

Notice to Shareholders

Further to Material Facts released on 09/14/2021 and 10/29/2021 and Notices to Shareholders released on 09/21/2021 and 11/11/2021, Bradespar S.A. ("Company") hereby informs its shareholders about the subsequent steps to complete the capital reduction approved in the Company's Extraordinary Shareholders' Meeting held on 10/15/2021 ("Capital Reduction").

We initially clarify that, in order to provide the following information, we assumed that there will be no opposition from creditors, pursuant to Article 174 of Brazilian Corporate Law, and the Capital Reduction will become effective on 12/16/2021.

I. Procedure to Formalize the Capital Reduction

As resolved by the Company's Board of Directors on 11/11/2021, the Capital Reduction in the total amount of R\$5,260,000,000.00 will be paid to Shareholders through the delivery of 130,654,877 shares issued by Vale S.A., enrolled in the register of corporate taxpayers (CNPJ) under number 33.592.510/0001-54 ("Vale"), whose book value reflects the amount of the capital reduction and corresponds to the unit value of R\$40.258734277 per Vale's share, according to the last financial statements disclosed by Vale and Bradespar on the reference date of September 30, 2021.

Shareholders of record on 12/16/2021 will be entitled to the capital reduction, and the corresponding shares issued by Vale will be delivered on 12/20/2021.

As of 12/17/2021, the shares issued by the Company will be traded ex-right in relation to the Capital Reduction.

The number of registered, book-entry common shares issued by Vale to be delivered to the Company's shareholders will always be whole, considering rounding down to the nearest whole number.

Holders of Depositary Receipts (DRs) will receive Vale's shares in the same proportion of the other Company's shareholders.

II. Tax Treatment

a) Investors Residing in Brazil

Gains earned by individuals and legal entities residing in Brazil as a result of the transaction may be subject to income tax, in accordance with the legal and regulatory rules applicable to each investor category. These investors shall be responsible for the payment of said tax.

b) Investors Residing Outside Brazil

As for investors residing outside Brazil, income tax ("IRRF") related to capital gains arising from the Capital Reduction will be withheld ("Capital Gain Tax for Investors Residing Outside Brazil"). This tax will be deducted from the dividends declared by the Company on 11/08/2021 ("Dividends").

The capital gain shall correspond to the positive difference between (i) the book value attributed to the shares issued by Vale, corresponding to R\$40.258734277 per share, as defined above; and (ii) the cost of Bradespar's shares held by shareholders residing outside Brazil. Applicable rates range from 15% to 25%, depending on the jurisdiction and type of each investor, as provided for in the applicable law.

As the party in charge of collecting the income tax (IRRF) levied on Capital Gains, the Company will use the information provided by the custody agents ("Custody Agents") of the shareholders residing outside Brazil on the reference date of 12/16/2021 ("Shareholders Residing Outside Brazil") in order to calculate the Capital Gain Tax. Said Custody Agents are responsible for providing truthful information.

The Custody Agents shall provide the Company with the data about the Shareholders Residing Outside Brazil on the reference date of 12/16/2021, including the Company's average acquisition cost of shares, pursuant to Exhibit A hereto, by 3:00 pm of September 17, 2021, by sending an email to bradespar@bradespar.com.

Pursuant to the law and regulations of the Brazilian Federal Revenue Service, the Company shall: (i) consider to be zero the acquisition cost of the Shareholders Residing Outside Brazil who fail to communicate the Company's average acquisition cost of shares by 3:00 pm of December 17, 2021; and (ii) apply the rate of twenty-five percent (25%) on the gains of the Shareholders Residing Outside Brazil whose Custody Agents fail to communicate – under Exhibit A – their respective country of residence or tax domicile. The Company shall not be held liable – before the Shareholders Residing Outside Brazil or Custody Agents – for making any subsequent adjustments or refunding excess amounts paid.

The guidelines and deadlines above also apply to all Shareholders Residing Outside Brazil who make investments under Law 4,131/62. Moreover, Shareholders Residing Outside Brazil shall provide their own information and **Exhibit A**, as there is no contracting of custody agents for this type of investment, pursuant to Law 4,131/62.

c) Holders of Bradespar's Depositary Receipts (DRs) Residing Outside Brazil

There will be no retention of income tax (IRRF) on possible gains earned by holders of Bradespar's Depositary Receipts (DRs) who do not reside in Brazil.

São Paulo - SP, November 12, 2021

Bradespar S.A.

Fernando Jorge Buso Gomes
*Chief Executive and
Investor Relations Officer*

EXHIBIT A

TO
BRADSPAR S.A.
MANAGEMENT
Av. Paulista, 1450 - 9º andar
São Paulo/SP
CEP: 01310-917

ATTN.: **Mr. Fernando Jorge Buso Gomes**

Re: **Capital Reduction – Information About Average Acquisition Cost of Shareholders Residing Outside Brazil**

Dear Sir,

[FULL NAME OF CUSTODIAN] ("**Custody Agent**"), represented herein by [**NAME AND POSITION OF THE CUSTODIAN'S LEGAL REPRESENTATIVE(S)**], pursuant to Notice to Shareholders released by Bradespar S.A. ("**Company**") on November 11, 2021 about the Company's share capital reduction without cancelling shares, by delivering, to the Company's shareholders, registered, book-entry common shares issued by Vale S.A. (Vale), CNPJ nº 33.592.510/0001-54, for the respective book value ("**Capital Reduction**"), hereby:

- a) submits, in Exhibit I, the list of shareholders residing outside Brazil ("**Shareholders Residing Outside Brazil**") for tax purposes, being legally represented by the **Custody Agent**, who, on the reference date of December 16, 2021, held shares issued by the Company, as well the information about the average acquisition cost of said shares for the purposes of calculation, retention and collection, by the Company, of Income Tax levied on possible capital gains resulted from said Capital Reduction; and
- b) declares that the information presented in Exhibit I reflects data contained in adequate documents and suitable records presented by the **Shareholders Residing Outside Brazil**. These documents have been verified and are certified by the **Custody Agent** and will be kept for the caducity period of 5 years beginning on January 1st, 2022, for the purposes of proof of information in case of inspection by the Brazilian Federal Revenue Service or other competent authorities.

We are available to provide any additional clarification that may be necessary.

Sincerely,

Name:
Position:

Nome:
Position:

EXHIBIT I**List of Shareholders Residing Outside Brazil and Acquisition Cost of the Shares BRAP3 and BRAP4**

Name of Shareholder	Corporate Taxpayer's ID	Custody Agent	Number of Shares	Average Acquisition Cost (R\$)	Total Acquisition Cost (R\$)	Country of Residence/Tax Domicile