

**Full of the questions sent and responses received by the Mining Observatory on the ongoing investigation by the Public Prosecutor's Office of Minas Gerais, the Federal Public Prosecutor's Office, the Federal Revenue Office and the Securities and Exchange Commission regarding the suspected irregularities in the rendering of accounts by the mining companies Vale, Samarco and BHP and the Renova Foundation.**

**QUESTIONS**

1. What is the accounting and tax treatment given by the companies (Vale, BHP, Samarco) to expenses, payments and disbursements, made directly or through the Renova Foundation, with compensation and / or repair of damages arising from the rupture of Fundão dam?
2. The companies have already reduced or eliminated the payment of any taxes by deducting transfers, contributions, donations, expenses, payments and / or disbursements, made directly or through the Renova Foundation, with compensation and / or repair of damage from the collapse of the Fundão dam? If so, inform the amount of each tax reduced or eliminated in each year.
3. Companies accumulate tax losses or tax credits to reduce or eliminate the payment of any taxes in the future by deducting transfers, contributions, donations, expenses, payments and / or disbursements, made directly or through the Renova Foundation, with compensation and / or repair of damages arising from the failure of the Fundão dam? If so, inform the amount of tax credits and / or accumulated tax losses, as well as an estimate of their projected impact in terms of reducing and / or eliminating taxes in the future.
4. What is the legal nature and tax accounting treatment of transfers, payments, contributions, donations, contributions and / or deposits made by companies to Fundação Renova?
5. Is Samarco contractually obliged to reimburse its shareholders (Vale and BHP) for transfers, payments, contributions, donations, contributions and / or deposits made by them to Renova even under the prohibition on the distribution of dividends?
6. Why Vale did not list in its Reference Form, among the transactions with related parties, the contract (s) entered into with Samarco (mentioned in Samarco's financial statements), with an obligation to reimburse the amounts contributed by the shareholder Vale at Renova Foundation?
7. TTAC created an obligation for Samarco to finance Renova. If Vale is already lending money to Samarco to finance its expenses (working capital) via debentures, why not include money intended for Renova in the debentures? Why send it directly to Renova and then ask Samarco to undertake a refund commitment separately? In addition, why did Vale and BHP not increase Samarco's capital to give Samarco resources to finance Samarco's obligations, be they working capital or Renova financing (which is an obligation of Samarco)? The common thing is for the shareholder / investor to finance the invested company through capital injection, not a loan. Why are you avoiding the normal path with these two different strategies? Why differentiate Renova's working capital when both are Samarco's obligations?

## **ANSWERS**

### **Renova Foundation**

The Renova Foundation informs that we will provide the clarifications requested by the Public Ministry of Minas Gerais within the period established by the agency.

### **BHP**

BHP operates in full compliance with the Brazilian law, following the strictest governance and compliance controls. As for the alleged investigation that is under the responsibility of the Public Ministry of Minas Gerais, if it is demanded by the competent authorities, BHP will seek to know its terms and answer it.

### **Samarco**

Samarco fully complies with Brazilian tax legislation and collects all taxes due. The accounting treatment adopted by the company is also in accordance with Brazilian practices, including the pronouncements issued by the Accounting Pronouncements Committee ("CPC") and approved by the Federal Accounting Council (CFC). The company's tax and accounting information is public and is available in its financial statements.

The company reiterates that the Renova Foundation was created from a Conduct Adjustment Transaction Term (TTAC) signed in March 2016 between Samarco, Vale and BHP, the federal, Espírito Santo and Minas Gerais governments, in addition to a series of autarchies, foundations and institutes. The Foundation was set up to dedicate itself to repairing the damages caused by the Fundão dam rupture.

### **Vale**

Vale clarifies that their relationship with Samarco and the Renova Foundation, with regard to the obligations arising from the rupture of the Mariana dam, is defined by the Term of Transaction and Conduct Adjustment (TTAC), proposed by public authorities and signed by the company itself. Vale, BHP and Samarco, aiming to repair the damage caused by the disruption. TTAC determined the creation of the Renova Foundation and also established the basis for the relationship between Vale and this foundation.

Vale further clarifies that it fully complies with Brazilian tax legislation and that its tax and accounting information is available in its financial statements.

To date, the company has not received any communication from the Public Prosecutor's Office of Minas Gerais regarding tax issues involving the Renova Foundation and Samarco, but is now available to provide any clarifications that may be required by MPMG and other authorities.