

**CONDUCT ADJUSTMENT COMMITMENT TERM**

Civil Investigation - IC n° 001/2018-MP (SIMP n°000654-710/2018) MPPA  
Civil Investigation N. 000980-040/2018 (Decree No 12/2018) MPPA Civil  
Investigation in 1.23.000.000498/2018-98 MPF

The **PUBLIC PROSECUTION OF THE STATE OF PARÁ – MPPA** (“MPPA”), represented by the State Prosecutors below subscribed, **the FEDERAL PUBLIC PROSECUTION – MPF** (“MPF”), represented Federal Prosecutors in Pará below subscribed, the **STATE OF PARÁ** (“State Government”), hereby represented by Mr. Attorney-General of the State, Ophir Filgueiras Cavalcante Junior, Brazilian, married, lawyer, registered in the CPF under no. 094.371.182-72, and through **SECRETARIAT OF STATE OF ENVIRONMENT AND SUSTAINABILITY** (“SEMAS”), a legal entity governed by public law of the Direct Administration, enrolled with the CNPJ n° 34.921.783/0001/68, headquartered at Trav. Lomas Valentinas, n° 2717, CEP n° 66095-770, Belém-PA, in this act represented by its Secretary of State, Thales Samuel Matos Belo, Brazilian, married, lawyer, living in Belém, and MPPA, MPF, State Government and SEMAS herein called **PROMISEES**, and, on other side, **ALUNORTE ALUMINA DO NORTE DO BRASIL S/A** (“Alunorte”), private legal entity, registered under the CNPJ N. 05.848.387/0001-54, headquartered at Rodovia PA, 481 – km 12, District of Murucupi, Barcarena – PA, Zip Code 68.447-000, hereafter represented by its officer, Mr. Carlos Eduardo Neves, Brazilian, married, chemical engineer, ID n° 1700732 and enrolled in the National Taxpayers Registry under the no. 319.688.994-72 and by its Vice President of Government Affairs and agent Anderson de Moraes Baranov, Brazilian, married, ID n° 10158825-9 and enrolled in the National Taxpayers Registry under the no. 144.630.298-9, and **NORSK HYDRO BRASIL LTDA.**, headquartered at Praia de Botafogo, N° 228, 7° and 8° floors, Section A e B, rooms 701, 705 (part), 712, 713, 714, 801-A (part), and Section B1 of 13° floor, Botafogo, Rio de Janeiro/RJ, registered under CNPJ/MF N.º 29.739.851/0008-09, hereafter represented by its manager, Mr. Hans Martin K. Heikvam, Norwegian citizen, enrolled in the National Taxpayers Registry under the no. 062.955.057-32 and by its Financial Officer, Mr. Carlos Ferreira Ariel, Argentinean citizen, economist, ID for foreigners RNE no. V230619-8 and enrolled in the National Taxpayers Registry under the no. 054.824.187-23 hereinafter called **PROMISSORS**,

**CONSIDERING** what has been gathered up to the moment in the case records of the proceedings referred to above, which motivates the adoption of emergency and evaluation measures related to the facts under investigation and to the activities of Alunorte’s industrial activity in Barcarena- PA,

**CONSIDERING** that the present agreement does not terminate the investigations related to the above mentioned proceedings by the Public Prosecutor Office and does not prevent the filing of lawsuits arising from the determinations related to the possible liability of the **PROMISSORS**, and

**CONSIDERING** that the interest of the Parties to establish a cooperative position (Article 6 of the Brazilian Civil Procedure Code), to ensure the quality of the environment (Article 225 of the Brazilian Constitution), to improve the socio-environmental conditions of Barcarena region and its communities and Alunorte’s production process, does not imply, as a result of the obligations agreed herein, the

acknowledgment of responsibility (liability) by the PROMISSORS or its directors, whether of a civil, criminal or administrative nature, or recognition of the existence of a link (*nexo de causalidade*) between the FIRST PROMISSOR's activities and the facts established by the Public Prosecutor's Office,

**DECIDE** to execute this agreement, embodied in the clauses that follow.

## **FIRST CLAUSE - THE OBJECT**

1.1. This commitment has the scope to implement emergency measures, based on the principles of precaution and prevention, aiming at the assessment and indication of arrangements to mitigate the impacts and alleged risks created by the FIRST PROMISSOR's industrial activity in Barcarena – PA, taking as an assumption the investigation of the facts that occurred between February 16 and 25 of 2018.

1.2. This current commitment is of preliminary and emergency nature, not exempting the assessment of the PROMISSORS' environmental liability arising from potential damages caused nor authorizes any resumption of full operation by the FIRST PROMISSOR.

1.3. This commitment is intended to ensure the immediate execution of the assessment actions, among others, of emergency character, which relate to the care for the local communities, the balance of the distribution of the social burden, safety of the solid waste deposits (DRS 01 and 02), improvement of the manufacturing process of the company and improvement and effective implementation of the Actions of the emergency plan (PAE), regardless of whether there is a need for the establishment of other emergency measures.

## **SECOND CLAUSE: COMMUNITIES CARE**

2.1. The PROMISSORS commit to the deadlines set out in the attached table:

2.1.1. Hire and pay an independent audit which will be hired from the public selection, as agreed by the parties, and subject to final approval of the PROMISSEES, the PROMISSORS must provide all data, information, access and necessary elements, within the deadlines set out in the annexes to the audit to assess the following items, without impact to the others that may be needed, in the form of Term of Reference and the Work Plan, under approval of the PROMISSEES:

A. Survey and registration of communities and families impacted by the supposed discharge of effluents under investigation occurred in February 2018 from Alunorte's industrial plant;

A.1. This survey and registration must take into account the eventual impacts experienced by various social groups in the areas of influence throughout the industrial plant, considering the basins of the rivers Pará, Murucupi and São Francisco and its influences of tides; as indicated in study to be conducted;

B. Soil quality assessment, according to the current Conama Resolutions and highlighting the Conama Resolutions No. 420/2009 and No. 460/2013, in order to

identify possible contamination derived from untreated discharged effluent, considering the news of affectation of agricultural production of the communities in the vicinity, as well as the quality of the water in relation to the fishing activity, and, if contamination is found, immediately implement the measures outlined by the audit and requested by the PROMISSEES;

C. Epidemiological, clinical and laboratorial evaluation of potentially affected communities as a result of the facts of this TAC and eventually indentified by the audit (item A), through the adoption of scientifically valid sampling and methodology parameters, to be carried out by an institution with expertise in this type of activity and with the approval of a Committee of Ethics in Research (CEP) and supervision of the State and Federal Public Prosecutor Offices;

D. Perform detailed environmental investigation in the basin of the Murucupi River, with the presentation of the preliminary report in up to 180 (one hundred and eighty days) and final report in up to 12 (twelve) months.

E. Present the Survey and plan for monitoring limnologic and Ichthyofaunal of the Murucupi river and Água verde, Pramajozinho and Tauga creeks, indicating solutions and technical measures to be adopted;

F. Present studies of sediment from the Murucupi river and from the Água Verde, Pramajozinho and Tauga creeks, indicating corrective solutions and technical measures to be adopted.

2.1.2. To start, within 30 (thirty) days from the execution of the instrument, in favor of the communities located at hydrographic basin of Murucupi River, the payment of the amount equal to 70% (seventy percent) of the minimum wage (i.e. BRL 670,00) per family unit proved to reside in the mentioned area on February 17, 2018, through the provision to each family of a coupon that allows the purchase of food and water in several commercial establishments. For the implementation of this measure, the PROMISSORS must provide the amount of BRL 65,000,000.00 (sixty-five million Brazilian reais), including administrative expenses.

2.1.2.1. Within sixty (60) days from the signing of this TAC, the PROMISEES shall complete the data collection and registry the communities and families that are proven to reside in the area of hydrography of the Murucupi River on February 17, 2018, specially in the Murucupi River Basin, in order to enable the broader assistance of the measure agreed in item 2.1.2., submitting the final work to the Public Prosecutor's Office. Upon completion of this work, the Parties will define the implementation period of the measure agreed upon in the previous item considering the number of families identified and the total limit of provision of sixty-five million reais (R\$ 65,000,000.00).

2.1.3. Execute, in favor of families impacted due to the facts object of this TAC (item 1.1.) as identified by audit and agreed by the Parties [PROMISSORS, State of Pará and the Public Prosecutor Office, and PROMISEES, Alunorte and Norsk Hydro], susceptible of economic appraisal and quantifiable for indemnification purposes and provided that related to the activity developed by the FIRST PROMISEE, payment of one (1) monthly minimum wage, per family, through the provision to each family of a coupon that allows the purchase of water and food in several commercial

establishments, for a period of 12 (twelve) months, and may subject to consent of the Parties be extended by means of an addition to the present term of adjustment and commitment of conduct by the Parties, after assessing the necessity and pertinence of its renewal, based on technical data, noting this provisions is related to both impacted families within or out of the impacted geography area listed in item 2.1.2.

2.1.3.1. For the correct application of the measure established in item 2.1.3., The following conditions must be met:

- a. impacted families who reside in communities not served by the measure established in item 2.1.2. will be entitled to the payment set forth herein for the period defined in item 2.1.3., that is, for the period of twelve (12) months.
- b. the communities benefited by the payment defined in item 2.1.2., and which have not been impacted as defined in item 2.1.3, shall not be entitled to any additional payment.
- c. the families benefited by the payment defined in item 2.1.2 and impacted in the manner defined in item 2.1.3., shall be entitled to an additional payment up to the limit of the amount corresponding to the period of twelve (12) months, discounting the amounts received as set forth in item 2.1.2.”

2.1.4. Invest up to BRL 5,000,000.00 (five million Brazilian reais) in the creation and implementation of alternative systems of collective treatment and distribution of drinking water, with the objective of serving the communities, including the residential connections from the groundwater collection, installation of mini water treatment stations and monthly periodic evaluation of the water quality in response to the recommendations of the Decree 05 of September 28, 2017 of the Health Ministry and current legislation in force, or other viable technical solution that ensures access to quality water, in compliance with the recommendation made by the World Health Organization, in view of the need to ensure the pattern of drinkability of the water for human consumption;

2.1.5. Health care of all persons identified according to the survey and registration referred to in item 2.1.1. “A”, being eligible for such those proven to having been residing in the areas identified in February, 2018 , from costing system of clinical and laboratory evaluation, including toxicological analyzes, regardless of the tasks and the need for articulation with the Municipal Secretariat of Health of Barcarena, The State Department of Health and the Ministry of Health, to an extent that cannot be countered, complements or affects the decision of the judgment of the 5th Jurisdiction of the Revenue of Belém in case N. 0824887-91.2018.8.14.0301.

2.1.6. Pay the full deployment of the public system of evaluation of the surface waters in the basins of the rivers of Pará, Murucupi and São Francisco, which will be donated to the competent public entity for operation and maintenance, and groundwater in the onshore areas, the surroundings of Alunorte’s industrial plant, weekly, observing the powers of the municipal environmental agency in Barcarena, without prejudice to public institutions that demonstrate compatible availability and capacity, whose size will be determined on the basis of the terms of reference drawn up by these institutions and remitted to the PROMISSEES for knowledge and reasonable considerations;

2.1.7. Fully fund deployment of the public system of evaluation of the bathing conditions for the beaches of Caripi, Vila de Itupanema, Vila do Conde, Vila de Beja, Ilha Trambioca and Ilha do Capim, which will be donated to the competent public entity for operation and maintenance, observing the powers of the environmental institutions in Barcarena and Abaetetuba, without prejudice to public institutions that demonstrate compatible interest, availability and capacity, whose size will be determined on the basis of the terms of reference drawn up by these institutions and remitted to the PROMISSEES for knowledge and reasonable considerations;

2.1.8. Fully fund deployment of the public system of the assessment of air quality, considering particulates matter and emission of toxic gases in the areas surrounding the industrial plant of Alunorte, which will be donated to the competent public entity for operation and maintenance, observing the powers of the competent environmental institution in Barcarena, without detriment to public institutions that demonstrate compatible interest, availability and capacity, whose size will be determined on the basis of the terms of reference drawn up by these institutions and remitted to the PROMISSEES for knowledge and reasonable considerations;

2.1.9. Installation of telemetric Systems of buoys for the evaluation of the water quality on the beaches of itupanema, Conde, Beja, Caripi, Ilha Trambioca and ilha do Capim, which will be donated to the competent public entity for operation and maintenance, allowing access to online data entry by the State Department of Environment and Sustainability, Municipal Departments of Environment in Barcarena and Abaetetuba, without detriment to public institutions that demonstrate compatible interest, availability and capacity, whose size will be determined on the basis of the terms of reference drawn up by these institutions and remitted to the PROMISSEES for knowledge and reasonable considerations, making the data available and public for the society in the subsequent month to the analysis.

2.2. The payment of the amounts referred to in items 2.1.2, 2.1.3, 2.1.4. and 2.1.5. do not result in acknowledge of liability or total discharge of any obligation of compensation for possible material and/or moral damages. The PROMISSORS reserve the right to dispute, with regard to compensation in potential individual judicial lawsuits, the amounts voluntarily received by beneficiaries and individual costs with the service set forth in item 2.1.5.

### **THIRD CLAUSE: SAFETY AND STABILITY OF THE SOLID RESIDUE DEPOSITS - DRS 01 AND DRS 02**

3.1. The PROMISSORS assume the obligation to hire and pay an independent audit which will be hired from the public selection and subject to final approval of the PROMISSEES, the PROMISSORS must provide all data, information, access and necessary elements, within the deadlines set out in the annexes to the audit to assess the following items, without impact to others that may be needed, in the form of Term of Reference and the Work Plan, under approval of the PROMISSEES:

- A. Compatibility of the executive project of the dams (DRS 01 and DRS 02) with their effective implementation;

- B. Compatibility of the dams (DRS 01 and DRS 02) with the national law of Safety of Dams (Law N. 12.334/2010);
  - C. Structural aspects of the DAMS (DRS 01 and DRS 02) and their functionality;
  - D. Determine the density of the drainage, in order to assess the commitment of the surface water and groundwater;
  - E. Compatibility of the area of the DRS2 with the project, according to the applicable legislation, by the necessity of the structural safety, as well as considering the possibility of the existence of natural drainage possibly affected;
  - F. Viability of the design proposal, in operational and maintenance terms, i.e., if the processes of control necessary for the disposal of the tailings as designed, are compatible with the existing structure and consequent production, taking into consideration the local environmental conditions;
  - G. Density and grade of moisture content (rainy and dry period) and its variations, involving an average value and standard deviation during the test phase;
  - H. Geotechnical parameters of cohesion and friction angle, and its variations involving average value and standard deviation during the test phase;
  - I. Analysis of stability and sealing. Safety Factor, its mean value, standard deviation and its degree of reliability, after the period of testing;
  - J. Design of drains and filters and its executive processes;
  - K. Coating and monitoring design for slopes;
  - L. Moisture content of the material that will determine the decision to discharge in the wet area or apply it in the dry area and its variations throughout the period of testing;
  - M. Tests relating to the application of the material on the Geomembranes;
  - N. Sufficiency of the Emergency Action Plan
- 3.1.1. Te PROMISSORS must submit a final report to the PROMISSEES, within 30 (thirty) days after the conclusion of the audit.
- 3.1.2. The references to the testing phase do not affect the judicial discussion underway about the necessity of full licensing of DRS 02 and do not mean approval by MP.
- 3.2. Nonetheless, the PROMISSORS must:
- 3.2.1. Submit, within 30 (thirty) days the efficiency assessment of the containment windrows provisionally constructed to contain the effluents of the basins from the DRS 1 control, within the limits of the industry, in the case of heavy rains events that may

cause overflow of the river basins.

3.2.2. Submit, within 120 (one hundred and twenty days), the study of "Dam Break" with its map of flood, accompanied by the notation of Technical Responsibility - ART;

3.2.3. Implement, within 120 (one hundred and twenty) days and provide real-time (online) monitoring of the levels of contour channels, of the containment basins and control of "Solid Residue Deposits" identified as DRS 1 and DRS 2, to monitor the "Center for Integrated Environmental Monitoring of the SEMAS (CIMAM);

3.2.4. Provide, in real time, within 60 (sixty) days, the images of the existing cameras along the containment basins of the refinery, in the areas of residue disposal, of the contour channels and control basins for monitoring of CIMAM. In up to 150 days, complementing the installation of cameras along the areas previously mentioned.

#### **FOURTH CLAUSE: SAFETY OF THE PRODUCTIVE PROCESS , EFFLUENT TREATMENT AND WATER MANAGEMENT**

4.1. The PROMISSORS assume the obligation to hire and pay an independent audit, as agreed by the parties, which will be hired from the public selection and subject to final approval of PROMISSEES, the PROMISSORS must provide all data, information, access and necessary elements, within the deadlines set out in the Annex 1, having as objective the following items, without impact to others that may be needed, in the form of the Term of Reference and the Work Plan, under the approval of the PROMISSEES:

- A. General analysis of the full alumina productive process, identifying the possible existence of non-conformities since its origin, involving Mineração Paragominas' mining plant;
- B. Analysis of dimensioning of the drainage system, considering the regional rainfall regime, its oscillations and other contributions;
- C. Analysis of the devices for treatment of industrial effluents (ETEI) and basins to hold on to their dimensioning in relation to the waste water (process and rainwater);
- D. Analysis of the quality of the effluent discharged into the Pará River, after the appropriate treatment, in compliance with the CONAMA Resolution N° 430/2011;
- E. Study of a 3D mathematical environment modeling to evaluate the zones of influence regarding the disposal of effluents in the Pará River, considering daytime and nighttime oscillations, tidal, seasonality and use of the beaches of Itupanema, Caripi, Conde, Beja, Ilha Trambioca e Ilha do Capim;
- F. Analysis of the current discharge parameters, comparing them to the current requirement of the licensing body and normative standards;
- G. Analysis and indication of the proper disposal of the waste generated by

production, must be identified in the form of final disposal in accordance to the legislation and environmental sustainability;

- H. Assess the water monitoring and management project (underground, superficial, reuse, rain water and industrial wastewater) in terms of the collection, transportation, treatment and final destination;
- I. Assess the solid sub-products monitoring and management project generated by the productive process and water treatment units in terms of generation, transport, treatment and final destination; and
- J. Inventory of residue characterization (liquids and solids) in quali-quantitative terms in all stages of the generation, processing and disposal of residue of the DRS2 project.

#### 4.2. The PROMISSORS must:

4.2.1. Submit within 45 (forty-five) days the characterization of the pie generated by the drum filter and press filter in terms of leaching test (ABNT 10,004:2004) and solubilize (ABNT NBR 10,004:2004), in accordance with the guidelines of the following technical standards:

- a) NBR 10.004:2004 Solid Waste - Classification
- b) NBR 10.005:2004-procedure for obtaining leachate extracts of solid waste;
- c) NBR 10.006:2004- Procedure for obtaining solubilized extract of solid wastes;
- d) NBR 10.007:2004- sampling of solid waste.

4.2.1.1 The samples of pies obtained from the drum filter and Press filter must be performed in duplicate.

4.2.2. Deploy and provide, within 120 (one hundred and twenty) days, in real time, the monitoring of liquid effluents for the parameters of pH, turbidity, total dissolved solids, dissolved oxygen, conductivity and temperature, both in the receiver body (Pará River), as well as at the point of entry and exit of the Industrial Treatment Station - ETEI, for monitoring the CIMAM.

4.2.3. Submit, within a deadline of 30 (thirty) days, the result of an internal audit, identifying all the drainages found, including the five newly discovered piping in "Area 45", accompanied by their geographical coordinates and the final disposal location of these effluents;

4.2.4. Identify and submit, within 60 (sixty) days, initiatives to increase the storage management, capacity and treatment of water, accompanied by the executive implementation schedule, after the approval of the PROMISSORS.

4.2.5. Submit, within 120 (one hundred and twenty) days, the hydric balance with the realistic scenarios (optimistic and pessimistic), considering the area of the refinery the

DRS1 and DRS2,

Through the use of historical measurements of rainfall occurring in the area of influence of the Project and/or in the municipality of Barcarena.

4.2.6 After the identification of the scenarios of the water balance, submit, within 90 (ninety) days, the episodes of the rainfall event, properly mapped, in emergency situations, urgent, moderate and normal, in order to characterize the existing situation and complete the adoption of the control measures that will be adopted and/or taken in a given situation (EMERGENCY, URGENT, MODERATE AND NORMAL). Thus, for proposal, see table 1 (Annex 3). All and any proposition or complementation, as to the criteria of this Table and/or other measures that are necessary by Alunorte, must be implemented and included in the record of an emergency plan or water management, under the approval and knowledge of SEMAS.

4.2.7. Submit, within 180 (one hundred and eighty) days, the evaluation of the containment measures *in situ* and segregation of rainwater, aiming at the identification of critical points subject to overflow, the internal areas of the refinery (white and/or red) for the external area of the Project. The report must contemplate, a detailed descriptive memorial, the memorial of identification of units, installations and equipment involved in the disposal of rainwater, graphical part and/or a map of dimension-flow and, subsequently, be accompanied by a plan with progressive goals regarding the detention/segregation of rainwater, in terms of reducing the contribution of the storm water system for the treatment of industrial effluents.

4.2.8. Submit, within 180 (one hundred eighty) days, an evaluation study for the disposal of industrial effluents, through the sub pluvial emissary, in opposition to the current form, on the banks of the receiving body, in order to provide greater certainty as to the discharge regime in areas under the influence of tides.

4.2.9. Submit, within 180 (one hundred and eighty) days, an updated project and design study of the drainage system of the Project, contemplating new interventions, in accordance with the minimum items listed below:

A - a brief description of the current project and proposed system (if any future amendment);

B- general data of the area to be drained;

C - Demarcation of the drainage areas, indicating with arrows, the flow direction of the rainwater on tracks contained in the area, containing:

C.1 - Definition of critical rainfall to be considered;

C.2 - definition of time of recurrence to be adopted;

C.3. - Criteria given for determining the average intensity of rainfall precipitation;

C.4. - Waterproofing rates in the area to be drained;

- C.5. - Criteria employed for the evaluation of the surface runoff coefficient;
  - C.6. – Established method for the evaluation of the flow of rainwater in the sizing of galleries;
  - C.7. - Elements of micro drainage, for example: trenches and collection units (catch basin, grid, etc) and other drainage devices;
  - C.8. - Elements of drainage, for example: accumulation tanks, drainage channels, pumping stations and other drainage devices;
  - C.9. - Final discharge of the drainage water in the areas of the refinery, DRS1 and DRS2, with the identification of the route; and
- D - Graphic pieces, indicating: the numbering of collectors; slope between the sumps; the diameter of the network and the respective distances; location and design of the collections and their extensions of connection; ground levels; of bottom line of the piping; the sumps and respective depths; heights and dimensions of the stairs; location and type of gutters, existing networks and their characteristics; interference in the path of the network, etc. and detail in the plant and cutting devices for retention of sand and infiltration;

## **FIFTH CLAUSE: EMERGENCY ACTION PLANS**

5.1. The PROMISSORS assume the obligation to hire and pay independent audit, which will be hired from public selection and subject to final approval of the PROMISSEES, and must provide all data, information, necessary accesses and elements, within the deadlines established in Annex 1, for the audit to assess the following items, without impact to others that may be required to be established in terms of reference and the Work Plan, under approval of the PROMISEES:

- A. Analyze the PAE on the DRS1 and DRS2 in relation to its contents, implementation, effectiveness under the current law of dam safety and regulatory standards;
- B. Analyze the implementation of the PAE on the productive process and effluents;
- C. Analyze the Risk Management Plan;

5.2. The PROMISSORS must:

5.2.1. Implement, within 180 (one hundred and eighty) days, a system of automatic reduction of the flow of effluent treatment station that presents a non-conformity of the quality parameters (until a minimum flow, or in extreme cases, reducing the flow to zero), in moments of urgency/emergency, thus allowing operational adjustments to reseat the effluent within specifications, in order to ensure the quality of the effluent discharged into the environment.

5.2.2. Submit, within 90 (ninety) days, the revision of the Emergency Action Plan - PAE, considering all the steps performed in the activity, as well as the extreme weather

events, prepared by independent consultancy, together with the ART, contemplating all the units that are part of the industrial district (refinery, boilers, fuel supply area, storage area of mineral coal, storage area of raw materials, etc.), including, among others, the DRS 1, and DRS 2, the control basins, the contour channels and the ETEI, hazardous materials storage area, considering, as appropriate, what is recommended by the applicable legislation, among which, Law No. 12.334, from 09/20/2010, which established the National Policy of Dam Safety for the accumulation of water for all uses, to the final disposal or temporary tailings dam and the accumulation of water for any used, the final or temporary disposal of the industrial waste, creates the National Information System on Safety of Dams, as well as the Normative Instruction No. 02/2018 of 07/02/2018. SEMAS/PA, which establishes the procedures and criteria for the preparation and presentation of the Safety Plan for the Dam related to the accumulation of water and disposal of industrial residue - PSB, considered by law, as well as the technical norms in force.

5.2.3. Submit, within 90 (ninety) days, Risk Management Plan updated, with the diagnosis of the situation of the company in relation to risks and measures to avoid or minimize them, with the schedule of adequacy, considering all increments and contemplating all the units that make up the industrial district (refinery, boilers, fuel supply area, storage area of mineral coal, courtyards of storage of raw materials, etc.), including, among others, the DRS 1, DRS 2, the basins of control, the contour canals and the ETEI, product deposits and hazardous waste;

## **SIXTH CLAUSE - OF THE ADMINISTRATIVE VIOLATIONS**

6.1. As a result of the administrative violations and penalties applied by SEMAS in punitive lawsuits instituted and below indicated, without acknowledging responsibility, including civil and criminal, for the infractions charged and the alleged link (*nexo de causalidade*), as a result of what had happened, the PROMISSOR Alunorte is obliged to:

6.1.1. Carry out the full payment of fines, linked to the punitive processes No. 2018/9069, 2018/9559, 2018/9569, 2018/10874, 2018/12810, 2018/13263 e 2018/12812, all relating to what occurred in the year of 2018, as Art. 142 of Law 5.887/95, judged in the context of SEMAS, being notified the PROMISSOR as fined, in which the value reaches the importance of R\$ 28,280,035.00 (twenty-eight million, two hundred and eighty thousand and thirty five reais and zero cents), concerning the simple and daily fines imposed, updated to the date of actual payment;

6.1.2. Carry out the full payment of the fines, linked to the punitive processes No. 2009/13192, 2009/15963 and 2009/10718, all relating to events occurred in the year of 2009, as a way of, still, to commit with past facts, as Art. 142 of Law 5.887/1995, and which have been the object of judgment within SEMAS, however demands trial in second instance, whose value reaches the importance of R\$ 5,090,463.00 (five million, ninety thousand, four hundred and sixty-three reais and zero cents), concerning the fines imposed, updated to the date of actual payment.

6.2. The values will be accumulatively combined, within 10 (ten) days, counted from the signature of this instrument, totaling R\$ 33,370,498.00 (Thirty-three million, three

hundred and seventy thousand, four hundred and ninety-eight reais and zero cents), updated to the date of actual payment.

6.3. The values originated from the fines, shall be deposited in the State Fund for the Environment - FEMA and will be destined, preferably, to the communities located in the area of socio-environmental influence of the FIRST PROMISSOR's enterprise, without impact to the new verifications, observed the institutional tasks of SEMAS and whatever is the object of consultation of the interested public, in specific act to be designated for this purpose.

## **SEVENTH CLAUSE: - THE COMMITMENTS OF THE STATE OF PARÁ**

7.1. The Commitments of the state of Pará are:

7.1.1. - Monitoring, provided the functional duties of the body, the fulfillment of the obligations agreed upon in this Instrument, and may supervise the execution of this agreement whenever it deems necessary, taking the appropriate legal measures, including determining inspections and requesting pertinent measures to the fulfillment of the obligations assumed herein, which must be assumed by the PROMISSORS, within the deadline.

7.1.2 – Ensure transparency and participation of the local society and municipal entities in the discussions regarding the responsible socioeconomic development of the regions covered by this instrument.

## **EIGHT CLAUSE - GENERAL PROVISIONS**

8.1. The fulfillment of this Conduct Adjustment Term does not rule out any judicial lawsuit, nor mitigates any judicial or administrative decision already existing, aiming the downtime or resumption of operations of the PROMISSORS, as well as does not imply any obligation discharge, with the exception of requested obligations in case# 1001173-84.2018.4.01.3900, processed in the 9th Judicial Section Federal Section of Pará, which coincide with the obligations of this TAC, namely: itema.2 of the injunction request (Topic 4 of the initial); item.3 The Request injunction (Topic 4 of the initial), except sub item XI.

8.2. The PROMISSORS commit to offer guarantee in the amount of R\$ 250,000,000.00 (two hundred and fifty million reais), by means of a bank guarantee or insurance bond or another guarantee accepted by the PROMISSEES to ensure the fulfillment of this term.

8.3. Shall consist an unpaid Monitoring Committee of this TAC, which will be constituted of an external, independent sector, who will participate in a collaborative process accompanying the TAC, whose participants will be the parties of this instrument and entities from the civil society, which will be defined by the Parties and shall have the right to obtain information except the information protected by law, full access to the MPPA and MPF, on the implementation of these commitments, it may submit substantiated criticisms and suggestions for the improvement of the implementation, as well as complaints related to the compliance with the TAC.

8.3.1. The Committee shall have a secretariat at the expenses of PROMISSORS, composed of a representative of each signatory party and shall have the following duties:

- (a) organize information on compliance with the TAC;
- b) receive complaints regarding compliance with the TAC;
- c) call periodic public meetings to provide the communities with details related to the compliance with the TAC;
- d) each signatory party shall bear its costs related to the participation of its representative in the committee.

8.4. The PROMISSORS are obliged to pay for the independent audits mentioned here, which should be hired from public selection and subject to final approval by the PROMISSEES, must enable free access to the facilities, provide documents and whatever is necessary, ensuring for the audits all conditions of access to data, information, facilities necessary for the performance of the contracted activity;

8.5. The independent audits shall be selected by the Term of Reference previously approved by the PROMISSEES;

8.6. The independent audits indicated in this TAC will be hired from selection to which will be given wide publicity by the company's site on the internet and sending out invitations, in this case the company may use the list of institutions that obtains after prior analysis, which considers the technical capacity for the performance of the activities, without impact to the participation of the institutions not listed on that list.

8.6.1. The public selection that will precede the choice of independent audits indicated in this TAC must observe the technical capacity of the entities, as well as any previous experiences in actions taken by the Brazilian Public Prosecutor with similar objects.

8.7. The public audits indicated in the TAC must be based on the Work Plan duly approved by the PROMISSEES;

8.8. The PROMISSORS shall give publicity to all results from those audits, including providing their results virtually, in open and accessible format.

8.9. The points mentioned in the clauses shall comply with the deadlines set out in Annex 1, except if requested for different periods, with due justification and motivation, assessed and approved by members of the Public Attorney's Office herein signatories;

8.10. The PROMISSORS will consider in its action the recommendations emanating from these audits, in order to prevent and mitigate risks, as well as to minimize impacts.

8.10.1. In case of disagreement regarding the technical recommendations made by the auditing firm, the PROMISSORS may submit its justification, and it is up to the PROMISSEES to decide within a reasonable time. It is assured to the

PROMISSORS the monitoring of the audits, being able to be advised by technical assistants to their exclusive expenses and to present questions.

8.10.2. In case of disagreement of the PROMISSEES regarding technical recommendations recorded by the audit, such disagreement shall be indicated to the PROMISSORS, which should observe it in the technical measures to be implemented.

8.11. The PROMISSORS must submit within 2 (two) years, counted from the date of signature of this instrument, a draft mitigation of visual impact arising from the provision above the dimension of 37.5m, of bauxite residue in the DRS 02, which will be considered in the reassessment of the Project DRS2, in view of the study submitted by the company Alunorte which demonstrated a simulation of the current and future visual impact of DRS 02 and concluded that the dimension 37.5m is the first observation point to identify visible areas from the deposit.

8.12. Other general and specific matters not dealt in this instrument scope which links the local socioeconomics of the FIRST PROMISSOR, in relation to the exercise of the company's activity, may be subject to specific Commitment Term to be signed with responsible State Bodies, without prejudice to the requirements agreed herein, providing the Public Prosecutor Office with this information;

8.13. The FIRST PROMISSOR is obliged to elaborate a research and development program that directly and indirectly involves institutions, organisms, universities and other research sectors and the State aligned with the Technological Innovation Policy of Pará State, within 3 (three) years counted from the date of signature of this document, which will present a product developed from the use of bauxite residue, with partial reports every 6 (six) months, preliminary report with 18 months and the conclusive report, at the end of 36 months, in view to the need for final disposal of bauxite residue produced by the company, taking as a premise the overcoming of the state of the art and taking into account the research already developed and existing in the licensing;

8.14. Other general and specific topics not dealt in this instrument scope, but which demonstrate connection with the exercise of the company's activity, may be subject to requirements to be imposed in Environmental Impact Assessment and respective Environmental Impact Report, already signaled to the company, through specific notification issued by SEMAS, on the occasion of the renewal request of the FIRST PROMISSOR's license of operation.

8.15. The terms set forth in the second, third, fourth and fifth clauses will only be counted as of the accomplishment by the PROMISSEES of the public selections and the approval of their result by the Public Prosecutor Office and State of Pará.

8.15.1. It will be incumbent to the FIRST PROMISSOR to present to the PROMISSEES, for purposes of analysis and approval, the respective Terms of Reference and Work Plans listed in the clause above, within 30 (thirty) days from the signing of this TAC, and the PROMISSEES must give their response within equal term.

8.15.2. After the approval of the Terms of Reference and Work Plans by the PROMISSEES, the PROMISSORS must initiate the selection proceeding within 30 (thirty) days.

8.16. All terms established in this TAC shall be counted on business days.

### **NINETH CLAUSE - PENALTY CLAUSE**

9.1. In case of partial or total failure of any obligations, the PROMISSEES shall notify beforehand the PROMISSORS, offering reasonable deadline for submission of justifications and, not being accepted, shall execute this TAC, subjecting the PROMISSORS to the daily fine of R\$ 100,000.00 (one hundred thousand reais) per requirement non compliance, up to the maximum value of the guarantee provided for in clause 8.2, should those values be collected in specific bank account opened for this purpose, Intended to subsequent use in compensatory measures to be applied in the region of Barcarena.

### **TENTH CLAUSE – TERMS**

10.1. The term of this TAC will be the time required for the fulfilment of all the obligations of the PROMISSOR.

10.2. The PROMISSEES certify the fulfillment of each of the obligations, giving it a discharge.

### **ELEVENTH CLAUSE - THE PUBLICATION**

11.1. The signing of this Term of Commitment will be published, from a request of the Public Attorney's office of the state of Pará, in the Official Gazette of the State within 30 (thirty) days, independent of the dissemination in electronic sites of institutions and stakeholders.

### **TWELFTH CLAUSE – JUDICIAL APPROVAL**

12.1. The PROMISSORS, the Prosecutors' Office and the State of Pará will file a joint request for judicial approval of this legal transaction in the case No. 1001173-84.2018.4.01.3900, pending before the 9<sup>th</sup> Federal Court of the Judicial of Pará.

12.1.1. Judicial enforcement of this legal transaction can be done in the case records of the abovementioned proceedings, as per article 515, II and second paragraph of the Civil Procedure Code, which results in express agreement between the PROMISSORS, the Prosecutors' Office and the State of Pará regarding the subjective and objective broadening of the limits of these demands.

And being the parties thus duly adjusted and committed, sign this TERM in 6 (six) copies of the same content and form, to have legal effects.

Belém, September 5, 2018