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Vale celebrates Novo Mercado listing

Event at B3's headquarters marked the company's entry into the highest level of governance of the Brazilian Stock Exchange

Ten months after announcing its corporate restructuring, Vale celebrated on Friday the migration of its shares to Novo Mercado, the highest listing segment in terms of corporate governance, management, and transparency. The event, held at B3 headquarters, is a milestone in the company's history which, until November 2020, will become a true corporation, with no defined control group and a diversified shareholder base.

"It is a great pleasure to end the year completing the migration to the highest level of governance of B3 in less time than originally planned," says CEO Fabio Schvartsman, who was hoping to complete the migration by 2020.

"We are transforming Vale into a true corporation, with more representation from minority shareholders, greater independence for management, and greater liquidity for the company's shareholders. As a consequence, we expect to gain greater trust from investors and that our shares be traded with multiples similar to those of our competitors," Fabio Schvartsman adds.

According to a study published by Associação de Investidores no Mercado de Capitais (AMEC) and the CFA Society Brazil, there is a correlation between the level of corporate governance and market performance. A proof of this is that the average performance of listed companies in the Novo Mercado has been higher than that of B3 since 2012.

Vale's proposal for a corporate restructuring was announced on February 20th by Valepar, the shareholder group controlling the company. To meet the objective of entering the Novo Mercado, it was necessary to convert all preferred shares into common shares and obtain several approvals at shareholder meetings. The company had around 1.9 billion outstanding preferred shares held by thousands of shareholders.

Vale made a strong campaign, which included contacts with major shareholders in Brazil and abroad, and the massive use of communication tools such as posts on social media, direct mail, and online and offline media. More than 260,000 shareholders were reached. The result of the voluntary conversion, announced in August, was an adhesion of 84.4% of the outstanding preferred shares.

In October, the mandatory conversion of the remaining shares was approved and, for the first time, minority shareholders elected two representatives to the Board of Directors, in compliance with the Novo Mercado rule requiring a minimum of 20% of independent members in the Board.

More information



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