Vale S.A.
Form 6-K
March 18, 2014
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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 2014

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.)

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

(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 o No x

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7))

(Check One) Yes o No x

(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 o No x

(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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VALE S.A.

PUBLICLY LISTED COMPANY

CNPJ 33.592.510/0001-54

ORDINARY AND EXTRAORDINARY GENERAL

SHAREHOLDERS MEETINGS CONVENING NOTICE

Shareholders of Vale S.A. (Vale or Company) are hereby invited to convene for the Ordinary and Extraordinary General Shareholders Meetings to be held on April 17, 2014 at 11:00am at Avenida das Américas 700, 2º andar, room 218 (auditorium), Città America, Barra da Tijuca, in the city of Rio de Janeiro, Brazil, for the purpose of discussing and deciding upon the matters set forth in the agenda below:

1. Ordinary General Shareholders Meeting

1.1 Appreciation of the managements report and analysis, discussion and vote on the financial statements for the fiscal year ending December 31, 2013;

1.2 Proposal for the destination of profits of the said fiscal year;

1.3 Appointment of members of the Board of Directors;

1.4 Appointment of the members of the Fiscal Council; and

1.5 Establishment of the remuneration of the Senior Management and Fiscal Council members for the fiscal year of 2014.

2. Extraordinary General Shareholders Meeting

2.1 Proposal of the cancellation of 39,536,080 common shares and 81,451,900 preferred class A shares issued by Vale held in Treasury, arising from the share buy-back program;

2.2 Proposal to increase the share capital of Vale, without issuance of new shares, in the total amount of R$2,300,000,000.00, through the capitalization of (i) income tax incentive

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reserve related to the SUDAM and SUDENE areas as of December 31, 2012, and (ii) part of the profit reserve for expansion/investments;

2.3 Amendment of caput of Article 5th of Vale s Bylaws in order to reflect the proposals of items 2.1 and 2.2 above.

According to CVM Rule 165/91 amended by CVM Rule nº 282/98, a shareholder must hold at least 5% (five percent) of the Company 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 General Shareholders Meetings is available to shareholders at Vale s headquarters, on its website (http://www.vale.com) and at the websites of the Brazilian Securities and Exchange Commission (http://www.cvm.gov.br), of the 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 meeting shall present their IDs badges and the proof of their shareholding participation interest to be issued by the depositary financial institution. Each Shareholder entitled to attend and vote at the meetings is entitled to appoint a proxy or, where permitted, more than one proxy, to attend and vote instead of him. A proxy must be either a Shareholder, a manager (Director or Executive Officer), an attorney-at-law registered with the Brazilian Bar Association or a financial institution. Proxies shall be granted pursuant to Article 126 of the Brazilian Corporate Law, being not more than one year prior to the meeting, and, in the event of the issuance in a language other than Portuguese, such documents as well as any corporate documents, if applicable, shall be followed by a Portuguese translation, all duly notarized and consularized.

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In order to speed up the meeting constitution process, shareholders who shall be represented by proxy may send the respective power of attorney to our offices 72 (seventy-two) hours in advance of the meeting herein convened.

Rio de Janeiro, March 14th, 2014.

Dan Conrado

Chairman of the Board of Directors

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Manual for participation in the

Annual and Extraordinary General Meetings

of

Vale S.A.

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I. Call Notice

The Shareholders of Vale S.A. (Vale) are invited to meet in the Annual and Extraordinary general meetings, to be held, cumulatively, on April 17, 2014, at 11:0, at Avenida das Américas #700, 2nd floor, room 218 (Auditorium), Città America, Barra da Tijuca, in the City of Rio de Janeiro, in order to deliberate on the following Agenda:

1. The Annual General Meeting

1.1 Consideration of the Managements Report and analysis, discussion and voting on the financial statements for the fiscal year ended December 31, 2013;

1.2 Proposal for the destination of the result for the year 2013;

1.3 Appointment of members to the Board of Directors of Vale;

1.4 Appointment of members to the Fiscal Council; and

1.5 Establishment of the compensation of Vale s Managers and Fiscal Council members for 2014.

2. Extraordinary General Meeting

2.1 Proposal for cancellation of 39,536,080 common shares and 81,451,900 preferred class A shares issued by Vale and held in Treasury, derived from the share buyback program;

2.2 Proposal to increase the share capital of Vale, without issuance of shares, for a total value of R$ 2,300,000,000.00 by means of the capitalization of the income tax incentives reserve, carried out in the areas of SUDAM and SUDENE until December 31, 2012, and part of the profits reserve for expansion/investments;

2.3 Amendment to the caput of Art. 5 of Vale s By-laws to reflect the proposals contained in items 2.1 and 2.2 above.

II. Guidance for participation in the General Meetings

2.1. Participation of the Shareholders in the General Meetings

The Shareholders of Vale might participate in the General Meetings either in person or by a proxy duly constituted.

The following documents will be required from the Shareholders for their participation in the General Meetings:

Individuals

- ID with photo (original or certified copy). The following documents might be accepted to this purpose: (i) *Carteira de Identidade de Registro Geral* (RG); (ii) Valid National Registry of Foreigners (*Carteira de Identidade de Registro de Estrangeiro - RNE*); (iii) Valid passport; (iv) Class Entity ID valid as civil ID for legal purposes (e.g. OAB, CRM, CRC, CREA); or (v) National Driver s License (*Carteira Nacional de Habilitação CNH*) with photo.
- proof of ownership of Vale shares issued by a depository financial institution

Legal Entities

- corporate documents evidencing the legal representation of the shareholder (original or certified copy)
- ID with photo of the legal representative of the shareholder (original or certified copy)
- proof of ownership of Vale shares issued by a depository financial institution

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2.2. Representation by Proxy

Any shareholder might constitute an Attorney-in-Fact, or more than one, as the case may be, to attend the General Meetings and to vote on his, her or it behalf. In case of representation, the shareholder shall observe the provisions of Art. 126 of Law #6,404/1976 and the relevant legal representative shall have been constituted less than one (1) year previously, and shall qualify as a shareholder, manager of Vale, lawyer enrolled with the Brazilian Bar, or be a financial institution.

In the case of Power-of-Attorney granted in a foreign language, it should be accompanied by the corporate documents, when relating to the legal entities and by the instrument for the mandate, all adequately translated into Portuguese, notarized and consularized.

In item 5 of this manual there is a Power-of Attorney template for mere reference only. The shareholders might use others Powers-of-Attorney than the one suggested herein, provided that in accordance with Law #6,404/1976 and the Brazilian Civil Code.

In order to expedite the process of holding the General Meetings, shareholders represented by Proxy might, at their sole and exclusive discretion, send the documents of representation up to seventy and two (72) hours in advance of the Assemblies to the address below:

Attn: Investor Relations Department

AV. Graça Aranha, 26, 12th floor,

Centro Rio de Janeiro RJ

It is emphasized that, despite the above-mentioned deadline, if any shareholder arrives by the beginning of the General Meetings with the required documents, he, she or it might participate and vote, even if he, she or it has not submitted said documents in advance.

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III. Vote

3.1. Voting Right

Pursuant to Art. 5 of Vale s By-laws, each common share, each preferred class A share and each golden share confer the right to one vote in the deliberations of the General Meeting, it being certain that preferred shares class A and golden shares have the same political rights as the common shares, with the exception of voting for the appointment of Board Members, excepting the provisions set forth in §§ 2 and 3 of Article 11 of Vale s By-laws, and also the right to appoint and dismiss one member of the Fiscal Council, and its respective alternate.

We emphasize, however, that prerogatives referred to in §§ 2 and 3 of Art. 11 of Vale s By-laws can only be exercised by shareholders who are able to prove uninterrupted ownership of shareholding therein required for a period of 3 (three) months, at least, immediately prior to the General Meeting convened to appoint members of the Board of Directors.

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IV. Matters of the Agenda

All documents relating to the Agenda of the Annual and Extraordinary General Meetings of Vale are at the disposal of the shareholders at the headquarters of Vale, in its Web page (http://www.vale.com) and in the pages of the Brazilian Securities and Exchange Commission (CVM) (www.cvm.gov.br), of BM&FBovespa S.A. Bolsa de Valores, Mercadorias e Futuros (www.bmfbovespa.com.br), of the US Securities and Exchange Commission (www.sec.gov), and the The Stock Exchange of Hong Kong Limited (www.hkex.com.hk).

4.1. Consideration of the Managements Report and analysis, discussion and voting on the financial statements for the fiscal year ended December 31, 2013

To deliberate on this item, the following are made available to shareholders (a) the Management s Report, the Financial Statements and the Report of the External Auditor PricewaterhouseCoopers Auditores Independentes, published according to current legislation; and (b) Reports of the Board of Directors and the Fiscal Council, dated as of 2/26/2014.

4.2. Proposal for the destination of the result for the fiscal year of 2013

To deliberate on this matter, the following are made available to shareholders (a) the Executive Board s proposal for destination of the result for the fiscal year ended 12/31/2013; (b) the Annex to the proposal in accordance with CVM Rule #481/2009 (Annex 9-1-II); and (c) the Reports of the Board of Directors and the Fiscal Council on the allocation of results; dated as of 2/26/2014.

4.3. Appointment of members to the Board of Directors of Vale

Pursuant to Art. 11 of Vale s By-laws, the Board of Directors is composed of eleven effective members and corresponding alternates. The term of the members of the Board of Directors is two years, being reelection permitted. The appointment of the members of the Board of Directors shall observe the provisions of the legislation in force and in the Vale s By-laws.

Considering the vacancy of positions in the Board of Directors, the following members have been appointed pursuant to §10 of Art. 11 of Vale s By-laws: Mr. Hidehiro Takahashi and Ms. Laura Bedeschi Rego de Mattos, in the Board of Directors Meetings

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as of 5/24/2013 and 2/26/2014, respectively, as alternate members of the Board of Directors to complete the term of office until the first General Meeting to be held.

Thus, Valepar S.A. proposes to ratify the appointment of both at the General Meeting to be held on 4/17/2014 for a term office until the Annual General Meeting of 2015 and to maintain temporarily vacant one position of an Effective Member of the Board of Directors.

4.3.1. Nominated by the controlling shareholder, Valepar S.A.

In accordance with the provisions of Art. 10 of CVM Rule #481/2009, follow information (items 12.6 to 12.10 of the Reference Form) related to Mr. Hidehiro Takahashi and Ms. Laura Bedeschi Rego de Mattos:

Name	Hidehiro Takahashi	Laura Bedeschi Rego de Mattos
Age	58	38
Profession	Economist	Chemical Engineer
CPF/MF	949.725.917-49	253.585.728-64
Office to be held	Alternate	Alternate
Date of appointment	17.04.2014	17.04.2014
Date of investiture	16.05.2014	16.05.2014
Term of Office	Until the holding of the Ordinary General Assembly in 2015	Until the holding of the Ordinary General Assembly in 2015
Other positions in Vale	N/A	Member of the Executive Development Committee

Main professional experience:

Hidehiro Takahashi

Alternate Member of the Board of Directors of Vale (since may/2013), where he also held the position of Alternate Member of the Board of Directors (2005 to 2009). His main professional experiences in the last 5 years includes: (i) Operating Officer, Mineral & Metal Resources Business Unit of Mitsui & Co Ltd. (since 2009); (ii) Executive Vice-President of Mitsui & Co. (Brazil) S.A. (2005 to 2009); (iii) General Manager of the

Department for America, Africa and Europe, Iron Ore Division (2002 to 2005) of Mitsui; (iv) Director, General Manager of Metals Division of Mitsui Brazilian Raw Materials Import and Export S.A., Rio de Janeiro Branch (1997 to 2002); (v) Member of the Board of Directors of Caemi Mineração e Metalurgia S.A. (1997 to 2002), a company that was acquired by Vale; (vi) General Manager of the Department for America, Africa and Europe, Iron Ore Division (1995 to 1997) of Mitsui; (vii) Director of the Division of Steel Raw Materials Mitsui Brazil Import and Export S.A., Rio de Janeiro Branch (1989 to 1995). He graduated in Political Economy at the University of Waseda (Japan) in March 1980.

Laura Bedeschi Rego de Mattos

Alternate Member of the Board of Directors of Vale (since February 2014) and member of the Executive Development Committee (since February 2013). Her main professional experiences includes: (i) alternate Member of the Board of Directors of Valepar (from 2010 to February 2014), the controlling shareholder of Vale, closed company which is a holding company; (ii) head of the Department responsible for Monitoring and Managing the portfolio of Shareholdings of the Banco Nacional de Desenvolvimento Econômico e Social-BNDES, a development bank (since 2002); (iii) alternate Member of the Board of Directors of Oi S.A., a publicly-traded telephone company (since 2011); (v) alternate Member of the Board of Directors of Latin America Logística S.A., a publicly-traded logistics company (since 2011); (vi) alternate Member of the Board of Directors (since 2011) and Member of the Finance Committee (from 2012) of Fibria S.A., a publicly-traded company that operates in the paper and pulp sector. She graduated in Chemical Engineering at the Federal University of Rio de Janeiro in 1999, completed a Masters in Science in Energy Planning at the Federal University of Rio de Janeiro in 2002 and a graduate Executive MBA in Finance at IBMEC, in 2007.

Declarations.

Judicial and administrative convictions (including criminal). All the candidates declared, individually and for all legal purposes, that in the last 5 (five) years, they have not had any criminal conviction, any sentence in administrative process of the Brazilian Securities and Exchange Commission (CVM), or any conviction, in the judicial or administrative sphere, that might have suspended them or made them ineligible for any professional or commercial activity.

Marital relationship, stable union or kinship up to the second degree. All the candidates declared, individually and for all legal purposes, that there is no marital relationship,

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stable union or kinship up to the second degree between them and (i) the managers of Vale; (ii) managers of controlled companies, direct or indirect, of Vale; (iii) direct or indirect controllers of Vale; and (iv) the corporate managers of companies controlled directly or indirectly by Vale.

Relationships of subordination, service providers or control. All the candidates declared, individually and for all legal purposes, that there have been no relations of subordination, service or control, maintained in the 3 (three) last financial years, among them and (i) any company controlled, directly or indirectly, by Vale; (ii) the direct or indirect controllers of Vale; or (iii) relevant suppliers, customers, debtors or creditors of Vale, of its subsidiaries or its controlling shareholders.

4.4. Appointment of members to the Fiscal Council

Pursuant to Art. 36 of Vale s Bylaws, the Fiscal Council is permanent, composed of three to five effective members and their corresponding alternates, who remain in Office until the first Annual General Meeting after their appointment. The appointment of the members of the Fiscal Council shall observe the provisions of the legislation in force and Vale s By-laws.

In accordance with the provisions of Art. 10 of CVM Rule #481/2009, follows information (items 12.6 to 12.10 of the Reference Form) regarding the candidates nominated for reelection by the shareholder Valepar S.A. for the positions of effective and alternate members of the Fiscal Council.

Effective

Name	Arnaldo José Vollet	Marcelo Amaral Moraes	Aníbal Moreira dos Santos
Age	65	46	75
Profession	Graduate in Maths	Graduate in Economics	Accountant
CPF/MF	375.560.618-68	929.390.077-72	011.504.567-87
Office to be held	Effective Member	Effective Member	Effective Member
Date of appointment	17.04.2014	17.04.2014	17.04.2014
Date of investiture	16.05.2014	16.05.2014	16.05.2014

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Term of Office	Until the Ordinary General Assembly in 2015	Until the Ordinary General Assembly in 2015	Until the Ordinary General Assembly in 2015
Other positions in Vale	N/A	N/A	N/A

Alternate

Name	Valeriano Gomes	Vago(1)	Oswaldo Mário Pego de Amorim Azevedo
Age	60	-	72
Profession	Economist	-	Industrial and manufacturing engineer
CPF/MF	313.022.547-15	**-**	005.065.327-04
Office to be held	Alternate Member	-	Alternate Member
Date of appointment	17.04.2014	-	17.04.2014
Date of investiture	16.05.2014	-	16.05.20134
Term of Office	Until the Ordinary General Assembly in 2015	-	Until the Ordinary General Assembly in 2015
Other positions in Vale	N/A	-	N/A

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(1) There is no nomination for a substitute member for Mr Marcelo Amaral Moraes.

Main professional experience:

Sitting members

Arnaldo José Vollet

Member of the Fiscal Council of Vale (since 2011). His main professional experiences in the last five (5) years includes: (i) Effective Member of the Auditing Committee of Caixa Econômica Federal (since October 2013), public closed company and financial institution; (ii) Executive Officer of BB DTVM (from 2002 to 2009), closed capital securities brokerage; (iii) Chief Financial and Investor Relations Officer of the Electric Power Company of Bahia-Coelba (2000 to 2002), a publicly-traded company that carries out distribution and sale of electricity; (iv) a member of the Fiscal Council of Telesp Celular Participações (1999 to 2000) a publicly-traded company that used to develop activities in the telecommunications sector; (v) a member of the Fiscal Council of CELPE Cia. de Eletricidade de Pernambuco (2004 to 2009), a publicly-traded company, which is active in the power distributor sector; (vi) member of the Board of Directors of Guaraniana, current Neoenergia S.A. (2002 to 2003), a publicly-held holding company in the power sector; (vii) a alternate member of the Board of Directors of CEMIG - Cia de Energia de Minas Gerais (2003 to 2005), publicly-traded company in the power generation and distribution sector; (viii) member of the Board of Directors of Pronor Petroquímica S.A. (1997 to 1998), a publicly-traded company that had its capital closed in May 2011, working with the manufacturing, processing, trade, import, export and sale of chemicals and petrochemicals; and (ix) member of the Board of Directors of Nitrocarbono S.A. (1997 to 1998), a publicly-traded company that was merged in 2003 into Braskem S.A., and worked with basic and intermediate organic products, petrochemicals and coal derivatives and alcohol. He graduated in mathematics at the University of São Paulo (USP) in December 1975, and completed an Executive MBA in Finance at the Instituto Brasileiro de Mercado de Capitais (IBMEC/RJ) in June 1992.

Marcelo Amaral Moraes

Member of the Fiscal Council of Vale (since 2004), where he also held the position of Alternate Member (2003). His main professional experiences includes: (i) Investment Manager at Bradespar S.A. (2000 to 2006), a publicly-traded company, holding a stake in Valepar S.A., which acts as a holding company; (ii) alternate Member of the Board of Directors of Net Serviços de Comunicação S.A., a pay-TV operator (2004 to 2005); (iii) Executive Officer of Stratus Investments Ltd. (2006 to 2010), private equity manager; (iv) Executive Officer of Capital Dynamics Investimentos Ltda. (since Jan/2012), a private equity management company; and (v) an Observer-Member of the Board of Directors of Infinity Bio-Energy S.A. (April/2011 to March 2012). He graduated in Economics at the Federal University of Rio de Janeiro in January 1991, completed an MBA at COPPEAD/UFRJ in November 1993, and a Postgraduate Degree in Corporate Law and Arbitration at Fundação Getúlio Vargas (FGV) in November 2003.

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Aníbal Moreira dos Santos

Effective Member of the Fiscal Council of Vale since 2005, where he also held the position of alternate member from April to July 2005. His main professional experiences includes: (i) Manager of Controllership of Caemi Mineração e Metalurgia S.A. (Caemi) (from 1981 to 2003), a publicly-traded mining company merged into Vale in 2006; (ii) Executive Officer of several privately held corporations controlled by Caemi abroad; (iii) an alternate member of the Board of Directors (from 1998 to 2003) of closed capital companies Minerações Brasileiras Reunidas S.A. MBR, a closed company, working with mining, and Empreendimentos Brasileiros de Mineração S.A. EBM, a closed company acting as a holding; and (iv) Effective Member of the Fiscal Council of Log-In Logística Intermodal S.A., since April 2009, a publicly traded company for intermodal transport. He graduated in Accounting at the Technical Trade School of Fundação Getúlio Vargas in April 1962.

Substitutes

Valeriano Durval Guimarães Gomes

Alternate Member of the Fiscal Council of Vale (from 2013). His main professional experiences includes: (i) Effective Member of the Deliberative Council of the Association of Former Officers of the Bank of Brazil (since 2011); (ii) Managing Partner of Barbosa Guimarães Consultoria Econômica-Financeira Ltda. (since 2007), a company working with preparation of economic projects and financial consulting; (iii) Alternate Member of the Board of Directors of Neoenergia S.A. (2007 to 2010), a publicly-held holding company in the power sector; (iv) Alternate Member of the Board of Directors of Nitrocarbono S.A. (2002 to 2003), a publicly-held traded company, with interests in oils, fuels, petroleum and derivatives; (v) Alternate Member of the Board of Pronor Petroquímica S.A. (2002 to 2004), a publicly traded company, with activities including manufacturing, processing, trade, import, export and sale of chemical and petrochemical products. He graduated in Economics at the Universidade Estácio de Sá in 1978, concluded the IAG Masters in Finance and Capital markets at the Pontifícia Universidade Católica of Rio de Janeiro in 1998 and has a specialization in Economic Analysis at the Universidade Federal do Rio de Janeiro (2001).

Oswaldo Mário Pêgo de Amorim Azevedo

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) and Engineer at the industrial supply area (Pelletizing) (1964 to 1976). His main professional experience in the last 5 years includes: (i) Special Advisory Board Member of the Union of Private Insurance, Capitalization and Reinsurance Companies of Rio de Janeiro and Espírito Santo (since 2005); (ii) Director of the Sul America Cia de Seguros Gerais (2008 to 2012), privately held insurance company; (iii) Ombudsman for the Sul America Insurance Conglomerate, (from 2005 to 2012), where he also assumed the position of (iv) Vice-President for Institutional Relations and Branches Abroad (from 1990 to 2010); (v) Director (1980 to 1990); and (vi) Deputy Director (1976 to 1980) (vii) Vice-President of the National Federation of Private Insurance and Capitalization Companies (2004 to 2007); (viii) Vice-President of the Union of Private Insurance Capitalization and Reinsurance Companies of Rio de Janeiro (from 2007 to 2012), where he had already exercised the Office of President (1989 to 1992 and 2001 to 2004); (ix) Alternate Member of the Board of Directors of BrasilVeículos Cia de Seguros (2006 to 2010) and (x) BrasilSaúde Cia de Seguros (2006 to 2010), both privately held insurance companies; (xi) Vice President of Sul América S.A., a publicly traded company which administers own assets and participations and corporate shareholdings (2006 to 2007); (xii) Director and (xiii) Vice-President of the South America Cia. Nacional de Seguros, an insurance company whose capital was closed in 2008 (from 1980 to 2010); (xiv) Director and Vice-President of Nova Ação Participações S.A., a publicly traded company that administers its own assets, especially financial investments (2006 to 2010); He was also Director (i) and (ii) Vice-President of Sul América Terrestres, Marítimos e Acidentes Cia de Seguros, an insurance company whose capital was closed and subsequently merged into South America Cia. Nacional de Seguros (from 1980 to 1998); (ii) Director of the Sul America Cia de Seguros S.A., a publicly traded insurance company based in Lima, Peru (1996 to 2003); (iv) Director of Corcovado S.A., a real estate company based in Lima, Peru, whose capital was closed in 2004 (2003 to 2009); and (v) Director of Sul América Capitalização S.A, a privately held company that markets savings bonds (from 1987 to 1998). He graduated in Industrial Engineering and Production at the Pontifícia Universidade Católica do Rio de Janeiro (PUC) in January 1964.

Declarations

Judicial and administrative convictions (including criminal). All the candidates declared, individually and for all legal purposes, that in the last 5 (five) years, they have not had any criminal conviction, any sentence in administrative process of the Brazilian Securities and Exchange Commission, or any conviction, in the judicial or administrative sphere, that might have suspended them or made them ineligible for any professional or commercial activity.

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Marital relationship, stable union or kinship up to the second degree. All the candidates declared, individually and for all legal purposes, that there is no marital relationship, stable union or kinship up to the second degree between them and (i) the managers of Vale; (ii) managers of controlled companies, direct or indirect, of Vale; (iii) direct or indirect controllers of Vale; and (iv) the corporate managers of companies controlled directly or indirectly by Vale.

Relationships of subordination, service providers or control. All the candidates declared, individually and for all legal purposes, that there have been no relations of subordination, service or control, maintained in the 3 (three) last financial years, among them and (i) any company controlled, directly or indirectly, by Vale; (ii) the direct or indirect controllers of Vale; or (iii) relevant suppliers, customers, debtors or creditors of Vale, of its subsidiaries or its controlling shareholders.

Confirmation of Independence

The candidates for reelection to the positions of effective/alternate members of the Fiscal Council, individually, have confirmed their independent status, for the purposes of section 3.13 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* being eligible as independent members of the Fiscal Council.

4.5. Establishment of the compensation of Vale s Managers and Fiscal Council members for 2014

The proposal on the Managers compensation is made available pursuant to Item 13 of CVM Rule #480/2009.

4.6. Proposal for cancellation of shares held in Treasury

In accordance with CVM Rule #10/1980, as amended by CVM Rule #268/1997 and Art. 14, XXXII of Vale s By-laws, the Board of Directors approved, on 6/30/2011, the acquisition by Vale and/or any of its subsidiaries, of common and preferred class A shares issued by Vale, with the aim to cancel them (Buy-Back Program). As a result of such program 39,536,080 common shares and 81,451,900 preferred class A shares issued by the company were acquired and remained in Treasury for subsequent cancellation.

Thus, the proposal to be submitted to the shareholders is to cancel the 39,536,080 common shares and 81,451,900 preferred class A shares issued by Vale and held in Treasury and derived from the share buyback program, with a consequent change in the caput of Art. 5 of Vale s By-laws in order to reflect such cancellation.

To deliberate on this matter, we provide the report in table form, detailing the source and justification of the proposed change, analyzing their possible legal and economic effects, as well as the Report of the Fiscal Council, dated 3/7/2014.

4.7. Proposal to increase the share capital of Vale, without issuance of shares

Considering that article 545 of the Income Tax Regulations of 1999 establishes that the income tax incentives, earned with exploration of priority activities in the areas of SUDAM and SUDENE, should be maintained in a specific reserve for tax incentives for use in increase of capital or in absorption of tax losses and should be excluded from the basis of the remuneration of shareholders, a proposal will be submitted to shareholders approval for a capital increase in the amount of R$ 2,300,000,000 .00 (two billion and three hundred million Brazilian Reais), by means of the capitalization of tax incentives, income tax accrued and received out in the areas of SUDAM and SUDENE until December 31, 2012, amounting to R$2,271,836,962.16 (two billion, two hundred and seventy-one million, eight hundred and thirty-six thousand, nine hundred and sixty-two Brazilian Reais and sixteen cents) plus part of the profit reserve for expansion/investments in the amount of R$ 28,163,037.84 (twenty-eight million, one hundred and sixty three thousand, thirty-seven Brazilian Reais and eighty four cents)

To deliberate on this subject, are made available the proposal for increasing the share capital by means of a capitalization of reserves, as well as the report in table form, detailing the source and justification of the proposed change, analyzing their possible legal and economic effects, and also the report of the Fiscal Council, dated 3/7/2014.

4.8. Amendment to the caput of Art. 5 of Vale s By-laws to reflect the proposals contained in items 4.6 and 4.7 above

Whereas, if adopted, the proposed cancellation of common and preferred shares issued by Vale and the capital increase using reserves, without issuing shares, will require a change in the caput of Art. 5th of Vale s By-laws, the draft of Vale s By-laws is made available to the shareholders, containing the new wording of the caput of article 5th, in addition to the documents mentioned under items 4.6 and 4.7 above.

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V. POWER OF ATTORNEY STANDARD FOR REFERENCE ONLY

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[**ACIONISTA**], [Qualificação] (Outorgante), neste ato nomeia e constitui como seu procurador o(a) Sr(a) [**NOME**], [NACIONALIDADE], [ESTADO CIVIIL], [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 em primeira convocação no dia 17 de abril de 2014, 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:	[**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 Meeting to be held on first call on April 17, 2014, 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:
Ordem do dia:	Agenda:
Assembleia Geral Ordinária	*Ordinary Shareholders Meeting*
1) Apreciação do relatório da administração e exame, discussão e votação das demonstrações financeiras, referentes ao exercício social encerrado em 31 de dezembro de 2013.	1) Appreciation of the managements report and analysis, discussion and vote on the financial statements for the fiscal year ending December 31, 2013.
o a favor o contra o abstenção	o Pro o Against o Abstain
2) Proposta para a destinação do resultado do exercício de 2013.	2) Proposal for the destination of the result of the said fiscal year.
o a favor o contra o abstenção	o Pro o Against o Abstain

3) Eleição de membros do Conselho de Administração	3) Appointment of members of the Board of Directors
o a favor o contra o abstenção	o Pro o Against o Abstain
4) Eleição de membros do Conselho Fiscal	4) Appointment of members of the Fiscal Council
o a favor o contra o abstenção	o Pro o Against o Abstain
5) Fixação da remuneração dos administradores e dos membros do Conselho Fiscal para o ano de 2014.	5) Establishment of the remuneration of the Senior Management and Fiscal Council members for the fiscal year of 2014.
o a favor o contra o abstenção	o Pro o Against o Abstain
Assembleia Geral Extraordinária	*Extraordinary Shareholders Meeting*
6) Proposta de cancelamento 39.536.080 ações ordinárias e 81.451.900 ações preferenciais classe A de emissão da Vale que estão em Tesouraria.	6) Proposal to cancel 39.536.080 ordinary shares and 81.451.900 preferred shares class A issued by Vale and maintained in the treasury.
o a favor o contra o abstenção	o Pro o Against o Abstain
7) Proposta de aumento do capital social da Vale, sem emissão de ações, no valor total de R$2.300.000.000,00, mediante a capitalização (i) da reserva de incentivos fiscais de imposto de renda, realizados nas áreas da SUDAM e da SUDENE até 31 de dezembro de 2012, e (ii) de parcela da reserva de lucros para expansão/investimentos	7) Proposal to increase the share capital of Vale, without issuance of new shares, in the total amount of R$2,300,000,000.00, through the capitalization of (i) income tax incentive reserve related to the SUDAM and SUDENE areas as of December 31, 2012, and (ii) part of the profit reserve for expansion/investments.
o a favor o contra o abstenção	o Pro o Against o Abstain

8) Alteração do caput do Art. 5º do Estatuto Social da Vale para refletir as propostas constantes dos itens 6 e 7 acima.	8) Amendment of caput of Article 5th of Vale s Bylaws in order to reflect the proposals of items 6 and 7 above.
o a favor o contra o abstenção	o Pro o Against o Abstain
Este instrumento será válido e produzirá efeitos a partir da data de sua assinatura até 31 de maio de 2014 ou até o primeiro dia útil após a realização das Assembleias Gerais aqui referidas, em caso de segunda convocação, o que ocorrer primeiro.	This power of attorney shall remain in full force and produce effects from its signature date until May 31st, 2014 or until the first business day after the General Meetings referred herein take place, in case of second call, whatsoever occurs first.
[Local], [Data].	[Place], [Date].
[Acionista]	[Shareholders]

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PROPOSAL FOR THE DESTINATION OF NET INCOME

FOR THE YEAR ENDED DECEMBER 31, 2013

Dear Members of the Board of Directors

The Executive Officers Board of Vale S.A. (Vale), in lieu with Article 192 of Law #6,404 (as amended by Laws #10,303 and #11,638) and Articles 41 to 44 of Vale s Bylaws, hereby presents to the Board of Directors the proposal for the destination of net income incurred in the fiscal year ended December 31, 2013.

The net income for the year, according to the Income Statement, amounted to R$115,090,671.19 (one hundred and fifteen million, ninety thousand reais and nineteen cents), accounted as per the norms and pronouncements issued by the Brazilian Securities and Exchange Commission rules (CVM) / Accounting Standards Committee (CPC). The net income shall be added to the income due the adoption of new accounting pronouncements issued by CVM / CPC in the amount of R$14,627,000.00 (fourteen million six hundred and twenty-seven thousand reais). The net profits added to the unrealized income reserve, in the amount of R$9,220,205,039.03 (nine billion, two hundred and twenty million, two hundred and five thousand, thirty-nine reais and three cents) amount to R$9.349.922.710,22 (nine billion, three hundred forty-nine million, nine hundred and twenty-two thousand, seven hundred and ten reais and twenty two cents) for which the following destination is hereby proposed:

I - LEGAL RESERVE

To this reserve must be allocated 5% of net income of the year up to the limit of 20% (twenty percent) of the Social Capital by force of Article 193 of Law #6,404 and in the Article 42 of Vale s Bylaws, that is, R$6,485,883.56 (six million, four hundred and eighty-three thousand, eight hundred and eighty three reais and fifty six cents).

The allocation to this may recorded in the year in which the balance of the legal reserve plus the amount of capital reserves (Article 182 of Law #6,404/76) exceeds 30% of the social capital.

II - TAX INCENTIVE RESERVES

Vale is entitled to an income tax reduction on regulated exploration profits, as defined: (a) Establishment Report #023/2007 issued by the Agência de Desenvolvimento da Amazônia ADA, currently known as Superintendência de Desenvolvimento da Amazônia - SUDAM (Amazonian Development Institution) related to tax incentives granted to copper extraction in the State of Pará; (b) Report Establishing #105/2009 and Declaration #10/2009 issued by the Superintendência de Desenvolvimento da Amazônia - SUDAM related to tax incentives granted for the extraction of iron ore in the State of Pará; and (c) Establishmnet Report #40/2011 issued by the Superintendência de Desenvolvimento da Amazônia - SUDAM related to tax incentives granted to pelletizing plant of São Luiz in the State of Maranhão.

Vale also benefits from Reinvestment Benefit issued by SUDAM and SUDENE (Northeaster Superintendence) which allows the entity to spend part of the income tax due, reinvesting the funds with the aquisition of equipments for the operational plants on de SUDAM and SUDENE areas.

According to tax law (article #545 of Income Tax Regulation) the amount benefited and not payed to ITR is not available to shareholders and must be accounted in a specific reserve in the shareholders equity exclusive to increase capital or to absorb losses.

As mentioned above and exposed on article 195-A, Federal Law#6,404, included by Federal Law #11,638, we propose the amount of R$24,161,826.66 (twenty four million, one hundred sixty one thousand, eight hundred twenty six reais and sixty-six cents) to that Reserve, equal to total tax not collected by Vale due to fiscal benefits mentioned above.

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III - DIVIDENDS/INTEREST ON SHAREHOLDERS EQUITY

Pursuant to Article 42 of Vale s Bylaws, after establishing the legal reserve, the proposed allocation of the remaining amount of the net income at the end of each fiscal year shall be submitted to the Annual Shareholders Meeting by the Board of Directors, considering that the amount of interest paid or accrued as interest on shareholders equity, according to Article 9, Paragraph 7 of Law #9,249, and the applicable laws and regulations, may be attributed to the mandatory dividend and the minimum annual dividend for preferred shares, which shall integrate the amount of dividends distributed by the company for all legal effects. Pursuant to Article 44 the Bylaw, at least 25% of annual net income, adjusted under the legislation shall be allocated to dividends payments of.

The adjusted net income, which for 2013 amounted to R$ R$99,069,960.97 (ninety nine million, sixty-nine thousand, nine hundred and sixty reais and ninety seven cents), equals to net income of the year of R$115,090,671.19 (one hundred and fifteen million, ninety thousand, six hundred and seventy-one reais and nineteen cents), reduced by the amount of the constituted legal reserve of R$6,485,883.56 (six million, eight hundred and eighty three thousand reais and fifty-six cents), and the destination to taxes incentive reserve of R$24,161,826.66 (twenty four million, one hundred sixty one thousand, eight hundred twenty six reais and sixty six cents). Thus, the minimum mandatory dividend of 25% of the adjusted net income as dividends amounts to R$24,767,490.24 (twenty four million, seven hundred and sixty-seven thousand, four hundred and ninety reais and twenty four cents), which corresponds to R$0.004806072 per outstanding common and preferred share.

Persuant to Article 5, Paragraph 5 of Bylaws, the holders of preferred classes A and golden shares are entitled to participate in the dividend to be distributed, calculated in accordance with Chapter VII of Bylaws as per the following criteria:

(a) priority to receive dividends corresponding to (i) at least 3% (three percent) of the shareholders equity share value, calculated based on the financial statements used as reference for the payment of dividends or (ii) 6% (six percent) calculated over the part of capital represented by this class of shares, whichever is the higher among them;

(b) right to participate in the profits distributed, on equal terms with common shares after assured to them a dividend equal to the minimum annual dividend established in accordance with the paragraph a above.

On December 31, 2013, the reference value for the minimum annual dividend of preferred shares, based on (a) 6% on preferred capital per outstanding preferred share is R$1,768,512,670.33 (one billion, seven hundred sixty-eight million, five hundred and twelve thousand, six hundred and seventy reais and thirty three cents), corresponding to R$0.898761480 per outstanding prefeered share or (b) 3% of the shareholders equity per outstanding preferred share, is R$1,858,884,628.09 (one billion, eight hundred fifty-eight million, eight hundred and eighty-four thousand, six hundred twenty-eight reais and nine cents), corresponding to R$0.944688680, per outstanding preferred share, whichever is higher.

Considering the total balance of mandatory dividend related to fiscal year 2013, as noted, the prerogative to pay interest on shareholders equity, based on Articles 42, sole paragraph and 45 of Bylaws, Vale´s actual financial position, according to balance sheet related to 2013 and the option by equal shareholders treatment, the Board of Executive Officers propose to ratify shareholders distribution during 2013, as dividends and interest on stockholders equity, in the total gross amount of R$9,319,275,000.00 (nine billion, three hundred and nineteen million, two hundred and seventy five thousand reais) , under the terms stated in sequence, considered as advances of distribution for the year 2013:

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a) the distribution of interest on shareholders equity based on the Board of Executive Officers proposal and approved by the Board of Directors, at the meeting held on April 16, 2013, in the total gross amount of R$4,452,750,000.00 (four billion, four hundred fifty-two million, seven hundred and fifty thousand reais), equivalent to R$0.864045420 per outstanding common or preferred share distributed as follows, R$791,600,000.00 (seven hundred ninety-one million, six hundred thousand reais) as dividends and R$3,661,150,000.00 (three billion, six hundred sixty-one million, one hundred and fifty thousand reais), paid from April 30, 2013;

b) the distribution of interest on shareholders equity based on the Board of Executive Officers proposal approved by the Board of Directors, at the meeting held on October 17, 2013 in the total gross amount of R$4,866,525,000.00 (four billion, eight hundred sixty-six million, five hundred twenty-five thousand reais), equivalent of R$0.944337462 per outstanding common or preferred share distributed as follows, R$621,525,000.00 (six hundred twenty-one million and five hundred and twenty-five thousand reais) as dividends and R$4,245,000,000.00 (four billion, two hundred forty-five million reais), paid from October 31, 2013.

This way, obligatory dividend was fully paid, with no retained amount.

Attached below is a comparison chart of the net income per share and of the payment to shareholders in the last three years:

	2013	**2012**	**2011**
Net income per share	R$0.03	R$2.03	R$7.42
Interest on shareholders equity and dividends per share	R$1.808382882	R$1.828805334	R$1.755732583

Note: Same amounts for all species and classes of shares issued by Vale.

IV - INVESTMENT/EXPANSION RESERVES

The execution of investment/expansion reserve in the amount of R$9,220,205,039.03 (nine billion, two hundred and twenty million, two hundred and five thousand, thirty-nine reais and three cents) refers to the amount to 9,319,275,000.00 (nine billion, three hundred nineteen million, two hundred seventy five thousand reais) related to payment of dividends/interest on shareholder´s equity, deducted of the remaining balance of retained earnings in the amount of R$99,069,960.97 (ninety nine million, sixty nine thousand, nine hundred and sixty reais and ninety-seven cents).

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V - SUMMARY

This proposal covers the following allocation of net income for the year 2013:

IN FLOWS	**R$**
- Net income of the year	115,090,671.19
- Retained Earnings	14,627,000,00
- Realization of investment/expansion reserve	9,220,205,039.03
	9,349,922,710.22

ALLOCATION	
- Legal reserve	6,485,883.56
- Tax incentives reserves	24,161,826.66
- Remuneration of shareholders:	
- Advanced Interest on shareholder s equity April 2013	3,661,150,000.00
- Advanced Dividends April 2013	791,600,000.00
- Advanced Interest on shareholder s equity October 2013	4,245,000,000.00
- Advanced Dividends October 2013	621,525,000.00
	9,319,275,000.00
	9,349,922,710.22

Based on the foregoing, we hereby submit to the Board of Directors the present proposal, according to resolution the Board of Executive Officers.

Rio de Janeiro, February 24, 2014.

Murilo Pinto de Oliveira Ferreira
Chief Executive Officer

Vânia Lucia Chaves Somavilla
Executive Officer (Human Resources, Health & Safety, Sustainability and Energy

Luciano Siani Pires
Chief of Finance Officer and Investors Relations

Roger Allan Downey
Executive Officer (Fertilizers and Coal)

José Carlos Martins
Executive Officer (Ferrous e Strategy)

Galib Abrahão Chaim
Executive Officer (Capital Projects Implementation)

Humberto Ramos de Freitas Executive Officer (Logistics and Mineral Research)	Gerd Peter Poppinga Executive Officer (Base Metals and Information Technology)

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Annex to the Proposal for the Destination of the Result

related to the fiscal year ended December 31, 2013

Under Article 9, §1, II and Annex 9-1-II of CVM Rule No. 481/09, we highlight the following:

DESCRIPTION	INFORMATION
1. Net income of the 2013 fiscal year	R$115,090,671.19 plus R$ 14,627,000.00 of retained earnings, leading to a total amount of R$129,717,671.19
2. Global and per share amount of dividends, including anticipated dividends and interest on shareholders equity already declared	Global Amount of: R$9,319,275,000.00 R$1.808382882 per outstanding share, either common or preferred (class A and golden shares)
3. Percentage of the net income related to the 2013 fiscal year already distributed	100% adjusted net income
4. Global and per share amount of dividends distributed based on profits from previous fiscal years	Not applicable
5. Shareholders Remuneration for the 2013 fiscal year, net of dividends declared on April 16, 2013 and October 17, 2013	Gross amount of dividends and interest on shareholders equity, broken down by type and class of share: Not applicable Form and period of payment of interest on shareholders equity: Not applicable Any monetary restatement and interests on the dividends and interest on shareholders equity: Not applicable Declaration date of payment of dividends and interest on shareholders equity, which shall be considered as the record date, pursuant to the Dividend Policy: Not applicable

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<table>
<tr><th>DESCRIPTION</th><th colspan="4">INFORMATION</th></tr>
<tr><td>6.A. Dividends and interest on shareholders equity resolved on April 16, 2013</td><td colspan="4">Gross value of R$0.864045420 per outstanding share, either common or preferred (Class A and golden share), being R$ 0.710437345 as interest on shareholders equity and R$ 0.153608075 as dividends.

Payment Date: April 30, 2013.</td></tr>
<tr><td>6.B. Dividends and interest on shareholders equity resolved on October 17, 2013</td><td colspan="4">Gross value of R$0.944337462 per outstanding share, either common or preferred (Class A and golden share), being R$0.823732032 as interest on shareholders equity and R$0.120605430 as dividends.

Payment Date: October 31, 2013.</td></tr>
<tr><td rowspan="4">7. Provide a comparative table with the following amounts, by type and class of share: a) net income of the 2013 fiscal year and the three (3) previous fiscal years; b) dividends and interest on shareholders equity distributed in the three (3) previous fiscal years</td><td></td><th>2013</th><th>2012</th><th>2011</th></tr>
<tr><td>Net income per outstanding share</td><td>R$0.03</td><td>R$2.03</td><td>R$7.42</td></tr>
<tr><td>Dividends and interest on shareholders equity per outstanding share</td><td>R$1.808382882</td><td>R$1. 828805334</td><td>R$1.755732583</td></tr>
<tr><td colspan="4">Obs: Equal amounts to all types and classes of shares.</td></tr>
<tr><td>8. Allocation of profits to legal reserve</td><td colspan="4">Amount allocated to the legal reserve: R$6,485,883.56

Description of the calculation of the legal reserve:

Before any other allocation, 5% of the net profits of the fiscal year must be placed in this reserve, up to a limit of 20% of the paid-up capital, in accordance with Article 193 of the Brazilian Corporate Law and Article 42 of Vale s Bylaws.

The allocation to this reserve may not be done in the year in which the balance of the legal reserve plus the amount of capital reserves (Article 182 of Law #6,404/1976) exceeds 30% of the corporate capital.</td></tr>
<tr><td>9. Preferred shares entitled to fixed or minimum dividends</td><td colspan="4">Description of the formula calculation:</td></tr>
</table>

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DESCRIPTION	INFORMATION
	In accordance with Article 5º, § 5º of Vale s Bylaws, holders of preferred shares (class A and golden shares) shall be entitled to receive dividends calculated as set forth in Chapter VII of these Bylaws in accordance to the following criteria: a) priority to receive dividends corresponding to (i) a minimum of 3% (three percent) of the net equity share value, calculated based on the financial statements which served as reference for the payment of dividends, or (ii) 6% (six percent) calculated over the portion of the capital represented by this class of share, whichever higher among them; b) right to participate in the profits distribution, in the same conditions as those applicable to common shares, once a dividend equal to the minimum annual dividend established in accordance with letter a above is ensured to such common shares. The fiscal year profit is enough for the full payment of the fixed or minimum dividends. There are no cumulative installments outstanding. As of December 31, 2013, the reference value for the minimum annual dividend is either R$1,768,512,670.33, which corresponds to 6% over the preferred capital, equivalent to R$0.898761480 per share; or R$1,858,884,628.09, which corresponds to the 3% of shareholder s equity of preferred shares outstanding, equivalent to R$0.944688680 per outstanding preferred share, whichever is higher.
10. Mandatory Dividend	Describe the method of calculation provided for in the Bylaws: Pursuant to Article 42 of Vale s By-Laws, after the establishment of the legal reserve, the destination of the remaining portion of the net income calculated at the end of each financial year shall, through a Management proposal, be submitted to the General Shareholders Meeting, and the amount, paid or credited, as interest on shareholders equity, according to Article 9, §7 of Law #9,249/1995 and the

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DESCRIPTION	INFORMATION
	applicable legislation and regulation, may be ascribed to the mandatory dividend and to the minimum annual dividend on the preferred shares, and such amount, for all legal purposes, shall form the sum of the dividends to be distributed by the Company. The proposal for distribution of profits shall consider the following reserves: (i) Tax Incentive Reserve, to be established in accordance with applicable fiscal legislation;(ii) Investments Reserve, in order to ensure the maintenance and development of the main activities which comprise the Company s purpose, in an amount not greater than 50% (fifty percent) of distributable net profit and up to the Company s corporate capital. At least 25% of the annual net income adjusted in accordance with the applicable legislation shall be distributed as dividends. The mandatory dividend has been paid in full. Retained amount: Not applicable.
11. In the event of any retention of the mandatory dividend due to the Company s financial condition: (a) inform the amount of the retention; (b) provide a detailed description of the Company s financial condition, including the aspects related to the liquidity analysis, working capital and positive cash flows; (c) justify the retention of dividends.	Not applicable.
12. In the event of allocation of profits to the contingencies reserve: (a) identify the amount allocated to such reserve; (b) identify the deemed probable loss and its cause; (c) explain why the loss was deemed probable; (d) justify the constitution of the reserve.	Not applicable.
13. In the event of allocation of profits to the	Not applicable.

DESCRIPTION	INFORMATION
unrealized income reserve: (a) inform the amount allocated to such reserve; (b) inform the nature of the unrealized income that gave rise to the reserve.	
14. In the event of allocation of profits to the statutory reserves: (a) describe the Bylaws provisions which established the reserve; (b) identify the amount allocated to the reserve; (c) describe the calculation of such amount.	The Article 43 of Vale s Bylaws provides that the proposed allocation of profits consider the establishment of the following reserves: I Tax Incentives Reserve, to be established in accordance with prevailing fiscal legislation; II Investments Reserve, in order to ensure the maintenance and development of the main activities which comprise the company s purpose, in an amount not greater than 50% (fifty percent) of distributable net profit up to a maximum of the company s corporate capital. The Management proposes to not allocate any amount to the reserves above, since there is no net income remaining after allocation to Legal Reserve, Reserve Tax Incentive and payment of dividends/interest on shareholders equity on April 30, 2013 and October 31, 2013.
15. Retained earnings provided for in the Investment Budget	Not applicable.
16. Destination of profits to the Tax Incentive Reserve	The amount of R$24,161,826.66 was allocated to the Tax Incentive Reserve. Vale is entitled to an income tax reduction on regulated exploration profits, as provided by: (a) Establishment Report #023/2007 issued by Agência de Desenvolvimento da Amazônia ADA, currently known as Superintendência de Desenvolvimento da Amazônia - SUDAM (Amazonian Development Institution) related to tax incentives granted to copper extraction in the State of Pará; (b) Establishment Report #105/2009 and Declaration #10/2009 issued by the Superintendência de Desenvolvimento da Amazônia - SUDAM related to tax incentives granted for the extraction of iron ore in the State of Pará; and (c) Establishmnet Report #40/2011 issued by the Superintendência de Desenvolvimento da Amazônia - SUDAM related to tax incentives granted to pelletizing plant of São Luiz in the State of Maranhão.

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DESCRIPTION	INFORMATION
	Vale also benefits from Reinvestment Benefit issued by SUDAM and SUDENE (Northeaster Superintendence) which allows the entity to reinvest part of the income tax due on the acquisition of equipment for the operational plants on de SUDAM and SUDENE areas. According to tax law (Article #545 of Income Tax Regulation) the amount benefited and not paid to ITR is not available for distribution to shareholders and must be accounted in a specific reserve solely to be used in capital increases or to absorb losses. Considering the above and pursuant to Article 195-A of Federal Law #6,404/1976, included by Federal Law #11,638/2007, we propose the allocation to that Reserve of the amount of R$24,161,826.66, equivalent to the total tax amount not collected by Vale due to the fiscal benefits mentioned above.

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BOARD OF DIRECTOR´S REPORT ON MANAGEMENT REPORT AND ON THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

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, 2013, 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, 2014.

Rio de Janeiro, February 26, 2014.

Dan Conrado
Chairman

Marcel Juviniano Barros
Director

Hayton Jurema da Rocha
Director

Renato da Cruz Gomes
Director

Luiz Maurício Leuzinger
Director

Hidehiro Takahashi
Director

Eduardo de Oliveira Rodrigues Filho
Director

Laura Bedeschi Rego de Mattos
Director

João Batista Cavaglieri
Director

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BOARD OF DIRECTOR'S REPORT ON PROPOSAL FOR THE DESTINATION OF EARNINGS FROM THE FISCAL YEAR ENDED DECEMBER 31, 2013

The Board of Directors of Vale S.A. ("Vale"), after conducting the analysis of the Executive Officer Board's proposal for the destination of profits earned in the fiscal year ended December 31, 2013, is favorable to the submission of such proposal to the shareholders resolution at the Ordinary General Shareholder Meeting to be held in April, 2014.

Rio de Janeiro, February 26, 2014.

Dan Conrado
Chairman

Marcel Juviniano Barros
Director

Hayton Jurema da Rocha
Director

Renato da Cruz Gomes
Director

Luiz Maurício Leuzinger
Director

Hidehiro Takahashi
Director

Eduardo de Oliveira Rodrigues Filho
Director

Laura Bedeschi Rego de Mattos
Director

João Batista Cavaglieri
Director

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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, 2013.

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, 2013 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 26th, 2014.

Marcelo Amaral Moraes *Chairman*	Arnaldo José Vollet *Counselor*
Aníbal Moreira dos Santos *Counselor*	Paulo Fontoura Valle *Counselor*

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OPINION OF THE FISCAL COUNCIL ON THE PROPOSAL FOR THE DESTINATION OF EARNINGS FOR THE YEAR ENDED DECEMBER 31, 2013

The Fiscal Council of Vale SA (Vale) in carrying out its legal and statutory duties, having examined the Proposal of the Board for the destination of earnings for the year ended 31 December, 2013, is of the opinion that the mentioned information that should be approved by the Annual Stockholders General Meeting of the Company.

Rio de Janeiro, February 26th, 2014.

Marcelo Amaral Moraes *Chairman*	Arnaldo José Vollet *Counselor*
Aníbal Moreira dos Santos *Counselor*	Paulo Fontoura Valle *Counselor*

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CNPJ 33.592.510/0001-54

NIRE 33.300.019.766

EXTRACT OF MINUTES OF REGULAR MEETING OF THE FISCAL COUNCIL

On February 25th and (additionaly) 26th, 2014, at 9:30 am, met, ordinarily, at Vale s head office, ate Avenida Graça Aranha, 26, 17th floor, Rio de Janeiro, Messrs. Marcelo Amaral Moraes Chairman, Aníbal Moreira dos Santos, Arnaldo José Vollet, and the alternate member Mr. Paulo Fontoura Valle. Present, also, Mr. Cleber Santiago, as secretary. Therefore, the Fiscal Council was informed upon following subjects:

6 **ISSUANCE OF OPINION ON THE BOARD OF DIRECTORS REPORT AND FINANCIAL STATEMENTS OF VALE S.A. FOR THE 2013 FINANCIAL YEAR:** The Fiscal Council, having previously read the Board of Directors Report and Executive Board s Proposal for Distribution of Net Profits for the financial year ended December 31, 2013, issued an **OPINION OF THE FISCAL COUNCIL ON THE BOARD OF DIRECTORS REPORT AND FINANCIAL STATEMENTS OF VALE S.A, ON DECEMBER 31, 2013** and an **OPINION OF THE FISCAL COUNCIL ON THE PROPOSAL FOR DISTRIBUTION OF PROFITS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2013** .

10 **CANCELLATION OF COMMON AND PREFERRED SHARES ISSUED BY VALE:** The members of the Fiscal Council undersigned, having analyzed the Management s Proposal referred to the cancellation of 39,536,080 common shares and 81,451,900 preferred class A shares issued by Vale and held in treasury as a result of the shares repurchase program approved on June 30, 2011, with the corresponding amendment of the caput of Article 5 of the Vale s Bylaws to reflect such cancellation, as DDE 044/2014 (Decision of Executive Board), to be submitted for the Board of Directors approval. The Counselors have obtained additional information on details of the operation of the financial area. After the details from the Fiscal Council were issued an **OPINION OF THE FISCAL COUNCIL ON THE CANCELLATION OF COMMON AND PREFERRED SHARES ISSUED BY VALE AND HELD IN TREASURY** , was attached to the minutes.

I hereby attest that the information above were excerpted from the Minutes taken from the Registry of the Minutes of the Fiscal Council of Directors Meetings of the Company.

Rio de Janeiro, February 25th and 26th, 2014.

Cleber Santiago

Secretary of the Fiscal Council

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Report on the proposed amendment to Bylaws of Vale SA

Below is the report, in table form, detailing the origin and justification of the proposed amendment to the Bylaws and analyzing the potential legal and economic effects:

Current wording of Bylaws	Writing proposal to Bylaws	Justificatiion
Article 5th - The Capital Stock is R$ 75,000,000,000.00 (seventy-five billion Brazilian reais) corresponding to 5,365,304,100 (five billion, three hundred sixty-five million, three hundred and four thousand, one hundred) shares, being R$ 45,524,788,827,91 (forty five billion, five hundred twenty four million, seven hundred and eighty eight thousand, eight hundred and twenty seven Brazilian reais and ninety one cents), divided into 3,256,724,482 (three billion, two hundred fifty six million, seven hundred and twenty four thousand, four hundred and eighty two) book shares and R$	**Article 5th** - The Capital Stock is R$ 75,000,000,000.00 (seventy five billion Brazilian reais) corresponding to 5,244,316,120 (five billion, two hundred forty four million, three hundred and sixteen thousand, one hundred and twenty) shares, being R$ 45,524,788.827,91 (forty-five billion, five hundred twenty four million, seven hundred and eighty eight thousand, eight hundred and twenty seven Brazilian reais and ninety one cents), divided into 3,217,188,402 (three billion, two hundred and seventeen million hundred eighty eight thousand four hundred two) book shares and R$ 29,475,211,172.09 (twenty nine billion,	Pursuant to CVM Instruction nº 10/80, amended by CVM Instruction 268/97 and Article 14, XXXII of the Bylaws, the Board of Directors of the Company approved, on 30/06/2011, the acquisition, by Vale and/ or any of its subsidiaries, of common and preferred shares class A issued by Vale, with the purpose of cancellation (Repurchase Program). As a result of this program were acquired 39,536,080 common shares and 81,451,900 preferred shares class A issued by the Company who remained in Treasury for subsequent cancellation. *Legal effect*. The proposed cancellation of shares impacts in reducing the amount of common and preferred shares of total share capital of the Company, without changing the percentage interest of the shareholders. *Economic effect*. The proposed cancellation of shares impacts in reducing the amount of common and preferred

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Current wording of Bylaws	Writing proposal to Bylaws	Justificatiion
29,475,211,172.09 (twenty nine billion, four hundred seventy five million, two hundred and eleven thousand, one hundred and thirty six dollars and nine cents) divided into 2,108,579,618 (two billion, one hundred and eight million, five hundred and seventy nine thousand, six hundred and eighteen) preferred shares Class A , including twelve (12) special class, all without nominal value.	four hundred seventy-five million, two hundred and eleven thousand, one hundred and thirty six dollars and nine cents), divided into 2,027,127,718 (two billion, twenty-seven million, one hundred twenty-seven thousand seven hundred and eighteen) preferred shares class A , including twelve (12) special class, all without nominal value.	shares of total Equity of the Company and, as a counterpart, a reduction of the Earnings Reserve, by an equivalent value to the acquisition cost of these shares. While Vale executed the Repurchase Program, the Earnings Reserve had already been reduced against the Treasury Shares, taking place as a result of the cancellation adjustments on both accounts without additional effect on the Net Equity not affecting the Vale´s outcome for the fiscal year 2014 and not constituting any economic impact to shareholders.

OPINION OF THE FISCAL COUNCIL ON THE CANCELLATION OF COMMON AND PREFERRED SHARES ISSUED BY VALE AND HELD IN TREASURY.

The Fiscal Council of Vale S.A. (Vale), in performing its legal and statutory duties, having analyzed the Management s Proposal referred to the cancellation of 39,536,080 common shares and 81,451,900 preferred class A shares issued by Vale and held in treasury as a result of the shares repurchase program approved on June 30, 2011, with the corresponding amendment of the caput of Article 5 of the Vale s Bylaws to reflect such cancellation, as DDE-044/2014, has the opinion that the proposal is in condition to be appreciated by Board of Directors of the Company.

Rio de Janeiro, February 26, 2014.

Marcelo Amaral Moraes
Chairman

Arnaldo José Vollet
Counselor

Aníbal Moreira dos Santos
Counselor

Paulo Fontoura Valle
Counselor

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PROPOSAL TO INCREASE THE SHARE CAPITAL BY MEANS OF A CAPITALIZATION OF RESERVES TO BE DELIBERATED IN EXTRAORDINARY GENERAL MEETING

Gentlemen and Ladies of the Board,

The Executive Board of Vale S.A. (Vale) hereby presents to the Board of Directors a proposal to increase the share capital by means of the capitalization of tax incentive reserves and part of the profits reserve for expansion/investments.

Article 545 of the Income Tax Regulations of 1999 provides that the amount related to the income tax incentives, accrued in connection with the exploration of priority activities in the areas covered by SUDAM and SUDENE incentives should be kept in a specific reserve account, which should only be used for purposes of increasing the share capital of the company or for absorption of tax losses and which should not be distributed to the shareholders by any means.

Thus, the Executive Board proposes hereby to increase the share capital of Vale in the amount of R$ 2,300,000,000.00 (two billion three hundred million Reais), through the capitalization of (i) the specific reserve accounts related to the income tax incentives, which were accrued due to the activities carried out in the areas of SUDAM and SUDENE until December 31, 2012, adding up to R$ 2,271,836,962.16 (two billion, two hundred and seventy-one million, eight hundred and thirty-six thousand, nine hundred and sixty-two Reais and sixteen cents), and (ii) part of the profits reserve for expansion/investments in the amount of R$ 28,163,037.84 (twenty eight million, one hundred and sixty three thousand, thirty-seven Reais and eighty-four cents) as follows:

	R$
Reinvestment - SUDAM years 2007, 2009 and 2010	329,823,447.21
Reinvestment - SUDENE years 2007, 2009, 2010 and 2011	27,701,758.38
Reduction of income tax for activities with incentives in the area of SUDAM, in the years 2010, 2011 and 2012	1,914,311,756.57
Amount of incentives reserve (total)	2,271,836,962.16
Part of Profit Reserve for expansion/investments	28,163,037.84
Amount of increase in share capital	2,300,000,000.00

As a result of the proposed capital increase, Vale s current share capital amounting to R$ 75,000,000,000.00 (seventy-five billion Reais) will be increased to R$ 77,300,000,000.00 (seventy-seven billion and three hundred million Reais).

Considering the cancellation of common and preferred shares (already approved by this Board of Directors) will be submitted for the decision of the General Meeting, as well as this proposal for increasing the share capital of Vale (which is now being submitted to this Board), the caput of Article 5 of Vale s By-laws shall be read as follows, once all such approvals are granted:

***Article 5** - The paid-up capital amounts to R$77,300,000,000.00 (seventy-seven billion and three hundred million Reais) corresponding to 5,244,316,120 (five billion, two hundred and forty-four million, three hundred and sixteen thousand, one hundred and twenty) shares, being R$*

47,420,608,861,89 (forty-seven billion, four hundred and twenty million, six hundred and eight thousand, eight hundred and sixty-one Reais and eighty-nine cents) divided into 3,217,188,402 (three

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billion, two hundred and seventeen million, one hundred eighty-eight thousand, four hundred and two) common shares and R$ 29,879,391,138.11 (twenty-nine billion, eight hundred and seventy-nine million, three hundred and ninety-one thousand, one hundred and thirty eight Reais and eleven cents), divided into 2,027,127,718 (two billion, twenty-seven million, one hundred and twenty-seven thousand, seven hundred and eighteen) preferred Class A shares, including 12 (twelve) golden shares, all without nominal value,

In view of the above, we hereby submit to the Ladies and Gentlemen of the Board the present proposal, as per the deliberation of the Executive Board,

Rio de Janeiro, 24th February, 2014,

Murilo Pinto de Oliveira Ferreira CEO	Vânia Lucia Chaves Somavilla Executive Director for Human Resources, Health and Safety, Sustainability and Energy
Luciano Siani Pires Executive Director for Finance and Investor Relations	Roger Allan Downey Executive Director for Fertilizers and Coal
José Carlos Martins Executive Director for Ferrous Metals and Strategy	Galib Abrahão Chaim Executive Director for Capital Projects
Humberto Ramos de Freitas Executive Director for Logistics and Mining Research	Gerd Peter Poppinga Executive Director for Base Metals and Information Technology

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Attachment to the Proposed Share Capital Increase by Capitalization of Reserves

Pursuant to Art. 14 and Annex 14 of CVM Rule No. 481/09, we highlight the following:

DESCRIPTION	DATA
1. Report the amount of the capital increase	R$ 2,300,000,000.00
2. Report the amount of the new capital	R$ 77,300,000,000.00
3. Report whether the increase will be accomplished through (a) conversion of debentures into shares; (b) exercise of subscription rights or warrants; (c) capitalization of profits or reserves; or (d) subscription of new shares,	Capital increase shall be implemented by the capitalization of reserves, without issuance of new shares.
4. Explain, in details, the reasons for the increase and its legal and economic consequences	Article 545 of the Income Tax Regulations of 1999 determines that the unpaid income tax, due to income tax incentives accrued in connection with exploration of the priority activities in the areas of SUDAM and SUDENE, be booked in a tax incentive reserve, for conversion into capital or absorption of losses. The proposal seeks to meet the aforementioned tax provision, as well as the regulatory agencies regulations, through capitalization of incentives made until December 31, 2012, amounting to R$2,271,836,962.16, plus part of the reserve for investment/expansion in the amount of R$ 28,163,037.84. *Legal and Economic Consequences*: this is only a transfer of amounts within Vale s own net equity accounts, from the tax incentive reserve and expansion/investment reserve accounts to the share capital account, without economic consequences. This capitalization of income tax incentives already accrued, blocks in a transparent manner, their distribution to shareholders, as required by tax legislation. Considering the proposed cancellation of common and preferred shares, which will also be submitted to the decision of the General Meeting, and the present proposal for increase of capital, the caput of Article 5th of Vale s Bylaws shall be read as follows, once all such approvals are granted: ***Article 5*** *- The paid-up capital amounts to R$77,300,000,000.00 (seventy-seven billion and three*

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DESCRIPTION	DATA
	hundred million Reais) corresponding to 5,244,316,120 (five billion, two hundred and forty-four million three hundred and sixteen thousand, one hundred and twenty) shares, being R$ 47,420,608,861,89 (forty-seven billion, four hundred and twenty million, six hundred and eight thousand, eight hundred and sixty-one reais and eighty-nine cents) divided into 3,217,188,402 (three billion, two hundred and seventeen million one hundred eighty-eight thousand, four hundred and two) common shares and R$ 29,879,391,138.11 (twenty-nine billion, eight hundred and seventy-nine million three hundred and ninety-one thousand, one hundred and thirty eight reais and eleven cents), divided into 2,027,127,718 (two billion, twenty-seven million, one hundred and twenty-seven thousand, seven hundred and eighteen) preferred class A shares, including 12 (twelve) golden shares, all without nominal value
5. Provide a copy of the opinion of the Fiscal Council	Please see the attached document.
6. In the event of an increase of capital by capitalization of profits or reserves: (a) to inform whether this will result in the modification of the nominal value of the shares, if applicable, or the distribution of new shares among shareholders; **(b) to inform whether the capitalization of profits or reserves will be effected with or without the modification on the number of shares, in those companies whose shares have no nominal value;** **(c) in case of distribution of new shares: (i) to inform the number of shares issued for each type and class; (ii) to inform the percentage the shareholders will receive in shares; (iii) to describe the rights, advantages and restrictions assigned to the shares to be issued; (iv) to inform the acquisition cost, in Brazilian Reais per share, to be assigned so that shareholders may be attentive to Art. 10 of Law #9,249, of**	The capitalization of reserves will be effective without modification on the number of shares or distribution of new shares among the shareholders of Vale, reason why §3 of Art. 169 of Law #6,404/1976 does not apply.

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DESCRIPTION	DATA
December 26, 1995; (v) to report the treatment of fractions, if any; (d) to report the deadline provided for in §3 of Art. 169 of Law #6,404/1976; (e) to report and provide the information and documents referred to in item 5 of Annex 14 of CVM Rule #481/09, when appropriate.	

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OPINION OF FISCAL COUNCIL ON PROPOSAL FOR A CAPITAL INCREASE OF VALE S.A.

The Fiscal Council of Vale S.A. (Vale), in performing its legal and statutory duties, having analyzed the Management s proposal related to capital increase at Vale S.A., without issuing new shares, the amount of R$ 2,300,000,000.00 (two billion and three hundred million reais), with the destination of reserve tax incentives of income taxes, realized in the areas of the SUDAM and SUDENE until December 31, 2012, amounting to R$ 2,271,836,962.16 (two billion, two hundred seventy-one million, eight hundred and thirty-six thousand nine hundred sixty-two reais and sixteen cents) and part of the profit reserve of expansion/investment amounting to R$ 28,163,037.84 (twenty eight million, one hundred sixty-three thousand, thirty-seven reais and eighty-four cents), as DDE-072/2014, has the opinion that the proposal is in condition to be evaluated by Extraordinary General Assembly of Vale.

Rio de Janeiro, March 07, 2014.

Marcelo Amaral Moraes
Chairman

Arnaldo José Vollet
Counselor

Aníbal Moreira dos Santos
Counselor

Paulo Fontoura Valle
Counselor

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MINUTES OF THE EXTRAORDINARY FISCAL COUNCIL MEETING OF VALE S.A. (RECF-14/13-14)

On March 07th, 2014, at 10:00 am, met, extraordinary, at Vale s head Office, at Avenida Graça Aranha, 26, 8th floor, Rio de Janeiro. The members of the Fiscal Council, signed below, having analyzed the Management s proposal, related to capital increase at Vale S.A., to be referred to the Board of Directors, as DDE-072/2014. The members of the Fiscal Council have obtained additional information about the financial department details of the transaction. After the details from the Fiscal Council were issued an **OPINION OF FISCAL COUNCIL ON PROPOSAL FOR A CAPITAL INCREASE IN VALE S.A.** , was attached to the minutes. The members of the Fiscal Council, Mr. Marcelo Amaral Moraes and Mr. Paulo Fontoura Valle, participated by conference call.

Marcelo Amaral Moraes *Chairman*	Arnaldo José Vollet *Counselor*
Aníbal Moreira dos Santos *Counselor*	Paulo Fontoura Valle *Counselor*

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BY-LAWS

VALE S.A.

CHAPTER I - NAME, PURPOSE, HEAD OFFICE AND DURATION

Article 1 Vale S.A., referred to in abbreviated form as Vale, is a joint-stock company governed by the present By-Laws and by applicable legislation.

Sole Paragraph - Vale, its shareholders, directors, executive officers and members of the Fiscal Council are also subjected to the Corporate Governance Level 1 Listing Rules of BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros (Level 1 Listing Rules).

Article 2 - The purpose of the company is:

I. the exploitation of mineral deposits in Brazil and abroad by means of extraction, processing, industrialization, transportation, shipment and commerce of mineral assets;

II. the building and operation of railways and the exploitation of own or third party rail traffic;

III. the building and operation of own or third party marine terminals, and the exploitation of nautical activities for the provision of support within the harbor;

IV. the provision of logistics services integrated with cargo transport, comprising generation, storage, transshipment, distribution and delivery within the context of a multimodal transport system;

V. the production, processing, transport, industrialization and commerce of all and any source and form of energy, also involving activities of production, generation, transmission, distribution and commerce of its products, derivatives and subproducts;

VI. the carrying-on, in Brazil or abroad, of other activities that may be of direct or indirect consequence for the achievement of its corporate purpose, including research, industrialization, purchase and sale, importation and exportation, the exploitation, industrialization and commerce of forest resources and the provision of services of any kind whatsoever;

VII. constituting or participating in any fashion in other companies, consortia or associations directly or indirectly related to its business purpose.

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Article 3 - The head office and legal venue of the company shall be in the city of Rio de Janeiro, State of Rio de Janeiro, the company being empowered for the better realization of its activities to set up branch offices, subsidiary branch offices, depots, agencies, warehouses, representative offices or any other type of establishment in Brazil or abroad.

Article 4 - The term of duration of the company shall be unlimited.

CHAPTER II - CAPITAL AND SHARES

Article 5 - The paid-up capital amounts to R$75,000,000,000.00 (seventy-five billion Reais) corresponding to 5,365,304,100 (five billion, three hundred and sixty-five million, three hundred and four thousand and one hundred) shares, being R$45,524,788,827.91 (forty-five billion, five hundred and twenty-four million, seven hundred and eighty-eight thousand, eight hundred and twenty-seven Reais and ninety-one cents), divided into 3,256,724,482 (three billion, two hundred and fifty-six million, seven hundred and twenty-four thousand, four hundred and eighty-two) common shares and R$29,475,211,172.09 (twenty-nine billion, four hundred and seventy-five million, two hundred and eleven thousand, one hundred and seventy-two Reais and nine cents), divided into 2,108,579,618 (two billion, one hundred and eight million, five hundred and seventy-nine thousand, six hundred and eighteen) preferred Class A shares, including 12 (twelve) golden shares, all without nominal value.

Proposal to amend the caput of Article 5 of the By-laws to reflect the cancellation of 39,536,080 ordinary shares and 81,451,900 preferred class A shares issued by Vale and held in the Treasury, as well as the capital increase through the capitalization of reserves without the issuance of shares

Article 5 *- The paid-up capital amounts to R$77,300,000,000.00 (seventy-seven billion and three hundred million Reais) corresponding to 5.244.316.120 (five billion, two hundred and forty-four million, three hundred and sixteen thousand and one hundred and twenty) shares, being R$47,420,608,861.89 (forty-seven billion, four hundred and twenty million, six hundred and eight thousand, eight hundred and sixty-one Reais and eighty-nine cents), divided into 3,217,188,402 (three billion, two hundred and seventeen million, one hundred and eighty-eight thousand and four hundred and two) common shares and R$29,879,391,138.11 (twenty-nine billion, eight hundred and seventy-nine million, three hundred and ninety-one thousand, one hundred and thirty-eight Reais and eleven cents), divided into 2,027,127,718 (two billion, twenty-seven million, one hundred and twenty-seven thousand, seven hundred and eighteen) preferred Class A shares, including 12 (twelve) golden shares, all without nominal value.*

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§ 1 - The shares are common shares and preferred shares. The preferred shares comprise class A and special class.

§ 2 - The special class preferred share shall belong exclusively to the Federal Government. In addition to the other rights which are expressed and specifically attributed to these shares in the current By-Laws, the special class shares shall possess the same rights as the class A preferred shares.

§ 3 - Each common, class A preferred share and special class shares shall confer the right to one vote in decisions made at General Meetings, the provisions of § 4 following being observed.

§ 4 - The preferred class A and special shares will have the same political rights as the common shares, with the exception of voting for the election of Board Members, excepting the provisions set forth in §§ 2 and 3 of Article 11 following, and also the right to elect and dismiss one member of the Fiscal Council, and its respective alternate.

§5 - Holders of class A preferred and special class shares shall be entitled to receive dividends calculated as set forth in Chapter VII in accordance with the following criteria:

a) priority in receipt of dividends specified in § 5 corresponding to: (i) a minimum of 3% (three percent) of the stockholders equity of the share, calculated based on the financial statements which served as reference for the payment of dividends, or (ii) 6% (six percent) calculated on the portion of the capital formed by this class of share, whichever higher;

b) entitlement to participate in the profit distributed, on the same conditions as those for common shares, once a dividend equal to the minimum priority established in accordance with letter a above is ensured; and

c) entitlement to participate in any bonuses, on the same conditions as those for common shares, the priority specified for the distribution of dividends being observed.

§6 - Preferred shares shall acquire full and unrestricted voting rights should the company fail to pay the minimum dividends to which they are entitled during 3 (three) consecutive fiscal years, under the terms of §5 of Article 5.

Article 6 - The company is authorized to increase its paid-up capital up to the limit of 3,600,000,000 (three billion, six hundred million) common shares and 7,200,000,000 (seven billion, two hundred million) Preferred Class A shares. Within the limit authorized in this article, the Company, as a result of deliberation by the Board of Directors, may increase its paid-up capital independently of reform to its bylaws, through the issue of common and/or preferred shares.

§ 1 - The Board of Directors shall determine the conditions for issuance, including the price and the period of time prescribed for paying up.

§ 2 - At the option of the Board of Directors the preemptive right in the issuance of shares, bonds convertible into shares and subscription bonuses, the placement of which on the market may be by sale on the stock exchange or by public subscription as per the prescriptions set forth in Law no. 6.404/76, may be rescinded.

§ 3 - Provided that the plans approved by the General Meeting are complied with, the company shall be entitled to delegate the option of share purchase to its administrators and employees, with shares held in Treasury or by means of the issuance of new shares, the shareholders preemptive right being excluded.

Article 7 - The special class share shall possess a veto right regarding of the following subjects:

I. change of name of the company;

II. change of location of the head office;

III. change of the corporate purpose with reference to mineral exploitation;

IV. the winding-up of the company;

V. the sale or cessation of the activities of any part or of the whole of the following categories of the integrated iron ore systems of the company: (a) mineral deposits, reserves and mines; (b) railways; (c) ports and marine terminals;

VI. any alteration of the rights assigned to the types and classes of the shares issued by the company in accordance with the prescriptions set forth in the present By-Laws;

VII. any alteration of the present Article 7 or of any of the other rights assigned to the special class share by the present By-Laws.

CHAPTER III - GENERAL MEETING

Article 8 - The ordinary Shareholders General Meeting shall be held within the first four months following the end of the fiscal year and, extraordinarily, whenever called by the Board of Directors.

§ 1 - An extraordinary Shareholders General Meeting shall be competent to discuss the subjects specified in Article 7.

§ 2 - The holder of the special class share shall be formally requested by the company to attend for the purpose of discussing the subjects specified in Article 7 by means of personal correspondence addressed to its legal representative, a minimum period of notice of 15 (fifteen) days being given.

§ 3 - Should the holder of the special class share be absent from the General Meeting called for this purpose or should it abstain from voting, the subjects specified in Article 7 shall be deemed as having been approved by the holder of the said special class.

Article 9 - At an Ordinary or Extraordinary General Meeting, the chair shall be taken by the Chairman, or in his absence by the Vice-Chairman of the Board of Directors of the company, and the Secretary of the Board of Directors shall act as secretary, as per § 14 of Article 11.

Sole Paragraph - In the case of temporary absence or impediment of the Chairman or Vice-Chairman of the Board of Directors, the General Meeting of Shareholders shall be chaired by their respective alternates, or in the absence or impediment of such alternates, by an Officer specially appointed by the Chairman of the Board of Directors.

CHAPTER IV - ADMINISTRATION

Article 10 - The Board of Directors and the Executive Board shall be responsible for the administration of the company.

§1 - The members of the Board of Directors and the Executive Board shall take office by means of signing the Minute Book of the Board of Directors or the Executive Board, as the case may be, provided that the investiture of such administrators is subject to prior subscription of the Term of Consent of Administrators in accordance with the provisions of the Level 1 Listing Rules, as well as in compliance with the applicable legal requirements.

§2 - The term of office of the members of the Board of Directors and the Executive Board shall be extended until their respective successors have taken office.

§3 - The positions of Chairman of the Board of Directors and Chief Executive Officer may not be held by the same person.

§4 - The General Meeting shall fix the overall amount for the remuneration of the administrators, benefits of any kind and allowances being included therein, taking into account the responsibilities of the administrators, the time devoted to the performance of their duties, their competence and professional repute and the market value of their duties. The Board of Directors shall apportion the fixed remuneration among its members and the Executive Board.

§5 - The Board of Directors shall be supported by technical and consultant bodies, denominated Committees, regulated as set forth in **Section II - Committees hereinafter.**

SECTION I - BOARD OF DIRECTORS

Subsection I - Composition

Article 11 - The Board of Directors, a joint decision-making body, shall be elected by the General Meeting and shall be formed of 11 (eleven) effective members and their respective alternates, and one of whom shall be the Chairman of the Board and another shall be the Vice-Chairman.

§1 - The unified term of office of the members of the Board of Directors shall be 2 (two) years, their re-election being permitted.

§2 - Under the terms of Article 141 of Law # 6,404/76, 1 (one) member and his alternate of the Board of Directors, may be elected and removed, by means of a separate vote at the general meeting of shareholders, excluding the controlling shareholder, by the majority of holders, respectively, of:

I - common shares representing at least 15% (fifteen percent) of the total shares with voting rights; and

II - preferred shares representing at least 10% (ten percent) of share capital.

§3 - Having ascertained that neither the holders of common shares or preferred shares have respectively formed the quorum required in sections I and II of §2 above, they shall be entitled to combine their shares to jointly elect a member and an alternate to the Board of Directors, and in such hypothesis the quorum established in section II of §2 of this Article shall be observed.

§4 - The entitlement set forth in §2 of this Article may only be exercised by those shareholders who are able to prove uninterrupted ownership of the shares required therein for a period of at least 3 (three) months, immediately prior to the general shareholders meeting which elected the members of the Board of Directors.

§5 - From among the 11 (eleven) effective members and their respective alternates of the Board of Directors, 1 (one) member and his alternate shall be elected and/or removed, by means of a separate vote, by the employees of the company.

§6 - The Chairman and the Vice-Chairman of the Board of Directors shall be elected among the members thereof during a Meeting of the Board of Directors to be held immediately after the General Meeting which has elected them, subject **to Art. 10, §3**.

§7 - In the case of impediment or temporary absence, the Vice-Chairman shall replace the Chairman, and during the period of such replacement the Vice-Chairman shall have powers identical to those of the Chairman, the alternate of the Chairman being nevertheless entitled to exercise the right to vote in his capacity as a member of the Board of Directors.

§8 - Should a vacancy occur in the office of Chairman or Vice-Chairman, the Board of Directors shall elect the respective alternates in the first Meeting to be held after the vacancy.

§9 - During their impediments or temporary absences, the members of the Board of Directors shall be replaced by their respective alternates.

§10 - Should a vacancy occur in the office of a member of the Board of Directors or of an alternate, the vacancy shall be filled by nomination by the remaining members of an alternate who shall serve until the next General Meeting, which shall decide on his election. Should vacancies occur in the majority of such offices, a General Meeting shall be convened in order to proceed with a new election.

§11 - Whenever the Board of Directors is elected under the multiple vote regime, as established in Article 141 of Law # 6,404/1976, the Chairman of the shareholders meeting shall inform those shareholders present that the share which elected a member of the Board of Directors, by means of a separate vote in accordance with §§2 and 3 of Article 11, may not participate in the multiple vote regime and, evidently, may not participate in the calculation of the respective quorum. Once the separate vote has been held, then the ratio may be definitively defined in order to proceed with the multiple vote.

§12- With the exception of the effective members and their respective alternates, elected by means of separate vote, respectively, by the employees of the company and by the holders of preferred shares, under section II, §2 of Article 11, whenever the election for the Board of Directors is held under the multiple vote regime, the removal of any member of the Board of Directors, effective or alternate, by the general shareholders meeting, shall imply in the removal of the other members of the Board of Directors, and consequently a new election shall be held; in other cases of vacancy, in the absence of an alternate, the first general shareholders meeting shall elect the whole Board.

§13 - Whenever, cumulatively, the election of the Board of Directors is held under the multiple vote system and the holders of common shares or preferred shares or company employees exercise the right established in §§ 2, 3 and 5 above, the shareholder or group of shareholders under vote agreement who hold over 50% (fifty percent) of shares with voting rights, shall be ensured the right to elect officers in a number equal to those elected by the other shareholders, plus one, irrespective of the number of officers established in the caption of Article 11.

§14 - The Board of Directors shall have a Secretary, appointed by the Chairman of the Board of Directors, who shall necessarily be an employee or administrator of the company, in whose absence or impediment shall be replaced by another employee or administrator as designated by the Chairman of the Board of Directors.

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Subsection II Workings

Article 12 - The Board of Directors shall meet on an ordinary basis once a month and extraordinary whenever called by the Chairman or, in his absence, by the Vice-Chairman of the Board or by any 2 (two) members acting together.

Sole Paragraph - The meetings of the Board of Directors shall be held at the Company s headquarters, but, under exceptional circumstances, may be held at a different location, being permitted to participate by teleconference, videoconference or other means of communication that could ensure effective participation and authenticity of vote.

Article 13 - Meetings of the Board of Directors shall only be held with the presence of and decisions shall only be taken by the affirmative vote of a majority of its members.

§1 - The minutes of the meetings of the Board of Directors shall be recorded in the Book of Minutes of Meetings of the Board of Directors which, after having been read and approved by the officers present at the meetings, shall be signed in a number sufficient to constitute the majority necessary for approval of the subjects examined.

§2 - The Secretary shall be responsible for the recording, distribution, filing and safeguard of the respective minutes of the meetings of the Board of Directors, as well as for the issuance of abstracts of the minutes and certificates of approvals of the Board of Directors.

Subsection III Responsibilities

Article 14 - The Board of Directors shall be responsible for:

I. electing, evaluating and at any time removing the Executive Officers of the company, and assigning functions to them;

II. distributing the remuneration established by the general shareholders meeting among its members and those of the Executive Board;

III. assigning the functions of Investor Relations to an Executive Officer;

IV. approving the policies relating to selection, evaluation, development and remuneration of members of the Executive Board;

V. approving the company s human resources general policies as submitted to it by the Executive Board;

VI. establishing the general guidance of the business of the company, its whollyowned subsidiary companies and controlled companies;

VII. approving the strategic guidelines and the strategic plan of the company submitted annually by the Executive Board;

VIII. approving the company s annual and multi-annual budgets, submitted to it by the Executive Board;

IX. monitoring and evaluating the economic and financial performance of the company, and may request the Executive Board to provide reports with specific performance indicators;

X. approving investments and/or divestiture opportunities submitted by the Executive Board which exceed the limits established for the Executive Board as defined by the Board of Directors;

XI. issuing opinions on operations relating to merger, split-off, incorporation in which the company is a party, as well as share purchases submitted by the Executive Board;

XII. with the provisions set forth in Article 2 of the present By-Laws being complied with, making decisions concerning the setting-up of companies, or its transformation into another kind of company, direct or indirect participation in the capital of other companies, consortia, foundations and other organizations, by means of the exercise of rights withdrawal, the exercise of non-exercise of rights of subscription, or increase or sale, both direct and indirect, of corporate equity, or in any other manner prescribed by law, including but not limited to, merger, split-off and incorporation in companies in which it participates;

XIII. approving the corporate risks and financial policies of the company submitted by the Executive Board;

XIV. approving the issuance of simple debentures, not convertible into share and without collateral submitted by the Executive Board;

XV. approving the accounts of the Executive Board, substantiated in the Annual Report and the Financial Statements, for subsequent submission to the Ordinary General Meeting;

XVI. approving the employment of profit for the year, the distribution of dividends and, when necessary, the capital budget, submitted by the Executive Board, to the later direction to the appreciation of the Ordinary Shareholders Meeting;

XVII. selecting and removing external auditors of the company, based on the Fiscal Council s recommendation, in accordance with section (ii) of §1º of Article 39;

XVIII. appointing and removing the person responsible for the internal auditing and for the Ombud of the company, who shall report directly to the Board of Directors;

XIX. approving the policies and the annual audit plan of the company submitted by the person responsible for internal auditing, as well as to acknowledge the respective reports and determine the adoption of necessary measures;

XX. overseeing the management of the company by the Executive Officers and examining at any time, the books and documents of the Company, requesting information about contracts signed or about to be signed, and about any other actions, in order to ensure the financial integrity of the Company;

XXI. approving alterations in corporate governance rules, including, but not limited to, the process of rendering of accounts and the process of disclosure of information;

XXII. approving policies of employee conducts based on ethical and moral standards described in the Code of Ethics of the Company, to be observed by all administrators and employees of the Company, its subsidiaries and controlled companies;

XXIII. approving policies to avoid conflicts of interests between the Company and its shareholders or its administrators, as well as the adoption of the measures considered necessary in the event such conflicts arise;

XXIV. approving policies of corporate responsibility of the Company, mainly those related to: the environment, health and labor safety, and social responsibility of the Company, submitted by the Executive Board;

XXV. establishing criteria for the Executive Board in relation to the purchase of, sale of and placing of liens on **non-current assets** and for the constitution of encumbrances, the provisions set forth in Article 7 of the present By-Laws being complied with.

XXVI. approving the provision of guarantees in general, and establishing criteria for the Executive Board in relation to the contracting of loans and financing and for the signing of other contracts;

XXVII. establishing criteria for the Executive Board in relation to the signing of commitments, waiving of rights and transactions of any nature, except for the waiver of its preemptive rights in the subscription and purchase of shares, under section XII of Article 14;

XXVIII. approving any matters which are not the competence of the Executive Board, under the terms of the present By-Laws, as well as matters whose limits exceed the criteria established for the Executive Board, as established in Article 14;

XXIX. approving any reformulation, alteration, or amendment of shareholders agreements or consortia contracts, or of agreements among the shareholders or among the consortia parties of companies in which the company participates, as well as approving the signing of new agreements and/or consortia contracts that address subjects of this nature;

XXX. authorize the negotiation, signing or alteration of contracts of any kind of value between the company and (i) its shareholders, either directly or through intermediary companies (ii) companies which directly or indirectly participate in the capital of the controlling shareholder or which are controlled, or are under joint control, by companies which participate in the capital of the controlling shareholder, and/or (iii) companies in which the controlling shareholder of the company participates, and the Board of Directors may establish delegations, with standards and procedures, which meet the requirements and nature of the operations, without prejudice of keeping the aforementioned group duly informed of all company transactions with related parties;

XXXI. expressing its opinion regarding any matter to be submitted to the General Meeting of Shareholders;

XXXII. authorizing the purchase of shares of its own issuance for maintenance in treasury, cancellation or subsequent sale;

XXXIII. approving the recommendations submitted by the Fiscal Council of the Company in the exercise of its legal and statutory attributions.

§1 - The Board of Directors shall be responsible for appointing, as submitted by the Executive Board, the persons who shall form part of the Administrative, Consulting and Audit bodies of those companies and organizations in which the company participates, directly or indirectly.

§2 - The Board of Directors may, at its discretion, delegate the assignment mentioned in the prior paragraph to the Executive Board.

SECTION II - COMMITTEES

Article 15 - The Board of Directors, shall have, for advice on a permanent basis, 5 (five) technical and advisory committees, denominated as follows: Executive Development Committee, Strategic Committee, Finance Committee, Accounting Committee and Governance and Sustainability Committee.

§1 - The Board of Directors, at its discretion, may also establish, for its consulting support, other committees to fulfill consultant or technical tasks, other than those permanent committees as set forth in the caption of this Article.

§2 - The members of the committees shall be remunerated as established by the Board of Directors, and those members who are administrators of the company shall not be entitled to additional remuneration for participating on the committees.

Subsection I Mission

Article 16 - The mission of the committees shall be to provide support to the Board of Directors, which includes the follow up of the activities of the Company, in order to increase the efficiency and quality of its decisions.

Subsection II Composition

Article 17 - The members of the committees shall have proven experience and technical skills in relation to matters that are the object of the respective committee s responsibility and shall be subject to the same legal duties and responsibilities as the administrators.

Article 18 - The composition of each committee shall be defined by the Board of Directors.

§1 - The members of the committees shall be appointed by the Board of Directors and may belong to company administration bodies or not.

§2 - The term of management for the members of the committees shall begin as of their appointment by the Board of Directors, and termination shall coincide with the end of the management term of the members of the Board of Directors, and reappointment shall be permitted.

§3 - During their management, members of the committees may be removed from office by the Board of Directors.

Subsection III Workings

Article 19 - Standards relating to the workings of each committee shall be defined by the Board of Directors.

§1 - The committees established within the company shall not have decision making power and their reports and proposals shall be submitted to the Board of Directors for approval.

§2 - The committees reports do not constitute a necessary condition for the presentation of matters for scrutiny and approval by the Board of Directors.

Subsection IV Responsibilities

Article 20 - The main duties of the committees are set forth in Article 21 and subsequent articles, whereas their detailed duties shall be defined by the Board of Directors.

Article 21 - The Executive Development Committee shall be responsible for:

I - issuing reports on the human resources general policies of the Company submitted by the Executive Board to the Board of Directors;

II - analyzing and issuing reports to the Board of Directors on the restatement of remuneration of members of the Executive Board;

III - submitting and ensuring up-to-dateness of the performance evaluation methodology of the members of the Executive Board; and

IV - issuing reports on health and safety policies proposed by the Executive Board.

Article 22 - The Strategic Committee shall be responsible for:

I - issuing reports on the strategic guidelines and the strategic plan submitted annually by the Executive Board;

II - issuing reports on the company s annual and multi-annual investment budgets submitted by the Executive Board to the Board of Directors;

III - issuing reports on investment and/or divestiture opportunities submitted by the Executive Board to the Board of Directors; and

IV - issuing reports on operations relating to merger, split-off, incorporation in which the company and its controlled subsidiaries are a party, and on share purchases submitted by the Executive Board to the Board of Directors.

Article 23 - The Finance Committee shall be responsible for:

I - issuing reports on the corporate risks and financial policies and the internal financial control systems of the Company; and

II - issuing reports on the compatibility between the remuneration level of shareholders and the parameters established in the annual budget and financial scheduling, as well as its consistency with the general policy on dividends and the capital structure of the company.

Article 24 - The Accounting Committee shall be responsible for:

I - recommending the appointment of the person responsible for the internal auditing of the Company to the Board of Directors;

II - issuing reports on the policies and the Company s annual auditing plan submitted by the employee responsible for internal auditing, and on its execution;

III - tracking the results of the Company s internal auditing, and identifying, priorizing, and submitting actions to be accompanied by the Executive Board to the Board of Directors; and

Article 25 - The Governance and Ethics Committee shall be responsible for:

I - evaluating the efficiency of the company s governance practices and the workings of the Board of Directors, and submitting improvements;

II - submitting improvements to the code of ethics and in the management system in order to avoid conflicts of interests between the company and its shareholders or company administrators; and

III - issuing reports on potential conflicts of interest between the company and its shareholders or administrators, and

IV - issuing reports on policies related to the Company s institutional social responsibilities, such as environmental-related issues and the Company s social responsibilities, proposed by the Executive Board.

SECTION III - EXECUTIVE BOARD

Subsection I Composition

Article 26 - The Executive Board, which shall be the executive management body of the company, shall consist of 6 (six) to 11 (eleven) members, one of whom shall be the Chief Executive Officer and the others Executive Officers.

§1 - The Chief Executive Officer shall submit to the Board of Directors the names of candidates for the Executive Board with renowned knowledge and specialization in the subject of responsibility of the respective operational area, and may also at any time submit to the Board of Directors a motion to remove.

§2 - The Executive Officers shall have their individual duties defined by the Board of Directors.

§3 - The management term of the members of the Executive Board shall be 2 (two) years, and re-election shall be permitted.

Subsection II Workings

Article 27 - The Chief Executive Officer and other members of the Executive Board shall continue in their respective official capacities when physically distant from headquarters realizing their respective duties on business-related travel. In the case of a permanent vacancy, or an impairment which temporarily impedes an officer from performing his respective duties, or a temporary absence or leave due to extraordinary circumstances, the respective procedures for replacing the Chief Executive Officer and other Executive Officers shall be as follows:

§1º - In the case of an impairment which temporarily impedes the Chief Executive Officer from performing his respective duties, the Chief Financial Officer shall assume, in

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addition to his own legal, statutory, and regulatory rights and responsibilities, the legal, statutory, and regulatory responsibilities of Chief Executive Officer, provided that the Board of Directors ratifies such replacement. In the case of the Chief Executive Officer s temporary absence or leave due to extraordinary circumstances, the Chief Executive Officer shall designate his own substitute, who shall assume all legal, statutory, and regulatory rights and responsibilities of the Chief Executive Officer.

§2º - In the case of an impairment which temporarily impedes an Executive Officer from performing his respective duties or in the case of an Executive Officer s temporary absence or leave due to extraordinary circumstances, such Executive Officer shall be replaced, in accordance with the Chief Executive Officer s nomination, by any of the other Executive Officers, and such nominated Executive Officer shall assume, in addition to his own legal, statutory, and regulatory rights and responsibilities, the legal, statutory, and regulatory responsibilities of the temporarily impaired or absent Executive Officer, excluding voting rights at Executive Board meetings, for the duration of the temporarily impaired or absent Executive Officer s term.

§3º - Should there be a permanent vacancy in the position of Executive Officer, the Chief Executive Officer shall select a substitute officer and submit such officer s name to the Board of Directors who shall appoint such substitute officer to complete the remaining term of the vacant executive officer.

§4º - Should there be a permanent vacancy in the position of the Chief Executive Officer, the Chief Financial Officer shall replace the Chief Executive Officer and shall assume the duties, rights, and responsibilities of both the Chief Executive Officer and the Chief Financial Officer, until the Board of Directors holds an election to fill the position of Chief Executive Officer.

Article 28 - In respect of the limits established for each Executive Officer, the decisions on matters affecting his specific operational area, provided that the matter does not affect the operational area of another Executive Officer, shall be taken by himself or in conjunction with the Chief Executive Officer, in matters or situations pre-established by the latter.

Article 29 - The Executive Board shall meet on an ordinary basis once each fifteen days and extraordinarily whenever called by the Chief Executive Officer or his substitute, and Executive Board members may participate in ordinary or extraordinary meetings in person, by teleconference, videoconference, or other means of communication that could ensure effective participation and authenticity of the vote.

Sole Paragraph - The Chief Executive Officer shall convene an extraordinary meeting of the Executive Board by virtue of the request of at least 3 (three) members of the Executive Board;

Article 30 - The meetings of the Executive Board shall only begin with the presence of the majority of its members.

Article 31 - The Chief Executive Officer shall chair the meetings of the Executive Board in order to priorize consensual approvals amongst its members.

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§1 - When there is no consent among members of the Board, the Chief Executive Officer may (i) withdraw the issue from the agenda, (ii) attempt to form a majority, with the use of his casting vote or, (iii) in the interests of the company and by grounded presentation, decide individually on the matters raised for joint approval, including those listed in Article 32, and in respect of the exceptions stated in §2 following;

§2 - Decisions relating to annual and multi-annual budgets and to the strategic plan and the Annual Report of the company shall be taken by majority vote, considered to be all Executive Officers, provided that the favorable vote of the Chief Executive Officer is included therein.

§3 - The Chief Executive Officer shall inform the Board of Directors the utilization of the prerogative concerning item (iii), §1 stated above, in the first Board of Directors meeting which succeed the corresponding decision.

Subsection III Responsibilities

Article 32 - The Executive Board shall be responsible for:

I - approving the creation and elimination of Executive Departments subordinated to each Executive Director;

II - preparing and submitting to the Board of Directors the company s general policies on human resources, and executing the approved policies;

III - complying with and ensuring compliance with the general guidelines and business policies of the Company laid down by the Board of Directors;

IV - preparing and submitting, annually, to the Board of Directors, the company s strategic guidelines and the strategic plan, and executing the approved strategic plan;

V - preparing and submitting the Company s annual and multi-annual budgets to the Board of Directors, and executing the approved budgets;

VI - planning and steering the company s operations and reporting the company s economic and financial performance to the Board of Directors, and producing reports with specific performance indicators;

VII - identifying, evaluating and submitting investment and/or divestiture opportunities to the Board of Directors which exceed the limits of the Executive Board as defined by the Board of Directors, and executing the approved investments and/or divestitures;

VIII - identifying, evaluating and submitting to the Board of Directors operations relating to merger, split-off, incorporation in which the company is a party, as well as share purchases, and conducting the approved mergers, split-offs, incorporations and purchases;

IX - preparing and submitting the company s finance policies to the Board of Directors, and executing the approved policies;

X - submitting to the Board of Directors the issuance of simple debentures, not convertible into shares and without collateral;

XI - defining and submitting to the Board of Directors, after the drawing up of the balance sheet, the employment of profit for the year, the distribution of company dividends and, when necessary, the capital budget;

XII - preparing in each fiscal year the Annual Report and Financial Statements to be submitted to the Board of Directors and the General Meeting;

XIII - adhere to and encourage adhesion to the company s code of ethics, established by the Board of Directors;

XIV - preparing and submitting to the Board of Directors the company s policies on corporate responsibility, such as the environment, health, safety and social responsibility, and implementing the approved policies;

XV - authorizing the purchase of, sale of and placing of liens on fixed and non fixed assets including securities, the contracting of services, the company being the provider or receiver of such, being empowered to establish standards and delegate powers, all in accordance with the criteria and standards established by the Board of Directors;

XVI - authorizing the signing of agreements, contracts and settlements that constitute liabilities, obligations or commitments on the company, being empowered to establish standards and delegate powers, all in accordance with the criteria and standards established by the Board of Directors;

XVII - propose to the Board of Directors any reformulation, alteration, or amendment of shareholders agreements or of agreements among the shareholders of companies in which the company participates, as well as suggesting the signing of new agreements and consortia contracts that address subjects of this nature;

XVIII- authorizing the opening and closing of branch offices, subsidiary branch offices, depots, agencies, warehouses, representative officer or any other type of establishment in Brazil or abroad;

XIX - authorizing the undertaking of commitments, waiver of rights and transactions of any nature, liens on securities being excepted, under the terms of section XII of Article 14, being empowered to establish standards and delegate powers in accordance with the criteria and standards established by the Board of Directors;

XX - establishing and informing the Board of Directors on the individual limits of the Executive Officers, in respect of the limits of the Executive Board jointly, as established by the Board of Directors;

XXI - establishing, based on the limits fixed for the Board of Directors, the limits throughout the whole of the company s administrative organization hierarchy.

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§1 - The Executive Board shall be empowered to lay down voting guidelines to be followed at the General Meetings by its proxies in the companies, foundations and other organizations in which the company participates, directly or indirectly, the investment plans and programs of the company, as well as the respective budgets being complied with, the limit of responsibility being observed as regards, among others, indebtedness, the sale of assets, the waiver of rights and the reduction of corporate equity investments.

§ 2 - The Executive Board shall take steps to appoint persons who shall form part of the Administrative, Consultant and Audit bodies of those companies and organizations in which the company participates directly or indirectly.

Article 33 - The responsibilities of the Chief Executive Officer are to:

I - take the chair at meetings of the Executive Board;

II - exercise executive direction of the Company, with powers to coordinate and supervise the activities of the other Executive Officers, exerting his best efforts to ensure faithful compliance with the decisions and guidelines laid down by the Board of Directors and the General Meeting;

III - coordinate and supervise the activities of the business areas and units that are directly subordinated to him;

IV - select and submit to the Board of Directors the names of candidates for Executive Officer posts to be elected by the Board of Directors, and also to propose the respective removal;

V - coordinate the decision making process of the Executive Board, as provided for in Article 31 of Subsection II **Workings**;

VI - indicate, whom among the Executive Officers shall substitute an Executive Officer in case of an impairment that temporarily impedes an officer from performing his respective duties or temporary absence or leave, in compliance to Article 27 Subsection II **Workings**;

VII - keep the Board of Directors informed about the activities of the company;

VIII - together with the other Executive Officers, prepare the annual report and draw up the balance sheet;

Article 34 - The Executive Officers are to:

I - organize the services for which they are responsible;

II - participate in meetings of the Executive Board, contributing to the definition of the policies to be followed by the company and reporting on matters of the respective areas of supervision and coordination;

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III - comply with and ensure compliance with the policy and general guidance of the company s business laid down by the Board of Directors, each Executive Officer being responsible for his business units and specific area of activities;

IV - contract the services described in §2º of Article 39, in compliance with determinations of the Fiscal Council.

Article 35 - The company shall be represented as plaintiff or defendant in courts of law or otherwise, including as regards the signature of documents constituting responsibility for this, by 2 (two) members of the Executive Board, or by 2 (two) proxies established in accordance with § 1 of this Article, or by 1 (one) proxy jointly with an Executive Officer.

§ 1 - Except when otherwise required by law, proxies shall be appointed by a power of attorney in the form of a private instrument in which shall be specified the powers granted and the term of validity of powers of attorney.

§ 2 - The company may, moreover, be represented by a single proxy at the General Meetings of shareholders of the companies, consortia and other organizations in which it participates or for acts arising out the exercise of powers specified in a power of attorney ad judicia or: (a) at agencies at any level of government, customs houses and public service concessionaires for specific acts for which a second proxy is not necessary or not permitted; (b) for signing of contract instruments in solemnity or at which the presence of a second proxy is not possible; (c) for signing of documents of any kind which imply in an obligation for the company whose monetary limits shall be established by the Executive Board.

§ 3 In the case of commitments assumed abroad, the company may be represented by a single member of the Executive Board, or by an attorney in-fact with specific and limited powers according to the present By-Laws.

§ 4 - Summons and judicial or extrajudicial notifications shall be made in the name of the Executive Officer responsible for Investor Relations, or by proxy as established in § 1 of this Article.

CHAPTER V - FISCAL COUNCIL

Article 36 - The Fiscal Council, a permanently functioning body, shall be formed of 3 (three) to 5 (five) effective members and an equal number of alternates, elected by the General Meeting, which shall fix their remuneration.

Article 37 - The members of the Fiscal Council shall carry out their duties until the first Ordinary General Meeting to be held following their election, their re-election being permitted.

Article 38 - In their absence or impediment, or in cases of vacancy of office, the members of the Fiscal Council shall be replaced by their respective alternates.

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Article 39 The Fiscal Council shall be responsible to exercise the functions attributed to it by the applicable prevailing legislation, in these By-Laws, and as regulated by its own Internal Rules to be approved by its members;

§ 1º- The Internal Rules of the Fiscal Council shall regulate, in addition to the attributions already established in Law 6.404/76, imperatively, the following:

(i) to establish the procedures to be adopted by the Company to receive, process and treat denunciations and complaints related to accounting, internal accounting controls and auditing matters, and ensure that the procedures for receiving complaints will guarantee secrecy and anonymity to the complainants;

(ii) to recommend and assist the Board of Directors in the selection, remuneration and dismissal of the external auditors of the Company;

(iii) to deliberate concerning the contracting of new services that may be rendered by the external auditors of the Company;

(iv) to supervise and evaluate the work of the external auditors, and to direct the management of the Company concerning any need to withhold the remuneration of the external auditor, as well as to mediate any disputes between management and the external auditors regarding the financial statements of the Company.

§ 2º - For adequate performance of its duties, the Fiscal Council may determine the contracting of services from lawyers, consultants and analysts, and other resources that may be necessary for the performance of its duties, while observing the budget, proposed by the Fiscal Council and approved by the Board of Directors, without prejudice to the provisions established in §8º of Article 163 of Law 6.404/76.

§3º - The members of the Fiscal Council shall provide, within at least 30 (thirty) days before the Annual Shareholders   Meeting is held, their analysis of the management report and the financial statements.

CHAPTER VI - COMPANY PERSONNEL

Article 40 - The company shall maintain a social security plan for its employees administered by a foundation established for this purpose, the provisions of prevailing legislation being complied with.

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CHAPTER VII - FINANCIAL YEAR AND DISTRIBUTION OF PROFITS

Article 41 - The fiscal year of the company shall coincide with the calendar year, thus finishing on December 31, when the balance sheets shall be prepared.

Article 42 - After the constitution of the legal reserve, the employment of the remaining portion of the net profit verified at the end of each financial year (which shall coincide with the calendar year) shall, on the motion of the Administration, be submitted to the decision of the General Meeting.

Sole Paragraph - The amount of the interest, paid or credited in the form of interest on stockholders equity in accordance with the prescriptions of Article 9, § 7 of Law # 9,249 dated December 26, 1995 and of relevant legislation and regulations, may be ascribed to the compulsory dividend and to the minimum annual dividend on the preferred shares, such amount for all legal purposes forming the sum of the dividends distributed by the company.

Article 43 - The proposal for distribution of profit shall include the following reserves:

I. Tax Incentive Reserve, to be constituted in accordance with the fiscal legislation in force.

II. Investments Reserve, in order to ensure the maintenance and development of the main activities which comprise the company s purpose, in an amount not greater than 50% (fifty percent) of distributable net profit up to a maximum of the company s share capital.

Article 44 - At least 25% (twenty-five percent) of the net annual profit, adjusted as per the law, shall be devoted to the payment of dividends.

Article 45 - At the proposal of the Executive Board, the Board of Directors may determine the preparation of the balance sheets in periods of less than a year and declare dividends or interest on stockholders equity on account of the profit verified in these balances as well as to declare for the account of accrued profits or profit reserves existing in the latest annual or semi-annual balance sheet.

Article 46 - The dividends and interest on stockholders equity mentioned in the Sole Paragraph of Article 42 shall be paid at the times and at the places specified by the Executive Board, those not claimed within 3 (three) years after the date of payment reverting in favour of the company.

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VALE S PERFORMANCE IN 2013

Rio de Janeiro, February 26, 2014 A Vale S.A. (Vale) had strong performance in 2013, showing solid results in all of its businesses. This year we reaped benefits from our efforts to cut costs, from being disciplined in our investments, and from focusing on our core business. In 2013 we also established the foundation to deliver greater volume and free cash flow growth.

A year of strong financial and operating performance

- Primary earnings(1) were R$ 26.7 billion in 2013.
- Adjusted EBITDA cash generation was R$ 49.3 billion, the second highest in history, and R$ 15.1 billion adjusted EBITDA in 4T13, the largest since 3T11.
- Record ore and pellet sales (305.6 Mt), copper (353,000 t), gold (297,000 oz.) and coal (8.1 Mt), and the largest nickel sales since 2008 (261,000 t).
- Record production of: copper (370,000 t), gold (286,000 oz.), coal (8.8 Mt), and phosphate rock (8.3 Mt), and the largest nickel production reported (260,000 t) since 2008.
- Solid dividend distribution of US$ 4.5 billion in 2013 and commitment with a minimum dividend of US$ 4.2 billion in 2014, equivalent to a *dividend yield* of around 6% relative to the share s current price.

A year of reaping results from our efforts to cut costs, to make disciplined investment, and to focus on the core business

- SG&A de R$ 1.582 billion (-38.7%) SG&A drop, reflecting a leaner company, and reductions in research and development (R&D) expenses in the amount of R$ 1.137 billion (-39.1%), as a consequence of a portfolio more focused on exploration and development projects.
- Investments, excluding R&D, dropped US$ 2 billion in 2013 relative to 2012, reaching US$ 14.2 billion, making this the second consecutive year of reductions.
- US$ 6.0 billion(2) divestment in non-core assets, reinforcing our continued commitment with simplifying our assets base and management focus.

A year to eliminate uncertainties and prepare the foundation for growth

- Resolution of disputes regarding income tax and social contribution on our foreign subsidiaries earnings by joining the federal taxation refinancing agreement (REFIS, Portuguese acronym), with not increases in the level of debt, thus reducing uncertainties and allowing Vale to focus on our main strategic and operating strategies.

- Conclusion of projects required to increase iron ore production from 2014 to 2016: Conceição Itabiritos, Plant 2 (known as *Adicional 40 Mtpa*) and CLN 150, including pier IV with its first cradle in Ponta da Madeira.

- Positive progress in resolving themes related to the caves, due to recent permission to mine additional N4E area, supporting the annual production goal of 120 Mt in Carajás in 2014 and increasing our confidence in the 2015 to 2016 growth program.

- All licenses for the implementation of the S11D were granted as well as respective logistics, paving the way to increase iron ore production beyond 2016.

- Base metals project r*amp-up* (Salobo I is already near nominal capacity, Onça Puma has been re-started, and consistent progress has been made in Nova Caledônia), plus the conclusion of important projects (Long Harbour and Totten), mark the end of an investment cycle and have put the business in a position to reach its cash generation goal of US$ 4 a 6 billion in the next years.

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(1) Primary earnings are net earnings minus the non-recurrent and non-cash accounting effects.

(2) Including VLI s sale, still subject to preconditions (US$ 2.056 billion)

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Our diligent work in health and safety at the workplace is the foundation of such good performance. Our health and safety indicators improved in 2013, showing a drop in the Total Recordable Injury Frequency Rate (TRIFR), from 2.8 to 2.6 per million hours worked. However, despite our efforts, we still have a long way to go and we are deeply committed to reaching the zero injuries goal in our operations.

Looking forward, we will stay focused on our core business and on cost and investment discipline, while working with dedication to complete the ongoing projects to deliver volume and productivity growth.

We, at Vale, are focused on generating value for our shareholders and we watch our free cash flow generation to adequately reduce the debt level and to distribute higher dividends to our shareholders.

SELECTED FINANCIAL INDICATORS

In R$ million	**2009(3)**	**2010(3)**	**2011**	**2012**	**2013**
Operating revenue	49,812	85,345	101,075	95,577	106,274
EBIT (1)	13,173	40,490	47,894	28,172	38,150
EBIT (1) margin (%)	27.2	48.7	47.0	30.1	36.6
EBITDA (1)	18,641	46,378	56,298	37,501	49,278
Primary earnings (2)	9,101	30,699	39,169	20,540	26,721
Primary earnings per share (R$)	1.70	5.78	7.47	4.02	5.19
Exports (US$ million)	13,719	29,090	38,374	28,267	29,183
Net exports (US$ million)	12,999	27,668	36,857	26,495	27,637

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(1) Excluding non-recurrent effects

(2) Excluding non-recurrent and non-cash effects

(3) Periods not adjusted by the IFRS new accounting practices.

Legend: [2009 =18.641, 2010 = 46.378, 2011 = 56.298, 2012 = 37.501, 2013 = 49.278]

Legend: [2009 =9.101, 2010 = 30.699, 2011 = 39.169, 2012 = 20.540, 2013 = 26.721)]

FINANCIAL STRENGTH

During the year, Vale kept its absolute debt level stable with a robust operating cash flow and resources from divestitures that contributed to the capex execution, dividends payment, and payments resulting from the REFIS agreement. Furthermore, theoretically, the ends of the year net debt would have been lower had we included not yet received resources from our divestitures that are subject to preconditions, in particular from VLI.

On December 31, 2013, the net debt was US$ 24.403 billion: US$ 29.727 billion of total debt and US$ 5.324 billion in cash position(3). Cash position does not include revenues from the disposal of VLI shares, subject to preconditions and, more importantly, to analysis and approval by the antitrust regulatory agency CADE (ongoing).

The leverage, measured by the total debt/adjusted LTM EBITDA(d) ratio, excluding non-recurrent effects, dropped from 1.5x on September 30, 2013 to 1.3x. The total debt/*enterprise value*(e) ratio remained stable at 29%.

On December 31, 2013, the average debt period of 9.9 years was in line with our goal to keep a long average debt period to minimize refinancing risks. The average debt cost measures in dollars remained stable relative to the

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(3) The cash balance includes cash and cash equivalents, in addition to short-term investments in the amount of US$ 3 million on December 31, 2013.

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previous quarter, at 4.59% per year on December 31, 2013.

Interest rate coverage, measured by the adjusted LTM EBITDA index excluding non-recurrent effects/LTM interest (f) payment, increased 14.8x on December 31, 2013, compared to the 13.8x reported in the previous quarter.

Considering hedge positions, total debt balance on December 31, 2013 consisted of 30% of the balance tied to floating interest rates and 70% to fixed rates, while 98% of the balance was in American dollars and 2% in other currencies.

DEBT INDICATORS

In US$ million	**2009**	**2010**	**2011**	**2012**	**2013**
Gross debt	22,880	25,343	23,143	30,546	29,727
Net debt	11,840	15,966	19,612	24,468	24,403
Gross debt / LTM EBITDA(1) (x)	2.5	1.0	0.7	1.6	1.3
EBITDA(1) / interest payment (x)	8.2	23.8	29.5	14.7	14.8
Gross debt / EV	14.4%	13.2%	17.4%	22.5%	28.7%

EV = *market capitalization + net debt*

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(1) Excluding non-recurrent effects

CORPORATE SOCIAL RESPONSIBILITY

Vale s mission is to transform natural resources into prosperity and sustainable development, and its goal is to become the number one global natural resources company to generate long-term value with excellence, with passion for the people and the planet.

For us, sustainable development means to capture innumerable growth opportunities while acknowledging the planet s physical limitations. We believe that, for this purpose, the company and the society need to work together, sharing the value.

We continued to reduce injury rates in 2013. In Brazil, the lost workday case frequency rate (LWCFR), measured in number of injuries with lost workday per million hours worked, was 0.60. The total recordable injury frequency rate (TRIFR), in number of injuries per million men/hours worked, was 2.02, showing a 4.7% drop relative to the previous year. The global indicators show similar progress in our goals, with a 1.4% drop in LWCFR, reaching 0.69 in 2013, and 7.7% in TRIFR relative to 2012, making it 2.6 in 2013.

Total resources applied to social-environmental responsibility added up to US$ 4.1 billion in 2010-2013. CSR investments in 2014 will be US$ 975 million, of which US$ 787 million will go to environmental protection and preservation and US$ 188 million to social programs. The sustainability agenda has a central role in the Company s strategic planning process. Vale defined eight priority areas, among which emissions reduction, land and biodiversity, water, residues and local development. Vale is also committed to the promotion of a sustainability agenda to our suppliers and clients and to promote sustainable development in partnership with governments and society.

In 2013, for the third consecutive time, Vale was selected to participate in BM&F Bovespa s ISE Entrepreneurial Sustainability Index, and continued to participate in the ICO2 Carbon Efficiency Index.

We achieve the best transparency quality marks for sharing information about climate change among Latin American companies that are part of the Global 500 and that fill out the do CDP(4) questionnaire.

To promote advances in our sustainability management, we have established global policies, such as the Sustainable Development Policy, the Human Rights Policy, and the Health and Safety Policy.

Vale has a Sustainability Action Plan (PAS, Portuguese acronym) whose goals are directly related to the payment of variable remuneration. The PAS indicators are linked to themes that seek to continually improve the company s assets in regards to sustainability.

Every year we publish our Sustainability Report based on the Global Reporting Initiative (GRI) s largely applied methodology, with the purpose of making transparent its performance in the sustainability agenda. The report also meets the International Council of Mining and Metals (ICMM) s and the United Nations Global Pact s principles, two international initiatives to which Vale subscribe. The last version of Vale s Sustainability Report, for 2012, is available in our website at www.vale.com/rs2012. Moreover, the main results can be found in the iPad application, Vale Investors&Media, which can be downloaded for free at the App Store.

45 YEARS OF SOCIAL ACTION

Vale Foundation just had its 45th anniversary in 2013. The foundation s main purpose is to support the creation of a positive legacy that Vale committed to leaving behind in the area where it works, transforming natural resources into prosperity and sustainable development. By fulfilling this role, it contributes to the improvement in the quality of life of the communities that are benefitted by its actions and programs, promoting a more efficient and qualified application of Vale s social investments.

The foundation work is focused on structuring social actions and programs whose premise is the strengthening of public policies, the promotion of partnerships and of social mobility. The strategy is built in collaboration based on a vision shared among government, companies, and civil society organization. In this way, Vale Foundation distinguishes itself and becomes a reference in terms of connections and partnerships among society, government and the private sector, empowering local resources.

Vale Foundation s action model is grounded in knowledge of local realities, knowledge that is gained through social dialogue and the region s needs. The model s pillars are Health, Education, and Job Creation and Income Generation. Urban Development, Culture and Sports are complementary themes that also help Vale Foundation s social investment to create a positive legacy to the communities.

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(4) CDP is a non-profit organization whose purpose is to promote companies and cities and to spread environmental information to reduce impacts on the environment and natural resources.

INVESTING TO CREATE VALUE

In the last five years, Vale invested US$ 66.252 billion to maintain operations and execute projects.

In 2013, Vale s investments (maintenance and execution) summed US$ 14.233 billion. This corresponds to a US$ 1.963 billion reduction relative to the US$ 16,196 billion invested in 2012. US$ 9.648 billion were invested in project execution, and US$ 4.585 billion in the maintenance of existing operations. Non-core business divestitures totaled US$ 6.024 billion.

As projects are delivered, Vales is consistently reducing investment in project execution, from US$ 11.580 billion in 2012 to US$ 9.648 billion in 2013. Ferrous minerals corresponded to more than 50% of project execution investment and, together with coal and base metals they corresponded to more than 30% of the total.

Operations maintenance capex has remained stable in the last 3 years. In 2013 it reached US$ 4.585 billion, corresponding to 5,0% of our asset base and slightly lower than 2012 s. Ferrous minerals corresponded to 49%, and ferrous minerals together with base metals corresponded to more than 77% of this total.

In 2013 we continued with the divestiture of non-core assets and with the simplification of our business portfolio while extracting value. The main divestitures of the year were: (a) Hydro share sales for US$1.822 billion; (b) the still subject to preconditions sale of 62.4% of aggregated shares from our full subsidiary VLI for R$ 2.7 billion to be paid to Vale and R$ 1.9 billion to be capitalized by VLI to finance their investment plan; (c) sale of payable gold from the Salobo and Sudbury mines to Silver Wheaton for US$1.9 billion in cash and Silver Wheaton *warrants*, plus continuing payments equal to the lowest value between US$ 400 per ounce of gold and the market price for gold as per the contract; (d) sale of our shared in Log-In (US$ 99 million), Fosbrasil (US$45 million) and Tres Valles (US$25 million).

Until the end of 2013, we finalized transactions with CEMIG Geração e Transmissão S.A., still subject to preconditions, to restructure our energy generation investments. As a result, we agreed to sell 49% of our 9% participation in Norte Energia S.A., a company created to develop and operate the Belo Monte hydroelectric plant, for approximately US$ 88 million, and we created *joint venture* to participate in certain energy generation assets and projects that will supply Vale s operations.

During the year we spent US$ 268 million in acquisitions. We exercised our purchase option of Belvedere s 24.5% remaining shares, a first stage project that still awaits approval from the Queensland Council in Australia for A$ 150 million (US$ 156 million). Belvedere, according to our preliminary estimates, has the potential to produce up to 7,0 Mtpa de metallurgic coal. We also purchased another 12.47% of additional equity in Capim Branco I and II, the Suzano Papel e Celulose SA electric plants for US$ 112 million, through the exercise of our preferred right to purchase.

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US$ million	**2009**	**2010**	**2011**	**2012**	**2013**
Projects	5,845	8,239	11,684	11,580	9,648
Maintenance of existing operations	2,157	3,330	4,568	4,616	4,585
Total	**8,002**	**11,569**	**16,252**	**16,196**	**14,233**

INVESTIMENT PER BUSINESS AREA

US$ million	**2009**	**2010**	**2011**	**2012**	**2013**
Bulk materials	**2,687**	**5,718**	**9,504**	**9,705**	**9,013**
Ferrous minerals	2,124	4,751	8,307	8,453	7,449
Coal	564	967	1,197	1,252	1,564
Non-ferrous minerals	**3,053**	**2,973**	**4,081**	**4,179**	**3,316**
Fertilizers	**91**	**843**	**1,346**	**1,981**	**1,234**
Logistic services	**1,985**	**1,574**	**1,990**	**600**	**614**
Energy	**688**	**656**	**820**	**388**	**267**
Steel	**184**	**186**	**460**	**366**	**317**
Outros	**324**	**755**	**592**	**511**	**342**
Total	**9,013**	**12,705**	**17,994**	**17,729**	**15,102**

VALUE GENERATION FOR THE SHAREHOLDER

In the past ten years (2004-2013), Vale s total shareholder return (TSR) was 16,1%, per year in dollars.

In 2013, Vale s share performance was negatively influenced by a drop in commodities prices and by expectation of a lower Chinese economy growth. Vale s share market value dropped from US$ 111.0 billion in 2012 to US$ 79.2 billion at the end of 2012.

During the year we returned US$ 4.5 billion through dividend distribution and interest rates on equity, with no share re-purchasing. The *dividend yield* was the highest among large mining and metal companies, with 4.4% to preferred shares and 4.2% to common shares.

Between 2009-2013, Vale paid US$ 25.224 billion in dividends and equity interest to its shareholders, corresponding to 38.1% of what was invested in our operations and acquisitions during that period. In the same period, Vale re-purchased shares in the amount of US$ 5.762 billion, returning to shareholders in nominal values 47.3% of the capital issued in 2008 from US$ 12.190 billion.

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POLICY REGARDING INDEPENDENT AUDITORS

Vale has specific internal procedures to pre-approve services outsourced to external auditors, for the purpose of avoiding conflicts of interest and loss of objectivity by independent external auditors.

Vale s policy, regarding Independent Auditors, for services unrelated to the external audit is grounded in principles that protect its independence. In line with the best corporate governance practices, all services provided by our independent auditors are backed by a letter of independence issued by auditors pre-approved by the Fiscal Council.

As Per Instruction CVM 381/2003, the services outsources to external auditors from the company PricewaterhouseCoopers Independent Auditors for a period of two years starting on June 2012, relative to the 2013 fiscal year for Vale and its subsidiaries were the following:

Fees in R$ thousands	**Vale e subsidiaries**	**%(*)**
Accounting Audit	18,069	
Sarbanes Oxley Law Audit	3,181	
Audit Services (**)	782	
Total External Audit Services	22,032	
Other (**)	16	0.1%

(*) Services hired for periods shorter than one year.

(**) These services, in their majority, are higher for periods of time shorter than one year.

10.1. General Financial and Equity Conditions

a. General Financial and Equity Conditions

In 2013, Vale net operational revenue was R$ 101.5 million, and the operational margin (prior to the recoverable values of noncurrent assets and loss in investment sales) was 35.6%. The operational profit was R$ [32.3 billion in 2013, about 80% above 2012 s operational profit in 2012, mainly due to a drop in the recoverable value of noncurrent assets reported in 2012. Benefits from the Company s efforts to cut costs, from investment discipline and from a focus on core business became evident this year. Vale had a 38.7% reduction in general and administrative costs (SG&A), corresponding to R$1.445 billion, relative to 2012. This reflects greater optimization in the Company s cost structure. Additionally, in 2013, Vale had a reduction of 39.5% in research and development expenses (R&D, corresponding to R$ 1.1 billion, relative to 2012) as the result of a portfolio focused mainly in project exploration and development. During this time, Vale also established the foundation to deliver greater volume and free cash flow growth in the upcoming years. Cash generation, measured in Adjusted EBITDA(1), was R$ 49 billion in 2013, which means the second greatest amount in the Company s history].

In the same term, as a result of the Company s focus on the iron ore core business, several adjustments were made to reach the Company s goals, among which were a reduction in the recoverable value of potash assets (PRC) and pellets and [the loss from the sale of the company Tres Valles, as described in Explanatory Note no. 7 of the Company s 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 our financial performance in 2013, resulting in financial indicators reduction relative to what was obtained in 2012. In this scenario, we had a net loss of R$ 258 million in 2013, relative to 2012 s net profit of R$ 9.4 billion.

2012 was a very challenging year for the world s economy, which, amidst a cloud of uncertainties, grew below the long-term trend for the second consecutive year. One of the consequences of the adverse macroeconomic scenario was the general drop in the price of minerals and metals, with the exception of gold, a very valuable metal whose prices are influenced by other factors. The iron ore price became very volatile, showing great low volatility particularly in the third quarter.

In this context, the Company s financial performance was negatively affected. The financial indices dropped significantly relative to 2001, a year in which Vale reached its best financial performance since it was established in 1942. In 2012, the net profit reached R$ 9.4 billion(2), against R$ 37.4 billion in 2011, and in 2012 the adjusted EBIDTA was R$ 37.3 billion(3), thus reduced by 33.6%, although it is still the third largest annually adjusted EBITDA in the Company s history. The reduction came primarily from lower 2012 prices, which had a negative impact of R$ 22.8 billion on the EBIDTA.

In 2011, Vale had strong performance, characterized by net operating revenues (R$ 100.6 billion), operating income (R$ 50.45 billion), and operating margin(50.2%).

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(1) Adjusted EBITDA excluding non-recurrent effect.

(2) Net profits excludes non-cash and non-recurrent effects

(3) Adjusted EBIDTA excluding non-recurrent effects.

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In 2013 and 2012, Vale delivered to its shareholders dividends in the amount of US$ 4.5 billion and US$ 6.0 billion, respectively, and the 2012 amount was the second largest in the Company s history.

Bulk materials sales iron ore, pellets, manganese ore and ferroalloy, thermal and metallurgical and coal represented 76.7% of total net operating revenues in 2012, after the general load was discontinued in 2013, relative to 76% in 2012, after the general load was discontinued. In contrast, in 2011, bulk materials represented 77.7% of our total net operating revenue.

Basic metals participation in the total net revenue was 15.5%, after discontinuation of the general load in 2013, relative to the 15.3%, after discontinuation of general load in 2012. In turn, in 2011, the participation was 15.4%.

Fertilizer revenue was 6.0%, after discontinuation of the general load in 2013, relative to 7.7%, after discontinuation of the general load in 2012. In 2011, fertilizer revenue was 5.5%.

Other products represent 1.98% of the 2013 total operating net revenue, relative to 1.0% in 2012. In 2011, the contribution was 1.4%.

	Fiscal year end on December 31		
Business segments	**2011**	**2012**	**2013**
Bulk Materials	77.7%	76%	76.7%
Basic Metals	15.4%	15.3%	15.5%
Fertilizers	5.5%	7.7%	6.0%
Others	1.4%	1.0%	1.8%
Total	**100.0%**	**100.0%**	**100.0%**

In 2013, operating profit, measured by the adjusted EBIT(4) reached R$ 38.238 billion, 35.2% more than the R$ 28.276 billion in 2012. In 2011, the adjusted EBIT(5) was R$ 48.032 billion.

The operating margin reached 37.7% in 2013, relative to 19.6% in 2012. In 2011, the operating margin was 47.8%.

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(4) EBIT excluding non-recurrent effects.

(5) EBIT excluding non-recurrent effects.

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In 2013, the Company s adjusted EBITDA(6) was R$ 49.027 billion, 31.3% larger than 2012 s R$ 37.337 billion. In 2011, Vale s adjusted EBITDA(7) was R$ 56.251 billion.

Adjusted EBITDA

	Fiscal year end on December 31		
In R$ Billion	**2011**	**2012**	**2013**
Net Operating revenue	100.556	91.269	101.490
Adjusted EBIT	48.032(1)	28.276(1)	38.238(1)
Adjusted EBITDA	56.252(1)	37.337(1)	49.027(1)
Net profit (loss) of the term/year	7.420	9.391	0.258
Remuneration to shareholder (parent company)	14.960	1.596	9.319

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(1) Excludes non-recurring effects

EBITDA

	Fiscal year end on December 31		
In R$ billions	**2011**	**2012**	**2013**
Net profit (loss) for the term/year	37.420	9.391	(0.258)
Tax on profits	8.504	2.595	15.249
Net finance results	6.318	6,352	8,405
EBIT (Earnings Before Income and Taxes)	52.242	15.035	33.433
Depreciation, amortization, and depletion	6.453	8.129	8.958
EBITDA (Earnings Before Income, Taxes, Depreciation, and Amortization)	58.695	23.164	42.386

Adjusted EBITDA reconciliation

	Fiscal year end on December 31		
In R$ billions	**2011**	**2012**	**2013**
EBIT	52.242	15.035	33.433
Depreciation, amortization and depletion	6.453	8.129	8.953
EBITDA	58.695	23.164	42.386
Results from share participation in associated companies	(1.857)	(1.241)	(0.999)
Dividends	1.766	0.932	1.836
Gain(loss) in assets sales	(2.492)	1.036	0.410

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(6) Adjusted EBITDA excluding non-recurrent effect.

(7) Adjusted EBITDA excluding non-recurrent effect.

In R$ billions	Fiscal year end on December 31 2011	2012	2013
Reduction in noncurrent assets recoverable value *(Impairment)*		12.213	5.390
CFEM		1.100	
Loss from phased out operations	0.139	0.133	0.004
Adjusted EBITDA	56.251	37.337	49.027
Depreciation, amortization and depletion	(6.453)	(8.129)	(8.953)
Dividends	(1.766)	(0.932)	(1.836)
Adjusted EBIT	48.032	28.276	38.238

b. Capital Structure

On December 31, 2013, 2012 and 2011, our equity was R$ 152.121 billion, R$ 152.909 billion and R$ 145.382 billion; our gross debt added was R$ 68.977 billion, R$ 61.856 billion and R$ 43.072 billion, and our cash position was R$ 12.465 billion, R$ 11.918 billion, and R$ 6.593 and our gross debt index and obligations with third parties /shareholders equity and participation of non-controlling shareholders was 45.5%, 40.4%, and 29.6%.

i. Hypotheses of Redemption

ii. Redemption Value Method

Our by-laws do not authorize the application of profits or reserves to redeem or amortize shares. Additionally, on the date of this Reference Form, our Management does not intend to call a Special Shareholders Meeting for this purpose.

c. Payment Capacity in Relation to the Financial Commitments Assumed

Vale enjoys a healthy financial position, supported by strong cash generation, ample liquidity, availability of short- and long-term credit facilities, and a portfolio of debt with low risk. This position gives us the capacity to easily pay our financial commitments.

The leverage, measured by the gross debt/ /adjusted(8) EBITDA, showed reduction, as the following table illustrates:

In R$ billions	Fiscal year end on December 31 2011	2012	2013
Operating Income - EBIT	**52,242**	**15,035**	**33,433**
Depreciation/ Amortization	6,453	8,129	8,953

EBITDA	**58,695**	**23,164**	**42,386**
Results from share participation in associated companies	(1,857)	(1,241)	(0,999)
Dividends received	1,766	0,932	1,836
Gain (loss) in measurement ot from noncurrent assets sales	(2,492)	1,036	0,410
Measurement loss and reduction in assets recoverable value *(Impairment)*		12,213	5,390
CFEM		1,100	
Loss from phased out operations	0,139	0,133	0,004
Adjusted EBITDA	**56,251**	**37,337**	**49,027**
Gross debt	43,072	61,856	68,977

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(8) Excluding non-recurrent items

	Fiscal year end on December 31		
In R$ billions	**2011**	**2012**	**2013**
Leverage (measure by the gross debt/adjusted EBITDA ration	0,8	1,7	1,4

For more information on the EBITDA and adjusted EBITDA reconciliation, see item 10.1(a) above.

The gross debt/EV(9) ratio was 34.8% on December 31, 2013, compared to the 22.4% from December 31, 2013, while the index of interest coverage, measured by the indicator EBITDA/payment of interest, was 13.8 on December 31, 2013 and 14.5x on December 31, 2012.

	on December 31		
In R$ Billion	**2011**	**2012**	**2013**
Gross debt	43,072	61,856	68.977
Cash position *	6,593	11,918	12.465
Net debt	36,479	49,938	56.512

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* Includes cash and cash equivalent with maturity up to 90 days.

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

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

Operating activities from continuing operations generated cash flows of R$ 31.876 billion in 2013, compared with R$ 31.143 billion in 2011, and R$ 39.183 billion in 2011. Operating cash flows grew significantly in recent years until 2008, driven by the growth in sales volume and by the high of prices of our products. In 2009, this cycle of growth was interrupted as a result of negative effects of the global recession on the prices and volumes of sales. In 2010, growth was resumed and the strong recovery of demand reflected positively on the price. Performance in 2011 was driven by higher prices and by the recovery of volumes sold. In 2012, reduction was determined mainly by price drops. 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.

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

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(9) EV*, enterprise value*, equals the sum of the company s market capitalization with the net debt.

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- In December 2013, Vale issued R$ 650 million in export credit notes from Brazilian commercial banks with maturity in 2023. The amount was fully paid until December 31, 2013.

- 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).

- 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.

- In July 2013, Vale signed a financing contract with Banco Safra, a BNDES financing agent, in the amount fo R$ 109.3 million. This contract is for the purchase of domestic equipment. On December 31, 2013, R$ 87.4 had been paid from this contract.

- In October 2012, Vale issued an export credit note in the amount of R$ 2.5 billion from a Brazilian commercial bank that has a 10 year maturity. The amount was fully paid on December 31, 2012.

- In October 2012, Vale Fertilizantes signed a new contract with BNDES in the amount of R$ 88.6 million. This contract was to supplement resources in the project for the expansion of phosphoric and sulfuric acid production capacity at the industrial plant located in Uberaba (MG) Phase III , as well as for the expansion of the phosphate concentrate production capacity in Tapira (MG) and Catalão (GO).

- IN September 2012, Vale priced the offer of US$ 1.5 billion (equivalent to R$ 3.5 billion) in bonus. The bonus has a 5.625% coupon per year, paid every six months, and they were prices at 99.198% of the bond s face value. The bonus matures in September 2042 and they were issued with a 300 points base spread over US Treasure bonds, resulting in a performance of 5.681% per year to the investor.

- In September 2012, BNDES approves a financing contract in the amount of R$ 3.9 billion to Vale, to implement the CLN 150 Mtpa project, whose purpose is to expand to 150 million tons per year the transport and shipping capacity of iron ore in Vale s Northern System, which includes the Carajás Railroad (EFC) and the railroad and maritime terminals in Ponta da Madeira, in the states of Pará and Maranhão. The financing payments will follow the projects execution schedule. On December 31, 2013, Vale had paid US$ 1.0 billion (equivalent to R$ 2.3 billion) from this line of credit.

- In August 2012, Vale International signed a pre-paid export contract with a commercial bank in the amount of US$ 150 million (equivalent to R$ 2.3 billion), with maturity 5 years after payment. On December 31, 2013, Vale International had fully paid the line.

- In July 2012, Vale priced the offer of 750 million (equivalent to R$ 2.4 billion in 10.5 years bonus). Vale will used net resources from this offer for general corporate purposes. The notes maturing in 2023, the amount of 750 million (equivalent to R$ 2.4 billion) have a 3.75% coupon per year, paid annually, and they were price at 99.608% of the bond s face value. The bonus matures on January 10, 2023 and they were issued with an 180 base point spread on the mid-swap, or with a 225.7 base point spread on the return of German Bund bonds, resulting in a performance of 3.798% per year for the investor.

- In April 2012, Vale priced the bonus offer from its full subsidiary Vale Overseas Limited (Vale Overseas) at US$ 1.250 billion (equivalent to R$ 2.9 billion), guaranteed by Vale. The bonus were consolidated in a single series with Vale Overseas bonus issued on January 11, 2012, at US$ 1.0 billion (equivalent to R$ 2.3 billion) with a 4.375% coupon and maturity in 2022. The bonus issued in April will have a 4.375% coupon per year, paid every six months, at a price that is 101.345 % of the bond s face value. These bonus mature in January 2022 and they were issued with a 200 base-point spread on US Treasury bonds, resulting in a performance of 4.205% per year for the investor.

- In January 2012, Vale priced the bonus offer from its full subsidiary Vale Overseas Limited (Vale Overseas) at US$ 1.0 billion (equivalent to R$ 2.3 billion). The bonus have a 4.375% coupon per year, paid every six months, at a price that is 98.804 % of the bond s face value. These bonus mature in January 2022 and they were issued with a 255 base-point spread on US Treasury bonds, resulting in a performance of 4.525% per year for the investor.

- In August 2011, Vale signed a contract with commercial banks with the support of the Korean Trade Insurance Corporation (K-SURE), to finance the purchase of five large iron ore vessels and two capsize ships. The total amount contracted was US& 528 million (equivalent to R$ 1.2 billion) and the resources will be paid based on the ships delivery. On December 31, 2013, Vale had paid US$ 432 million (equivalent to R$ 1.0 billion) from the line of credit, but the remainder of the line of credit was canceled on December 31, 2012.

- In March 2011, Vale signed a financing contract with BNDES in the total amount of R$ 102.6 million. The purpose of this contract was to finance the purchase of domestic equipment. On December 31, 2013, the amount had been fully paid.

- In January 2011, Vale signed an agreement with some commercial banks, guaranteed by an official Italian credit agency, Servizi Assicurativi Del Commercio Estero S.p.A. (Sace), to obtain a line of credit in the amount of US$ 300 million (equivalent to R$ 703 million) for 10 years. The full amount from this line of credit was used by Vale in 2011.

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

Moreover, 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 another revolving line of credit in the amount of US$ 32.0 billion (equivalent to R$ 4.7 billion), with maturity period of 5 years, totaling, in lines of this type, available on December 31, 2013, US 5.0 billion (equivalent to R$ 11.7 billion), that may be used by Vale, Vale Canada Ltd. (Vale Canada), and Vale International S.A. (Vale International). By December 31, 20123, Vale had not used any of this available credit.

f. Indebtedness levels and composition of such debts

On December 31, 2013, the total debt was R$ 68.977 billion, with a tranche of R$ 3.410 billion guaranteed by Vale s assets, with an average maturity period amortization of 9.89 years and an average cost of 4.6% per year in US dollars.

DEBT STRUCTURE	**ON DECEMBER 31,**		
In R$ billion	**2009**	**2010**	**2011**
Gross debt	43.072	61.856	68.977
Tranche guaranteed by assets of Vale	4%	5%	5%
Average term of amortization (in years)	9.8	10.14	9.89
Average cost (in US dollars)	4.8%	4.6%	4.6%

Since July 2005, Vale has been considered investment grade. Vale currently has the following credit risk ratings: A- (Standard & Poor s), Baa2 (Moody s), BBB high (Dominion Bond Ratings) and BBB+ (Fitch).

i. Relevant loan and financing contracts

Short-term debt consists principally of financing for exports (trade financing) and imports expressed in US dollars, with financial institutions. There was no open short-term debt on December 31, 2013, 2012 or 2011.

The most important categories of the long-term debt are presented below. The values presented include the short-term portion of the long-term debt and exclude the accumulated costs.

- *Loans and financing expressed in US dollars (R$ 11.7 billion, R$ 8.1 billion, and R$ 6.0 billion on December 31, 2013, 2012, and 2011, 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 expressed in US dollars (R$ 32.4 billion, R$ 27.86 billion, and R$ 19.1 billion on December 31, 2013, 2012 and 2011, respectively).* Vale issued several debt securities in the capital market, inclusive through its wholly owned subsidiary Vale Overseas in the total amount of US$ 12.8 billion (equivalent to R$ 430.0 billion). The subsidiary Vale Canada issued debt securities in the amount of US$ 700 million (equivalent to R$ 1.6 billion).

- *Fixed income instruments in euros (R$ 4.8 billion, R$ 4.0 billion and R$ 1.8 billion on December 31, 2013, 2012 and 2011, respectively).* Vale issued debt securities in the capital market in the total amount of 1.5 Billion (equivalent to R$ 4.8 billion).

- *Non-convertible debentures expressed in reais (R$ 0.9 billion, R$ 4.8 billion, and R$ 4.7 billion on December 31, 2013, 2012, and 2010, respectively).* The balances were mainly made up of issuances dated November 2006 in the amount of approximately US$ 2.3 billion (equivalent to R$ 5.5 billion). The first series, of this issue, in the amount of US$ 640 million (equivalent to R$ 1.5 billion), expired in 2010. The second series of US$ 1.7 billion (equivalent to R$ 4.0 billion), matured in 2013.

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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.

Other debts totaled R$ 18.1 billion, R$ 16.3 billion, and R$ 10.8 billion on December 31, 2013, 2021 and 2010, respectively. The Company has several loans contracted in Brazil, especially with the BNDES and some Brazilian private banks, in addition to loans and financing in other currencies. (1)

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$ 136.350 million or 97.6 %, corresponded to unsecured debts on December 31, 2013 (compared to R$ 110.964 billion OR 97.4% on December 31, 2012 and R$ 89.8332 billion, or 97.9% on December 31, 2011). Such amounts are subject to the preference of Company obligations that appear as collateral, including mortgage of assets totaling, on December 31, 2013, R$ 3.410 or 2.4 % of the total of current and non-current liabilities of the Company, relative to the amount of R$ 2.963 million or 2.6% on December 31, 2012 and R$ 1.902 billion or 2.1% on December 31, 2011

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

Some long-term financial instruments contain obligations related compliance with financial indicators. The main indicators are: (i) debt on Earnings Before Interest Tax, Depreciation and Amortization (EBITDA), and (ii) interest coverage. Vale is in conformity with the levels required for the indicators. It is believed that the current clauses will not significantly restrict the capacity to contract new debts to meet capital needs. Additionally, no clause directly restricts the ability to distribute dividends or interest on own equity. For more information on these financial indices, please see item 3.7 of this Reference Form

g. Limits of use of financing already contracted

Infrastructure debentures issues by the Company and certain financing contracts signed by Vale establish restrictions in connection with the use of funds. The following is a description of the relevant infrastructure debentures and financing contracts:

Date	**Counterparty**	**Allocation**	**Value**	**Percentage Used**	**Disbursement of funds**
01/15/2014	N/A	Used in the reimbursement of spending, expenses and/or debt related to the Southeastern	R$ 1.0 billion	0%	The entire infrastructure debentures issued by the Company have already been subscribed and paid

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Date	Counterparty	Allocation	Value	Percentage Used	Disbursement of funds
		Railroad Branch of the Pará Project (RFSP)			
12/27/2013	BNDES	Financing for the Tecnored Investment Plan	R$ 136.7 million	0%	Credit is provided in tranches according to the project schedule
06/15/2013	Banco J. Safra	Financing for equipment	R$ 109.31 million	80%	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 forCLN150 Project	R$ 3.88 million	79%	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$ 1.079 billion	82%	The credit was provided in tranches according to the ship delivery schedule, and the remaining unused balanced was cancelled
9/09/2010	Exim Bank of China Limited	Financing for the acquisition of ships from the shipbuilder Rongsheng	R$ 2.511 billion	80%	The credit is provided in tranches according to the schedule of payments contemplated in the construction contract
4/01/2008	BNDES	investments made in Brazil	R$ 7.3 billion	63%	The credit is provided in tranches according to the project schedule

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h. Significant alterations in each item of the financial statements

Analysis of Operating Results, 2013 vs. 2012

The table below presents the values for the consolidated income statements for the fiscal years ended December 31, 2012 and December 31, 2013:

(in R$ billions)	End of fiscal year on December 31				Variation (%)
Income Statement	**2012**	**AV (%) (1)**	**2013**	**AV (%)(1)**	**(2012 x 2013)**
Net Operating Revenues	91,269	100,0	101,490	100,0	11,2
Cost of products and services	(49,832)	(54,6)	(52.511)	(51,7)	5,4
Administrative and sales expenses	(4,249)	(4,7)	(2,804)	(2,8)	(34,0)
Research and development	(2,886)	(3,2)	(1,745)	(1,7)	(39,5)
Pre-operational and shutdown operation	(3,145)	(3,4)	(4,035)	(4,0)	28,3
Other net operating expenses	(3,981)	4,4	(2,157)	(2,1)	(45,8)
Reduction of noncurrent assets recoverable value	(8,211)	(9,0)	(5,390)	(5,3)	34,4
Gain (loss) in the measurement or noncurrent assets sale	(1,036)	(1,1)	(0,508)	(0,5)	(51,0)
Operating Revenues	17,929	19,6	32,340	31,9	80,4
Result of corporate participations	1,241	1,4	0,999	1,0	(19,5)
Result of disposal of shares in joint ventures and associated companies		n/a	0,098	0,1	n/a
Net financial result	(8,239)	(9,0)	(18,442)	(18,2)	123,8
Reduction of investments recoverable value	(4,002)	(4,4)		n/a	n/a
Income before income tax and social contribution	6,929	7,6	14,995	14,8	116,4
Taxation on profits	2,595	2,8	(15,249)	(15,0)	(487,6)
Losses from discontinued operations	(0,133)	(0,1)	(0,004)		(97,0)
Net income (loss) in the year	9,391	10,3	(0,258)	(0,2)	(102,7)

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(1) Relative to the net operating revenue

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Year ending on December 31, 2012 compared to the year ended on December 21, 2013

Revenues

The net operating revenue reached R$ 101.940 billion in 2013, compared to R$ 91.269 billion in 2012, corresponding a 11.2% increase. The revenue growth was mainly due to increased in volume and price of iron ore, metallurgic coal and basic metals.

Mineral Ore

Mineral ore sales revenue increased by 15.7%, from R$ 52.959 billion in 2012 to R$ 61.271 billion in 2013, mainly due to price recovery and volume sold.

Pellets

Pellets save revenue increased 1.5%, from R$ 12.778 billion in 2012 to R$ 12.972 billion in 2013, due to better pellet. Pollution concerns in China is making the metallurgic industry increase their installed capacity use, to phase out some of the inefficient plants, and reduce the sintering and pelleting capacity. These measure increased demand for higher quality iron ore, ore lump and pellets staring in 2013 s second semester. Consequently, premium lumps and pellets reached high prices at the end of 2013 and they shall remain high in 2014

Manganese ore and Ferroalloys

Sales revenue from manganese ore and ferroalloys increased 8.1%, from R$ 1.055 billion in 2012 to R$ 1.140 billion in 2013. Manganese sales revenue increase due to greater volume and prices. Ferroalloy sales revenue was slightly lower due to volume drops are the sale of the European operations (Dunkerque and Mo I Rana) concluded at the end of 2012 as well as lower prices.

Coal

Coal sales revenue increased by 3.7%, from R$ 2.109 billion in 2012 to R$ 2.188 billion in 2013, due to increased sales volume, caused by the ramp-up at Moatize, a coal mine in Mozambique, and due to a significant improvement in person and by Carborough Down s significant performance improvement (a coal operation in Australia,) *Basic Metals*

Nickel and other products

There was a 7.8% increase in these products revenue, from R$ 11.656 billion in 2012 to R$ 12.566 billion in 2013, mainly due increased nickel sales volume.

Copper

Copper sales revenue increased by 39.7%, from R$ 2.277 billion in 2012 to R$ 3.180 billion in 2013, due to increased sales volume increase resulting from Salobo s ramp-up, a copper operation in Brazil..

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Fertilizers

Potash

Potash sales revenue decreased by 23.7%, from R$ 569 million in 2012 to R$ 434 million in 2013, due to a drop in sales volume and price as the result of less demand due to the fertilizer global market s weak conditions.

Phosphates

Phosphates sales revenue decreased by 9.8%, from R$ 1.366 billion in 2012 to R$ 0.99 billion in 2013, partly due to sales volume and price drop resulting from the fertilizer global market s weak conditions..

Nitrogen

Nitrogen sales revenues dropped 27.5%, from R$ 1.366 billion in 2012 to R$ 0.990 million in 2013, partially due to the Araucária share sale in 2013 s second quarter.

Other products and services

Sales revenue for other products and services increased by 92.9%, from R$ 959 million in 2012 to R$ 1.850 million in 2013.

Costs of Products and Services

Costs related to services and goods sold by Vale are detailed below:

Comments on Cost by Type of Product

The total cost of products and services totaled R$ 52.511 billion in 2013, compared with R$ 49.832 billion in 2012, an increase of 5.4%.

- *Outsourced services*. The cost of outsourced services decreased 9.1% in 2013, from R$ 9.079 billion in 2012, to R$ 8.251billion in 2013, mainly reflecting contract renegotiations with suppliers.

- *Materials costs*. Materials costs increased 7.6%, from R$ 8.264 billion in 2012, to R$ 8.894 billion in 2013, mainly due to maintenance expenses in Sudbury.

- *Costs of energy and fuels*. Energy and fuel costs decreased 3.1% in 2012, from R$ 5.490 billion in 2012 to R$ 5.319 billion in 2013, due to increased used of our own energy.

- *Personnel costs*. Personnel costs increased 5.7%, from R$ 6.679 billion in 2012, to R$ 7.060 billion in 2013, reflecting the 6% increase from the collective bargain with employees in Brazil.

- *Acquisition of products*. The cost of products purchased from third parties increased 12.3%, from R$ 2.718 billion in 2012, to R$ 3.051 billion in 2013, mainly due to the purchase of precious metals for processing at the Acton refinery.

- *Depreciation and depletion*. The cost of depreciation and depletion increased 12.3%, from R$ 7.154 billion in 2012, to R$ 8.031 billion in 2013, mainly due to new projects ramp-up.

- *Freight*. Freight cost increased 23.3%, from R$ 5.660 billion in 2012 to R$ 6.979 billion in 2013, mainly due to increased CFR sales.

- *Other costs*. Other costs increased 2.9%, from R$ 4.788 billion in 2012 to R$ 4,926 billion in 2013, mainly sure to new mining taxation in the States of Minas Gerais, Pará and Mato Grosso do Sul.

Sales and administrative expenses

Sales and administrative expenses decreased 424.0%, from R$ 4.249 billion in 2012 to R$ 2.804 billion in 2013, mainly due to making our organizational structure simples.

Research and development expenses

Research and development expenses decreased 39.5%, from R$ 2.866 billion in 2012 to R$ 1.745 billion in 2013, mainly due to a reduction in our project portfolio and the closing of exploration offices worldwide.

Asset impairment

In 2013 there was reduction in impairment in the amount of R$ 5.390 billion. This reduction was mainly due to suspension of the Rio Colorado Project (PRC) in the amount of R$ 4.963 billion and of the pelleting plants, reported to be in the amount of R$ 427 million.] The 2012 reduction in 2012 in the amount of R$ 8.211 billion refers mainly to estimate loss of R$ 5.769 billion and in coal plants in Australia in the amount of R$ 2.139 billion.

Pre-operational expenses and operation shutdown

In 2013, pre-operational expenses and operational shutdown summed up to R$ 4.035 billion, an increase of R$ 890 million relative to 2012, particularly due to greater expenses with the Rio Colorado and Long Harbour projects.

Other operating costs and expenses

Other operating expenses reduced 45.8%, from R$ 3.981 billion in 2012, to R$ 2.157 billion in 2013, mainly due to less contingencies and provisions made during the year, such as, the non-recurring impact of expenses with the Financial Offset for the Exploration of Mineral Resources (CFEM), which was R$ 1.100 billion.

Result from the sale of non-current assets held for sale

Assets sales revenue decreased 51.0%, from R$ 1.036 billion in 2012 to R$ 508 million in 2013, due to losses in the Tres Valles sale; while in 2012, the results referred to Araucária sales loss.

Result from Corporate Participations

The result from corporate participations decreased 19.5%, from R$ 1.241 billion in 2012 to R$ 999 million in 2013, mainly due to performance drop at Samarco.

Net Financial result

The net financial expenses dropped 123.8% from R$ 8.239 billion in expenses in 2012 to R$ 18.448 billion in 2013, due to interest rates and fines from the Tax Recovery Program REFIS (REFIS).

Reduction of the investments recoverable value

There was no reduction of investments recoverable value in 2013. The reduction reported for 2012 in the amount of R$ 4.002 billion had an impact on our investment in Norsk Hydro (R$ 2.026 million), on Thyssenkrupp CSA (R$ 1.804 billion), and on the Vale Soluções em Energia (R$ 172 million).

Taxation on profits

In 2013, we recorded a tax expense on net income of R$ 15.249 billion, compared to R$ 2.595 billion in 2012, basically due joining REFIS for the payment of sums relative to taxation on the profit from Vale s foreign subsidiaries and affiliated companies in 2013 and 2012.

Net income attributed to controlling shareholders

The reduction in net profit, from R$ 9.391 billion in 2012 to the net loss of R$ 258 million in 2013, resulted mainly from the previously mentioned factors.

Analysis of equity accounts

In R$ millions

	2012	**AV (%) (1)**	**2013**	**AV (%) (1)**	**Variation (%) (2012 x 2013)**
Current Assets					
Cash and cash equivalents	11,918	4,5	12,465	4,3	4,4
Short-term investments	0, 506	0,2	0,008	0	(98,4)

Derivatives financial instruments	0, 575	0,2	0,471	0,2	(18,1)
Accounts Receivable	13,885	5,2	13,360	4,6	(3,8)
Related parties	0,786	0,3	0,611	0,2	(22,3)
Inventory	10,320	3,9	9,662	3,3	(6,4)
Taxes on estimated profit	1,472	0,6	5,563	1,9	277,9
Taxes to be refunded	3,148	1,2	3,698	1,3	17,5
Advances to suppliers	0,523	0,2	0,292	0,1	(44,2)
Others	1,973	0,7	2,151	0,7	9,0
Non-current assets held for sale	0,935	0,3	8,822	3,0	843,5
	45,041	**17,3**	**57,103**	**19,6**	**24,0**
Non-current					
Related Parties	0,833	0,3	0,253	0,1	(69,6)
Loans and financing	0,502	0,2	0,564	0,2	12,4
Legal deposits	3,095	1,2	3,491	1,2	12,8
Taxes on profits to be refunded	0,899	0,3	0,899	0,3	
Taxes on profits deferred	8,282	3,1	10,596	3,6	27,9
Taxes to be refunded	0,443	0,2	0,668	0,2	50,8
Derivatives financial instruments	0,093	0,0	0,329	0,1	253,8
Deposit for incentives and reinvestment	0,327	0,1	0,447	0,2	36,7
Others	1,000	0,4	1,730	0,6	73,0
	15,474	**5,8**	**18,977**	**6,5**	**22,6**
Investments	13,044	4,9	8,397	2,9	(35,6)
Intangibles	18,822	7,0	16,096	5,5	(14,5)
Fixed Assets	173,455	65,0	191,308	65,5	10,3
	220,795	**82,7**	**234,778**	**80,4**	**6,3**
Total Assets	**266,836**	**100,0**	**291,881**	**100,0**	**9,4**

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(1) Relative to asset total

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Liabilities and shareholders equity	**2012**	**AV (%) (1)**	**2013**	**AV (%) (1)**	**Variation (%) (2012 x 2013)**
Current					
Accounts Payable to suppliers and contractors	9,255	3,5	8,837	3,0	(4,5)
Salaries and employment taxes	3,025	1,1	3,247	1,1	7,3
Derivatives financial instruments	0,710	0,3	0,556	0,2	(21,7)
Loans and financing	7,093	2,7	4,158	1,4	(41,4)
Related Parties	0,423	0,2	0,479	0,2	13,2
Taxes on profit Refinancing Program		n/a	1,102	0,4	n/a
Taxes to be refunded	0,664	0,2	0,766	0,3	15,4
Taxes on estimated profit	1,310	0,5	0,886	0,3	(32,4)
Pension and retirement benefits	0,420	0,2	0,227	0,1	(46,0)
Payable sub concessions	0,133	n/a		n/a	n/a
Asset retirement obligation	0,143		0,225	0,1	57,3
Other	2,168	0,8	0,985	0,3	(55,3)
	25,344	**9,5**	**21,468**	**7,4**	**(15,3)**
Liabilities related to non-current assets held for sale	0,345	0,1	1,050	0,4	184,6
	25,689	**9,6**	**22,518**	**7,8**	**(12,4)**
Non-current					
Derivatives financial instruments	1,601	0,6	3,496	1,2	118,4
Loans and financing	54,763	20,5	64,819	22,2	18,4
Related Parties	0,146		0,011		(92,5)
Pension and retirement benefits	6,762	2,5	5,148	1,8	(22,3)
Legal provisions	4,218	1,6	2,989	1,0	(29,1)
Taxes on profit Refinancing Program		n/a	15,243	5,2	n/a
Taxes on profits deferred	7,001	2,6	7,562	2,6	229,7
Provision for asset retirement	5,472	2,1	5,969	2,0	9,1
Participation Debentures	3,379	1,3	4,159	1,4	23,1
Non-controlling shareholders redeemable share	0,995	0,4	0,646	0,2	(35,1)
Others	3,901	1,5	7,200	2,5	84,9
	88,238	**33,0**	**117,242**	**40,1**	**33,9**

Shareholders Equity					
Class A preferred shares 200,000,000] authorized shares with no nominal value and 2,108,579,618 issued (2012 2,108,579,618)	29,475	11,0	29,475	10,1	
Common shares 3,600,000 authorized shares, no nominal value and 3,256,724,482 issued (2012 3,256,724,428)	45,525	17,1	45,525	15,6	
Treasury shares 140,857,692 preferred shares (2012 140,857,692) and 71,071,482 common shares (2012 71,071,482)	(7,838)	(2,9)	(7,838)	(2,7)	
Operating results with non-controlling shareholders	(0,840)	(0,3)	(0,840)	(0,3)	
Result from share conversion/issuance	50		50		
Equity valuation adjustment	(4,176)	(1,6)	(2,815)	(1,0)	(67,4)
Accumulated conversion adjustment	9,002	3,4	15,527	5,3	72,5
Accumulated profits	78,466	29,5	69,262	23,8	(11,7)
Total controlling shareholders equity	149,664	56,2	148,346	50,8	(1,0)
Non-controlling shareholders interest	3,245	1,2	3,775	1,3	(1,5)
Total equity	**152,909**	**57,4**	**152,121**	**52,1**	**(1,0)**
Total liabilities and equity	**266,836**	**100,0**	**291,881**	**100,0**	**9,4**

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(1) Relative to total liabilities and shareholders equity

Position on December 31, 2012 compared with the position on December 31, 2013

Vale has assets and debts referenced to different currencies, the main ones being the *real*, the US dollar and the Canadian dollar. On December 31, 2013, the Company had 54% of assets related to Brazilian *reais*9% to US dollars, 18% to Canadian dollars and 19% to other currencies, while the majority of our debt was expressed in US dollars. Consequently, the effects of changes in exchange rates had an impact on the financial statements, especially the depreciation of the *real* by 14.6 % against the US dollar between December 31, 2012 and December 31, 1013.]

Current Assets

Cash and cash equivalents.

The 4.6% increase, from R$ 11.918 billion on December 31, 2012 to R$ 12.465 billion on December 31, 2013, occurred as a function of the gold stream operation with gold and resources from asset disposal, partially offset by REFIS payment.

Short-term investments.

The 98.4% reduction, from R$ 506 million on December 31, 2012 to R$ 80 million on December 31, 2013, resulted from bonds maturing in 2013.

Inventories

The 6.4% decrease in inventories, from R$ 10.320 billion on December 31, 2012 to R$ 9.662 billion on December 31, 2013, was due to the operating cycle.

Taxes on estimated profit

There was a 277.9% increase on taxes on estimated profit, from R$ 1.472 billion on December 31, 2012 to R$ 5.563 billion on December 31, 2013, reflecting values to be recovered from losses suffered by companies abroad.

Non-current assets held for sale and phased out operations

Assets sales totaled R$ 8.822 billion on December 31, 2013, reflecting the disposal of energy generation assets and general load, compared to R$ 935 million from December 31, 2012, relative to the Araucária disposal..

Non-current assets

Deferred taxes on profits

The amount of deferred taxes on profits reported increased 27.9%, from R$ 8.282 billion on December 31, 2012 to R$ 10.596 billion on December 31, 2013, due to reported differences relative to share debentures, derivatives, and interest rates equalization on equity.

Investments

Investments dropped 35.6%, from R$ 13.044 billion on December 31, 2012 to R$ 8.397 billion on December 31, 2013, reflecting the final lock-up period for the Norsk Hydro share renegotiation. From this date, the Norsk Hydro shares may be traded in the market, and for this reason we stopped calculating the equity equivalence for this share, as it is not treated as a financial asset available for sale.

Fixed assets

The 10.3 % increase in fixed assets, from R$ 173.455 billion on December 31, 2012 to R$ 191.308 billion on December 31, 2013, occurred due to Capex execution, mainly of the S11D project.

Current liabilities

Accounts payable to suppliers and contractors

The 4.5% reduction in accounts payable to suppliers and contractors, from R$ 9.255 billion on December 31, 2012 to R$ 8.837 billion on December 31, 2013, was basically due to payments made during the term.

Portion of liabilities of long-term loans

The 41.4% reduction in the portion liabilities of long-term loans, from R$ 7.093 billion on December 31, 2012 to R$ 4.158 billion on December 31, 2013, was due to -long-term loans- maturing in 2013.

Liabilities related to non-current assets held for sale and phased out operations

Liabilities related to non-current assets held for sale increased 184.6%, from R$ 345 million on December 31, 2012 to R$ 1.050 billion on December 31, 2013, due to the sale of the energy and general load in 2013.

Non-current liabilities

Derivatives financial instruments

The increase in derivatives financial instruments was 118.4%, from R$ 1.601 billion on December 31, 2012 to R$ 3.496 billion on December 31, 2013, basically due to the appreciation of the American dollar against the *real*, with a loss in the swaps market, whose purpose is to reduce cash flow volatility.

Loans and financing

The increase in loans and financing was 18.4%, from R$ 54.763 billion on December 31, 2012 to R$ 64.819 billion on December 31, 2013, reflecting the exchange rate variation, since a considerable share of the loans were retained in foreign currency.

Provisions for contingencies

Provisions for contingencies was reduced to 29.1%, from R$ 4.218 billion on December 31, 2012 to R$ 2.989 billion on December 31, 2013, reflecting the REFIS agreements.

Provision with obligations for asset retirement

The reduction of 9.1% in provisions with obligation for asset retirement, from R$ 5.472 billion on December 31, 2012 to R$ 5.969 billion on December 31, 2013, was due to -the annual review of the estimates.

Shareholder Debentures

The 23.1% increase of shareholder debentures, from R$ 3.379 billion on December 31, 2012 to R$ 4.159 billion on December 31, 2013, refers to these bonds mark to market.

Shareholders Equity of Controlling Shareholders

The shareholders equity of the controlling shareholders decrease 1.0%, from R$ 149.664 billion on December 31, 2012 to R$ 148.346 billion on December 31, 2013, as a result of conversion accrued adjustments.

Analysis of Operating Results, 2012 vs. 2011

The table below presents the values for the consolidated income statements for the fiscal years ended December 31, 2011 and December 31, 2012:

Income Statement	**2011**	**AV(1)(%)**	**2012**	**AV (%)(1)**	**Variation (%) (2011 vs. 2012)**
Net Operating Revenues	100.556	100.0	91.269	100.0	(9.2)
Cost of products and services	(41.033)	(40.8)	(49.832)	(54.6)	21.4
Administrative and sales expenses	(3.894)	(3.9)	(4.249)	(4.7)	9.2
Research and development	(2.817)	(2.8)	(2.886)	(3.2)	2.4
Other net operating expenses	(4.780)	(4.8)	(7.126)	(7.8)	49.1
Reduction in noncurrent assets recoverable value		n/a	(8.211)	(9.0)	n/a
Gain (loss) in the measurement of noncurrent assets held for sale	2.492	2.5	(1.036)	(1.1)	n/a
Operating Profit	50.524	50.2	17.929	19.6	(141.6)
Result of corporate participations	1.857	1.9	1.241	1.4	(33.2)
Net financial result	(6.318)	(6.3)	(8.239)	(9.0)	30.4
Reduction of investments recoverable value		n/a	(4.002)	(4.4)	n/a
Income before income tax and social contribution	46.063	45.8	6.929	7.6	(85.0)
Taxes on profits	(8.504)	45.8	6.929	7.6	