

HDR Issuance Procedure

1. ADR to HDR conversion

- The holders of the ADRs must give instructions to their U.S. broker to deliver the ADRs to J.P. Morgan’s DTC account for conversion. J.P. Morgan’s DTC Participant Number is 923.
- A copy of the attached as Exhibit A and Exhibit B must be completed by the holder or their agent(s)/broker and delivered via facsimile (Fax No. 1-302-691-6783) to J.P. Morgan’s ADR Settlements group (“JPM”) prior to the delivery of the ADRs. They must also call up JPM ADR Settlements group to confirm receipt of the letter.

Contact details for JPM ADR Settlements group:

ADR Settlements Group

Tel No: (302) 552 0230

Fax No: (302) 691 6783

- Once Depository Bank receives the fax and the ADRs, Depository Bank cancels the ADRs and instructs the HDR registrar (“Registrar”) to issue the HDR certificate.
- Settlement details need to be provided to JPM ADR Settlements group:
 - Settlement Date: [usually Instruction Date + 1 or 2 business day(s)]
 - Number of HDRs:
 - HKEx Stock code: (5 numerics)
 - Broker/Custodian/Receiving Agent’s CCASS participant ID: (please follow the weblink to HKEx’s website for the CCASS participant ID http://www.hkex.com.hk/eng/plw/search_participant.asp)
 - Receiver of HDR (BIC code):
 - Name of receiver of HDR (ONLY If BIC is not available):
 - Receiver of HDR’s safekeeping account with Custodian/Agent:
 - Hong Kong contact name:
 - Hong Kong contact number:
 - Hong Kong contact email address:
- Depending on the ADR holder’s instructions, once Registrar issues the HDR certificates, the certificate will be available for collection at Registrar’s office, or Registrar will deposit the HDR certificate into CCASS for onward delivery to the receiving party i.e. broker/custodian bank in Hong Kong, provided that the settlement instruction for HDR on-delivery is supplied in the issuance letter to the Depository Bank.
- The ADR holder needs to instruct their broker/custodian bank in Hong Kong to send a stock receipt instruction in CCASS and pay the issuance fee to Registrar. The receipt instruction for CCASS settlement in Hong Kong (free of payment) should include the settlement details of the HDR registrar as follows:

Computershare’s Settlement Agent:	The Hongkong and Shanghai Banking Corporation Ltd (HSBC Hong Kong Nominees Ltd)
Settlement Agent’s CCASS Participant ID:	C00019
Computershare’s safekeeping account held with HSBC:	808-726269-086
Computershare’s account name:	Computershare Hong Kong Nominees Ltd

Payment arrangements to HDR Registrar in HK:

- The cost of ADR to HDR conversion is HK\$0.4 per HDR and needs to be paid to the HDR registrar (Computershare HK) before the HDR can be delivered.
- Payment instruction cut-off time is: **12:00 noon HK time on the date of issuance instruction received** i.e. the following business day in HK upon delivery of ADRs to JPM. Payments that do not reach Computershare by the cut-off time will cause the issuance instruction to be carried over to the following business day.
- It is important to ensure the **JPM transaction reference number** i.e. 8 numeric digits are clearly and properly specified in the payment instruction such that the Registrar can reconcile the payment with the issuance instruction before the HDRs can be delivered. For inter-bank transfer, please populate the JPM transaction reference number in the tag 70 of MT103. If you also use HSBC as the designated bank, please populate the JPM reference number in the "Customer Reference" field on HSBCNet.
- The conversion fees need to be paid to Computershare HK per below before the HDRs can be delivered.

Computershare's designated bank:	HSBC Hong Kong
HSBC SWIFT code:	HSBCHKHHHKH
HSBC bank code:	004
Computershare bank account no.:	808-726269-001
Computershare bank account name:	Computershare Hong Kong Nominees Ltd – S/A JPMorgan Chase Bank, NA

- The total fees transferred to Computershare are net of remittance charges. Hence, please ensure that you add the bank charges to the total fees or have the bank charges settled for your account.
- If a paper cheque is banked in to Computershare account, securities settlement will proceed upon clearance of the cheque. If it is a payment in paper cheque, please email a copy of the pay-in slip to the HDR registrar email address: gtuhk@computershare.com.hk. Payment by paper cheque is not recommended as it will delay the settlement process.
- Computershare can proceed with securities settlement only upon receipt and reconciliation of the total fees.

Once Registrar confirms receipt of issuance fee and receipt instruction in CCASS, Registrar will execute the HDR transfer in CCASS.

2. Common shares/Preferred shares to HDR Conversion

Conversion of Securities:

- The shareholder (or their agent/broker) needs to deliver the shares free of payment, with all settlement details (Pls refer to below), to Depository Bank’s local custodian Banco Bradesco (BIC code: BBDEBRSPOCO) through the Brazilian CSD (Companhia Brasileira de Liquidacao e Custodia).
- Settlement details need to be provided to Banco Bradesco:
 - Settlement Date: [usually Instruction Date + 1 or 2 business day(s)]
 - Number of HDRs:
 - HKEx Stock code: (5 numerics)
 - Broker/Custodian/Receiving Agent’s CCASS ID: (please follow the weblink to HKEx’s web site for the CCASS participant ID http://www.hkex.com.hk/eng/plw/search_participant.asp)
 - Receiver of HDR (BIC code):
 - Name of receiver of HDR (ONLY if BIC is not available):
 - Receiver of HDR’s safekeeping account with Custodian/Agent:
 - Hong Kong contact name:
 - Hong Kong contact number:
 - Hong Kong contact email address:
- A copy of the attached as Exhibit B must be completed by the shareholder or their agent(s)/broker and delivered via facsimile (Fax No. 1-302-691-6783) to J.P. Morgan’s ADR Settlements group prior to the delivery of the shares.

Contact details for JPM ADR Settlements group:

ADR Settlements Group

Tel No: (302) 552 0230

Fax No: (302) 691 6783

- Once Depository Bank receives the confirmation from Banco Bradesco (via SWIFT MT542), Depository Bank instructs the Registrar to issue the HDR certificate.
- Depending on the share holder’s instructions, once Registrar issues the HDR certificates, the certificate will be available for collection at Registrar’s office, or Registrar will deposit the HDR certificate into CCASS for onward delivery to the receiving party i.e. broker/custodian bank in Hong Kong
- The shareholder needs to instruct their broker/custodian bank in Hong Kong to send a stock receipt instruction in CCASS and pay the issuance fee to Registrar. The receipt instruction for CCASS settlement in Hong Kong (free of payment) should include the settlement details of the HDR registrar as follows:

Computershare’s Settlement Agent:	The Hongkong and Shanghai Banking Corporation Ltd (HSBC Hong Kong Nominees Ltd)
Settlement Agent’s CCASS Participant ID:	C00019
Computershare’s safekeeping account held with HSBC:	808-726269-086
Computershare’s account name:	Computershare Hong Kong Nominees Ltd

- Registrar confirms receipt of issuance and receipt instruction in CCASS and executed transfer in CCASS.

Payment arrangements to HDR Registrar in HK:

- The cost of common share/preferred share to HDR conversion is HK\$0.4 per HDR and needs to be paid to the HDR registrar (Computershare HK) before the HDR can be delivered.
- Payment instruction cut-off time is: **12:00 noon HK time on the date of issuance instruction received** i.e. the following business day in HK upon delivery of ADRs to JPM. Payments that do not reach Computershare by the cut-off time will cause the issuance instruction to be carried over to the following business day.
- It is important to ensure the **JPM transaction reference number** i.e. 8 numeric digits are clearly and properly specified in the payment instruction such that the Registrar can reconcile the payment with the issuance instruction before the HDRs can be delivered. For inter-bank transfer, please populate the JPM transaction reference number in the tag 70 of MT103. If you also use HSBC as the designated bank, please populate the JPM reference number in the "Customer Reference" field on HSBCNet.
- The conversion fees need to be paid to Computershare HK per below before the HDRs can be delivered.

Computershare's designated bank:	HSBC Hong Kong Main Office
HSBC SWIFT code:	HSBCHKHCHKH
HSBC bank code:	004
Computershare bank account no.:	808-726269-001
Computershare bank account name:	Computershare Hong Kong Nominees Ltd – S/A JPMorgan Chase Bank, NA

- The total fees transferred to Computershare are net of remittance charges. Hence, please ensure that you add the bank charges to the total fees or have the bank charges settled for your account.
- If a paper cheque is banked in to Computershare account, securities settlement will proceed upon clearance of the cheque. If it is a payment in paper cheque, please email a copy of the pay-in slip to the HDR registrar email address: gtuhk@computershare.com.hk. Payment by paper cheque is not recommended as it will delay the settlement process.
- Computershare can proceed with securities settlement only upon receipt and reconciliation of the total fees.

Once Registrar confirms receipt of issuance fee and receipt instruction in CCASS, Registrar will execute the HDR transfer in CCASS.

EXHIBIT A

Your/ your company Name:

No. of ADSs	Company & Class	Depository Receipt Numbers	Registration

Dear Sir:

We deliver herewith the above ADRs in good market order for cancellation against the release by cable of the underlying securities as follows:

Settlement Date:	
Number of HDR to be issued:	
HKEx Stock code:	
Broker/Custodian/Receiving Agent's CCASS participant ID:	
Receiver of HDR (BIC code):	
Name of receiver of HDR (ONLY if BIC is not available):	
Receiver of HDR's safekeeping account with Custodian/Agent:	
Hong Kong contact name:	
Hong Kong contact number:	
Hong Kong contact email address:	

The undersigned also includes herewith the applicable cable charges, transfer fees and cancellation fees payable to JPMorgan Chase Bank under the Deposit Agreement.

In consideration of your agreeing to accept such ADRs for cancellation, we hereby, for ourselves, our successors, and assigns and our customers, unconditionally guarantee to JPMorgan Chase Bank, its successors, and assigns, that we have good title to the ADRs presented herewith and that there are no stops or other restraints on or against the same on the books of the Depository or otherwise, and we agree at all time hereafter that if for any reason the Depository or any party or parties should make claim on said shares or declare said shares to be invalid, or if for any reason we are not recognized as the registered holders as of the date hereof, we will upon request surrender to you in substitution, other valid ADRs and in addition, we agree to, at all times, hereafter indemnify and save harmless JPMorgan Chase Bank, its successors and assigns, against any and all losses and/or damages and expenses to it in the premises or otherwise related hereto.

Yours Very Truly,

Please fax form to 302-691 6783

EXHIBIT B

FORM OF ACQUIRER CERTIFICATE

[Certification of acquirers of HDRs or beneficial interests in HDRs upon deposit of Shares]

[DATE]

JPMorgan Chase Bank, N.A., as Depositary
One Chase Manhattan Plaza, Floor 58
New York, New York 10005

Re: VALE S.A.

Dear Sirs:

Reference is hereby made to the Deposit Agreement, dated as of November 24th, 2010 (the "Deposit Agreement"), between Vale S.A. (the "Company") and JPMorgan Chase Bank, N.A., as Depositary.

Capitalized terms used but not defined herein shall have the meanings given them in the Deposit Agreement. References to the Deposit Agreement include the certification and other procedures established by the Depositary pursuant to such agreement.

This certification and agreement is furnished in connection with the deposit of Shares and issuance of HDSs to be evidenced by one or more HDRs pursuant to Section 3 and Section 4, respectively, of the Deposit Agreement.

We acknowledge (or if we are a broker-dealer, our customer has confirmed to us that it acknowledges) that by depositing the Shares, the HDRs and the HDSs evidenced thereby to be issued upon such deposit have not been registered under the U.S. Securities Act of 1933, as amended (the "Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may be re-offered, resold, pledged or otherwise transferred only in compliance with the Act and applicable laws of the states, territories and possessions of the United States governing the offer and sale of securities.

We certify that either:

A. We are, or at the time the Shares are deposited and at the time the HDRs are issued will be, the beneficial owner of the Shares and of the HDSs evidenced by such HDR or HDRs, and (i) we are not a U.S. person (as defined in Regulation S under the Act ("Regulation S")) and we are located outside the United States (within the meaning of Regulation S) and acquired, or have agreed to acquire and will have acquired, the Shares to be deposited, and the HDSs to be issued upon such deposit and evidenced by such HDR or HDRs, outside the United States (within the meaning of Regulation S), and (ii) we are not an affiliate (as such term is defined in Regulation C under the Act) of the Company or a person acting on behalf of such an affiliate (as such term is defined in Regulation C under the Act).

OR

B. We are a broker-dealer acting on behalf of our customer; our customer has confirmed to us that it is, or at the time the Shares are deposited and at the time the HDRs are issued will be, the beneficial owner of the Shares and of the HDSs evidenced by such HDR or HDRs, and (i) it is not a U.S. person (as defined in Regulation

S) and it is located outside the United States (within the meaning of Regulation S) and acquired, or has agreed to acquire and will have acquired, the Shares to be deposited, and the HDSs to be issued upon such deposit and evidenced by such HDR or HDRs, outside the United States (within the meaning of Regulation S), and (ii) it is not an affiliate (as such term is defined in Regulation C under the Act) of the Company or a person acting on behalf of such an affiliate (as such term is defined in Regulation C under the Act).

Very truly yours,

[Name of Certifying Entity]

[By: _____

Name:

Title:

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