

## Vale clarifies agreement with Labor Prosecutors' Office

On July 15, 2019, Vale and the Minas Gerais State Labor Prosecutors' Office, together with unions, at the Fifth Labor Court of Betim, signed an agreement that put an end to the evidence collection phase of a public-interest civil action. Since then, the relatives of workers who died following the failure of Tailings Dam B1 at Córrego do Feijão Mine in Brumadinho have been able to apply to receive compensation and enter into individual agreements, in accordance with the following premises:

- ✓ Parents, spouses or partners and children of deceased workers will each receive R\$500,000 as compensation for pain and suffering. Siblings will each receive R\$150,000.
- ✓ Parents, spouses or partners and children will also each receive R\$200,000 as an additional work accident insurance claim.
- ✓ The nuclear family of each deceased worker will also receive at least R\$800,000 for material damages.
- ✓ Each child of a deceased worker will be entitled to a daycare allowance of R\$920 per month up to the age of three years and an education allowance of R\$998 per month between the ages of three and 25.
- ✓ The spouses or partners of deceased workers will be given a lifetime health insurance plan and children will receive this benefit until the age of 25.
- ✓ The agreement also provides that employees and contractors assigned to Córrego do Feijão Mine on the day of the dam failure, and survivors who were working at the time of the dam failure, cannot be laid off for at least three years, starting from January 25, 2019, unless mutually agreed upon and compensated financially.
- ✓ Vale will deposit R\$400 million with the court on August 6, 2019, to pay for collective compensation for pain and suffering.

### Unfreezing of resources

The agreement also unfroze R\$1.6 billion initially frozen by Vale.

## Find out more about the agreement

### What is the agreement between Vale, the Labor Prosecutors' Office and unions?

The agreement signed on July 15, 2019 provides for a settlement between Vale and the Labor Prosecutors' Office, involving several unions. It sets parameters for compensation to be paid to the families of employees and contractors who died or are still missing due to the failure of Tailings Dam 1 at Córrego do Feijão Mine.

**Who is covered by the agreement with the Labor Prosecutors' Office and unions?**

It covers the parents, spouse or partner, children and siblings of employees and contractors who died or are still missing due to the failure of Tailings Dam 1 at Córrego do Feijão Mine.

**What does this agreement provide for?**

The agreement provides for health insurance, psychiatric and/or psychological care, daycare assistance, education assistance, additional insurance for work accidents and compensation for pain and suffering and material damages to the family members of employees and contractors who died or are still missing due to the failure of Tailings Dam 1 at Córrego do Feijão Mine.

**Who can claim compensation and how much will be paid to compensate for pain and suffering?**

The parents, spouse or partner and children of deceased workers will each receive R\$500,000 as compensation for pain and suffering. Siblings will each receive R\$150,000.

**How much will be paid to compensate for material damages?**

The minimum guaranteed amount for material damages is R\$800,000.

**Who will be entitled to compensation for material damages?**

Spouses or partners and children will be entitled to compensation for material damages. In the absence of children, the spouse or partner will receive the full amount. In the absence of a spouse or partner, the amount will be divided among the children.

**Will the parents of workers who died or went missing be entitled to compensation for material damages?**

The parents of employees and contractors who died or went missing will be entitled to compensation for material damages if the victim did not have a spouse/partner or children.

**Will the siblings of workers who died or went missing be entitled to compensation for material damages?**

The siblings of employees and contractors who died or went missing will be entitled to compensation for material damages if the victim did not have a spouse/partner or children.

**How will the amount of material damages be calculated?**

For Vale employees, the calculation will be based on monthly salary, Christmas bonus ("13<sup>th</sup> salary"), vacation pay plus one-third, profit-related pay of 3.5 monthly salaries and food allowance of R\$745 per month, up to the date when the victim would have turned 75. For contractors, the average profit-related pay and food allowance will depend on what was received in the employment contract. Material damages will be paid in a lump sum, with a discount of 6% per year.

**Who is eligible for an additional workplace accident insurance claim and how much will be paid out?**

Vale will pay R\$200,000 to each parent, spouse or partner and child of dead or missing employees and contractors as an additional work accident insurance claim.

**Will Vale pay for health insurance for the relatives of dead and missing workers?**

Vale will provide a lifetime health insurance plan to spouses or partners, and children will receive this benefit up to the age of 25, without any copayments or monthly premiums.

**Will Vale offer psychological or psychiatric treatment?**

The health insurance plan provided to spouses or partners and children will cover psychological and psychiatric care. This treatment will be provided to parents at an accredited clinic or hospital, without any copayments, until a physician declares that such treatment is no longer necessary.

**Who is eligible for daycare and education allowances and how much will be paid out?**

Vale will pay a daycare allowance of R\$920 per month for each child of dead or missing employees and contractors, up to the age of three years, and an education allowance of R\$998 per months for children between the ages of three and 25.

**When will the sums start to be paid?**

The sums will be paid by Vale within 10 (days) business days after the agreement was officially registered.

**Are surviving workers covered by this agreement?**

The agreement provides that employees and contractors assigned to Córrego do Feijão Mine on the day of the dam failure, and survivors who were working at the time of the dam failure, cannot be laid off for at least three years, starting from January 25, 2019, unless mutually agreed upon and compensated financially.

**How can people take part in the agreement?**

Relatives covered by the agreement may use a union lawyer or private lawyer, or go to the Fifth Labor Court of Betim, Minas Gerais, to register with the public-interest civil action, whose process number is 0010261-67.2019.5.03.0028.

The agreement with the Labor Prosecutors' Office, involving the participation of unions, originated in the employment relationship between the deceased workers and Vale, so it is governed by the Labor Courts. This means that the conditions provided for in the agreement only apply to the relatives of Vale contractors and employees.