



September 22, 2021
115/2021-PRE

CIRCULAR LETTER

To: Listed B3 Participants

Re: **Change to the Value of the Dividend Declared by Vale S.A.**

We hereby inform you that the final value of the dividend declared by Vale S.A., according to the notice to shareholders dated September 22, 2021, is now **BRL 8.197239442** per share, to be credited on **September 30, 2021**. Therefore, Circular Letter 112/2021-PRE, dated September 20, 2021, has been revoked.

Due to the existence of option positions with a strike price the same as or lower than the value the issuer pays in dividends, making it impossible to perform the processing foreseen in the B3 Clearinghouse Operating Procedures Manual, we inform you in the Annex hereto of the processing to be adopted for positions in these options outstanding at the end of October 22, 2021.

Further information can be obtained from the Positions and Trading Call Center or from the Electronic Trading Department by calling +55 11 2565 5013 or +55 11 2565 5022.

Gilson Finkelsztain
Chief Executive Officer

Mario Palhares
Chief Operating Officer -
Electronic Trading and CCP

This Circular Letter produces effects as of the date of its publication.
Any specified time limits for validity shall apply.

This free translation is not legally binding. Any questions arising from the text should be clarified by consulting the original in Portuguese. In the event of any discrepancy, the original in Portuguese shall prevail.

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Annex to Circular Letter 115/2021-PRE

Processing of Listed Option Positions in VALE3 that have a Lower Strike Price than the Value the Issuer Pays in Dividends

Seeking to maintain economic equilibrium for holders of these positions, the strike price and quantities of call and put options outstanding at the end of the day "cum-rights" will be adjusted by the adjustment factor, which is calculated based on the ratio between the "cum-rights" and "ex-rights" prices of the underlying asset.

The strike price is updated in accordance with the formula below.

$$PE_{Aj} = PE \times F$$

Where:

PE_{Aj} = adjusted strike price, in Brazilian Reals, rounded off to the second decimal place

PE = original strike price

F = conversion factor, in accordance with the corporate action

Corporate action	F	Variables
Dividend	$\frac{P_{ex}}{P_{com}}$	<p>P_{ex} = opening price of the asset after corporate action.</p> <p>P_{com} = closing price of the asset before corporate action.</p>

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The quantity is updated in accordance with the formula below.

$$QTD_{Aj} = \frac{QTD}{F}$$

Where:

QTD_{Aj} = the adjusted quantity rounded off to two decimal places

QTD = original quantity of the position

F = conversion factor

If the total quantity of long positions is different to the total quantity of short positions per series, the B3 Clearinghouse will adjust the positions in accordance with the criteria below.

- i.** The long or short position with the smallest total quantity remains unchanged.
- ii.** The adjustment factor is calculated by dividing the total quantity of the **position** with the smallest quantity by the total quantity of the opposite **position**.
- iii.** All the **positions** with the largest quantity are corrected by multiplying the quantity adjusted after the **corporate action** by the adjustment factor calculated in item (ii) above.
- iv.** Considering only the full amount of the result calculated in item (iii) above, the total long and short quantities are compared again.



If there is still a discrepancy, the fractional parts of the result calculated in item (iii) above are arranged in decreasing order in the **position** with the largest fractional part. This procedure continues in the following **positions** until the total quantities are equalized.

Corporate action processing does not change in the case of options with a strike price that is higher than the financial resources that the issuer pays, as set forth in the B3 Clearinghouse Operating Procedures Manual.