

POLICY ON THE DESTINATION OF THE RESULTS

**USINAS SIDERÚRGICAS DE MINAS
GERAIS S.A. – USIMINAS**

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1. PURPOSE

1.1. This Policy on the Destination of the Results (“Policy”) establishes the principles and rules that govern the destination of the results of Usinas Siderúrgicas de Minas Gerais S.A. – USIMINAS (“Usiminas” or “Company”). The criteria established herein are based on the dispositions contained in Law n° 6.404/1976 (“Brazilian Corporation Law”), in the Company’s Bylaws (“Bylaws”) and in the other applicable laws, rules and regulations to Usiminas.

1.2. This Policy has merely informative nature, bringing together the main applicable rules to the destination of the results of Usiminas.

1.3. The information contained in this Policy related to the distribution of dividends, is applied, where applicable, to the payment of interest on own capital.

2. PRINCIPLES

2.1. Besides observing the law, rules and regulations in force, the decisions on the destination of the results of Usiminas shall have as premises: (i) the need to preserve the financial flexibility and solidity of the Company; (ii) the added value to the Company, to its shareholders and other *stakeholders* and (iii) the generation of economic value in the long term, as to maintain the continuity of the Company.

3. FISCAL YEAR AND FINANCIAL STATEMENTS

3.1. The Company’s fiscal year is of twelve (12) months, beginning on January 1 of each calendar year and ending on December 31 of the same calendar year.

3.2 In the terms of the Company’s Bylaws, at the end of each fiscal year, the Executive Board of the Company shall prepare, observing all the applicable legal requirements, the following financial statements: (i) balance sheet; (ii) statements of the change of the net equity; (iii) statements of the result of the year; (iv) statement of cash flows; and (v) statement of added value.

3.3. The Company’s management shall present to the Annual General Meeting proposed on the destination to be given on the net profit of the year, together with the financial statements of the year, in terms of Article 192 of the Brazilian Corporation Law.

3.4. The proposal of the destination of the results, contained in the Financial Statements, shall be submitted to resolution by the Company's Annual General Meeting.

4. DESTINATION OF THE NET PROFIT OF THE FISCAL YEAR

4.1. Net profit is the result of the fiscal year that remains after the deduction of the (i) eventual accrued losses; (ii) the provision for income tax (IR), as well as the provision for the social contribution on the net profit (CSLL); and (iii) any values destined to the payment of the statutory participations due to the employees and administrators of the Company, observing the limits established in the Brazilian Corporation Law and in the Bylaws ("Net Profit of the Year").

4.2. The portion corresponding to five percent (5%) of the Net Profit of the Fiscal Year shall be allocated, before any other destination, to the legal reserve, up to the limit of twenty percent (20%) of the capital stock.

4.3. After the constitution of the legal reserve, the Board of Directors may propose, and the Annual General Meeting shall resolve to deduct from the Net Profit of the Fiscal Year, a portion in an amount not higher than fifty percent (50%) for the constitution of the Reserve for Investments and Working Capital, without prejudice to the payment of the mandatory dividend to the shareholders, whose balance may not exceed ninety-five percent (95%) of the capital stock.

4.4. The Reserve for Investments and Working Capital has as purpose to ensure investments in the permanent assets, or increases of the working capital, including through the amortization of the debts of the Company. Its balance may be used (i) in the absorption of losses, whenever necessary; (ii) in the distribution of dividends, at any time; (iii) in the operations of redemption, reimbursement or purchase of shares, authorized by law; and (iv) in the incorporation into the capital stock, including through stock bonus.

4.5. For the determination of the basis of calculation of the amount of the mandatory dividend, to the Net Profit of the Year (i) it shall be added the following amounts: (a) resulting from the reversion, in the fiscal year, of the reserves for contingencies previously formed and (b) those resulting from the profit realization, in the fiscal year, of the profits previously allocated to the reserve of profits to be made; and (ii) the deduction of the amounts destined, in the fiscal year, to the constitution of the legal reserve, of the reserves for contingencies and of the reserve of profits to be made. The final amount resulting from these operations shall correspond to the adjusted net profit ("Adjusted Net Profit").

4.6. The portion corresponding to twenty five percent (25%) of the Adjusted Net Profit shall be distributed to the shareholders as mandatory dividend. The dividends attributed to each preferred share shall be in ten percent (10%) higher value than the one paid to each common share, in the form of item II of paragraph 1 of article 17 of the Brazilian Corporation Law.

4.7. The mandatory dividend may, exceptionally, not be paid in the fiscal year in which the bodies of the administration inform to the Annual General Meeting it is not compatible with the financial situation of the Company. The Fiscal Council shall issue an opinion on this information, and the administrators of the Company shall forward to the *Comissão de Valores Mobiliários – CVM*, within five (5) days from the holding of the Annual General Meeting, explanatory statement on the information presented to the general meeting. The profits not distributed in this case shall be transferred to a special reserve and, if not absorbed by losses in the subsequent years, shall be paid as dividends as soon as allowed by the financial situation of the Company.

4.8. After the destinations above, related to the legal reserve, the Reserve for Investments and Working Capital and mandatory dividend, the Annual General Meeting may resolve to withhold the portion of the Net Profit of the Fiscal Year, pursuant to article 196 of the Brazilian Corporation Law, and the remaining profits shall be distributed to the shareholders as complementary dividend.

5. DISTRIBUTION OF DIVIDENDS

5.1. The decision on the distribution of dividends and other earnings shall take into consideration several factors and variables, such as the results of the Company, its financial condition, the obligations it assumed before its creditors, the cash requirements, future perspectives of the markets of actual and potential actions of the Company, existing opportunities of investment and the maintenance and expansion of the production capacity.

5.2. The mandatory dividend shall be paid annually by the Company, based on the Adjusted Net Profit assessed in its annual financial statements.

5.3. Besides the mandatory dividend, the Company may pay, by resolution of the Board of Directors, intermediary or interim dividends to the account (i) of the net profit assessed in the semiannual, quarterly balance sheets or referring to smaller periods; (ii) of the accrued profits or of the existing reserves of profits in the last annual financial statements (excluded the legal reserve).

5.4. Unless otherwise resolved in the General Meeting or by the Board of Directors, as the case may be, the dividends shall be paid within the term of sixty (60) days, counting from the date on which it is declared their distribution and, in any case, within the fiscal year.

5.5. The unclaimed dividends within the term of three (3) years, counted from the date on which they have been made available to the shareholder, shall revert in the benefit of the Company.

6. INTEREST ON OWN CAPITAL

6.1. By resolution of the Board of Directors, the Company may pay interest on own capital to its shareholders, respecting the specific limits and other rules that govern the matter, according to the legal precepts in force, whose value shall be attributed to the amount of the dividends to be distributed by the Company, integrating them for all legal purposes.

6.2. The payment of interest on own capital is subject to the withholding income tax, in the terms of the applicable tax law, such taxation not being applicable to the payment of dividends.

7. UPDATE OF THE POLICY

7.1. The Board of Directors of the Company is authorized to update this Policy, whenever necessary, as a result of statutory, legislative or regulatory amendments, specially related to the rulings of CVM and of B3 S.A. – Brasil, Bolsa, Balcão (“B3”).

8. LAW, RULES AND REGULATIONS RELATED TO THE SUBJECT

- a. Law nº 6.404/1976;
- b. Brazilian Code of Corporate Governance: Public Companies – Interagency Working Group, coordinated by IBGC;
- c. Regulation of Level 1 listing segment of B3 S.A. – Brasil, Bolsa, Balcão;
- d. Bylaws of Usiminas.