



Purpose: Establish the general rules, principles, guidelines and commitments related to full compliance with competition laws, allowing the ethical development of Vale's activities, with active involvement and cooperation with the competent authorities.

Implementation

This Policy is applicable to Vale and its wholly owned subsidiaries and must be reproduced by its direct and indirect subsidiaries, in Brazil and abroad, always respecting the respective instruments of incorporation and applicable laws. Its adoption is encouraged in other entities in which Vale has a participation interest, in Brazil and abroad.

All employees (either permanent or temporary and/or trainees), third parties acting on behalf of Vale, interns, directors and officers must comply with this Policy and all related regulatory documents, even if the country in which they work or reside has more lenient rules and/or practices that allow or otherwise tolerate certain behaviors prohibited by this Policy. On the other hand, if the country has stricter rules, the stricter rules should apply. In all cases, the highest and most restrictive standard should always apply.

References

- POL-0001-G – Code of Conduct
- POL-0005-G – Human Rights Policy
- POL-0009-G – Risk Management Policy
- POL-0016-G – Anti-corruption Policy

Context

Most of the countries where Vale operates have competition protection laws that aim to prevent practices that restrict trade and/or free competition, such as forming a cartel and exercising a dominant position in the market, among others. The violation of the competition laws can lead to serious consequences for Vale and its Representatives. Therefore, its Representatives and Third Parties, who act for the benefit of Vale and/or its subsidiaries, must comply with the rules of conduct described in this Policy.

Definitions

Associative Contracts: Contracts with a total aggregate term of 2 (two) years or more, entered into between competitors in the market object of the contract and which imply the sharing of risks and results of the economic activity.

CADE: *Conselho Administrativo de Defesa Econômica*, the Brazilian competition authority.

Competition Laws: Means (i) Law No. 12,529, of November 30, 2011, which provides for the prevention and suppression of violations against the economic order and free competition; (ii) normative acts published by CADE; (iii) Law 8,137, of December 27, 1990, which defines crimes against the tax, economic and consumer relations; and (iv) the competition laws in force and effect in other countries in which Vale operates.



Competitive Sensitive Information: Detailed, non-historical and non-public information and data, in any format, which relate to the commercial activities of Vale and/or its subsidiaries, controlled or affiliated companies, and which are potentially strategic or useful from a commercial and competitive perspective, including:

- Sales conditions, including prices and discounts for customers and suppliers, as well as projections;
- Quantities, including sales volumes for products or services;
- Structure of costs, margins and profits;
- Banking, tax and commercial bookkeeping secrecy;
- Billing and the company's economic and financial situation;
- Levels of installed, idle and productive capacity;
- Production levels;
- Sales amount and quantity;
- Strategic, business and future acquisition plans;
- Marketing strategies;
- Research, development, innovation and new products;
- Intellectual property rights, such as trademarks and patents;
- Productive processes, industrial processes and company secrets;
- Commercially sensitive decisions and information related to companies' competitive plans and strategies;
- Productive and industrial processes and business secrets;
- Information on distribution or supply channels, as well as a list of customers and suppliers;
- Employee wages;
- Strategic contract negotiations; and
- Other data of a confidential nature that may be competitively sensitive.



Competitor: Any individual and/or legal entity that supplies (or is capable of supplying) the same products or substitute products to those sold by Vale.

Illegal Behavior: A behavior will be considered illegal under competition laws if it has the potential to impair free competition, dominate a relevant market, increase profits arbitrarily or exercise market power abusively. There is no defined list of competitive offenses. Any practice that may result in the mentioned effects can be considered illegal.

Market Power: For the purposes of this Policy, it is a company's ability to reduce its offer and/or raise its prices above the competitive level of the market without losing its customers. This analysis depends on the characteristics of each market and on factors such as the existence of substitute products, the presence or not of effective rivals, barriers to entry, pressure from imports and other elements.

Public Authority: Any authority, agency, autarchy, foundation, public company, mixed-capital company, regulatory agency, as well as any employee and/or representative of the State, at any of the municipal, state and/or federal levels.

Representative(s): Any director, board member, committee member, employee, manager, external advisor, lawyer, consultant and all other individuals and/or legal entities acting on behalf and for the benefit of Vale.

Third Parties: Suppliers, customers, agents and traders who have relations with Vale.

Principles

In line with the value “Act with Integrity”, free competition is the best way to promote a fair and healthy business environment. For this reason, Vale acts with integrity and promotes a business environment free from fraud and manipulation of any kind, whether in biddings or in contracts with the public or private sectors.

Through compliance with Competition Laws, Vale reinforces its commitment to the guidelines of the United Nations Organization in maintaining itself as an effective and responsible institution.

The rules established in this Policy are in accordance with the commitments assumed by Vale in its Code of Conduct, including:

- Zero tolerance for corruption and bribery;
- Watch over Vale's reputation;
- Prioritize risk management and internal controls;
- Act with lawfulness, formality, transparency and accountability.

Guidelines

The main objective of this Policy is to prevent and repress violations of the economic order, guided by freedom of initiative, free competition, the social function of property, consumer protection and repression of the abuse of economic power, preserving a free market economy, for the benefit of the community. Vale, its Representatives and Third Parties, who act within the scope and/or for the benefit of Vale and/or its subsidiaries, must comply with the Competition Laws and the rules of conduct described in this Policy.



Vale Representatives must act independently when defining prices, production levels, sales and marketing strategies, as well as when selecting customers and suppliers.

In the scope of compliance with the Competition Laws, it is important to note that:

- The practice of anti-competitive conduct due to non-observance of the Competition Laws constitutes a crime and implies severe punishments for individuals and companies, in addition to potential actions that can be brought by Third Parties who are affected by such violations;
- The actual result of the conduct is not decisive to characterize its illegality. Practices that have the potential to result in anti-competitive effects are considered illegal;
- It is not necessary to prove the company's intention. Even when there is no intent or negligence, the company can be punished for an illegal competition practice; and
- Cartel practice is usually considered illicit, meaning that, the competition authorities need to prove only the existence of the agreement, regardless of the confirmation of its anti-competitive effects.

Conduct coordinated with Competitors

Representatives and Third Parties may not, under any circumstances, maintain understandings, agreements, whether actual or implied, or plans with any Competitor, in order to manipulate or adjust prices, divide markets or customers, restrict offers or defraud the competitive nature of bids.

The following practices are strictly prohibited, without prejudice to others that may constitute anti-competitive behavior:

- (i) **Cartel:** enter into any coordinated agreement or behavior between Competitors to fix or manipulate prices, divide markets or customers, establish quotas or restrict production.
- (ii) **Bidding Cartel:** make any agreement or coordinated behavior between Competitors in the context of bids, either in advance or during the bidding process. This includes, among other practices, prohibiting the combination of price bids, arrangements for abstaining, division of bids, markets and lots, combined rotation and proposals for “coverage”.
- (iii) **Sharing Competitive Sensitive Information:** share, among Competitors, even without the guarantee of agreement, Competitive Sensitive Information.
- (iv) **Influence on Uniform Behavior:** promote, obtain or influence the adoption of uniform or coordinated commercial behavior among Competitors, including, but not limited to, within trade or class associations.
- (v) **Assist** Third Parties to coordinate their commercial activities.

Unilateral Anti-Competitive Behavior



In all interactions between Vale and Third Parties, care is needed to avoid the adoption of unilateral anti-competitive behavior or abuse of Market Power, as well as vertical anti-competitive restrictions by Vale towards Competitors, customers, suppliers and other Third Parties, which cause or may have negative effects on the community and/or customers.

Therefore, the following unilateral behaviors are strictly prohibited, when guided by anti-competitive or exclusive purposes, using any Market Power held by Vale:

- (i) **Exclusivity:** Enter into an exclusive agreement or refuse to contract with Third Parties, for anti-competitive reasons unrelated to legitimate and rational business choices.
- (ii) **Refusal to contract:** Arbitrarily and with an anti-competitive purpose, boycott customers, suppliers or Competitors, including by refusing to supply or contract products or services, except for legitimate and rational business justifications.
- (iii) **Discrimination:** Set different prices or commercial conditions for the same product or service, acquired or contracted under similar commercial conditions, discriminating against buyers or suppliers for no reason.
- (iv) **Predatory Pricing:** Deliberately and unjustifiably offer products or services at prices below cost, aiming to eliminate Competitors to later exploit the Market Power raised with the predatory practice.
- (v) **Setting Resale Conditions:** Fix prices or resale conditions to be practiced by distributors, resellers or other Third Parties in order to generate fixation or coordination of prices and competitive variables, except for specific situations motivated by legitimate efficiency and business reasons, which do not imply anti-competitive effects.
- (vi) **Tie-in sale:** Offer a certain good or service and impose, for its sale or contract, that the buyer purchases or contracts another good or service, except in specific situations motivated by legitimate reasons of efficiency or technical necessity.
- (vii) **Rival Costs Increase:** Adopt commercial conduct or practices of any nature to increase Competitor costs or eliminate it in a certain market, when such actions are not the result of normal and legitimate business performance due to greater efficiency.

Mandatory Notification to Competition Authorities

- **Concentration Acts:** Certain commercial transactions depend on Cade's prior approval for closing ("Concentration Acts"). Representatives should consult the General Counsel's Office before and during the negotiation process with any other companies in order to assess if such transaction is considered to be a Concentration Act.

The following legal transactions can be considered Concentration Acts depending on the turnover of the economic group that is Vale's counterparty in the specific transaction: (i) Mergers; (ii) Incorporations; (iii) Direct or indirect acquisitions of equity interest (acquisitions of control or acquisitions of minority interest); (iv) Acquisitions of tangible or intangible assets; (v) Establishment of joint ventures and consortia; and (vi) Signing of associative contracts.



- **Gun Jumping:** For transactions that may constitute Concentration Acts, it is necessary to ensure that, until CADE's final decision, the activities of the companies involved are conducted independently, in order to preserve the competitive conditions of the market until the approval of the authority.

The premature integration of the transaction before CADE's approval is known as gun jumping and constitutes an illegal practice, subject to the imposition of a fine, nullity of the acts performed and opening of an administrative proceeding to determine the violation of the economic order.

Any and all acts that may anticipate the effects of the closing of the Concentration Act are considered as gun jumping and, therefore, prohibited, such as: (i) Interference by one party on the other's business or joint development of commercial strategies; (ii) Sharing Competitive Sensitive Information; (iii) No prior competition; (iv) Interruption of investments; (v) Transfer or previous use of assets in general; (vi) Previous integration of managers, representatives or employees and/or (vii) Any act or activity that implies the anticipation of the effects of the closing of the Concentration Act.

- **International operations:** In the case of transactions involving foreign counterparties and/or with potential effects on international markets, it is mandatory that the General Counsel's Office is consulted on the potential need to notify antitrust authorities in other jurisdictions.

General Provisions

- The General Counsel's Office should always be consulted in case of doubts about the applicability of this Policy and in events or negotiations in which the practices covered in this Policy can be verified, including:
 - (i) In the negotiation and signing of documents or contracts, as well as in the adoption of commercial practices that include exclusive or non-competitive agreements or obligations, sales obligation or refusal, imposition of differentiated commercial conditions between customers/suppliers, cooperation or divisions with Competitors or any conditions that may raise doubts about Vale's expected conduct under this Policy;
 - (ii) Before entering into documents or entering into any type of negotiation, directly or indirectly, with companies that are considered Vale's Competitors in any specific area;
 - (iii) When there are doubts about behavior, format and care at meetings or events with the participation of Competitors, including, but not limited to, within sector or class associations;
 - (iv) When any of Vale's Representatives receives a complaint or report of anti-competitive behavior or suspects that any anti-competitive behavior is being practiced by a Representative or Third Party;
 - (v) When a Vale Representative is contacted by a government authority or by a competition authority about anti-competitive behavior, in Brazil or abroad; and



- (vi) When there is any doubt about the lawfulness of conducts or commercial practices, including those that are common and reiterated among companies in the sectors in which Vale and/or its subsidiaries operate, and those that are provided for in rules or provisions of sectoral regulation.
- All Representatives, as well as any Third Parties, whenever they witness or suspect of any violation of this Policy must report to the Whistleblower Channel through the Ombudsman's page on Intranet (<https://intranet.valepub.net/en/Pages/nossa-vale/governanca-corporativa/ouvidoria/ethics-conduct-office.aspx>) or on Vale's website (<http://www.vale.com/en/aboutvale/ethics-and-conduct-office/Pages/default.aspx>). The channel is operated by an independent company, and structured to guarantee absolute secrecy, protecting the whistleblower's anonymity and preserving the information so that a fair investigation can occur. Under no circumstances will there be any breach of confidentiality, intimidation or retaliation against the whistleblower.
 - Failure to comply with the guidelines of this Policy may (i) expose Vale and its Representatives to administrative, civil and criminal penalties, in addition to serious reputational consequences and (ii) subject the employee to disciplinary measures, which will be applied in accordance with local laws and the severity of the breach, such as a warning, training, suspension, dismissal or other legal actions. If there is proof of the employee's intention to practice anticompetitive conduct, through intent or negligence, any costs arising from the initiation of civil and/or criminal proceedings will not be paid by Vale, and the employee must bear his own defense.
 - This Policy must be revised periodically, at least 1 (once) every 3 (three) years or on demand.