

Vale S.A.
Form 6-K
March 24, 2016
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United States
Securities and Exchange Commission

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

of the

Securities Exchange Act of 1934

For the month of

March 2016

Vale S.A.

**Avenida Graça Aranha, No. 26
20030-900 Rio de Janeiro, RJ, Brazil**

(Address of principal executive office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

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(Check One) Form 20-F Form 40-F

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1))

(Check One) Yes No

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(Check One) Yes No

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes No

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82- .)

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PUBLICLY LISTED COMPANY

CNPJ 33.592.510/0001-54

ORDINARY AND EXTRAORDINARY

SHAREHOLDERS MEETINGS

CALL NOTICE

Shareholders of Vale S.A. (Vale) are hereby invited to convene for the Ordinary and Extraordinary General Shareholders Meetings to be cumulatively held on April 25, 2016, at 11am at Avenida das Américas, 700, 2nd floor, room 218 (auditorium), Città America, Barra da Tijuca, in the city of Rio de Janeiro/RJ, Brazil, for the purpose of discussing and deciding upon the matters set forth in the Agenda below:

1. Ordinary Shareholders Meeting

1.1. Appreciation of management report and analysis, discussion and vote of the financial statements for the fiscal year ending on December 31, 2015;

1.2. Proposal for the destination of profits of the fiscal year of 2015, if any;

1.3. Ratification of the appointment of an effective and an alternate members of the Board of Directors, on the meetings of the Board of Directors held on 06/25/2015 and 07/29/2015, respectively, in accordance with the Article 11, §5 of Vale s By-Laws;

1.4 Appointment of the members of the Fiscal Council; and

1.5 Establishment of the remuneration of the Management and members of the Fiscal Council for 2016.

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2. Extraordinary Shareholders Meeting

2.1 Proposal for amendment of the Shareholders Remuneration Policy.

According to CVM Rule No. 165/91, as amended by CVM Rule No. 282/98, a shareholder must hold at least 5% (five percent) of the Vale's voting capital in order to request the cumulative voting system.

All documentation pertaining to the matters to be discussed in the Ordinary and Extraordinary Shareholders Meetings is available to shareholders at Vale's headquarters, on its website (<http://www.vale.com>) and on the websites of the Brazilian Securities and Exchange Commission (<http://www.cvm.gov.br>), of BM&FBovespa S.A. - Bolsa de Valores, Mercadorias e Futuros, the São Paulo Stock Exchange (www.bmfbovespa.com.br), of the Securities and Exchange Commission of the United States (www.sec.gov) and of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk).

Shareholders who wish to attend the Meetings may do so in person or appoint a duly-registered proxy, pursuant to Paragraph 1 of Article 126 of the Brazilian Corporate Law (Law No. 6,404/76). The proxy shall have been granted less than 1 (one) year before the Meetings, and be duly qualified as a shareholder, manager, attorney registered with the Brazilian Bar Association or a financial institution.

Note that shareholders must attend the Shareholders Meetings with proof of ownership of shares issued by Vale, such proof issued no more than 4 (four) business days prior to the date of the Meetings by the financial institution who serves as the bookrunner or custodian, as well as the following:

(a) in case the shareholder is a physical person, they must carry a valid photo identification document, or, where applicable, the identification document of their proxy and the respective power-of-attorney;

(b) in case the shareholder is a legal person, they must carry a valid photo identification document of the legal representative and the documents which prove his or her representation powers, including the power-of-attorney, and a

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copy of the articles of incorporation and of the minutes in which the management was appointed; and

(c) in case the shareholder is an investment fund, they must carry a valid photo identification document of the legal representative and the documents which prove his or her representation powers, including the power-of-attorney, and a copy of the valid regulation of the investment fund, the bylaws or articles of incorporation of its administrator, and the minutes in which the management was appointed. If any such documents are in a foreign language, they must be translated to Portuguese by a sworn translator, notarized, and legalized by consular officials.

The regularity of representation documents will be verified prior to the Meetings.

In order to expedite the process of holding the Meetings, we ask that the shareholders who will be represented by proxy kindly deposit the aforementioned documents proving representation at least 72 (seventy-two) hours prior to the Meetings.

Rio de Janeiro, March 23rd, 2016.

Gueitiro Matsuo Genso

Chairman of the Board of Directors

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MANUAL FOR PARTICIPATION

IN THE VALE S.A.

**SHAREHOLDERS ANNUAL AND SPECIAL GENERAL
MEETINGS**

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Annex I – Managers' comments on Vale's financial situation, as per item 10 of Vale's Reference Form, pursuant to the provisions set forth in Article 9, III, of CVM Instruction # 481/2009 as amended.

Annex II – Information related to item 13 of Vale's Reference Form, pursuant to the provisions set forth in Article 12, II of CVM Instruction # 481/2009 as amended.

Annex III – Proposal to amend Vale's Compensation Policy.

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I. Notice of Meeting

The Shareholders of Vale S.A. (Vale) are hereby called to the Shareholders Annual and Special Meetings which will be held, cumulatively, on April 25, 2016, at 11:00 AM, at Avenida das Américas # 700, 2º andar, Sala 218 (auditorium), Città America, Barra da Tijuca, in this City, Rio de Janeiro, in order to deliberate on the following Agenda:

1. Shareholders Annual Meeting

- 1.1 Evaluation of management s annual report and, analysis, discussion, and vote on the financial statements for the fiscal year ending on December 31, 2015;
- 1.2 Proposal for the destination of profits for the 2014 fiscal year, if any;
- 1.3 Ratify the appointment of effective and alternate members of the Board of Directors occurred on the Meetings held on June 25, 2015 and on July 29, 2015, pursuant to Article 11, §10 of Vale s By-Laws;
- 1.4 Election of the members of the Fiscal Council; and
- 1.5 Establishment of the remuneration of the senior management and members of the Fiscal Council for the year 2016.

2. Shareholders Special Meeting

- 2.1 Proposal to amend Vale s Compensation Policy.

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II. Procedures for participation in the Meetings

2.1. Shareholder participation in general meetings

Vale shareholders may attend General Meetings **personally** or **be represented by a duly constituted attorney**.

The following documents will be required for shareholders to participate in General Meetings:

Individual person

- valid identity document with photo (original or certified copy) of the shareholder or, if applicable, of their attorney and respective proxy document. The following documents may be submitted: (i) General Record ID (RG); (ii) Foreigner s identity card (RNE); (iii) passport; (iv) Class Association card used as civil identity for legal purposes (ex. OAB, CRM, CRC, CREA); or (v) National Professional Card (CNH).
- proof of ownership of shares issued by Vale issued by the depositary financial institution or custodial agent up to 4 (four) working days before the date of the Meetings.

Corporate entity

- valid identity document with photo of the legal representative (original or certified copy). The following documents may be submitted: (i) General Record ID (RG); (ii) Foreigner s identity card (RNE); (iii) passport; (iv) Class Association card used as civil identity for legal purposes (ex. OAB, CRM, CRC, CREA); or (v) National Professional Card (CNH).
- evidentiary documents of representation, including power of Attorney and copy of the constitutive acts and of the minutes of the

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election of Directors, and, in the case of investment fund, copy of fund rules in force, of the bylaws or social contract of its director, and of the election of Directors. If such documents are in a foreign language they must be translated to Portuguese by a sworn translator, notarized and consularized.

- proof of ownership of shares issued by Vale issued by depositary financial institution or custodial agent up to 4 (four) working days before the date of the Meetings.

We remind you that the regularity of the representation documents will be checked before the beginning of Meetings. For this reason, Shareholders are requested to kindly arrive in advance of Meetings so that the documents necessary for their participation can be duly checked in timely manner for its participation.

2.2. Proxy Representation

Shareholder participation in Meetings can be in person or through a duly constituted Attorney, observing the terms of §1 of Art. 126 of law # 6,404/76. It is also necessary that the attorney should have been nominated less than 1 (one) year previously, and qualify as a shareholder, a Vale executive, a lawyer registered with the Brazilian Bar Association, or be a financial institution, and the partnerships of investment funds must be represented by its fund management company.

Pursuant to the provisions set forth in the Circular-Letter/CVM/SEP/# 02/2016, legal corporate entities may be represented in Meetings by their legal representatives or by a duly constituted attorney in accordance with the provisions of their respective constitutive acts and the Brazilian Civil Code. In this case, it is not required that the attorney of the corporate entity shareholder be qualified as a shareholder, a Vale executive or a lawyer.

In the case of proxy in a foreign language, it should be accompanied by the corporate documents, in the case of a corporate entity, and the proxy instrument adequately prepared in Portuguese, notarized and consularized.

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In item V of this manual there is a proxy template for reference purposes for shareholders. Shareholders will also be able to use proxies other than that suggested in this guide, as long as they are in accordance with the provisions of law # 6,404/76 and the Brazilian Civil Code.

For the purpose of expediting the process of conducting the Meetings, those shareholders represented through a power of attorney (proxy) may, at their sole and exclusive discretion, send the representative documents at least seventy-two hours (72) prior to the Meetings, to the following address:

Attn.: Investor Relations Officer

Avenida das Américas 700, 2º andar, sala 218

Barra Rio de Janeiro RJ

Regarding the above-mentioned deadline, we point out that the shareholder who appears by the start of the Meetings with the required documents will be entitled to participate and vote, even if he or she have not submitted them in advance.

We remind you that the regularity of the representation documents will be checked before the beginning of Meetings. For this reason, Shareholders are requested to kindly arrive in advance of Meetings so that the documents necessary for their participation can be duly checked in timely manner for its participation.

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III. The Vote

3.1. Voting Rights

Pursuant to Article 5 of Vale's By-Laws, each common share, each class A preferred share, and each special class preferred share allows for one vote in the deliberations of the General Meeting, and it is certain that class A and special preferred shares have the same political rights as the common shares, except for voting to elect members of the Board of Directors, excluding the provisions of §2° and §3° of Article 11 of the By-Laws, as well as the right to elect and dismiss a member of the Fiscal Council and his respective substitute.

We emphasize that under the terms of CVM Instruction # 165/91, as amended by the CVM Instruction # 282/98, the minimum percentage of participation in the Vale's voting capital required to request multiple voting is 5% (five percent).

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IV. Agenda Items of the Shareholders General and Special Meetings

All documents regarding the agenda of Vale Shareholders General and Special Meetings are available to the shareholders at the main offices of Vale, on the Company's web site (www.vale.com) and on the web sites of the Brazilian Securities and Exchange Commission (www.cvm.gov.br), the BM&FBovespa S.A. - São Paulo Stock Exchange (www.bmfbovespa.com.br), the Securities and Exchange Commission (www.sec.gov), and The Stock Exchange of Hong Kong Limited (www.hkex.com.hk).

4.1 Annual General Meeting

4.1.1 Evaluation of the management's annual report and analysis, discussion, and vote on the financial statements for the fiscal year ending on December 31, 2015.

In order to deliberate on this issue, the following documents will be available to the shareholders:

- (a) the Annual Management Report, the Financial Statements, the Financial Statements for the fiscal year ending on December 31, 2015 and the Opinion of the Independent Auditors (KPMG Auditores Independentes), which will be published as required by current legislation;
- (b) the Opinions of the Board of Directors and the Fiscal Council, dated 02/24/2016;
- (c) DFP Form 2015 (Standard Financial Statements);
- (d) Managers' comments on Vale's financial situation, as per item 10 of Vale's Reference Form, pursuant to the provisions set forth in Article 9, III, of CVM Instruction # 481/2009 as amended, attached hereto as Annex I.

4.1.2 Proposal for the destination of profits for the 2015 fiscal year, if any.

Vale ascertained a net loss in the amount of R\$44,212,186,731.00 related to the fiscal year ended on December 31, 2015, being the aforesaid net loss absorbed pursuant to

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Article 189, sole paragraph, of Law # 6.404/1976. Therefore, Vale will not distribute dividends related to the fiscal year ended on December 31, 2015.

In view of the resolutions above, Vale is exempt from presenting the Annex 9-1-II in accordance with Article 9, paragraph 1, II, of CVM Instruction # 481/2009, due to the instruction set out in Circular Letter/CVM/SEP/# 02/2016.

It should be emphasized that, based on the retained earnings reserves approved on the balance sheet related to the fiscal year of 2014, the Board of Directors has approved on the meeting held on (a) April 14, 2015, the payment, as of April 30, 2015, of the first installment of the minimum dividend for 2015, in the total gross amount of R\$3,101,100,000.00, in the form of interest on capital, corresponding to the total gross amount of R\$0.601760991 per outstanding common or preferred share issued by Vale, being such amount subject to Withholding Income Tax at rate in force; (b) October 15, 2015, the payment, as of October 30, 2015, of the second installment of dividend for 2015, in the total gross amount of R\$1,925,350,000.00, corresponding to R\$0.373609533 per outstanding common or preferred share issued by Vale.

4.1.3 Ratify the appointment of the effective and alternate members of the Board of Directors.

Pursuant to Article 11 of Vale's By-Laws, the Board of Directors is composed of eleven members and their respective substitutes, who are shareholders of the company. The mandate term for members of the Board of Directors is two years, and re-election is allowed. The election of the members of the Board of Directors shall comply with the provisions established under current legislation and those under Vale's By-Laws.

In view of the vacancy of the Board of Directors positions, and pursuant to Article 11, §10 of Vale's By-Laws, Mr. Alberto Ribeiro Guth (as effective) and Mr. Arthur Prado Silva (as alternate for Mr. Dan Conrado) were elected as members of the Board of Directors on the Meetings held on June 25 and on July 29, 2015, respectively, who will remain in the position until the first Annual Shareholders Meeting after their election.

Therefore, Valepar S.A. proposes to ratify on the Shareholders Meeting, which will be held on April 14, 2016, the appointment of such members to remain in their positions until the 2017 Annual Shareholders Meeting.

Pursuant to the provisions set forth in Article 10 of CVM Instruction N. 481/2009 and, as set forth in Annex A of CVM Instruction # 552/2014, below please find information

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with respect to Mr. Alberto Ribeiro Guth and Mr. Arthur Prado Silva pursuant to items 12.5 through 12.10 of the Reference Form.

Name	Alberto Ribeiro Guth	Arthur Prado Silva
Birth Date	08/01/1959	04/29/1972
Occupation	Engineer	Bank Clerk
CPF/MF	759.014.807-59	991.897.047-20
Position to be placed	Effective member of Board of Directors	Alternate Member of Board of Directors
Election date	04/14/2016	04/14/2016
Date of investiture	05/13/2016	05/13/2016
Term of office	Until 2017 Annual Shareholders Meeting	Until 2017 Annual Shareholders Meeting
Other positions held or duties exercised at Vale	Not applicable	Member of the Governance and Sustainability Committee (since April 2015)
Indicated/Elected by controlling shareholder	Yes	Yes
Independent member? (1)	Yes	No
Number of consecutive terms of office	N/A	N/A

(1) The determination of independence came from the fact that he (i) has no relationship with Vale, except for possible significant stake; (ii) is not the controlling shareholder, spouse or relative up to the second degree; (iii) is not bound by a shareholders agreement; (iv) was not an employee or Officer of Vale or its subsidiaries or affiliates for at least 3 (three) years; (v) is and was not, over the past 3 (three) years, member of the board of any subsidiary; (vi) does not provide, purchase, offers or trade, directly or indirectly, services and/or products to Vale in significant volume; (vii) is not a spouse or relative up to the second degree of any officer or manager of Vale; (viii) does not receive any other compensation from Vale, in addition to management fees; (ix) neither is nor was a shareholder, over the past 3 (three) years, of an audit firm that audits or has audited Vale in the same period; (x) is not a member of a nonprofit entity that receives significant financial resources of Vale or its related parties; and (xi) does not financially depends on the compensation paid by Vale.

*Main professional experience:***Alberto Ribeiro Guth**

Alberto Ribeiro Guth is an Effective Member of the Board of Directors of Vale (since June 2015). His main professional experiences in the past 5 years include: (i) Member of the Board of Directors of Via Varejo S.A. (since 2012), a publicly-held company engaged in retail; (ii) Member of the Board of Directors of Centrais Elétricas de Santa

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Catarina S/A CELESC (since 2015), a publicly-held company engaged in energy distribution; (iii) Managing partner of Angra Partners Gestão de Recursos Ltda. (since 2003), a closely-held company engaged in asset management and financial advisory; (iv) Member of the Board of Directors of TG Participações S.A. (since 2008), a closely-held company engaged in the production of ethanol; (v) Member of the Board of Directors of Angra Infraestrutura Gestão de Informações Ltda. (since 2006), a closely-held company engaged in resource management; (vi) Member of the Board of Directors of Estre Ambiental S.A. (since 2014), a closely-held company engaged in waste treatment; (vii) Member of the Board of Directors of A Geradora Aluguel de Máquinas S.A. (since 2013), a closely-held company engaged in equipment leasing; (viii) Officer of Aconçáguas Investimentos e Participações Ltda. (since 2013), a closely-held company of Angra Partners Group; (ix) Managing partner of Angra Partners Participações Ltda. (from 2010 to 2014), a closely-held company engaged in resource management; (x) Partner and manager of Angra Partners Assessoria Financeira Ltda. (from 2010 to 2015), a closely-held company engaged in resource management; (xi) Officer of Futuarel S.A. (since 2012), a publicly-held holding investment company; (xii) Officer of Zain Participações S.A. (since 2012), a publicly-held company of investments; (xiii) Director of Neustift Participações Ltda. (since 2014), a closely-held company of Angra Partners Group; (xiv) Member of the Board of Directors of Ediouro Participações S.A. (from 2013 to 2014), closely-held company engaged in publishing; (xv) Officer of Sul 116 Participações S.A. (since 2012), a publicly-held company of investments; (xvi) Officer of Newtel Participações S.A. (since 2012), a publicly-held investment company; (xvii) Member of the Board of Director of Companhia Providência Indústria e Comércio S.A. (from 2013 to 2014), a publicly-held company engaged in manufacture and sale of nonwovens; (xviii) Officer of Daleth Participações S.A., a publicly-held investment company (from 2012 to 2015); (xix) Officer of Capinauá Empreendimentos e Participações S.A. (since 2007), a publicly-held investment company; (xx) Officer of Invitel Legacy S.A. (since 2012), a publicly-held investment company; and (xxi) Member of the Board of Directors of Rio Barigui S.A. (since 2012), a closely-held investment company. Mr. Guth holds an a bachelor's degree in Engineering from IME (Military Institute of Engineering), concluded on December 1981, and an MBA in finance specialization from Wharton Business School, University of Pennsylvania concluded on May 1992.

Arthur Prado Silva

Arthur Prado Silva is an Alternate Member of the Board of Directors (since July 2015) and a member of the Governance and Sustainability Committee of Vale (since April

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2015). His main professional experiences in the past 5 years include: (i) Member of the Board of Directors of Valepar S.A. (since July 2015), controlling shareholder of Vale, a closely-held holding company; (ii) Effective Member of the Board of Directors of Litel Participações S.A. (since July 2015), indirect controlling shareholder of Vale, a holding company, where also held the position of Managing Director (from 2013 to 2015); (iii) Effective Member of the Board of Directors of Litela Participações S.A. and Litel B Participações S.A. (since July 2015), publicly-held holding companies controlled by Litel Participações S.A., where also held the position of Managing Director at both companies (from 2013 to 2015); (iv) Member of the Audit Committee of Tupy S.A. (from 2011 to 2015), a publicly-held company engaged in metallurgy industry; (v) Effective Member of the Board of Directors of Sul 116 Participações S.A. (from 2011 to 2015), a publicly-held holding company; (vi) Effective Member of the Board of Directors of 521 Participações S.A. (since 2006), a publicly-held holding company; (vii) Effective Member of the Board of Directors of GTD Participações S.A. (from 2008 to 2013), a publicly-held holding company; (viii) Alternate Member of the Board of the Directors of Companhia de Energia Elétrica da Bahia Coelba (since 2003), a publicly-held company engaged in distribution and sale of electricity; and (ix) Member of the Financial Committee of Rio Grande Energia S.A. (since 2003), a publicly-held company engaged in electric power generation. Mr. Silva holds a law degree concluded on December 1999, a post-graduate degrees in controlling and finance, concluded on May 2001, and in tax law, concluded on March 2009, all from Universidade Cândido Mendes, and an MBA in Corporate Finance from Fundação Getúlio Vargas, concluded on December 2004.

Statements

Judicial and administrative convictions (including criminal).

All candidates declare, individually and for all legal purposes, that, over the past 5 (five) years, they were not subject to (i) any criminal conviction, (ii) any conviction in an administrative proceeding from the Brazilian Securities and Exchange Commission, or also (iii) any conviction due to a final and unappealable decision, at judicial or administrative level, that have suspended or disqualified them in connection with the performance of any professional or commercial activity.

Marital relationship, stable relationship or family relationship up to second degree.

All candidates declare, individually and for all legal purposes, that there is no marital relationship, stable relationship or family relationship up to second degree among them

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and (i) the administrators of Vale; (ii) the managers of direct or indirect subsidiaries of Vale; (iii) direct or indirect parent companies of Vale; e (iv) the managers of the direct and indirect parent companies of Vale.

Relations of subordination, Provision of Service or Control.

Mr. Alberto Ribeiro Guth declares for all legal purposes, that there are no relations of subordination, provision of service or control, in the past 3 (three) fiscal years, between him and (i) subsidiary, directly or indirectly, by Vale, except for those where Vale holds, directly or indirectly, total capital stock; (ii) direct or indirect parent companies of Vale; or (iii) significant suppliers, customers, debtors or creditors of Vale, its subsidiaries or its parent companies.

Mr. Arthur Prado Silva declares for all legal purposes, that (a) there are no relations of subordination, provision of service or control, in the past 3 (three) fiscal years, between him and (i) subsidiary, directly or indirectly, by Vale, except for those where Vale holds, directly or indirectly, total capital stock; (ii) significant suppliers, customers, debtors or creditors of Vale, its subsidiaries or its parent companies; and (b) there are relations of subordination, provision of service or control, in the past 3 (three) fiscal years, between him and direct or indirect parent companies of Vale, due to his current position as Executive manager of Caixa de Previdência dos Funcionários do Banco do Brasil (PREVI).

Percentage of attendance at meetings during the fiscal year ended on December 31, 2015

Board of Directors	Total Meetings held by the Board during the last fiscal year since the investiture of the manager	% of attendance of the manager at meetings after his investiture
Alberto Ribeiro Guth	8	100%
Arthur Prado Silva	7	0%

Committees

As set forth in Article 10 of CVM Instruction # 481/2009 as amended, and in accordance with items 12.7 and 12.8 of the Reference Form, the Company explains that this Manual does not

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contain the information related to the candidates to the Company's committees, as long as they are elected by the Board of Directors of Vale.

4.1.4 Election of members of the Fiscal Council

Under Article 36 of the Bylaws of Vale, the Fiscal Council is a permanent body, comprised of three to five effective members and respective alternates, who remain in the position until the first Annual Shareholders Meeting after their election. The election of the members of the Fiscal Council shall comply with the prevailing law and the Bylaws of Vale.

As set forth in Article 10 of CVM Instruction # 481/2009, below is the information about the candidates appointed for election/re-election by shareholder Valepar S.A. to hold the positions of effective members and alternate members of the Fiscal Council (pursuant to items 12.5 to 12.10 of the Reference Form, as set forth in Annex A of CVM Instruction # 552/2014, due to the instruction set out in Circular Letter/CVM/SEP/# 02/2016).

Name	Effective		
	Sandro Kohler Marcondes	Marcelo Amaral Moraes	Aníbal Moreira dos Santos
Birth Date	04.16.1964	07.10.1967	08.26.1938
Occupation	Bank Clerk	Bachelor in Economy	Accounting Technician
CPF/MF or Passport	485.322.749-00	929.390.077-72	011.504.567-87
Position to be placed	Effective	Effective	Effective
Election date	04/14/2016	04/14/2016	04/14/2016
Date of investiture	05/13/2016	05/13/2016	05/13/2016
Term of office	Until 2017 Annual Shareholders Meeting	Until 2017 Annual Shareholders Meeting	Until 2017 Annual Shareholders Meeting
Other positions held or duties exercised at Vale	Not Applicable	Not Applicable	Not Applicable
Indicated/Elected by controlling shareholder	Yes	Yes	Yes
Independent member (1)	Yes	Yes	Yes
Number of consecutive terms of office	Not Applicable	12	11

(1) The criterion for determination of the independence of the officers above was set forth in section 3.13 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (Hong Kong Listing Rules).

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Name	Alternate members		
	Sergio Mamede Rosa do Nascimento	Vacant (2)	Oswaldo Mario Pêgo de Amorim Azevedo
Birth Date	04.29.1954		06.23.1941
Occupation	Business Administrator		Industrial and Production Engineer
CPF/MF or Passport	650.042.058-68		005.065.327-04
Position to be placed	Alternate		Alternate
Election date	04/14/2016		04/14/2016
Date of investiture	05/13/2016		05/13/2016
Term of office	Until 2017 Annual Shareholders Meeting		Until 2017 Annual Shareholders Meeting
Other positions held or duties exercised at Vale	Not Applicable		Member of the Accounting Committee
Indicated/Elected by controlling shareholder	Yes		Yes
Independent member (1)	Yes		Yes
Number of consecutive terms of office	Not Applicable		12

(1) The criterion for determination of the independence of the officers above was set forth in section 3.13 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (Hong Kong Listing Rules).

(2) (2) No alternate member was appointed to Mr. Marcelo Amaral Moraes.

Main professional experiences:

Effective members

Sandro Kohler Marcondes

Sandro Kohler Marcondes was Alternate Member of the Board of Directors of Vale (from April 2011 to April 2015), where also held the position of Effective Member of the Board of Directors (from April 2007 to March 2011). His main professional experiences in the past 5 years include: (i) Alternate Member of the Board of Directors of Valepar S.A. (from 2009 to April 2015), Vale controlling shareholder, a closely-held holding company; (ii) Officer of Banco do Brasil S.A. (since 2005), financial institution, where held, among other positions, the

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position of Capital Markets and Infrastructure Director (since 2013), Accounting Director (from 2012 to 2013) and Commercial Director (from 2009 to 2012); (iii) Officer of BB Leasing S.A. Arrendamento Mercantil (from 2005 to 2008), closely-held company that develops leasing activity; (iv) Chairman of the Board of Directors of Banco do Brasil A.G., Viena (from 2008 to 2009), a subsidiary of Banco do Brasil S.A. in Austria; (v) Alternate Member of the Board of Directors of Banco Patagônia S.A. (from 2011 to 2012), a publicly-held financial institution; (vii) Effective Member of the Fiscal Council of Caixa de Previdência dos Funcionários do Banco do Brasil - PREVI (from 2012 to 2014), a complementary welfare entity; (viii) Member of Fiscal Council of Embraer (from 2014 to 2015) and (ix) Effective Member of the Advisory Board of CASSI - Caixa de Assistência de Funcionários do Banco do Brasil (from 2012 to 2013), a health plan operator. Mr. Marcondes has a Business Administration degree from Universidade Estadual Centro Oeste PR, concluded on December 1986, and a master's degree in Business Administration from Fundação Getúlio Vargas (FGV) São Paulo, concluded on April 1994.

Marcelo Amaral Moraes

Mr. Moraes is an Effective Member of the Fiscal Council of the Vale (since 2004), where he also held the position of Alternate Member of the Board of Directors (2003). His main professional experiences over the last 5 years include: (i) Executive Officer of Stratus Investimentos Ltda. (from 2006 to 2010), private equity manager; (ii) Executive Officer of Capital Dynamics Investimentos Ltda. (from 2012 to 2015), private equity manager; and (iii) observing member of the Board of Directors of Infinity Bio-Energy S.A. (from 2011 to 2012). Mr. Moraes holds a bachelor's degree Economy from Federal University of Rio de Janeiro, concluded on January 1991, an MBA from COPPEAD of UFRJ, concluded on November 1993, and a post-graduate degree in Corporate Law and Arbitration from Fundação Getúlio Vargas, concluded on November 2003.

Aníbal Moreira dos Santos

Mr. dos Santos is an Effective Member of the Fiscal Council of the Vale (since 2005), where he held the position of Alternate Member (April to July 2005). His main professional experiences over the last 5 years include: (i) Effective Member of the Fiscal Council of the Log-In Logística Intermodal S.A. (2009 to 2014), a publicly-held company engaged in intermodal transportation; and (ii) Effective Member of the Fiscal Council of the Associação dos Participantes Ativos, Assistidos e Beneficiários da Fundação CAEMI (since 2013). Mr. dos

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Santos attended a Technical Accounting course at Escola Técnica de Comércio da Fundação Getúlio Vargas, concluded on April 1962.

Alternate members

Sergio Mamede Rosa do Nascimento

Mr. Nascimento's main professional experiences in the past 5 years include: (i) Member of the Fiscal Council of Fibria Celulose S.A. (from 2013 to 2015), a publicly-held company of cellulose industry; (ii) Effective Member of the Fiscal Council of Contax Participações S.A. (from 2009 to 2011), a publicly-held company engaged in telecommunications; (iii) Member of the Fiscal Council of Marisol S.A. (from 2011 to 2012), a publicly-held company engaged in apparel industry; and (iv) Managing Partner of Barra Livros e Cursos Editora Ltda. (since 2011). Mr. Nascimento holds a bachelor's degree in physics from Universidade de Franca, concluded on 1976, a post-graduate degree in economic engineering from AEUDF - Associação de Ensino Unificado do Distrito Federal, concluded on 1983, and an MBA in finance from IBMEC - Instituto Brasileiro de Mercado de Capitais, concluded on 1991.

Oswaldo Mario Pêgo de Amorim Azevedo

Mr. Azevedo is an Alternate Member of the Fiscal Council of Vale (since 2005), where he also held the positions of Effective Member of the Fiscal Council (2004 to 2005). His main professional experiences over the last 5 years include: (i) Member of the Accounting Committee of Vale (since April 2015); (ii) Member of the Special Advisory Board of the Sindicato das Empresas de Seguros Privados, de Capitalização e de Resseguros do Rio de Janeiro e Espírito Santo (since 2005); (iii) Alternate Member of the Audit Committee of Prudential do Brasil Seguros de Vida S.A. and of the Kyoei do Brasil Vale de Seguros (both since 2014), insurance companies, (iv) Officer of Sul América Cia de Seguros Gerais (from 2008 to 2012), insurance company; (v) Ombudsman of Conglomerado Sul América Seguros, an insurance company (from 2005 to 2012), where he also held the position of (vi) Vice-President of Institutional Relations and Foreign Branches (from 1990 to 2010); (vii) Vice-President of the Sindicato das Empresas de Seguros Privados, de Capitalização e de Resseguros do Rio de Janeiro (from 2007 to 2012); (viii) Alternate Member of the Board of Directors of Brasil Veículos Cia de Seguros (from 2006 to 2010) and (ix) Brasil Saúde Cia de Seguros (from 2006 to 2010), both insurance companies; (x) Officer and (xi) Vice-President of Sul América Cia. Nacional de Seguros, insurance company (from 1980 to 2010); (xii) Officer and Vice-President of Nova Ação Participações S.A., a publicly-held company that manages

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own assets and interests in commercial or civil companies (from 2006 to 2010); (xiii) Officer of Sul América Cia. de Seguros S.A., insurance company (from 2006 to 2010). Mr. Azevedo holds a bachelor's degree in Industrial and Production Engineering from Escola Politécnica da Pontifícia Universidade Católica of Rio de Janeiro - PUC-RJ, concluded on January 1964..

Statements

Judicial and administrative convictions (including criminal).

All candidates declare, individually and for all legal purposes, that over the past 5 (five) years, they were not subject to (i) any criminal conviction, (ii) any conviction in an administrative proceeding from the Brazilian Securities and Exchange Commission, or also (iii) any conviction due to a final and unappealable decision, at judicial or administrative level, that have suspended or disqualified them in connection with the performance of any professional or commercial activity.

Marital relationship, stable relationship or family relationship up to second degree.

All candidates declare, individually and for all legal purposes, that there is marital relationship, stable relationship or family relationship up to second degree among them and (i) the administrators of Vale; (ii) the managers of direct or indirect subsidiaries of Vale; (iii) direct or indirect parent companies of Vale; and (iv) the managers of the direct and indirect parent companies of Vale.

Relations of subordination, Provision of Service or Control.

All candidates declare, individually and for all legal purposes, that there are no relations of subordination, provision of service or control, kept in the past 3 (three) fiscal years, among them and (i) subsidiary, directly or indirectly, by Vale, except for those where Vale holds, directly or indirectly, the total capital stock; (ii) direct or indirect parent companies of Vale; or (iii) significant suppliers, customers, debtors or creditors of Vale, its subsidiaries or its parent companies.

Independence Confirmation

The candidates to be elected-re-elected to hold the positions of effective/alternate members of Fiscal Council, individually confirmed their status of independent members, for the purposes

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of section 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Hong Kong Listing Rules), being qualified to be elected/re-elected as independent members of the Fiscal Council.

Percentage of attendance at meetings during the fiscal year ended on December 31, 2015

Fiscal Council	Total Meetings held by the Board during the last fiscal year since the investiture of the manager	% of attendance of the manager at meetings after his investiture
Sandro Kohler Marcondes	Not Applicable	Not Applicable
Marcelo Amaral Moraes	10	100%
Aníbal Moreira dos Santos	10	100%
Sergio Mamede Rosa do Nascimento	Not Applicable	Not Applicable
Oswaldo Mario Pêgo de Amorim Azevedo	10	0%

4.1.5 Establishment of the remuneration of the Senior Management and Fiscal Council members for the fiscal year 2016.

The proposal for the remuneration of Senior Management is made available pursuant to Item 13 (specially item 13.16) of CVM Instruction # 480/09 as amended, which is attached hereto as Annex II.

4.2 Shareholders Special Meeting

4.2.1 Proposal to amend Vale's Compensation Policy

To deliberate on the matter, are provided the proposal to amend Vale's Compensation Policy together with a table, containing the implemented changes, the rationale for each proposed change and its possible effects, all in accordance with Annex III attached hereto. It should be clarified that the current policy was approved on the Shareholders' Annual and Special Meetings held on 04/27/2005.

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v. ADDITIONAL INFORMATION

Any questions or clarifications on the issues listed in the Agenda of the Meetings can be resolved or obtained, as the case may be, through contact with the Investor Relations Office, including the option of using a hotline at rio@vale.com.

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PROXY VOTE TEMPLATE

[**ACIONISTA**], [Qualificação] (Outorgante), neste ato nomeia e constitui como seu procurador o(a) Sr(a) [**NOME**], [NACIONALIDADE], [ESTADO CIVIL], [PROFISSÃO], com carteira de identidade nº [] e inscrito no CPF/MF sob o nº [], residente e domiciliado [ENDEREÇO], na Cidade [], Estado [] (Outorgado), ao qual confere poderes para representar o(a) Outorgante nas Assembleias Gerais Ordinária e Extraordinária da Vale S.A., a serem realizadas, cumulativamente, em primeira convocação no dia 14 de abril de 2016, às 11h, e, se necessário, em segunda convocação em data a ser informada oportunamente, assinar o Livro de Registro de Presença de Acionistas da Vale S.A. e a(s) ata(s) dessas Assembleias Gerais, e apreciar, discutir e votar os assuntos constantes da respectiva ordem do dia, em conformidade com as orientações estabelecidas abaixo:

Ordem do dia:

Assembleia Geral Ordinária

1) Apreciação do relatório da administração e exame, discussão e votação das demonstrações financeiras, referentes ao exercício social encerrado em 31 de dezembro de 2015.

() a favor () contra () abstenção

[**SHAREHOLDER**], [Identification] (the Grantor), hereby makes, constitutes, appoints and designates [**NAME**], [CITIZENSHIP], [MARITAL STATUS], [PROFESSION], with ID # [] and holder of CPF/MF # [], resident in [CITY], and with commercial address at [ADDRESS], in the City of [], State of [] (the Grantee), as true and lawful attorneys-in-fact to represent the Grantor at Ordinary and Extraordinary Shareholders Meetings to be held on first call on April 14, 2016, at 11 a.m., and, if necessary, on second call on a date to be duly informed, with powers to sign the Attendance Book of Shareholders of Vale S.A. and the corresponding minutes of such General Meetings, and assess, discuss and vote on matters included in the agenda, in accordance with the voting instructions below:

Agenda:

Ordinary Shareholders Meeting

1) Appreciation of the managements report and analysis, discussion and vote on the financial statements for the fiscal year ending December 31, 2015.

() Pro () Against () Abstain

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2) Proposta para a destinação do resultado do exercício de 2015, caso houver.

a favor contra abstenção

3) Ratificação da nomeação de membro efetivo e de membro suplente do Conselho de Administração nas reuniões de 25/06/2015 e 29/07/2015, respectivamente.

a favor contra abstenção

4) Eleição dos membros do Conselho Fiscal.

a favor contra abstenção

5) Fixação da remuneração dos administradores e dos membros do Conselho Fiscal para o ano de 2016.

a favor contra abstenção

2) Proposal for the destination of profits of the said fiscal year, if applicable.

Pro Against Abstain

3) Ratification of the nomination of effective and alternate members of the Board of Directors according to the Board of Directors meetings held on 06/25/2015 and 07/29/2015, respectively.

Pro Against Abstain

4) Appointment of the members of the Fiscal Council.

Pro Against Abstain

5) Establishment of the remuneration of the Senior Management and Fiscal Council members for 2016.

Pro Against Abstain

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Assembleia Geral Extraordinária

Extraordinary Shareholders Meeting

6) Proposta de alteração da Política de Remuneração dos Acionistas.

6) Proposal to amend the Shareholders' s Remuneration Policy

a favor contra abstenção

Pro Against Abstain

Este instrumento é válido por [], a partir da data de sua assinatura.

This power of attorney shall remain in effect from [] until [].

[Local], [Data].

[Place], [Date].

[Acionista]

[Shareholder]

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LISTED COMPANY

CORPORATE TAX CODE (CNPJ) # 33,592,510/0001-54

BOARD OF TRADE REGISTRATION (NIRE) # 33,300,019,766

**EXCERPT OF THE MINUTES OF THE
ORDINARY BOARD OF DIRECTORS MEETING OF VALE S.A.**

On February 24, 2016, at 9:30 am, met, ordinarily, at Rua Almirante Guilhem, 378, 7^o floor, Rio de Janeiro, RJ, Messrs. Dan Conrado Chairman, Sérgio Alexandre Figueiredo Clemente Vice Chairman, Marcel Juviniانو Barros, Gueitiro Matsuo Genso, Tarcísio José Massote de Godoy, Oscar Augusto de Camargo Filho, Alberto Ribeiro Guth, Lucio Azevedo, and the alternates Messrs. Yoshitomo Nishimitsu and Luiz Maurício Leuzinger, and also Mr. Clovis Torres as secretary, having unanimously resolved upon the following: **FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2015 AND RELATED ACTS** Messrs. Luciano Siani, Executive Officer of Finance and Investor Relations, Marcelo Botelho, Controller Officer, and Murilo Muller, Executive Manager of Controller and Accounting, performed presentation on the subject. With a favorable report of the Financial Committee and of the Fiscal Council, as reported by Marcelo Amaral Moraes and Aníbal Moreira dos Santos present at the meeting under the provisions of Article 163, §3, of Law No. 6404/76, and in the presence of Messrs. Bernardo Moreira and Daniel Ricica, representatives of KPMG Auditores Independentes, external auditor according to Brazilian and North American accounting standards, which issued a favorable opinion the Company's Financial Statements for the financial year 2015, the Board of Directors approved the Annual Report, the balance sheet and further financial statements of Vale for the year ended 12/31/2015. **BOARD OF DIRECTORS** The members of the Board were informed by Mr. Dan Conrado that, after a natural transition, he decided to leave the functions of Chairman of the Board of Directors as of this date, remaining as member of the Board of Directors. Therefore, they approved the designation of Mr. Gueitiro Matsuo Genso, as Chairman of the Board of Directors of Vale. I hereby attest that the deliberations above were excerpted from the Minutes taken from the Registry of the Minutes of the Board of Directors Meetings of the Company.

Rio de Janeiro, February 24, 2016.

Clovis Torres

Secretary

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**BOARD OF DIRECTOR'S REPORT ON MANAGEMENT REPORT AND ON THE FINANCIAL
STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

The Board of Directors of Vale S.A. (Vale), after conducting the analysis of the managements report as well as of the financial statements for the fiscal year ended December 31, 2015, unanimously resolved to approve such proposal.

Due to the resolution above, the Board of Directors is favorable to the submission of such documents to the shareholders resolution at the Ordinary General Shareholder Meeting to be held in April, 2016.

Rio de Janeiro, February 24, 2016.

Dan Conrado
Chairman

Sérgio Alexandre Figueiredo Clemente
Vice-Chairman

Gueitiro Matsuo Genso
Director

Marcel Juvinião Barros
Director

Yoshitomo Nishimtsu
Director

Oscar Augusto de Camargo Filho
Director

Luiz Maurício Leuzinger
Director

Tarcísio José Massote de Godoy
Director

Alberto Guth
Director

Lucio Azevedo
Director

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**OPINION OF FISCAL COUNCIL ON RECOGNITION OF VALE S.A. S FISCAL ASSET AS
OF DECEMBER 31, 2015**

The Fiscal Council of Vale S.A. (Vale), in performing its legal and statutory duties, and under the terms of article 4 of CVM Instruction 371 of June 27, 2002, has examined the proposal to recognize the accounting entry for Vale s deferred fiscal asset as of December 31, 2015.

Based on the study produced by Vale, containing the company s record of profitability and expected future profitability, it is our opinion that this fiscal asset has the prospect of being realized in the short to medium term, and consequently it may be recognized in the financial statements of December 31, 2015.

Rio de Janeiro, February 24th, 2016.

Marcelo Amaral Moraes
Chairman

Aníbal Moreira dos Santos
Member

Cláudio José Zucco
Member

Marcelo Barbosa Saintive
Member

Raphael Manhães Martins
Member

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**OPINION OF THE FISCAL COUNCIL ON THE ANNUAL REPORT AND FINANCIAL
STATEMENTS OF VALE S.A. FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

The Fiscal Council of Vale S.A. (Vale), in carrying out its legal and statutory duties, after examining the Company's Annual Report, Balance Sheet, Statement of Income, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Stockholders' Equity, Statement of Added Value and the respective Notes of the Financial Statements relative to the fiscal year ended December 31, 2015 and based on the opinion of the independent auditors, is of the opinion that the mentioned information, examined in accordance with applicable corporate legislation should be approved by the Annual Stockholders' General Meeting of the Company.

Rio de Janeiro, February 24th, 2016.

Marcelo Amaral Moraes
Chairman

Aníbal Moreira dos Santos
Member

Cláudio José Zucco
Member

Marcelo Barbosa Saintive
Member

Raphael Manhães Martins
Member

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10. Director Comments

10.1. General Financial and Equity Conditions

Financial information included in this Reference Form, except expressly otherwise noted, refers to consolidated financial statements of years ending on December 31, 2013, 2014, and 2015.

Information in this item 10 in the Reference Form should be read and analyzed jointly with our consolidated financial statements, available at our website (www.vale.com.br) and the website of Comissão de Valores Mobiliários (www.cvm.gov.br).

a. General Financial and Equity Conditions

On December 31, 2015, Vale net operational revenue was R\$ 85.5 billion and the operational margin (prior to the recoverable values of noncurrent assets and loss in the measuring of the sale of noncurrent assets) was 10.6%. The operational loss was R\$ 25.4 billion, mainly due to a drop in the prices of its products. This year, that Company has sought after several opportunities to reduce costs. Vale has presented an 18.2% reduction in net operational revenues (including SG&A, research and development, pre-operational and stoppage, and other expenses), corresponding to R\$ 1,724 billion, compared to the same period in 2014, especially marked by the revenue arising out of the *gold stream* operation in the amount of R\$ 722 million and provision reversion to fixed assets retirement, in the amount of R\$ 1,281 billion, due to rate change due to risk change. Additionally, Vale has had an increase in impairment of assets, to R\$ 34,553 billion compared to R\$ 2,713 billion in 2014. Cash generation, measured by Adjusted EBITDA(1), was R\$ 23.7 billion in 2015.

On December 31, 2014, Vale net operational revenue was R\$ 88.3 million, and the operational margin (prior to the recoverable values of noncurrent assets and loss in the measuring of the sale of noncurrent assets) was 22.3%. The operational profit was R\$ 16.6 billion in 2014, an approximate 50% reduction compared to the operational profit in 2013, mainly due to a drop in ore prices. Continuous Company efforts to cut costs, investment discipline and focus on core business were seen this year. Vale had a 11.9% reduction in net operational costs (including SG&A, research and development, pre-operational and stoppage, as well as other costs), corresponding to R\$ 1,277 billion, relative to 2013. This drop was due mainly to the reduction of costs related to operation stoppage and optimization in the Company's cost structure, after adjustments made in 2013. Additionally, in 2014, Vale had a reduction of 49.7% in the impairment of assets, R\$ 5,390 billion in 2013 to R\$ 2,713 billion in 2014, due to return on the Onça Puma operation. Cash generation, measured in Adjusted EBITDA(1), was R\$ 31.1 billion in 2014.

In 2013, Vale net operational revenue was R\$ 101,490 billion and the operational margin (prior to the recoverable values of noncurrent assets and loss in the measuring of the sale of noncurrent assets) was 37.7%. The operational profit was R\$ 32,340 billion in 2013. In 2013, as a result of the Company's focus on investments in world-class assets, several adjustments were made, among the non-realization of the potash project (PRC) in Argentina, and the sale of the company Tres Valles, as described in Explanatory Note no. 7 of the Company's 2013 consolidated accounting statements. Besides, Vale also reported an operation in the Tax Recovery Program REFIS, which substantially involved all of the claims related to income tax collection and social contributions on capital gains of subsidiary and associated companies abroad, whose loss expectations were classified as possible. Such factors negatively affected the Company financial performance in 2013, resulting in financial indicators reduction relative to what was obtained in 2012. In this scenario, the Company had a net loss of R\$ 258 million in 2013; relative to

2012 s net profit of R\$ 9.4 billion.

(1) Adjusted EBITDA is the operational profit or loss added with dividends received from affiliates and *joint ventures* and excluding depreciation, depletion, and amortization, impairment, contracts and resulting in the measurement or sale of noncurrent assets.

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The sale of ferrous minerals - iron ore, pellets, manganese ore and ferroalloy represented 64.8% of total net operating revenues in the year ended on December 31, 2015, relative to 68.4% in the year ended on December 31, 2014. In 2013, the total net operational revenue of ferrous minerals was 74.6%.

Base metals participation in the total net revenue was 24.0% in 2015 compared to 20.6% in 2014. In 2013, the base metals participation in net revenue was 15.5%.

Fertilizer revenue was 8.7% in 2015, compared to 5.9% in the same period in 2014. In 2014 and 2013, the fertilizer revenue in total net revenue was 6.4% and 6.0%, respectively.

Other products represented 2.5% of the 2014 total operating net revenue in 2015, relative to 4.6% in 2014. In 2013, the contribution of other products to the total net operational revenue was 3.9%.

Fiscal year ending on December 31,

Business segments	2013	2014	2015
Ferrous minerals	74.6%	68.4%	64.8%
Base metals	15.5%	20.6%	24.0%
Fertilizers	6.0%	6.4%	8.7%
Others	3.9%	4.6%	2.5%
Total	100.0%	100.0%	100.0%

On December 31, 2015, the gross debt of the Company (understood as the sum of loans and financing of our current liabilities and non-current liabilities) summed R\$ 112,666 billion, compared to R\$ 76,517 billion, on December 31, 2014, representing a 47.2% increase, mainly due to depreciation of real compared to the US dollar. Despite the increase in gross debt in reais for that period, the gross debt in US dollars had an increase lower than the increase of the gross debt in Reais, namely, 0.2%, from US\$ 28,807 billion on December 31, 2014 to US\$ 28,853 billion on December 31, 2015. On December 31, 2014 and 2013, the gross debt summed R\$ 76,517 billion and R\$ 68,977 billion, respectively, and the 10.9% increase perceived between those fiscal years was due to depreciation of real compared to the US dollar. Despite the increase in gross debt in the period between December 31, 2013 and December 31, 2014, the absolute debt in dollars decreased a little, from US\$ 29.655 billion on December 31, 2013 to US\$ 28.807 billion on December 31, 2014.

On December 31, 2015, the current liquidity index of the Company (which is the index found by dividing the current asset by the current liability) was 1.09, compared to 1.56 on December 31, 2014 and 2.25 on December 31, 2013. The decrease in the liquidity index in 2015 compared to the previous fiscal year was mainly due to increase in Company debt due to depreciation of real compared to the US dollar, with impact on the debt expressed in dollars. In turn, the drop in liquidity on December 31, 2014, compared to December 31, 2013 resulted mainly from lower cash generation from operational activities due to the lower price of most *commodities* sold by the Company.

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On December 31, 2015 the Company had controlling shareholders' equity of R\$ 131,160 billion, compared to 146,414 billion on December 31, 2014. Shareholders' equity suffered 10.4% reduction, mainly due to absorption of loss in 2015 with reserves. On December 31, 2013, the controlling shareholders' equity was R\$ 148,346 billion, that is, 1.3% lower than the net equity on December 31, 2014, , mainly justified by the use of the net profit of the year to pay the shareholders' compensation and set forth provisions.

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In 2015, 2014, and 2013, Vale delivered to its shareholders dividends in the amount of US\$ 1.5 billion (R\$ 5.0 billion), US\$ 4.2 billion (R\$ 9.7 billion), and US\$ 4.5 billion (R\$ 9.3 billion), respectively.

b. Capital Structure

The table below presents the funding standard adopted for Company activities, considering equity and third party capital:

R\$ billion	Fiscal year ended on December 31,		
	2015	2014	2013
Third party capital (liabilities + noncurrent liabilities)	206,128	159,814	139,760
Equity (shareholders' equity)	139,419	149,601	152,121
Total Capital (third party + equity)	345,547	309,415	291,881

c. Payment Capacity in Relation to the Financial Commitments Assumed

The leverage, measured by the gross debt/adjusted(2) EBITDA, showed decrease in the fiscal year ending on December 31, 2015 compared to the fiscal year ended on December 31, 2014, especially due to drop in the price of *commodities*, as the following table illustrates:

(in R\$ million, except %)	Fiscal year ended on December 31		
	2015	2014	2013
Net profit (loss) for the year	(45,997)	219	(258)
(+) Income tax and social contribution	(18,879)	2,600	15,249
(+) finance results	36,538	14,753	18,442
EBIT	(28,338)	17,572	33,433
(+) Depreciation, amortization and depletion	13,489	10,108	8,953
EBITDA	(14,849)	27,680	42,386
Equity held on <i>joint ventures</i> and affiliates	1,507	(1,141)	999
Impairment of noncurrent assets and investments	34,553	2,713	5,390
Impairment of equity on joint ventures and affiliates	1,727	71	0
Gains from the sale of equity on joint ventures and affiliates	(296)	68	(98)
(Gain) loss in the realization of noncurrent assets held for sale	(52)	441	508
Dividends received	1,064	1,302	1,836
Discontinued operations			4
Adjusted EBITDA	23,654	31,134	49,027
Dividends received	(1,064)	(1,302)	(932)
Depreciation, amortization and depletion	(13,489)	(10,108)	(8,953)
Adjusted EBIT	9,101	19,724	38,238
in R\$ billion	2015	2014	2013
Gross debt	112,666	76,517	68,977

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Leverage, measured by gross debt/Adjusted EBITDA ratio	4.8	2.5	1.4
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The gross debt/ Adjusted EBITDA (4.8 on December 31, 2015 compared to 2.5 on December 31, 2014 and 1.4 on December 31, 2013). The increase of this index in the period between December 31, 2013 and 2015, is due to decrease on the price of commodities and depreciation of real compared to the US dollar.

(2) Adjusted EBITDA is used by the Company management to help in the decision-making process of segments. The definition of Adjusted EBITDA is operational loss or profit added with dividends received from affiliates or joint ventures, excluding depreciation, depletion, and amortization, impairment, agreements, and result of measurement or sale of noncurrent assets

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The index of interest coverage, measured by the indicator EBITDA adjusted/payment of interest, was 4.3x on December 31, 2015, 7.6x on December 31, 2014, 14.4x on December 31, 2013. The decrease of this index in the period between December 31, 2013 and 2015, is due to decrease in EBITDA, with impact from the drop on the price of commodities in the international market and the impact of foreign exchange depreciation of real compared to the US dollar, with negative impact on the portion of costs and expenses expressed in other currencies (mainly US dollar and Canadian dollar).

in R\$ billion	On December 31,		
	2013	2014	2015
Gross debt	68,977	76,517	112,666
Cash position*	12,465	10,555	14,022
Financial investments	0,008	0,392	0,109
Net debt	56,504	65,570	98,535

d. Source of financing for working capital and investments in non-current assets

The sources of funds utilized by Vale in the last three years were generation of operating cash, loans and financing, and issue of bonds and securities, convertible or not, launched in the capitals market and sale of investments.

Operating activities from continuing operations generated cash flows of R\$ 15,719 billion in 2015, compared to R\$ 27.792 billion in 2014 and R\$ 31.876 billion in 2013. Comparing 2013 and 2014, the operating cash flow suffered a reduction in 2012 determined mainly by price drops in our products. In 2013, operating cash flow suffered variation mainly due to the gold stream operation outsourced in February 2013 with Silver Wheaton Corp. (SLW) to sell 70% of the payable gold flows produced as a byproduct in the nickel mines in Sudbury Coleman, Cooper Cliff, Creighton, Garson, Stobie, Totten and Victor for a 20 year term, and with Silver Wheaton (Caymans) Ltd. to sell 25% of the payable gold flows produced as a by-product in the copper mine in Salobo for the longevity of the mine. In 2015, the operating cash flow suffered variation compared to the previous fiscal year mainly due to the drop of the price of ore and pellets

Among other more relevant operations in the three-year period, the following are highlighted:

- In November 2015, Vale issued R\$ 1.5 billion in credit notes to export with due date in 2022 before Banco do Brasil.
- In August 2015, Vale issued infrastructure debentures to be placed by means of a public offer, in the total amount of R\$ 1,350 billion. Infrastructure debentures are to be monetarily adjusted and will pay annual interest, priced at IPCA + 6.6232% a year and IPCA + 6.6252% a year, depending on the series.
- In May 2015, Vale acquired a new revolving credit facility in the amount of US\$ 3.0 billion (equivalent to R\$ 9.5 billion), for five years. This revolving credit facility replaces the revolving credit facility of the

same amount acquired in 2011, being acquired from a syndicate comprised by 24 global banks.

- In March 2015, Vale signed a bank credit note with Bradesco for R\$ 700 million. This agreement has been used as grounds for the CRI, to fund projects under the S11D Logística, in Complexo Portuário de Ponta Madeira. The agreement term is for seven years, and funds have been fully disbursed by June 30, 2015.
- From March to July 2015, Vale has acquired and disbursed exporting pre-payments with due dates in five or six years, linked to future sales, summing US\$ 1.20 billion (equivalent to R\$ 54.7 billion).

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- In December 2014, Vale acquired exporting prepayment with the Bank of China, due in six years, in the amount of US\$ 300 million (equivalent to R\$ 797 million), which has been fully disbursed. The total term of this operation is 6 years and by December 31, 2014 there was no disbursement related to this operation.
- In May 2014, Vale signed two new funding agreements with the BNDES in the total amount of R\$ 6.2 billion. These agreements refer to the deployment of S11D and CLN S11D projects. The financing shall be in effect for ten years and funds will be disbursed in up to three years, according to the projects schedule. By December 31, 2015, R\$ 3.3 billion were disbursed under these agreements.
- In January 2014, Vale issued infrastructure debentures in the amount of US\$ 376.5 million (equivalent to R\$ 913.5 million). Infrastructure debentures are to be adjusted and will pay annual interest, according to IPCA + 6.46% per year (equivalent to NTN-B 2020 0.15%), IPCA + 6.57% per year (equivalent to NTN-B 2022 0.10%), IPCA + 6.71% per year (equivalent to NTN-B 2024 + 0%) and IPCA + 6.78% per year (equivalent to NTN-B 2030 + 0%), and mature in 2021, 2024, 2026, and 2029, depending on the series.
- In January 2014, Vale acquired a financing in the amount of US\$ 775 million with the Canadian agency EDC. The financing was divided into two tranches that are in effect for 5 and 7 years. The amount was fully disbursed by December 31, 2014.
- In December 2013, Vale issued R\$ 650 million in export credit notes from Brazilian commercial banks with maturity in 2023.
- In October, November and December 2013, Vale acquired export pre-payments with maturity in five and seven years, linked to future sales, totaling US\$ 1.4 billion (equivalent to R\$ 3.2 billion), which have been fully disbursed at the time.
- In July 2013, Vale signed a financing contract with Banco Safra, a BNDES financing agent, in the amount of R\$ 109.3 million. This contract is for the purchase of domestic equipment and was fully disbursed by December 31, 2014.
- In July 2013, Vale acquired a new revolving credit facility in the amount of US\$ 2.0 billion (equivalent to R\$ 4.7 billion), with a five-year maturity in a best effort transaction.

e. Potential sources of financing used for working capital and for investments in non-current assets for coverage of liquidity deficiency

In the regular course of business, the principal need for funds of Vale refers to capital investments, payments of dividends and debt service. The sources of funds frequently used are operating cash flow and financing.

The main sources of financing to cover liquidity deficiency are the facilities related to the export transactions offered by local banks (Advance on Foreign Exchange Contract - ACCs, and Advance on Delivered Exchange Instruments - ACEs).

Vale has, moreover, revolving lines of credit available that may be used at the option of the debtor. In 2013, Vale obtained a revolving credit facility in the amount of US\$ 2.0 billion (equivalent to R\$ 4.7 billion), for five years, while in fiscal year ending on December 31, 2014, Vale has not acquired revolving credit facilities.

In May 2015, the Company acquired another revolving line of credit in the amount of US\$ 3.0 billion (equivalent to R\$ 9.5 billion), with maturity period of 5 years, totaling, in lines of this

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type, available on December 31, 2015, \$US\$ 5 billion, that may be used by Vale, Vale Canada Ltd. (Vale Canada), and Vale International S.A. (Vale International).

IN January 2016, Vale has disbursed US\$ 3 billion in revolving credit facilities, for purposes of increasing liquidity and covering potential cash flow needs until conclusion of the divestment program.

f. Indebtedness levels and composition of such debts

On December 31, 2015, the total debt was R\$ 112.666 billion, with a tranche of R\$ 1.937 billion guaranteed by Vale's assets, with an average maturity period amortization of 8.13 years and an average cost of 4.47% per year in US dollars.

DEBT STRUCTURE In R\$ billion	ON DECEMBER 31,		
	2013	2014	2015
Gross debt	68,977	76,517	112,667
Tranche guaranteed by assets of Vale	5%	5%	1.7%
Average term of amortization (in years)	9.89	9.10	8.13
Average cost (in US dollars)	4.6%	4.6%	4.5%

Since July 2005, Vale has been considered investment grade by some of the main rating agencies. On the date of this Reference Form, Vale currently has the following credit risk ratings: BBB- (Standard & Poor's), Ba3 (Moody's), BBB (Dominion Bond Ratings) and BBB (Fitch).

i. Relevant loan and financing contracts

The most important categories of the total debt of the Company are presented below. The values presented exclude the accumulated costs.

- *Loans and financing contracted in US dollars (R\$ 27.5 billion, R\$ 18.7 billion, and R\$ 15.5 billion on December 31, 2015, 2014, and 2013, respectively).* These loans include credit facilities for exports, financing imports from the export credit agencies and loans from commercial banks and multilateral organizations.
- *Fixed income instruments issued in US dollars (R\$ 55.1 billion, R\$ 35.3 billion, and R\$ 32.4 billion on December 31, 2015, 2014, and 2013, respectively).* Vale issued several debt securities in the capital market, inclusive through its wholly owned subsidiary Vale Overseas in the total amount of US\$ 13 billion (equivalent to R\$ 50.8 billion). The subsidiary Vale Canada issued debt securities in the amount of US\$ 400 million (equivalent to R\$ 1.6 billion).

- *Fixed income instruments issued in euros (R\$ 4.8 billion, R\$ 4.8 billion and R\$ 4.0 billion on December 31, 2014, 2013, and 2012, respectively).* Vale issued debt securities in the capital market in the total amount of 1.5 Billion (equivalent to R\$ 4.8 billion).

- *Other debts (R\$ 21.2 billion, R\$ 16.5 billion, and R\$ 15.2 billion on December 31, 2015, 2014, and 2013, respectively).* The Company has several loans acquired in Brazil, mainly with the BNDES and some private Brazilian banks, as well as loans and financing in other currencies.

For information on most relevant financing operations in last three fiscal years, see item 10.1(d) above.

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ii. **Other long-term relationships with financial institutions**

Vale and its associated and subsidiary companies have a commercial relationship in the normal course of their business with some of the main financial institutions in the country, according to regular financial market practices.

iii. **Degree of subordination among debts**

There is no degree of contractual subordination among the Company's unsecured financial debts. Financial debts that are secured through collateral have the privileges and prerogatives granted by the law.

Additionally, considering the total of current and non-current liabilities of the Company, the R\$ 206,128 billion or 99.1%, corresponded to unsecured debts on December 31, 2015 (compared to R\$ 156,329 million or 97.8% on December 31, 2014; and R\$ 136.350 billion or 97.6% on December 31, 2013). Such amounts are subject to the preference of Company obligations that appear as collateral, including mortgage of assets totaling, on December 31, 2015, R\$ 1,937 billion or 1.7% of the total current and non-current liabilities of the Company, compared to R\$ 3.485 or 2.2 % on December 31, 2014; and R\$ 3.410 billion or 2.4% on December 31, 2013.

iv. **Any restrictions that might be imposed on the issuer in particular, in relation to limits of indebtedness and contracting the company's debts, the distribution of dividends, the disposal of assets, the issue of new securities and the transfer of corporate control, and if the issuer has been compliant with these restrictions**

Some long-term financial instruments contain obligations related compliance with financial indicators. The main indicators are: (i) leveraging (which is the index found with the division of debt by Earnings Before Interest Tax, Depreciation and Amortization (EBITDA), and (ii) interest coverage (which is the index found by dividing EBITDA with interest expenses). Vale is in conformity with the levels required for the indicators.

Preventively, Vale has executed agreements in the last quarter to increase the upper limit of the financial covenant of the gross debt for adjusted EBITDA from 4.5x to 5.5x by the end of 2016. This type of measure ensures greater flexibility during the period when Vale closes its investment cycle. In addition, no clause is directly limiting the ability to distribute dividends or interest on equity.

g. **Limits of financing contracted and percentage of use**

The following is a description of limits set forth by the relevant infrastructure debentures and financing contracts in the last three fiscal years:

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Date	Counterparty	Allocation	Value	Percentage Used	Disbursement of funds
8/15/2015	N/A	Use or reimbursement with expenses and/or debts related to the project for Expansion of Carajás Railway	R\$ 1.35 billion	100%	All infrastructure debentures issued by the Company have been fully subscribed and paid up.
3/24/2015	Banco Bradesco S.A.	Funding of CLN S11D project	R\$ 700 million	100%	Funds were disbursed entirely.
5/19/2014	BNDES	Funding of S11D and CLN S11D projects	R\$ 6.2 billion	54%	The credit is available in tranches, according to the projects

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					schedule
01/15/2014	N/A	Used in the reimbursement of spending, expenses and/or debt related to the Southeastern Railroad Branch of the Pará Project (RFSP)	R\$ 1.0 billion	100%	The entire infrastructure debentures issued by the Company have already been subscribed and paid
12/27/2013	BNDES	Financing for the Tecored Investment Plan	R\$ 136.7 million	100%	Credit is provided in tranches according to the project schedule
06/15/2013	Banco J. Safra	Financing for equipment	R\$ 109.31 million	100%	Credit is provided in tranches according to the project schedule
10/19/2012	BNDES	Financing for Vale Fertilizantes Project	R\$ 88.63 million	100%	Credit is provided in tranches according to the project schedule
09/24/2012	BNDES	Financing for CLN150 Project	R\$ 3.88 million	94%	Credit is provided in tranches according to the project schedule
8/04/2011	Banco Bilbao Viscaya, Banco Santander, BNP Paribas, Citibank Europe, Credit Agricole, HSBC, Natixis, and Societé Generale	Financing for the acquisition of ships with the Korean shipbuilders Daewoo and Sungdong	R\$ 2,062 billion	82%	The credit was provided in tranches according to the ship delivery schedule, and the remaining unused balanced was cancelled
4/01/2008	BNDES	investments made in Brazil	R\$ 7.3 billion	76%	The credit is provided in tranches according to the project schedule

h. Significant alterations in each item of the financial statements

Fiscal year ending on December 31, 2014 compared to fiscal year ending on December 31, 2015

Analysis of Operating Results 2014 x 2015

The table below presents the values for the consolidated income statements for the fiscal years ended December 31, 2015 and 2014:

(in R\$ billion)	Fiscal Year ending on December 31,	Variation (%)
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