIC PROSECUTOR OFFICE by its EXPERTS, for purposes of analysis and discussion, and may send its non-binding conclusions to the revision of the PARTIES.

**SECTION TWENTY-EIGHT.** All activities mentioned in this chapter must be carried out in accordance with the applicable anti-corruption laws.

## **CHAPTER VI**

## REGIONAL CHAMBERS

**SECTION TWENTY-NINE.** The parties agree to create up to six (06) REGIONAL CHAMBERS for the affected people participation in the procedure to fully repress the damage caused by the FUNDAÇÃO DAM'S RUPTURE ("REGIONAL CHAMBERS").

**PARAGRAPH ONE.** The REGIONAL CHAMBERS, composed of the affected people, as defined by the LOCAL COMMISSIONS within the scope of its attribution, are forums for discussion, participative organization of the affected people and dialogue and composition with the FOUNDATION.

**PARAGRAPH TWO.** The activities developed by the REGIONAL CHAMBERS shall be voluntary, and will not be remunerated. .

**SECTION THIRTY.** The REGIONAL CHAMBERS may, by mutual agreement with the FOUNDATION, observing the terms of the TTAC, of this AGREEMENT and the current legislation, propose changes and modifications to the PROGRAMS and PROJECTS related to the full redress of the damage caused by the FUNDAÇÃO DAM'S RUPTURE within the regional scope of each Chamber. ("AGREED PROPOSAL").

**SOLE PARAGRAPH.** The AGREED PROPOSALS will be accompanied by the respective technical notes and sent to the CIF evaluation.

**SECTION THIRTY-ONE.** The REGIONAL CHAMBERS may prepare proposals to review the PROGRAMS and PROJECTS set forth in the TTAC and in this AGREEMENT, which must be submitted to the CIF for the purposes of periodic review under Section 203 of the TTAC.

**SECTION THIRTY-TWO.** The REGIONAL CHAMBERS may prepare proposals to create PROGRAMS and PROJECTS that exceeds the limits of the TTAC and of this AGREEMENT, which must be submitted the PARTIES for discussion under the scope of the RENEGOTIATION PROCESS set forth in SECTION NINETY-FOUR.

**SECTION THIRTY-THREE.** The PUBLIC PROSECUTOR OFFICE, the PUBLIC DEFENSE OFFICE, the CIF and the TECHNICAL CHAMBERS shall have their participation ensured in the meetings of the REGIONAL CHAMBERS with the right to speak and with no right to vote.

**SOLE PARAGRAPH.** The REGIONAL CHAMBERS shall previously inform the FOUNDATION and the bodies mentioned in the main section the date and, when applicable, the agenda of their meetings, with the presence of the representative of the FOUNDATION being mandatory, unless in exceptional circumstances, duly justified.

**SECTION THIRTY-FOUR.** The form of participation of the affected people in the REGIONAL CHAMBERS will be defined by the affected people themselves, with the support of the PUBLIC PROSECUTOR OFFICE EXPERT responsible for hiring the TECHNICAL ASSISTANTS and of the TECHNICAL ADVISERS themselves.

**PARAGRAPH ONE.** The meetings of the REGIONAL CHAMBERS will be extensively disclosed, open to the public and will be held in the affected municipalities of the territory covered by the respective REGIONAL CHAMBER, on an itinerant basis, in order to discuss the specific guidelines as close as possible to the affected communities interested in the issue.

**PARAGRAPH TWO.** The FOUNDATION must be internally organized with the purpose of fulfilling its obligations set forth in this Chapter, notably for participation, discussion and deliberation of the relevant matters.

**PARAGRAPH THREE.** The amendments to the PROGRAMS regarding the indigenous and traditional communities will depend on prior consultation as set forth in the AMENDMENT TO THE TAP.

**PARAGRAPH FOUR.** The affected people will have the support of the TECHNICAL ASSISTANTS of the LOCAL COMMISSIONS to perform their duties set forth in this Chapter.

**SECTION THIRTY-FIVE.** REGIONAL CHAMBERS can establish an articulation and discussion forum as to the matters within their scope of attributions, counting with the support of the PUBLIC PROSECUTOR OFFICE EXPERTS and the TECHNICAL ADVISERS (“ARTICULATED REGIONAL CHAMBERS”).

## CHAPTER VII

### INTERFEDERATIVE COMMITTEE

**SECTION THIRTY-SIX.** The composition of the Interfederative Committee (“CIF”) will be the following, all with right to speak and to vote:

- I – Two (2) representatives from the Ministry of Environment;
- II – Two (2) other representatives from the Federal Government;
- III – Two (2) representatives from the STATE OF MINAS GERAIS;
- IV – Two (2) representatives from the STATE OF ESPÍRITO SANTO;
- V – Two (2) representatives of the municipalities of the STATE OF MINAS GERAIS affected by FUNDÃO DAM’S RUPTURE;
- VI – One (1) representative of the municipalities of the STATE OF ESPÍRITO SANTO affected by the FUNDÃO DAM’S RUPTURE;
- VII – Three (3) affected people or technicians indicated by them, being assured the representation of the people of the States of Minas Gerais and Espírito Santo;
- VIII – One (1) technician indicated by the PUBLIC DEFENSE OFFICE;

IX – One (1) representative indicated by the CBH-Doce.

**PARAGRAPH ONE.** The presence, with right to speak and no right to vote, of two (2) members of the PUBLIC PROSECUTORS' OFFICE and one (1) from the PUBLIC DEFENSE OFFICE is also assured.

**PARAGRAPH TWO.** The form of participation and the representation of the affected people will be defined thereby through the ARTICULATED REGIONAL CHAMBERS, observing the CIF rules.

**PARAGRAPH THREE.** The members appointed to CIF by the ARTICULATED REGIONAL CHAMBERS cannot be leaders of a political party or holders of an elective mandate of any federal entity, even if they are released from these positions or functions by means of a license. Such a prohibition shall apply to relatives by blood or kinship up to the third degree, of the people indicated.

**PARAGRAPH FOUR.** The indication of technicians under items VII and VIII shall comply with the terms of Sections 1.1.9 and 1.1.9.1 of the AMENDMENT TO THE TAP.

**PARAGRAPH FIVE.** A person who, in the last five (5) years, has rendered services, directly or indirectly, to the COMPANIES cannot be appointed to compose the CIF. CIF's Internal Rules will establish mechanisms for opposing to names appointed in violation to the provisions of this PARAGRAPH.

**PARAGRAPH SIX.** The COMPANIES and the FOUNDATION are forbidden to hire members of the CIF for a term of two (2) years after the end of their term of office.

**PARAGRAPH SEVEN.** Until all LOCAL COMMISSIONS are established, with the respective TECHNICAL ADVISERS, the appointments mentioned in item VII will be decided by the affected people commissions already created and active.

**SECTION THIRTY-SEVEN.** CIF members will receive no compensation, but the activity is considered a relevant public service provision.

**PARAGRAPH ONE.** CIF members, except for the representatives of the affected people, must have considerable technical training in environmental and socioeconomic areas.

**PARAGRAPH TWO.** CIF members, except for the representatives of the affected people, shall exercise their representation for a maximum of two (02) years, with one (01) renewal being allowed.

**PARAGRAPH THREE.** The representations must be renewed in order to remain at least 50% (fifty percent) of the composition in force, so the works already developed may continue, and pursuant to a regulation to be approved by the CIF.

**PARAGRAPH FOUR.** For the purposes of indications provided in the items V and VI, there will be rotation between the Municipalities affected by the FUNDÃO DAM'S RUPTURE, according to the regulation to be defined by the CIF.

**PARAGRAPH FIVE.** CIF president and his alternate will be chosen by the Ministry of Environment – MMA among the representatives of the FEDERAL GOVERNMENT in the CIF.

**PARAGRAPH SIX.** CIF will define in its regulation certain rules on conflicts of interests of its members.

**SECTION THIRTY-EIGHT.** CIF shall maintain the attributions set forth in Section 245 of the TTAC, specially to guide, follow up, monitor and control the implementation of the measures imposed to the FOUNDATION by the TTAC and by this Agreement, promoting the permanent dialog between the FOUNDATION, the public agencies and entities involved and the affected people.

**PARAGRAPH ONE.** Sections 242 to 244 of the TTAC are hereby ratified, observing the modifications of this AGREEMENT.

**PARAGRAPH TWO.** The CIF Rules shall address, as applicable, the changes provide for in this section.

**SECTION THIRTY-NINE.** CIF's meetings shall be preceded by the publication of the respective agenda, with the list of the matters to be discussed and the documents to be examined.

**PARAGRAPH ONE.** The agenda will be published at least twenty (20) days before the date of the meeting.

**PARAGRAPH TWO.** Once the agenda is published, the interested parties will have a term of ten (10) days to issue statements with regard to the matters and documents to be discussed.

**PARAGRAPH THREE.** In case the CIF understands that the matters and/or documents submitted must be reexamined by the TECHNICAL CHAMBERS, it will send the issue for a new analysis.

**SECTION FORTY.** CIF will be the last instance in administrative level.

**SOLE PARAGRAPH.** Observing the deadlines of SECTION THIRTY-NINE, CIF Rules will define the timeframe for deliberation on the technical notes sent by the TECHNICAL CHAMBERS, with priority for urgent matters being assured.

## **CHAPTER VIII**

### **TECHNICAL CHAMBERS**

**SECTION FORTY-ONE.** CIF will create TECHNICAL CHAMBERS and establish their authority, coordination, related programs, and operation form.

**PARAGRAPH ONE.** TECHNICAL CHAMBERS are technical advisory bodies created to assist CIF in carrying out its purpose of guiding, following up, monitoring and supervising the execution, based on socio-economic, socio-environmental and budgetary technical standards, of the PROGRAMS, PROJECTS and ACTIONS imposed by the TTAC and by this AGREEMENT, without prejudice to the legal attributions of the bodies that are part thereof.

**PARAGRAPH TWO.** The TECHNICAL CHAMBERS will be the priority instances for the technical discussion and search for solutions to the disputes related to the PROGRAMS, PROJECTS and ACTIONS for the full redress of the damages resulting from the FUNDAÇÃO DAM'S RUPTURE, without prejudice to the provisions of SECTION ELEVEN.

**PARAGRAPH THREE.** The agenda of the matters to be discussed at each meeting of TECHNICAL CHAMBERS will be forwarded to their participants five (05) days in advance.

**PARAGRAPH FOUR:** The meetings of TECHNICAL CHAMBERS will be registered, with the preparation of minutes indicating the meeting participants, the object of the discussions and deliberations agreed by the participants.

**PARAGRAPH FIVE:** The minutes of the meeting, the manifestations and technical notes of the TECHNICAL CHAMBERS should be forwarded to their participants within a maximum term of seven (07) days after dispatched by the respective TECHNICAL CHAMBERS and will be available on the website of the CIF.

**PARAGRAPH SIX.** All representatives shall be informed of the dates of the TECHNICAL CHAMBER meetings in a timely manner for their effective participation, and shall have free and timely access to the documents, proposals and information made available by FOUNDATION to the TECHNICAL CHAMBERS or produced by them, without prejudice, as well, to using invited experts and technical studies from other sources.

**PARAGRAPH SEVEN.** The statements issued by the members of the TECHNICAL CHAMBERS must be duly justified.

**PARAGRAPH EIGHT.** The representatives appointed to the socio-environmental TECHNICAL CHAMBERS shall have appropriate technical education, except for the affected people, who may be accompanied by the TECHNICAL ADVISERS.

**PARAGRAPH NINE.** The FOUNDATION will participate, with right to speak, in the TECHNICAL CHAMBERS meetings without, however, participating in the preparation of the technical documents or resolution minutes to be forwarded to the CIF.

**PARAGRAPH TEN.** In justified cases, the TECHNICAL CHAMBERS meetings may occur without the presence of the member appointed by the FOUNDATION.

**PARAGRAPH ELEVEN.** The TECHNICAL CHAMBERS meetings will be public, observing the provisions of this chapter.

**PARAGRAPH TWELVE.** It will be incumbent upon the CIF to establish the Internal Rules of the TECHNICAL CHAMBERS for the implementation and alteration of the purpose of this AGREEMENT, observing the provisions of this chapter.

**SECTION FORTY-TWO.** The participation of the members in the TECHNICAL CHAMBERS will not be remunerated, and this rule will not impact the remuneration of the PUBLIC PROSECUTOR OFFICE EXPERTS and of the TECHNICAL ADVISERS as provided for in the TAP and in the AMENDMENT TO THE TAP upon their participation in the meetings of the TECHNICAL CHAMBERS.

**SECTION FORTY-THREE.** The PUBLIC DEFENSE OFFICE and the PUBLIC



PROSECUTOR OFFICE, each, will appoint one (01) full member and one (01) alternate member to act in each TECHNICAL CHAMBERS.

**SECTION FORTY-FOUR.** The appointment by the affected people, in the form they decide to adopt and upon prior notice, of two (02) full members and two (02) alternate members, who may be supported by the TECHNICAL ADVISERS, if they deem appropriate, for acting in the TECHNICAL CHAMBERS is hereby ensured.

**PARAGRAPH ONE** The participation by the affected people in the meetings of the TECHNICAL CHAMBERS, with support of the TECHNICAL ADVISERS, if they deem appropriate, upon prior notice, observing the operational rules of the TECHNICAL CHAMBERS and the CIF, is hereby ensured.

**PARAGRAPH TWO.** The TECHNICAL CHAMBERS members will always pursue the principles of efficiency, efficacy and reasonability.

**SECTION FORTY-FIVE.** In the event of divergence between the analyses of the PUBLIC DEFENSE OFFICE, the PUBLIC PROSECUTOR OFFICE, the affected people representatives and the other members of the TECHNICAL CHAMBERS, said divergence must be included in the technical notes to be issued by the TECHNICAL CHAMBERS to the CIF, which is responsible for making the technical, methodological and administrative choices, according to the legal rules and the terms of the TTAC, this AGREEMENT, the TAP and the AMENDMENT TO THE TAP.

## CHAPTER IX

### INTERNAL STRUCTURE OF RENOVA FOUNDATION

**SECTION FORTY-SIX.** The FOUNDATION's Board of Trustees will now be composed of up to nine) members, with participation of:

- I – Two (2) members appointed by the ARTICULATED REGIONAL CHAMBERS within the municipalities affected by the FUNDÃO DAM'S RUPTURE or technicians chosen by them;
- II – One (1) member appointed by the CIF;
- III – Six (6) members appointed by the COMPANIES, three (3) of which must meet at least one of the following criteria:
  - a) One (1) specialist in environmental and ecological issues, with notorious national, and when possible, international expertise, who works in an area related to the FOUNDATION;
  - b) One (1) specialist in socio-economic issues, with notorious national, and when possible, international expertise, who works in an area related to the FOUNDATION; and
  - c) One (1) specialist in one of the following areas: legal, sustainability, third

sector or participative and mediation processes, with notorious national, and when possible, international expertise, who works in an area related to the FOUNDATION.

**PARAGRAPH ONE.** The form of participation and the representation of the affected people will be defined by the ARTICULATED REGIONAL CHAMBERS, observing the operational rules of the FOUNDATION.

**PARAGRAPH TWO.** The indication of technicians under item I will comply with Sections 1.1.9 and 1.1.9.1 of the AMENDMENT TO THE TAP.

**PARAGRAPH THREE.** All members of the Board of Trustees must have an untainted reputation, action based on social responsibility, and, in relation to the members appointed pursuant to items II and III of the main section, shall meet at least one (01) of the following requisites:

I – Ten (10) years in the public or private sector, in one or more areas similar to those performed by the FOUNDATION; or

II – Six (06) years holding at least one of the following positions:

a) direction, management or leadership in (i) a private law legal entity, either for-profit or non-profit, or (ii) a public law legal entity operating in one or more areas similar to those of the FOUNDATION;

b) a commissioned position or position of trust equivalent to DAS-4 or higher, in the public sector; or

c) a position as lecturer, researcher or consultant in an activity directly or indirectly related to the performance area of the FOUNDATION, with the title of “Doctor” or equivalent.

**PARAGRAPH FOUR.** No person may be appointed to the Board of Trustees, who:

I – falls under the events of ineligibility set forth in the letters of item I of the main section of article 1 of Supplementary Law No. 64, of May 18, 1990;

II – holds a public position, except for the educational and health areas; or

III – has a management position in a political party or a position as elected representative of any State, even if they are on leave from those positions or functions;

**PARAGRAPH FIVE.** The prohibition set forth in the previous paragraph is also extended to relatives or next of kin up to the third degree of the persons mentioned therein.

**PARAGRAPH SIX.** The members of the Board of Trustees shall have a term of office of one (01) year, with successive extensions being permitted.

**PARAGRAPH SEVEN.** The members of the Board of Trustees, in its current composition, appointed based on the TTAC, who fail to adapt to the rules of this article shall be removed within three (03) months after the judicial homologation of this AGREEMENT, computing the term of office of the others as of their appointment, made previously.

**PARAGRAPH EIGHT.** The names appointed by the COMPANIES may be substantially challenged by the CIF or by the PUBLIC PROSECUTOR OFFICE if the requirements set out in this section are not met, within fifteen (15) days of the acknowledgment of such appointment. In case there is no agreement by the COMPANIES, the matter will be submitted to the 12th Federal Civil/Agricultural Court of Minas Gerais.

**PARAGRAPH NINE.** The members of the Board of Trustees will be removed by the FOUNDATION in the event of a conduct incompatible with their position, pursuant to the laws in force and the FOUNDATION'S Bylaws.

**PARAGRAPH TEN.** The meetings of the Board of Trustees will only be installed with the presence of, at least, five (05) of its members.

**PARAGRAPH ELEVEN.** The resolutions of the Board of Trustees shall be taken by the affirmative vote of, at least, five (05) of its members, except for the cases in which a higher number of votes is required, as expressly provided for by law or the FOUNDATION's Bylaws.

**PARAGRAPH TWELVE.** The resolutions of the Board of Trustees shall be recorded in minutes with the grounds of the votes, including those that are totally or partially defeated, and must be published on the FOUNDATION'S website and sent to the CIF, TECHNICAL CHAMBERS, LOCAL COMMISSIONS, and the PUBLIC PROSECUTOR OFFICE on a biannual basis.

**SECTION FORTY-SEVEN.** The communication, dialogue, and ombudsman PROGRAMS of the FOUNDATION will be carried out by the (i) Ombudsman, (ii) Dialogue, and Transparency areas.

**PARAGRAPH ONE.** The General Ombudsman will be chosen upon procedure of open, participative, transparent and structured selection between people of unblemished reputation and without professional or personal relation with the COMPANIES.

**PARAGRAPH TWO.** The ombudsman activities shall be performed by qualified persons ensuring the adequate and efficient exercise of their duties and cannot be outsourced.

**PARAGRAPH THREE.** The PUBLIC PROSECUTOR OFFICE and the PUBLIC DEFENSE OFFICE may, voluntarily or upon request by the LOCAL COMMISSIONS, demand the replacement of the General Ombudsman, whenever there is sufficient reason to do so.

**PARAGRAPH FOUR.** The Ombudsman, Dialogue and Transparency areas will act together with the other bodies of the FOUNDATION, as an instance of suprainstitutional relations, in order to expedite responses for the different levels and instances of external governance and

society at large.

**SECTION FORTY-EIGHT.** The FOUNDATION'S Advisory Board will be composed of nineteen (19) members, as follows:

I - four (04) representatives appointed by the Rio Doce's Hydrographic Basin Committee – CBH-Doce, preferably from among civil water resources entities with proven operation in the basin;

II - seven (07) affected individuals, appointed by them in such form as they deem appropriate after implementation of the LOCAL COMMISSIONS and their respective TECHNICAL ADVISERS.

III - two (02) representatives of non-governmental organizations, of whom (i) one (01) works in the maritime field, appointed by CIF, and (ii) one (01) works to protect socio-environmental rights in the affected area, appointed by the PUBLIC PROSECUTOR OFFICE, having heard the FORUM OF OBSERVERS;

IV - three (03) representatives of academic institutions, of whom (i) one (01) will be appointed by the FOUNDATION, (ii) one (01) by CIF, and (iii) one (01) by the PUBLIC PROSECUTOR OFFICE;

V - two (02) representatives of entities active in the Human Rights field, of whom (i) one (01) will be appointed by the PUBLIC PROSECUTOR OFFICE, and (ii) one (01) will be appointed by the PUBLIC DEFENSE OFFICE; and

VI - one (01) representative of entities active in the field of Economic Development, appointed by the FOUNDATION.

**PARAGRAPH ONE.** Until all LOCAL COMMISSIONS are implemented, with the respective TECHNICAL ADVISERS, the names of representatives of the affected people will be indicated by the affected people commissions already created, four (04) of which from the State of Minas Gerais and three (03) of which from the State of Espírito Santo.

**PARAGRAPH TWO.** Advisory Council members, except for the ones occasionally appointed by the affected people, will have a term of office of two (02) years, with one (01) renewal being allowed.

**PARAGRAPH THREE.** The Advisory Board members cannot hold a management position in a political party or a position as elected representative of any State, even if they are on leave from those positions or functions. This prohibition is also extended to relatives or next of kin up to the third degree of the persons mentioned herein.

**PARAGRAPH FOUR.** The FOUNDATION will have up to six (06) months to implement the amendments provided for in this section, counted from the judicial homologation of this AGREEMENT.

**SECTION FORTY-NINE.** The Executive Board of the FOUNDATION shall be composed by managers who shall have:

I - Proven experience in social and environmental projects with multidisciplinary team; and/or

II - Proven experience in socioeconomic projects, preferably in the area of Human Rights, with a multidisciplinary team; and/or

III - Proven experience with social dialogue, transparency and management of relationships with interested parties, and/or

IV – if one of the abovementioned requirement is met, proven experience with infrastructure projects, with a multidisciplinary team.

**PARAGRAPH ONE.** The CEO of the FOUNDATION must meet the requirements provided in this section.

**PARAGRAPH TWO.** The Executive Board members cannot hold a management position in a political party or a position as elected representative of any State, even if they are on leave from those positions or functions. This prohibition is also extended to relatives or next of kin up to the third degree of the persons mentioned herein.

**SECTION FIFTY.** The FOUNDATION will organize a meeting, at least once a month, among the members of the Executive Office, representatives of the LOCAL COMMISSIONS, the members of the Board of Trustees appointed by the affected people and by the CIF, as a way of providing information about the work of the FOUNDATION, clarifying doubts, hearing complaints and, when appropriate, resolve or submit to resolution the situations that may arise, informing the PUBLIC PROSECUTOR OFFICE of everything.

**PARAGRAPH ONE.** The participation of up to two (02) other members of the Board of Trustees is allowed in said monthly meetings.

**PARAGRAPH TWO.** Except for urgent situations, the agenda of the meeting to which this section refers will be defined in advance by the representatives of the affected people and the CIF, and the FOUNDATION must be informed 5 days in advance, without prejudice to issues not contained in the agenda being raised by the affected people. The meeting will be held on the same day as the monthly meeting of the Board of Trustees.

**PARAGRAPH THREE.** It will be incumbent on the affected people to define the mode and form of representation and their participation in the meetings referred to in the main section hereof.

**SECTION FIFTY-ONE.** The FOUNDATION will observe the normative rules applicable to the State Prosecutor Office with respect to their monitoring of Foundations.

**SECTION FIFTY-TWO.** The COMPANIES and the FOUNDATION undertake to adjust the

bylaws of the FOUNDATION to the terms herein within 90 (ninety) days from the judicial homologation of this AGREEMENT.

## CHAPTER X

### INDEPENDENT EXTERNAL AUDIT

**SECTION FIFTY-THREE.** The independent external audit will exercise control over the accounting, financial and main activities of the FOUNDATION, as well as of the PROGRAMS and of their unfolding as per the TTAC and pursuant to this AGREEMENT, according to indicators of efficiency and efficacy, and shall disclose the information obtained in the reports produced.

**PARAGRAPH ONE.** The FOUNDATION will hire, for the activity of external independent audit, a company or companies among the four (04) largest companies in the field nationwide, namely: Ernst & Young (EY), KPMG, Deloitte and Pricewaterhouse Coopers (PwC). The hiring of such audit company will be previously submitted for acknowledgment to CIF and the PUBLIC PROSECUTOR OFFICE, which may reasonably oppose themselves to such hiring.

**PARAGRAPH TWO.** Upon agreement by the CIF and the PUBLIC PROSECUTOR OFFICE, the FOUNDATION may hire an independent external audit company or institution other than those listed in PARAGRAPH ONE, provided such other company or institution demonstrates having equivalent structure and expertise.

**PARAGRAPH THREE.** The external independent audit will monitor the activities of the FOUNDATION, in accordance with the scope of work to be defined in agreement, which will include the analysis of the observance by the FOUNDATION, of its procedures, rules and supply policies.

**PARAGRAPH FOUR.** The CIF, the TECHNICAL CHAMBERS, the PUBLIC PROSECUTOR OFFICE, the PUBLIC DEFENSE OFFICE, the LOCAL COMMISSIONS and the FOUNDATION will receive half-year detailed reports of the works carried out by the audit(s), which shall include the expenses and costs of each PROGRAM.

**PARAGRAPH FIVE.** The PUBLIC PROSECUTOR OFFICE and/or the CIF, whenever they reasonably identify failures or deficiencies in the performance of the audit company or loss of its technical independence, may require the replacement of the independent audit(s), and the FOUNDATION shall appoint the respective substitute under PARAGRAPH ONE and TWO of this section.

**PARAGRAPH SIX.** Annually, the CIF and the PUBLIC PROSECUTOR OFFICE may redefine and/or detail the scope of the audit work, requesting accounting, financial and final analysis, as well as specific projects, actions, measures and programs, subject to the provisions of the main section hereof.

**PARAGRAPH SEVEN.** Once the authorization is obtained from the companies that provide

the independent audits, the FOUNDATION, within a maximum period of ten (10) days, shall forward to the CIF and to the PUBLIC PROSECUTOR OFFICE copies of the agreements already signed with such companies.

**PARAGRAPH EIGHT.** The CIF, the PUBLIC PROSECUTOR OFFICE and the PUBLIC DEFENSE OFFICE and the LOCAL COMMISSION may submit any irregularities and non-conformities verified in the execution of the PROGRAMS to the external independent audit.

**PARAGRAPH NINE.** The independent external audit must answer CIF inquiries pertaining to the expenses incurred in the execution of each PROGRAM, included in the TTAC and pursuant to this AGREEMENT, and approved by the CIF.

**PARAGRAPH TEN.** The independent external audit shall ascertain, according to indicators of efficiency and efficacy, the implementation of each PROGRAM under the TTAC and this AGREEMENT, and approved by the CIF.

## CHAPTER XI

### COMPLIANCE

**SECTION FIFTY-FOUR.** It is the responsibility of the FOUNDATION to maintain an integrity program based on the Brazilian Anti-Corruption Law (Law No. 12,846/2013) and Decree No. 8,420/2015, subsequent legislation and international standards; and the Compliance area must administratively report to the Board of Trustees, have independence to carry out its activities and be composed of professionals with experience in the subject, in order to guarantee efficiency and probity in the execution of the PROGRAMS.

**PARAGRAPH ONE.** The FOUNDATION, in all its activities, will (i) comply with at all times and (ii) use its best efforts, taking all necessary actions to ensure that its employees, officers, contractors, representatives, and agents comply with Law No. 12,846/2013 and all other national and international applicable laws, rules or regulations, with the purpose and effect of similar nature, in particular the Foreign Corrupt Practices Act (15 U.S.C. §78-dd1, *et seq.*, as amended) and the UK Bribery Act, as well as all regulations, laws, rules and acts related to corruption, bribery, conflict of interest, protection of competition, money laundering, fraud, or administrative improbity.

**PARAGRAPH TWO.** The statements of the Compliance area will not depend on the consent or approval of any department or board of the FOUNDATION, and will be considered in the decision-making processes, and any refusal must be duly justified by the FOUNDATION.

**PARAGRAPH THREE.** The Compliance area will issue reports related to its respective activities on a semi-annual basis, which will be sent to CIF, the PUBLIC PROSECUTOR OFFICE, the PUBLIC DEFENSE OFFICE, and the independent auditors involved with the matter, as set forth in the TTAC and/or in this AGREEMENT, and the recipients must comply with the applicable confidentiality obligations.

## CHAPTER XII

### **RULES FOR THE PAYMENT OF EXPENSES OF THE CIF, THE TECHNICAL CHAMBERS, LOCAL COMMISSIONS, REGIONAL CHAMBERS AND FORUM OF OBSERVERS**

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**SECTION FIFTY-FIVE.** The FOUNDATION shall pay for the expenses of the members of the CIF, the TECHNICAL CHAMBERS, the LOCAL COMMISSIONS, the REGIONAL CHAMBERS, including activities and articulation and discussion meetings of such Chambers (“ARTICULATION OF THE REGIONAL CHAMBERS”), the FORUM OF OBSERVERS, and the MANAGERS, in accordance and in compliance with the provisions set forth in this Chapter.

**PARAGRAPH ONE.** The expenses mentioned in the main section and related to the FORUM OF OBSERVERS will be limited to expenses (i) for the holding of its quarterly meetings; (ii) for participation in up to 6 (six) meetings with the REGIONAL CHAMBERS/Affected People Commissions; and (iii) for participation of up to 12 (twelve) members of the civil society in the FORUM OF OBSERVERS meetings.

**PARAGRAPH TWO.** The amounts mentioned in the main section and the expenses of the FOUNDATION and its instances provided for in TTAC, TAP, AMENDMENT TO THE TAP and in this AGREEMENT will not be paid by the PUBLIC AUTHORITIES or its Indirect Public Administration agencies.

**PARAGRAPH THREE.** The amounts disbursed with the expenses of CIF, TECHNICAL CHAMBERS, LOCAL COMMISSIONS, REGIONAL CHAMBERS, FORUM OF OBSERVERS, the independent audit provided for in SECTION SEVENTY-EIGHT and the MANAGERS may not be deducted from the amount intended for the PROGRAMS, and FOUNDATION must include them in its annual budget to be drawn up in accordance with the TTAC and this AGREEMENT.

**PARAGRAPH FOUR.** The amounts disbursed with the expenses of the PUBLIC PROSECUTOR OFFICE EXPERTS and TECHNICAL ADVISERS will be managed as set forth in the TAP and the AMENDMENT TO THE TAP, including the activities set forth in this AGREEMENT.

**PARAGRAPH FIVE.** The rules for the payment of expenses addressed in this chapter shall remain in force for thirty (30) months, from the homologation of this AGREEMENT, with automatic extensions until a new agreement is reached.

**PARAGRAPH SIX.** The PARTIES undertake to assess, in good faith, by the end of the time frame above, the necessity of adjustment in the funding obligations set forth in this chapter.

**PARAGRAPH SEVEN.** The COMPANIES will transfer to the FOUNDATION every six months the amounts necessary to the funding set forth in this AGREEMENT.



**SECTION FIFTY-SIX.** The FOUNDATION will be responsible in recourse for all expenses, costs and disbursements related to potential lawsuits filed against the PUBLIC AUTHORITIES and the affected people in connection with the services set forth in this AGREEMENT, except if the representative of the PUBLIC AUTHORITIES gave cause to the claim.

**SOLE PARAGRAPH.** For the purposes of the provisions above, the PUBLIC AUTHORITIES must timely notify the FOUNDATION of the existence of the lawsuit.

### **CIF EXPENSES**

**SECTION FIFTY-SEVEN.** CIF and the FOUNDATION, after informing the PUBLIC PROSECUTOR OFFICE, at the end of each year, shall agree on the budget of the costs related to the activities strictly described in SECTION FIFTY-EIGHT for the following year, subject to the provisions of PARAGRAPH FIVE of this section (CIF BUDGET), which budget shall be managed by a manager (“CIF MANAGER”) according to the terms of this AGREEMENT.

**PARAGRAPH ONE.** In case CIF and FOUNDATION do not agree on the CIF BUDGET until the end of the ongoing year, the matter shall be submitted to the decision of the 12th Federal Civil/Agricultural Court of Minas Gerais.

**PARAGRAPH TWO.** In the case of the previous paragraph, until a legal decision is rendered, the FOUNDATION shall consider for purposes of CIF BUDGET, the last annual amount allotted for this purpose, adjusted by the IPCA [Expanded Consumer Price Index] or, in the lack thereof, by an official index appraised by IBGE.

**PARAGRAPH THREE.** Amounts that make the duties of CIF and the TECHNICAL CHAMBERS provided herein and in the TTAC unfeasible shall not be established in any event.

**PARAGRAPH FOUR.** CIF and TECHNICAL CHAMBERS extraordinary meetings may be convened, in duly justified cases, observing the provisions in PARAGRAPH FIVE of this section.

**PARAGRAPH FIVE.** The total value of the CIF BUDGET may be increased by up to twenty-five percent (25%) for extraordinary meetings and other expenses directly related to the provisions of SECTION FIFTY-EIGHT, provided that duly justified and previously agreed between CIF and FOUNDATION for the contracting and costing provided in that section, applying in the case of deadlock the provisions in PARAGRAPHS ONE and TWO of this section.

**PARAGRAPH SIX.** Foundation shall pass on to the CIF MANAGER the expenses related to the activities strictly stated in SECTION FIFTY-EIGHT and in PARAGRAPH FIVE of this section, not being responsible for paying any other expenses and costs, in compliance with the provisions of this chapter.

**PARAGRAPH SEVEN.** In compliance with the provisions and procedure set forth in this

chapter, it shall be incumbent upon FOUNDATION to make available, on a monthly basis, to the CIF MANAGER, the amounts to be used to pay the expenditures and expenses provided for in the CIF BUDGET, within ten (10) days before the end of the month preceding the month in which the expenses and expenditures will be incurred.

**SECTION FIFTY-EIGHT.** Up to ninety (90) days before the end of each year, CIF will send to FOUNDATION the annual forecast of activities with the supervision, monitoring and following-up of the PROGRAMS, in order to prepare the CIF BUDGET, which will address only expenses with:

I – transportation, lodging, and meals to the members of CIF and TECHNICAL CHAMBERS to attend their meetings, as well as for performing surveys and supervisions of the PROGRAMS;

II – hiring of technical services to assist in the activities of CIF and TECHNICAL CHAMBERS on specific issues related to inspection, monitoring and following-up of the PROGRAMS, such as, for example, laboratory examinations and high-resolution satellite images or aerophotogrammetric surveys of Rio Doce basin, when technical requirement is evidenced;

III – vessels for the purpose of chemical and laboratory analysis, in the rivers of Rio Doce basin or on the high seas, solely for activities related to inspection, monitoring and following-up of the PROGRAMS, when technical requirement is evidenced;

IV – other administrative expenses provenly related to the inspection, monitoring, and following-up of PROGRAMS, when technical requirement is evidenced, observing the limitations set out in PARAGRAPH FIVE of SECTION FIFTY-SEVEN;

V – hiring a private secretariat service, limited to one person per meeting, to assist in the meetings of CIF and the TECHNICAL CHAMBERS, under the coordination of the President of CIF and the respective coordinator of the TECHNICAL CHAMBER.

**PARAGRAPH ONE.** All requests related to the expenses provided for in the main section of this section must be technically justified and follow the guidelines established by CIF.

**PARAGRAPH TWO.** The hiring of services and products addressed in the main section of this section shall comply with, as applicable, the procedure set forth in SECTION EIGHTY-ONE, observing the terms of reference to be prepared by the TECHNICAL CHAMBERS and/or by CIF.

**SECTION FIFTY-NINE.** The FOUNDATION will submit to CIF's approval the proposal of regulations to discipline the limits, rendering of accounts and standards of the expenses of its meetings and its members, assured the equality of treatment and observed the local peculiarities and the provisions of this chapter, as well as the rules practiced by the federal administration and the travelling policies of FOUNDATION for its employees, prevailing the rules that are more beneficial to the users, forbidden the payment of daily fees.

**SOLE PARAGRAPH.** Potential divergences about this chapter must be submitted to the decision of 12<sup>th</sup> Federal Civil/Agricultural Court.

**SECTION SIXTY.** Expenses related to the participation of the members indicated by the affected people to CIF and the TECHNICAL CHAMBERS will be provided for in the AFFECTED PEOPLE BUDGET.

**SECTION SIXTY-ONE.** It is strictly forbidden to use amounts from the CIF BUDGET for purposes other than those related to TTAC, TAP, AMENDMENT TO THE TAP and this AGREEMENT, under penalty of applying the sanctions applicable under the CIF rules, without prejudice to its legal accountability, always ensuring the right to full defense.

#### **AFFECTED PEOPLE EXPENSES**

**SECTION SIXTY-TWO.** The costs and expenses of the LOCAL COMMISSIONS, the REGIONAL CHAMBERS and the FORUM OF OBSERVERS with respect to their members' travel, lodging, and meals to attend their meetings, the REGIONAL CHAMBERS' meetings and the ARTICULATED REGIONAL CHAMBERS meetings, in addition to the meetings of FOUNDATION, PUBLIC PROSECUTOR OFFICE, and PUBLIC DEFENSE OFFICE, shall be funded in accordance with this chapter ("AFFECTED PEOPLE BUDGET").

**SECTION SIXTY-THREE.** For purposes of composing the AFFECTED PEOPLE BUDGET, the LOCAL COMMISSIONS, supported by the TECHNICAL ADVISERS, shall inform the PUBLIC PROSECUTOR OFFICE EXPERT responsible for contracting the TECHNICAL ADVISERS of the activities necessary to (a) the maintenance and operation of the LOCAL COMMISSIONS and the REGIONAL CHAMBERS, pursuant to SECTION SIXTY-FOUR; and (b) the participation in CIF and in the TECHNICAL CHAMBERS, at least four 4 (four) months before the end of each year.

**PARAGRAPH ONE.** Based on the information addressed in the main section of this section, the PUBLIC PROSECUTOR OFFICE EXPERT responsible for contracting the TECHNICAL ADVISERS will estimate the values necessary for the achievement of the activities informed, subject to the Management Policy provided for in SECTION SEVENTY-FIVE, subject to the peculiarities of self-organization of the LOCAL COMMISSIONS and shall send them to the FOUNDATION in up to ninety (90) days prior to the end of each year.

**PARAGRAPH TWO.** In case the FOUNDATION does not agree with the estimated amounts, it shall inform it, with grounds, within fifteen (15) days from its knowledge, to the PUBLIC PROSECUTOR OFFICE so it may support the parties interested in the discussions, seeking to reach a consensual solution.

**PARAGRAPH THREE.** In case the deadlock is not solved until the end of the ongoing year, the matter shall be submitted to the decision of the 12<sup>th</sup> Federal Civil/Agricultural Court of Minas Gerais.

**PARAGRAPH FOUR.** In the case of the previous paragraph, until a legal decision be

rendered, the FOUNDATION shall consider for purposes of the AFFECTED PEOPLE BUDGET, the last annual amount allotted for such purpose, adjusted by the IPCA or, in the lack thereof, by an official index appraised by IBGE.

**PARAGRAPH FIVE.** In no case may amounts be stipulated that make it impracticable for the LOCAL COMMISSIONS, the REGIONAL CHAMBERS and the FORUM OF OBSERVERS to be formed, operate, or to regularly exercise their powers and duties.

**PARAGRAPH SIX.** The total value of the AFFECTED PEOPLE BUDGET may be increased by up to twenty-five percent (25%) for extraordinary meetings and other expenses directly related to the provisions of SECTION SIXTY-FOUR, provided they are duly justified, the local specificities are met, and they are previously agreed between the PUBLIC PROSECUTOR OFFICE EXPERT responsible for hiring the TECHNICAL ADVISERS and the FOUNDATION, applying in the case of deadlock the provisions in PARAGRAPHS TWO, THREE and FOUR of this SECTION.

**SECTION SIXTY-FOUR.** The AFFECTED PEOPLE BUDGET shall address only the following cost and expenses, which shall be detailed:

I – physical structure that can adequately host, with safety, efficiency and comfort, the LOCAL COMMISSIONS;

II – adequate and safe space for meetings of the LOCAL COMMISSIONS in their respective territories, of the REGIONAL CHAMBERS, in their territorial scope, and in its activities and meetings of articulation, in addition to the FORUM OF OBSERVERS, in the area of the Basin which is provided for in its schedule; and

III – costs and expenses with travel, food and, if necessary, lodging of (i) members of the LOCAL COMMISSIONS and REGIONAL CHAMBERS for participation in its ordinary meetings and the articulation and discussion meetings with the FOUNDATION, PUBLIC PROSECUTOR OFFICE and PUBLIC DEFENSE OFFICE, and, if the case may be, for meetings of the FORUM OF OBSERVERS, and (ii) Affected People members, indicated thereby, as per this AGREEMENT, for meeting of CIF and TECHNICAL CHAMBERS.

**PARAGRAPH ONE.** For purposes of costing, the LOCAL COMMISSIONS' meetings shall take place at the municipality seat or in a district or community located within the scope of said commission, preferably in public locations, free of charge, whenever possible. In the case of the REGIONAL CHAMBERS, the provisions of PARAGRAPH ONE of SECTION THIRTY-FOUR shall be respected.

**PARAGRAPH TWO.** The LOCAL COMMISSIONS, supported by the PUBLIC PROSECUTOR OFFICE EXPERT responsible for the contracting of the own TECHNICAL ADVISERS and TECHNICAL ASSISTANTS themselves, with the consent of the PUBLIC PROSECUTOR OFFICE and of the FOUNDATION, shall define their own regulations to establish the limits, accountability and criteria of expenses of its meetings and of its members,

**Comentado [1]:** Comment of the companies: replicate parameter to CIF

assured the equality of treatment and observed the local peculiarities, including those of the REGIONAL CHAMBERS, observed the provisions of this chapter, as well as the rules practiced by the federal administration and the rules for travelling of the FOUNDATION for its employees, prevailing the rules that are more beneficial to the users, forbidden the payment of daily fees.

**PARAGRAPH THREE.** The AFFECTED PEOPLE BUDGET shall specify in detail the amounts to be paid for each LOCAL COMMISSION, for each REGIONAL CHAMBER and for the FORUM OF OBSERVERS.

**SECTION SIXTY-FIVE.** For purposes of preparing the estimates of the AFFECTED PEOPLE BUDGET for the second half of 2018 and for 2019, the PUBLIC PROSECUTOR OFFICE EXPERT responsible for the contracting of the TECHNICAL ADVISERS shall consider (i) the activities to be carried out by the LOCAL COMMISSIONS already created by then, as well as the commissions being created; (ii) the history of the costs related to the activities carried out by the LOCAL COMMISSIONS already created; (iii) the proper adjustment of such amounts by the IPCA; and (iv) the peculiarities of the LOCAL COMMISSIONS to be created.

**PARAGRAPH ONE.** In compliance with the provisions and procedure set forth in this chapter, it shall be incumbent upon FOUNDATION to make available, each quarter, to the AFFECTED PEOPLE MANAGER, the amounts to be used to pay the expenditures and expenses provided for in the AFFECTED PEOPLE BUDGET, within 10 (ten) days before the end of the quarter preceding the quarter in which the expenses and expenditures will be incurred.

**PARAGRAPH TWO.** The AFFECTED PEOPLE MANAGER shall take measures for the amounts provided to keep their purchasing power. However, to meet such end, the MANAGE may not apply such amounts in risk transactions, and must use the net financial income for their target activity set forth in this AGREEMENT.

**PARAGRAPH THREE.** Any balance of the amounts provided in the quarter, including financial income that may not be used, shall be deducted from the amount to be provided to the AFFECTED PEOPLE MANAGER by the FOUNDATION for the following quarter.

**PARAGRAPH FOUR.** It shall be incumbent upon the AFFECTED PEOPLE MANAGER the monthly accounting to the FOUNDATION.

**SECTION SIXTY-SIX.** The FOUNDATION shall transfer to the AFFECTED PEOPLE MANAGER the amounts pertaining to the expenses related to the activities strictly stated in SECTION SIXTY-FOUR and in PARAGRAPH SIX of SECTION SIXTY-THREE, not being responsible for paying any other expenses and costs, in compliance with the provisions of this chapter.

**SOLE PARAGRAPH.** The expenses with the AFFECTED PEOPLE MANAGER and the audit addressed in SECTION SEVENTY-EIGHT shall not be included in the exception of the main section of this section.

**SECTION SIXTY-SEVEN.** It is expressly prohibited the use of amounts from the AFFECTED PEOPLE BUDGET for purposes other than those provided herein, under penalty of exclusion of the member that has provenly misused the budget of the respective LOCAL COMMISSIONS, REGIONAL CHAMBERS, or FORUM OF OBSERVERS, without prejudice to their legal accountability.

### **MANAGERS - MISCELLANEOUS**

**SECTION SIXTY-EIGHT.** Two (02) Managers for the funds covered by this chapter will be chosen, where one will be responsible for the management of the funds intended to pay the expenses of CIF and of the TECHNICAL CHAMBERS (“CIF MANAGER”), and the other will be responsible for managing the resources intended to pay the expenses of the LOCAL COMMISSIONS, REGIONAL CHAMBERS, and FORUM OF OBSERVERS (“AFFECTED PEOPLE MANAGERS”, and jointly with the CIF MANAGER, hereinafter referred to simply as (“MANAGERS”), by means of annual budgets to be defined pursuant to this chapter.

**SOLE PARAGRAPH.** The PARTIES may agree on the selection of a single MANAGER to perform the functions described in the main section.

**SECTION SIXTY-NINE.** The annual budgets will be taken care of by MANAGERS that should preferably (a) be a non-governmental institution, (b) have more than five (5) years of proven experience, (c) be independent and (d) be non-profit, (e) be controlled by third parties that have not, currently or in the past, had a corporate or commercial relationship with the FOUNDATION and its sponsors and/or any relationship with any PARTY to this AGREEMENT, which entails a conflict of interest, (f) in the case of the AFFECTED PEOPLE MANAGER, have proven operation as a fund manager and preferably prior experience in customer service pertaining to the victims in situation analogous to that caused by the FUNDÃO DAM’S RUPTURE; and, necessarily, (g) have unblemished reputation and credibility, and (h) for the purposes of SECTION FIFTY-FOUR, which may have been approved by the FOUNDATION compliance department.

**SOLE PARAGRAPH.** The MANAGERS shall submit the representations and warranties requested by FOUNDATION, including a representation about any relationship (i) with any agency of the federal Government and/or the states of Minas Gerais and Espírito Santo; and/or (ii) any member of the Government or which may have had a bond (resulting from employment or election) with the Government in the last two (02) years, and/or (iii) with any political party and/or governance structure member established in the TTAC and this AGREEMENT.

**SECTION SEVENTY.** The Service Agreement(s) must be jointly signed by FOUNDATION and the MANAGERS, and the PUBLIC PROSECUTOR OFFICE as intervening parties, and any later amendment shall be approved by such entities, pursuant the provisions set forth herein.

**SOLE PARAGRAPH.** The PARTIES acknowledge that the MANAGERS will not be considered representatives or service providers of the FOUNDATION, the COMPANIES and the PUBLIC AUTHORITIES, without prejudice to the provisions of SECTION FIFTY-SIX.

**SECTION SEVENTY-ONE.** The MANAGERS may only use the funds made available by the FOUNDATION to pay for the expenses described in this AGREEMENT, and the use of the funds for purposes other than those set forth in this chapter shall be expressly forbidden.

**SECTION SEVENTY-TWO.** The funds can only be released by the MANAGERS directly to suppliers that are previously engaged by them in compliance with the rules set forth in this AGREEMENT and in compliance with the respective budget.

**PARAGRAPH ONE.** MANAGERS will not be allowed to make advance payment or reimbursement of expenses and/or costs directly to members of CIF, TECHNICAL CHAMBERS, LOCAL COMMISSIONS, REGIONAL CHAMBERS and FORUM OF OBSERVERS.

**PARAGRAPH TWO.** The members of CIF, TECHNICAL CHAMBERS, LOCAL COMMISSIONS, REGIONAL CHAMBERS and FORUM OF OBSERVERS will receive from the MANAGERS tokens/vouchers issued by suppliers previously engaged by the MANAGERS for use in relation to the expenses addressed in this chapter, with all the local peculiarities being reasonably met.

**PARAGRAPH THREE:** Provided that the appropriate comfort, quality and safety needs are met, always according to the AFFECTED PEOPLE BUDGET or the CIF BUDGET, as the case may be, and the respective MANAGEMENT POLICY, the MANAGER will seek accommodation and food suppliers, as well as a place to hold the meetings and/or surveys incumbent upon CIF or the TECHNICAL CHAMBERS.

**PARAGRAPH FOUR.** The tokens/vouchers may only be released by the MANAGERS for the payment of expenses properly described by the members of CIF, TECHNICAL CHAMBERS, LOCAL COMMISSIONS, REGIONAL CHAMBERS and FORUM OF OBSERVERS, as the case may be, pursuant to this AGREEMENT, as determined by the respective MANAGER, according to the budget established.

**SECTION SEVENTY-THREE.** The fees to be charged by the MANAGERS for the services indicated in the Service Agreement must be negotiated within the parameters reasonably used in the market.

**PARAGRAPH ONE.** The sums paid to the MANAGERS must be disclosed to the public through the websites of the MANAGERS and FOUNDATION and any other mechanisms needed to keep full transparency regarding the use of the amounts provided by FOUNDATION.

**PARAGRAPH TWO.** Any supplier and/or service provider engagement by the MANAGERS must observe the MANAGEMENT POLICY of each MANAGER, always seeking the highest levels of transparency, competitiveness and quality.

**SECTION SEVENTY-FOUR.** Without prejudice to the obligations contained in SECTION SEVENTY-TWO, the MANAGERS shall seek economic and efficient alternatives regarding the funding of expenses, always observing the provisions of PARAGRAPH TWO of SECTION SEVENTY-TWO.

**SECTION SEVENTY-FIVE.** The MANAGERS must comply with the management policy pertaining to the funds made available by the FOUNDATION (“MANAGEMENT POLICY”), which shall include:

I - the MANAGER’s internal compliance instruments;

II - the internal governance procedures applicable to the MANAGER, particularly in the approval of the provision of services to the members of CIF, TECHNICAL CHAMBERS, LOCAL COMMISSIONS, REGIONAL CHAMBERS and FORUM OF OBSERVERS;

III - observing, on a justified basis, the local peculiarities, the compliance rules applicable to third parties contracted when issuing air tickets, lodging and other expenses incurred by members of the CIF, TECHNICAL CHAMBERS, LOCAL COMMISSIONS, REGIONAL CHAMBERS and FORUM OF OBSERVERS, and no favoritism, misuse and/or payment of undue advantage being allowed;

IV - the mechanisms for verifying the expenses incurred by the members of CIF, TECHNICAL CHAMBERS, LOCAL COMMISSIONS, REGIONAL CHAMBERS and FORUM OF OBSERVERS.

V - open process to choose suppliers in order to ensure transparency and competitiveness;

VI - quality, safety and comfort rules identical to those practiced by the Government and in accordance with the FOUNDATION’s travel policies for their employees, prevailing the rules that are more beneficial to the users, with ensured equality of treatment; and

VII - transparency rules throughout the resource managing process of the FOUNDATION for the purposes of this AGREEMENT.

**SOLE PARAGRAPH.** The MANAGEMENT POLICY shall be jointly approved by the PUBLIC PROSECUTOR OFFICE and by the COMPANIES.

**SECTION SEVENTY-SIX.** The CIF BUDGET, the AFFECTED PEOPLE BUDGET and the MANAGEMENT POLICY must be disclosed to the public through the websites of the



MANAGERS and of the FOUNDATION, and through any other mechanisms needed to keep full transparency regarding the use of the amounts provided by FOUNDATION.

**SECTION SEVENTY-SEVEN.** MANAGERS must also disclose, by proper means, including through their own website and of FOUNDATION, on a monthly basis, the provision of accounts (i) of the amounts spent by each of the members of CIF, TECHNICAL CHAMBERS, LOCAL COMMISSIONS, REGIONAL CHAMBERS and FORUM OF OBSERVERS, and paid with the funds made available by the FOUNDATION, detailing the names, positions, agencies/bodies, destination of travel, values and reasons, and (ii) the total amounts spent, separated by type, agency, location and other relevant added values, in order to contain all the information necessary for proper fulfillment of books and records, and for the general public to have access, in a clear and transparent manner, to all information regarding the rendering of accounts.

**SECTION SEVENTY-EIGHT.** It shall be incumbent upon the FOUNDATION, with the knowledge of the PUBLIC PROSECUTOR OFFICE, to engage an independent audit firm among the top four (04) audit firms indicated on PARAGRAPH ONE of SECTION FIFTY-THREE, specifically to audit every six months the MANAGERS' annual rendering of accounts, and the result of such audit shall be forwarded to the PUBLIC PROSECUTOR OFFICE and disclosed by FOUNDATION, by the MANAGERS and CIF in their respective websites, and by any other mechanisms needed to keep transparency regarding the use of the amounts provided by the FOUNDATION.

**SOLE PARAGRAPH:** The cost of hiring of an independent audit under this Chapter shall be borne by the FOUNDATION, observing its annual budget, and will not be deducted from the amounts allocated to the PROGRAMS, in accordance with SECTION FIFTY-SIX.

**SECTION SEVENTY-NINE.** The amounts made available by the FOUNDATION to the MANAGERS and not used to pay the expenses authorized under the terms of the TTAC and of this AGREEMENT shall be used to make up the budget of the subsequent semester.

**PARAGRAPH ONE.** The allocation of the funds not used to pay the expenses authorized under this AGREEMENT shall be stated in the MANAGERS' rendering of accounts, and shall be disclosed to the public through the MANAGERS' and FOUNDATION's websites and by any other mechanisms needed to keep full transparency regarding the use of the amounts provided by the FOUNDATION.

**PARAGRAPH TWO.** At the end of performance of the AGREEMENT or the works, whichever occurs first, of CIF, TECHNICAL CHAMBERS, LOCAL COMMISSIONS, REGIONAL CHAMBERS and FORUM OF OBSERVERS, in the event of unused resources, such resources shall be returned to the FOUNDATION in the manner informed by the FOUNDATION to the MANAGERS for such purposes.

**SECTION EIGHTY.** The MANAGERS shall at all times fulfill and observe the compliance rules that the PARTIES shall agree upon, and, in all their activities, they shall comply at all

times and use their best efforts to take all necessary actions to ensure that their employees, officers, contractors, representatives and agents comply with the Brazilian Anti-Corruption Law (Law No. 12,846/2013) and observe all other applicable national and international laws, rules or regulations, with similar purpose and effect, particularly the Foreign Corrupt Practices Act (15 U.S.C. §78-dd1, *et seq.*, as amended) and the UK Bribery Act, as well as all regulations, laws, rules and laws related to corruption, bribery, conflict of interest, protection of competition, money laundering, fraud or malfeasance in office.

#### **“CIF MANAGER”**

**SECTION EIGHTY-ONE.** The FOUNDATION shall nominate, within ten (10) days, at least three (03) persons who may carry out the management activity, proving their technical capacity and moral credibility, through an open and transparent process, in addition to the requirements contained in SECTION SIXTY-NINE *et seq.*

**PARAGRAPH ONE.** It shall be incumbent upon CIF to choose, among the names selected by the FOUNDATION, the MANAGER who will be responsible for managing the CIF BUDGET, and the FOUNDATION shall inform such choice to the PUBLIC PROSECUTOR OFFICE.

**PARAGRAPH TWO.** If there is a justified refusal of the three (03) names indicated, it shall be incumbent upon the FOUNDATION to indicate other three (03) names, with due regard for the provisions of the main section of this section.

**SECTION EIGHTY-TWO.** The CIF MANAGER shall only provide services to the members of CIF, the TECHNICAL CHAMBERS, and the PUBLIC PROSECUTOR OFFICE within the scope indicated in SECTION FIFTY-EIGHT and, in such capacity as provider of services, shall acquire transportation tickets, lodging and meals on behalf of the member of CIF and the TECHNICAL CHAMBERS selected to participate in meetings outside his/her domicile, and/or shall retain services of inspection, monitoring and follow-up of the PROGRAMS, according to a technical justification.

**SECTION EIGHTY-THREE.** The PARTIES agree that the services to be provided by the MANAGER shall be carried out for the members of CIF and TECHNICAL CHAMBERS as a result of this AGREEMENT; with the FOUNDATION being responsible only for the payment of the activities indicated in SECTION FIFTY-EIGHT, and for the costs of hiring the MANAGER and the audit firm referred to in SECTION SEVENTY-EIGHT.

#### **“AFFECTED PEOPLE MANAGER”**

**SECTION EIGHTY-FOUR.** The FOUNDATION shall nominate, within ten (10) days, at least three (03) persons who may carry out the management activity, proving their technical capacity and moral credibility, through an open and transparent process, in addition to the requirements contained in SECTION SIXTY-NINE *et seq.*

**PARAGRAPH ONE.** It shall be incumbent upon the PUBLIC PROSECUTOR OFFICE to

choose, among the names selected by the FOUNDATION, the Manager who will be responsible for managing the AFFECTED PEOPLE BUDGET.

**PARAGRAPH TWO.** If there is a justified refusal of the three (03) names indicated, it shall be incumbent upon the FOUNDATION to indicate other three (03) names, with due regard for the provisions of the main section of this Section.

**SECTION EIGHTY-FIVE.** The MANAGER shall only provide services for the AFFECTED PEOPLE COMMISSION, the REGIONAL CHAMBERS and the FORUM OF OBSERVERS within the scope indicated in SECTION SIXTY-FOUR and PARAGRAPH ONE of SECTION FIFTY-FIVE, according to the procedure indicated in this Chapter.

**SECTION EIGHTY-SIX.** The PARTIES agree that the services to be provided by the AFFECTED PEOPLE MANAGER shall be carried out for the members of the LOCAL COMMISSIONS, REGIONAL CHAMBERS and FORUM OF OBSERVERS as a result of this AGREEMENT; the FOUNDATION shall only be responsible for the payment of the activities indicated in SECTION SIXTY-FOUR, and of the costs of hiring the AFFECTED PEOPLE MANAGER and the audit firm referred to in SECTION SEVENTY-EIGHT.

#### **REPLACEMENT OF THE MANAGERS**

**SECTION EIGHTY-SEVEN.** CIF, the PUBLIC PROSECUTOR OFFICE, the PUBLIC DEFENSE OFFICE and/or the FOUNDATION may request the replacement of the MANAGER(S), provided the procedure indicated below is observed.

**PARAGRAPH ONE.** In the occurrence of any of the events indicated in PARAGRAPH THREE of this section, any of the bodies indicated in the main section may individually request the replacement of the CIF MANAGER under the following terms.

**PARAGRAPH TWO.** In any of the events indicated in PARAGRAPH THREE of this section, the PUBLIC PROSECUTOR OFFICE, the PUBLIC DEFENSE OFFICE or the FOUNDATION may request the replacement of the “AFFECTED PEOPLE MANAGER” under the following terms.

**PARAGRAPH THREE.** The following are causes that authorize the termination of the agreement with the MANAGERS:

I – lack of care and efficiency in carrying out their tasks, revealed by the difficulty or impediment of CIF, the TECHNICAL CHAMBERS, the LOCAL COMMISSIONS, the REGIONAL CHAMBERS and the FORUM OF OBSERVERS, in carrying out their activities;

II – failure to comply with laws, good governance rules and compliance rules;

III – unjustified failure to fulfill the requirements of the PUBLIC PROSECUTOR OFFICE;

IV – failure to comply with any of the obligations and duties set out in this AGREEMENT; and

V – other causes of mismanagement or misuse of resources or negligence in performing their functions.

**PARAGRAPH FOUR.** If the independent audit or a review by CIF and/or FOUNDATION verifies that there has been mismanagement by the MANAGERS of the funds provided and/or failure to comply with the legislation and/or the MANAGEMENT POLICY, FOUNDATION may withhold the payments immediately until the issue has been settled, upon the consent of the PUBLIC PROSECUTOR OFFICE and/or CIF, as the case may be.

**PARAGRAPH FIVE.** In the event of suspension of the payments set out in PARAGRAPH FOUR of this section, the PUBLIC PROSECUTOR OFFICE and/or CIF, as the case may be, in a reasoned way, may determine the immediate resumption of payments.

**PARAGRAPH SIX.** Except for the provisions in PARAGRAPH FIVE of this section, the amounts withheld shall be released to the MANAGER if the independent audit set out in this chapter, or a review by the CIF and/or by the FOUNDATION, after hearing the MANAGER, verifies the lack of mismanagement or non-compliance with legislation or MANAGEMENT POLICY. The amounts retained shall be used for paying the costs provided for in this chapter, without prejudice to any repair by the MANAGER of the loss suffered by the FOUNDATION.

**PARAGRAPH SEVEN.** The measures provided for in this section may not entail loss and/or interruption of the payment of activities of the CIF, TECHNICAL CHAMBERS, LOCAL COMMISSIONS, REGIONAL CHAMBERS and FORUM OF OBSERVERS, and it is incumbent upon FOUNDATION to take the necessary measures to do so.

**SECTION EIGHTY-EIGHT.** In the event provided for in SECTION EIGHTY-SEVEN, PARAGRAPH THREE, the following measures shall be adopted:

I – The FOUNDATION may inform CIF and the PUBLIC PROSECUTOR OFFICE of its intention to replace the MANAGER(S) for the reasons set out above, and those may reasonably refuse it.

II – The FOUNDATION shall notify the MANAGER(S) of the termination of the service provision;

III – The FOUNDATION shall appoint, within ten (10) days from the notification referred in item II, at least three (03) individuals who may carry out the management activity, proving their technical capacity and moral credibility, through an open and transparent process, following the requirements and procedures contained in SECTIONS EIGHTY-ONE and EIGHTY-FOUR .

IV – CIF shall choose a new CIF MANAGER, under the terms of SECTION EIGHTY-ONE, PARAGRAPH ONE; and

V – The PUBLIC PROSECUTOR OFFICE shall choose a new AFFECTED PEOPLE MANAGER, in accordance with SECTION EIGHTY-FOUR, PARAGRAPH ONE.

**PARAGRAPH ONE.** The terms provided in the main section may be reasonably extended for the same period of time set forth herein.

**PARAGRAPH TWO.** Disputes arising from the processes for selecting, contracting, executing the agreements and replacing the MANAGER, which cannot be resolved by negotiations between the PARTIES, shall be submitted to the decision of the Judge of the 12<sup>th</sup> Federal Civil/Agricultural Court of Minas Gerais.

**PARAGRAPH THREE.** The agreements with the MANAGERS shall provide for all events set forth in this AGREEMENT, including regarding early termination of the agreement, applicable fines and jurisdiction.

### CHAPTER XIII

SECURITY
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**SECTION EIGHTY-NINE.** COMPANIES ratify the security offered to the 12th Federal Civil/Agricultural Court of Minas Gerais for performance of the obligations to fund and finance the PROGRAMS, in the amount of two billion, two hundred million reais (BRL 2.2 billion), composed as follows: (a) one hundred million reais (BRL 100 million) in net financial investments, deposited into court; (b) one billion three hundred million reais (BRL 1.3 billion) in the form of a performance bond; and (c) eight hundred million reais (BRL 800 million) in assets of SAMARCO, free and clear of all encumbrances.

**SOLE PARAGRAPH.** The security ratified under this AGREEMENT will remain unchanged for a period of thirty (30) months from the date of its judicial ratification.

**SECTION NINETY.** As of October 20, 2020, the amount of the security to be maintained by COMPANIES will be equal to the FOUNDATION’S budget for the relevant year, as approved by the FOUNDATION’S Board of Trustees under the terms of its Bylaws and TTAC.

**PARAGRAPH ONE.** Subject to the provisions of this section, the COMPANIES undertake to provide full guarantee up to the amount of R\$ 2.2 billion reais.

**PARAGRAPH TWO.** The COMPANIES undertake to maintain (i) sixty percent (60%) of the value of the security will be in highly net form, such as bank deposits, bank guarantees and performance bonds deposited with the 12th Federal Civil/Agricultural Court of Minas Gerais, and (ii) forty percent (40%) of the value of SAMARCO’S security in assets, free and clear of all encumbrances.

**PARAGRAPH THREE.** In case of use of any of the guarantees provided for in PARAGRAPH TWO, while they remain in force, the COMPANIES undertake, within thirty (30) days counted from its event, fully recover the percentage of the guarantees laid down there.

**SECTION NINETY-ONE.** The security referred above may only be enforced by the 12th Federal Civil/Agricultural Court of Minas Gerais and at the request of MPF, the FEDERAL GOVERNMENT, and the STATE OF MINAS GERAIS and the STATE OF ESPÍRITO SANTO in the event of breach by COMPANIES of the obligations to fund and finance the PROGRAMS for full reparation of the damage arising from the FUNDÃO DAM'S RUPTURE, to the extent of the breach of obligation. In the event of enforcement of the security for breach, the amounts obtained through the enforcement will be used exclusively to fund the PROGRAMS in respect of which the financing obligation was breached.

**SECTION NINETY-TWO.** The PARTIES acknowledge that the injunction issued in proceeding No. 0069758-61.61.2015.3400, with respect to the freezing of assets, deposits into court and the granting of security, will be deemed to have been fully complied with the granting of the security agreed to hereunder, which will replace the security referred to in the abovementioned injunction.

**SECTION NINETY-THREE.** It is hereby agreed that the security herein ratified constitutes, under the terms established in this AGREEMENT, the security necessary to ensure the performance of the obligations set out in the preliminary injunctions issued in the civil and criminal actions filed by the PARTIES, except for the security established in the proceedings mentioned in SECTION ONE HUNDRED AND FOUR, PARAGRAPH FIVE of this AGREEMENT, which shall be handled separately.

#### CHAPTER XIV

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#### SOLE PROCESS FOR RENEGOTIATION OF THE SOCIO-ENVIRONMENTAL AND SOCIO-ECONOMIC PROGRAMS FOR FULL REDRESS OF DAMAGE RESULTING FROM FUNDÃO DAM'S RUPTURE

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**SECTION NINETY-FOUR.** The PARTIES agree to establish a sole process for the eventual renegotiation of the PROGRAMS with a view to fully redress the damage resulting from FUNDÃO DAM'S RUPTURE, in accordance with applicable laws, the situation prior to said rupture, and the following provisions ("RENEGOTIATION PROCESS").

**PARAGRAPH ONE.** The RENEGOTIATION PROCESS shall observe the specific rules provided for in this AGREEMENT. The RENEGOTIATION PROCESS hereunder will not be confused with, hinder, or work to the detriment of (i) the ordinary and, where applicable, extraordinary procedures for review of the PROGRAMS provided for in Sections 203 and 204 of TTAC, (ii) the activities of the REGIONAL CHAMBERS as defined in SECTIONS THIRTY and THIRTY-ONE; and (iii) the ordinary activities of monitoring, guiding and inspecting the PROGRAMS by CIF, on the terms and within the limits imposed by the governance structure provided for under TTAC and in this AGREEMENT.

**PARAGRAPH TWO.** The RENEGOTIATION PROCESS will aim at the prospective

improvement of the PROGRAMS, and will not impair, during its course, the maintenance, continuity or efficiency of actions, measures and projects already in progress.

**PARAGRAPH THREE.** The RENEGOTIATION PROCESS does not prevent the PARTIES, by mutual agreement and with participation of the affected peoples, according to the principles and sections set forth in this AGREEMENT, from changing or including specific repair programs or measures.

**SECTION NINETY-FIVE.** The PUBLIC PROSECUTOR OFFICE, COMPANIES, the FEDERAL GOVERNMENT, the STATE OF MINAS GERAIS, and the STATE OF ESPÍRITO SANTO, with participation of the affected people, according to the principles and sections set forth in this AGREEMENT, will promote the RENEGOTIATION PROCESS.

**PARAGRAPH ONE.** During the RENEGOTIATION PROCESS, the signatory parties to TTAC, in accordance with the principle of good faith, undertake to respect the principles and limits established in that instrument.

**PARAGRAPH TWO.** A period of twenty-four (24) months from the ratification of this AGREEMENT is fixed for the RENEGOTIATION PROCESS, which may be extended for equal period upon agreement between the PARTIES.

**SECTION NINETY-SIX.** The RENEGOTIATION PROCESS will be based on technical studies, the participation of the affected peoples, according to the principles and sections set forth in this AGREEMENT, and shall observe the following assumptions:

- I – full repair of the damage caused by the FUNDÃO DAM'S RUPTURE, as demanded by the Brazilian law;
- II - consideration of the proposals forwarded by the LOCAL COMMISSIONS and/or by the REGIONAL CHAMBERS, as set forth in SECTION THIRTY-TWO;
- III – adoption, as the basis, but not exclusively, for renegotiation of the PROGRAMS defined in TTAC;
- IV – consideration of the results of any public hearings, under the terms of TAP and AMENDMENT TO TAP;
- V - the sections related to the PROGRAMS focused on indigenous and traditional and other traditional communities will depend on prior, free, and informed consultations;
- VI – the diagnoses and studies carried out by the PUBLIC PROSECUTOR OFFICE EXPERTS, which will not be linked to COMPANIES, and may, in addition to other elements, serve as technical basis for any proposal by the PUBLIC PROSECUTOR OFFICE for discussion and reformulation of the PROGRAMS, including within the THEMATIC CHAMBERS; and
- VII - the diagnoses and studies carried out by the EXPERTS of COMPANIES, which

will not be linked to the PUBLIC PROSECUTOR OFFICE and CIF, and may serve as a technical basis for COMPANIES, including within the THEMATIC CHAMBERS; and

VIII – the renegotiation proposal must have a technical basis, considering the duty of COMPANIES to fully repair the damage caused by the FUNDAÇÃO DAM'S RUPTURE, the Brazilian law, the legal certainty, the evolution of the PROGRAMS and the measures implemented by FOUNDATION until such time.

**SECTION NINETY-SEVEN.** The PARTIES shall, within eight (08) months from the ratification of this AGREEMENT, adjust the procedure and schedule for negotiations that are distinguished by good faith, speed and search for consensus and systematizing, using the following assumptions below listed:

I - creation of one (01) renegotiation chamber, that may count with thematic chambers, to be composed of multiple parties, including the affected peoples' representatives, who will discuss the technical and socially appropriate alternatives that improve or supplement the PROGRAMS (“RENEGOTIATION CHAMBERS” and “THEMATIC CHAMBERS”);

II – the RENEGOTIATION CHAMBERS , comprised by representative indicated by the PARTIES, and, if they so wish, two (02) representatives of the affected people indicated by the ARTICULATION OF THE REGIONAL CHAMBERS, being one (01) from the STATE OF MINAS GERAIS and one (01) from the STATE OF ESPÍRITO SANTO, will make recommendations by mutual agreement of its members. If no common agreement is reached, any possible divergent positions shall be referred to the PARTIES;

III – as much as possible, the THEMATIC CHAMBERS may submit to the RENEGOTIATION CHAMBER the most appropriate technical and social solution for the full redress of socio-economic and socio-environmental damage, arising from the FUNDAÇÃO DAM'S RUPTURE, any divergent views on that regard being dully registered;

IV – the articulated PARTIES and the ARTICULATION OF THE REGIONAL CHAMBERS shall indicate the persons for the thematic meetings, who, unless by justified reason, will participate in the agenda of the respective meetings.

**SOLE PARAGRAPH.** It is assured to the affected people the support by the TECHNICAL ADVISERS with regard to their participation.

**SECTION NINETY-EIGHT.** The RENEGOTIATION PROCESS will only begin after the implementation of the LOCAL COMMISSIONS and the TECHNICAL ADVISERS and the delivery of diagnoses of socio-environmental and socio-economic impacts by the EXPERTS, in whole or in part, and provided that they are sufficient to subsidize the negotiations.



**SOLE PARAGRAPH.** The PARTIES, by mutual agreement, may agree differently from the provisions of the main section of this section.

**SECTION NINETY-NINE.** When the PARTIES reach an agreement on the RENEGOTIATION PROCESS, the changes arising therefrom will be the object of an agreement, which will incorporate the TTAC, and will be implemented by the FOUNDATION in conformity with the applicable defined terms and conditions.

**SOLE PARAGRAPH.** If the PARTIES reach a partial agreement or are unable to succeed in the RENEGOTIATION of the PROGRAMS, the matters in relation to which there is no convergence may be submitted to the 12th Federal Civil/Agricultural Court of Minas Gerais for processing in the records of the Public Civil Action No. 0023863-07.2016.4.01.3800.

**SECTION ONE HUNDRED.** From the judicial ratification of this AGREEMENT and until the end of the period set forth in PARAGRAPH TWO OF SECTION NINETY-FIVE, observing any extension, the PARTIES shall refrain from taking any judicial acts with a view to ratifying TTAC and from challenging its validity and/or of the PROGRAMS. The PARTIES also undertake not to request any precautionary measures or injunctions, of an anticipatory or urgency nature, except in the case of non-compliance with this AGREEMENT, without previously using their best efforts to mutually solve the conflicts.

**SECTION ONE HUNDRED AND ONE.** The objective of the RENEGOTIATION PROCESS is the cooperation between the PARTIES, with the participation of the affected people, to create alternatives that promote full redress of the damage caused by the FUNDÃO DAM'S RUPTURE.

**SOLE PARAGRAPH.** Changes arising from the RENEGOTIATION PROCESS may not reduce the level of reparation provided by the PROGRAMS previously agreed.

## **CHAPTER XV**

### **FINAL PROVISIONS**

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**SECTION ONE HUNDRED AND TWO.** The PARTIES acknowledge that (a) this AGREEMENT establishes operational mechanisms for implementing and maintaining a governance system that complies with the Constitution; (b) this AGREEMENT complements and improves the terms of TTAC, which will remain in force and in effect between its signatory PARTIES, subject to the terms of this AGREEMENT, (c) the governance provided for in this AGREEMENT will be observed in relation to the PROGRAMS, which will be submitted to the TTAC terms, including the periodic review sections, as well as in relation to new programs that the PARTIES may agree within the RENEGOTIATION PROCESS provided for in CHAPTER XIV; (d) the provisions of TTAC, TAP, and the AMENDMENT TO TAP are preserved to the extent that they have not been modified by this AGREEMENT; and (e) should there be any discrepancy between TTAC, TAP, the AMENDMENT TO TAP, and this AGREEMENT, the provisions of this AGREEMENT will prevail.

**SECTION ONE HUNDRED AND THREE.** The PARTIES will submit a joint petition to the Court of 12th Federal Civil/Agricultural Court of Minas Gerais within two (02) days from the execution of this AGREEMENT, requesting the ratification of this AGREEMENT with the consequent (i) dismissal with prejudice of the cognitive stage of ACP No. 0069758-61.61.2015.3400, pursuant to article 487, III, “b” of the Code of Civil Procedure, (ii) partial dismissal with prejudice of the cognitive stage of ACP No. 0023863-07.2016.4.01.3800, pursuant to articles 487, III, “b” , and 356, II, of the Code of Civil Procedure with respect to the requests for preliminary and definitive relief solved by this AGREEMENT, according to the relationship to be agreed between the MPF and the COMPANIES within sixty (60) days after homologation of this AGREEMENT, and (iii) stay of ACP No. 0023863-07.2016.4.01.3800 with respect to all other requests not covered by this AGREEMENT, until completion of the RENEGOTIATION PROCESS set forth in CHAPTER XIV.

**PARAGRAPH ONE.** As contemplated in the SOLE PARAGRAPH of SECTION NINETY-NINE, if the FEDERAL PUBLIC PROSECUTOR OFFICE understands that any of the claims it made in ACP No. 0023863-07.2016.4.01.3800 has not been addressed in the RENEGOTIATION PROCESS, it may submit the matter to the 12th Federal Civil/Agricultural Court of Minas Gerais, so that ACP may proceed with respect to the items on which consensus was not achieved in the RENEGOTIATION PROCESS.

**PARAGRAPH TWO.** Any disagreement between the PARTIES complying with the TAP, AMENDMENT TO TAP, TTAC and this AGREEMENT, if not mutually settled, will be submitted to the 12th Federal Civil/Agricultural Court of Minas Gerais, which will decide the matter.

**SECTION ONE HUNDRED AND FOUR.** In order to avoid conflicting decisions, the PUBLIC AUTHORITIES and COMPANIES undertake to request the dismissal of judicial actions brought by the PUBLIC AUTHORITIES listed in the Exhibit referred to in the main section of Section 03 of TTAC, as contemplated in petitions signed on the date of execution of this AGREEMENT. Said petitions will be filed only after judicial ratification of this AGREEMENT.

**PARAGRAPH ONE.** COMPANIES and the PUBLIC AUTHORITIES will file petitions in other judicial actions listed in the Exhibit referred to in Paragraph One of Section 03 of TTAC to make prevail the sections and obligations of TTAC, TAP, AMENDMENT TO TAP and this AGREEMENT, as contemplated in petitions signed on the date of execution of this Agreement. Said petitions will be filed only after judicial ratification of this AGREEMENT.

**PARAGRAPH TWO.** COMPANIES will request the PUBLIC AUTHORITIES' manifestation in the other judicial actions involving diffuse rights and, if it is concluded that its object is covered by TTAC, TAP, AMENDMENT TO TAP and this AGREEMENT, the PUBLIC AUTHORITIES will present petitions to make prevail the sections and obligations set forth in the above mentioned composition instruments.

**PARAGRAPH THREE.** The COMPANIES will request the PUBLIC PROSECUTOR

OFFICE's manifestation in the other judicial actions involving diffuse rights that at any time are processed by the 12th Federal Civil/Agricultural Court of Minas Gerais and, if it is concluded that its object is covered by ACP n° 0023863-07.2016.4.01.3800, the PUBLIC PROSECUTOR OFFICE will request its dismissal.

**PARAGRAPH FOUR.** In the judicial actions that involve diffuse rights that are not processed by the 12th Federal Civil/Agricultural Court of Minas Gerais, COMPANIES will request the Court to notify the PUBLIC PROSECUTOR OFFICES' Task Forces to manifest with regard to the connection, *continentia* and/or *lis pendens* in relation to ACP n° 0023863-07.2016.4.01.3800 and to request, if it is the case, the remittance of the case to the 12th Federal Civil/Agricultural Court of Minas Gerais.

**PARAGRAPH FIVE.** The provisions of Paragraph Two of Section 03 of TTAC is ratified.

**SECTION ONE HUNDRED AND FIVE.** The PUBLIC PROSECUTOR OFFICE will be responsible for defining an instrument of cooperation, so as to fulfill the sections pertaining to it, respecting the powers and duties attributed by law and the Constitution on each of the branches, and the decision reached in Conflict of Jurisdiction No. 144.922.

**SOLE PARAGRAPH.** Until such time as the instrument of cooperation is executed, the matters related to this AGREEMENT will be conducted by the FEDERAL PUBLIC PROSECUTOR OFFICE.

**SECTION ONE HUNDRED AND SIX.** The PUBLIC DEFENSE OFFICE will be responsible for executing an instrument of cooperation, so as to fulfill the sections pertaining to it, respecting the powers and duties attributed by law and the Constitution on each of the branches.

**SOLE PARAGRAPH.** Until such time as the instrument of cooperation is executed, the matters related to this AGREEMENT will be conducted by the FEDERAL PUBLIC DEFENSE OFFICE.

**SECTION ONE HUNDRED AND SEVEN.** The PUBLIC PROSECUTOR OFFICE and the PUBLIC DEFENSE OFFICE will create Working Groups formed by representatives of each office for decentralized monitoring of the execution of the PROGRAMS and for supporting of the LOCAL COMMISSIONS, respecting the powers and duties of each office.

**SECTION ONE HUNDRED AND EIGHT.** Whenever the expression PUBLIC AUTHORITIES is used in this AGREEMENT, it refers to the FEDERAL GOVERNMENT, the STATE OF MINAS GERAIS and the STATE OF ESPÍRITO SANTO.

**SECTION ONE HUNDRED AND NINE.** The PARTIES shall conduct their activities in compliance with the anti-corruption laws, and shall also refrain from performing any act contrary to the Brazilian Anti-corruption Law (Law No. 12,846/2013), undertaking to comply therewith as well as being liable for the compliance with all other laws and rules with similar purposes and effects, including those applicable to the Government, and all other regulations,

laws, rules and standards related to corruption, bribery, conflict of interest, money laundering, fraud or administrative misconduct.

**SECTION ONE HUNDRED AND TEN.** Unjustified breach of all financing obligations assumed by COMPANIES and FOUNDATION will entail application of a daily fine to the COMPANIES in the amount of one hundred thousand Reais (BRL 100,000.00) for each non-complied obligation.

**PARAGRAPH ONE.** The total amount of the fine will not exceed the amount of the non-complied obligation, without prejudice of the full compliance of the obligation.

**PARAGRAPH TWO.** The 12th Federal Civil/Agricultural Court of Minas Gerais may reduce or increase the fine referred to in the main section in accordance with, among other standards, the seriousness or the repeated noncompliance of the obligation in question.

**PARAGRAPH THREE.** The amounts arising from fines will be used in the implementation of the PROGRAMS, in addition to the amount that COMPANIES must contribute annually to the FOUNDATION and will be applied, on a priority basis, in the socio-economic measures according to CIF determinations.

**PARAGRAPH FOUR.** The fulfillment of the obligations agreed upon in the TAP and in the AMENDMENT TO TAP is a condition for the RENEGOTIATION PROCESS set forth herein, and the PUBLIC PROSECUTOR OFFICE may suspend, upon notice, the negotiations, in case of default.

**SECTION ONE HUNDRED AND ELEVEN.** Observing the provisions of TTAC, TAP, AMENDMENT TO TAP and this AGREEMENT and after hearing the interested PARTIES, CIF will establish internal regulations to discipline its activities and the activities of the TECHNICAL CHAMBERS.

**SECTION ONE HUNDRED AND TWELVE.** For the purposes of compliance with the provisions of transparency and information of this AGREEMENT, the documents providing for disclosure shall, within ten (10) days from their issue, be published on the website of FOUNDATION and forwarded to the PARTIES and to the LOCAL COMMISSIONS, preferably by electronic means, and said commissions may request the physical copy, in case they wish so.

**SECTION ONE HUNDRED AND THIRTEEN.** Unless expressly provided otherwise, the terms provided for in this AGREEMENT will start on the date of the judicial ratification of this AGREEMENT.

**SECTION ONE HUNDRED AND FOURTEEN.** The execution and ratification of this AGREEMENT by the PUBLIC PROSECUTOR OFFICE and by the PUBLIC DEFENSE OFFICE does entail the ratification or adhesion to the terms of TTAC, except in relation to the creation of CIF, TECHNICAL CHAMBERS, FOUNDATION and to the matters explicitly modified by this AGREEMENT.

**SECTION ONE HUNDRED AND FIFTEEN.** Section 246 of TTAC is hereby revoked.

**SECTION ONE HUNDRED AND SIXTEEN.** Within ten (10) days from the judicial ratification of this AGREEMENT, COMPANIES undertake to initiate the proceeding to define the scope of work of the PUBLIC PROSECUTOR OFFICE EXPERTS hired for the socio-environmental diagnoses and evaluation and monitoring of the PROGRAMS for the next two (2) years, incorporating the additional activities set forth in this AGREEMENT, without prejudice to the provisions of TAP and the AMENDMENT TO TAP, including with regard to the deadline to deliver the socio-environmental diagnosis previously agreed upon.

**SOLE PARAGRAPH.** The process mentioned in the main section must be concluded within sixty (60) days after the ratification of this AGREEMENT, with possible extensions if duly justified.

Belo Horizonte/MG, June 25, 2018

**FEDERAL PUBLIC PROSECUTOR OFFICE:**

**PUBLIC PROSECUTOR OFFICE OF THE STATE OF MINAS GERAIS:**

**PUBLIC PROSECUTOR OFFICE OF THE STATE OF ESPÍRITO SANTO:**

**FEDERAL PUBLIC DEFENSE OFFICE:**

**PUBLIC DEFENSE OFFICE OF THE STATE OF MINAS GERAIS:**

**PUBLIC DEFENSE OFFICE OF THE STATE OF ESPÍRITO SANTO:**

**FEDERAL GOVERNMENT**

**STATE OF MINAS GERAIS:**

**STATE OF ESPIRITO SANTO:**

**SAMARCO MINERAÇÃO S/A:**

**VALE S/A:**

**BHP BILLITON BRASIL LTDA.:**

**FUNDAÇÃO RENOVA:**

