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Vale announces payment of 2/3 of the salaries of deceased employees until the final indemnity agreement is signed

Sums will be paid to Vale employees and third-party employees

In a hearing held today, February 22, at the 5th Labor Court of Betim (Minas Gerais), Vale informed the Labor Prosecution Office (MPT) that it will keep paying 2/3 of the salaries of all employees and contractors who died in the breach of the Dam I at the Córrego do Feijão mine in Brumadinho. Payments will be held for one year or until the company signs the final indemnity agreement.

The sums will be paid within 20 working days after the Social Security Office submits to the 5th Labor Court the list of dependents of deceased employees who will be entitled to the payment. Those amounts will be deducted from the final indemnity.

Vale informed this measure during the second hearing held with the Labor Prosecution Office and the Union to negotiate an indemnity agreement. The missing people will continue to receive their full salaries until the authorities declare them officially dead.

The company also undertook to reassign employees to other locations, upon prior consultation with each employee and the Union, and if agreed by the employee. During the reassignment process, Vale will prioritize the place of origin of each employee.

These points add up to commitments previously undertaken by Vale, as follows:

- Guarantee of employment or salary for employees of Brumadinho, including third-party employees, until December 31, 2019;
- Payment of expenses with funerals and severances of the deceased, as per document issued by Brazil's National Social Security Institute (INSS);
- Health insurance for the family members of Vale employees and third-party employees, subject to a registration scheme, with coverage throughout the state of Minas Gerais. Widows or partners will receive whole-of-life insurance while dependents will be covered for up to 22 years.
- Psychological assistance to workers until discharge.
- R\$ 920.00 in daycare assistance for employees with children up to the age of three.
- R\$ 998.00 in educational assistance for children of employees until they turn 18.
- The company will work for the life insurance payment to be done as quickly as possible;

Vale maintains its indemnity payment proposal

The next hearing has not been scheduled yet. Vale maintains its indemnity payment proposal, providing for:

- Material damage: monthly payment of 2/3 of 1 (one) net monthly salary until the date the deceased worker would have turned 75 years old. If full pension period is paid in advance, a 6% discount will be applied to future installments. For example: a 40 year old worker who receives a monthly salary of R\$4,000.00 will receive approximately R\$700,000.00 for material damage.

Moral damages: For immediate agreement, indemnification to closest relatives of the deceased workers, as follows:

- a. Spouses or partners: R\$300,000.00
- b. Children: R\$300,000.00 each
- c. Parents: R\$150,000.00 each
- d. Siblings: R\$75,000.00 each.

More information

