



Charter of the Risk Management Unit of The Board of Directors of PT Vale Indonesia Tbk

This Charter of the Risk Management Unit of the Board of Directors (the “RMU”) of PT Vale Indonesia Tbk (“PT Vale” or the “Company”) serves as a working guideline for the RMU in performing its duties and responsibilities. This Charter is intended as a complement to, and not as a substitute for or interpretation of, the Company’s Articles of Association, mission and vision, the Charter of Board of Commissioners of the Company (the “BOC”), the Charter of Board of Directors of the Company (the “BOD”) or applicable laws and regulations.

CHAPTER I

OVERALL PURPOSE AND OBJECTIVES

1. RMU is a functional unit established by the BOD to assist the BOD in fulfilling its management responsibilities over enterprise risk management of the Company, including to implement the Enterprise Risk Management framework, communicating it to all areas across the Company and building the risk culture within the Company.
2. In performing its duties and responsibilities, the RMU will work closely with the BOD, the Risk Mitigation Committee (the “RMC”) and the Internal Audit Unit (the “IAU”) of the Company.
3. Each member of the RMU shall perform his/her duties and responsibilities in good faith, with due care; full responsibility and in accordance with: (i) prevailing laws and regulations; (ii) the Company’s Articles of Association and Policies; (iii) this Charter; and (iv) instructions received from the BOD.

CHAPTER II

DUTIES, RESPONSIBILITIES AND AUTHORITY

1. Based on the delegation from the BOD, the RMU shall have duties and responsibilities as one of the Company’s 2nd Line of Defense over the following matters:
 - 1.1 *Risk Management*
 - 1.1.1 Develop and implement policies, methodologies, processes and infrastructure for integrated risk management;
 - 1.1.2 Support the work of the 1st Line of Defense by providing training and tools for risk management and risk prevention;

- 1.1.3 Support and promote the exchange of knowledge and information in order to spread the risk management and risk prevention culture in the organization;
 - 1.1.4 Support and monitor the compliance with risk management governance model;
 - 1.1.5 Support external disclosure of official business risks management information;
 - 1.1.6 Review and analyze Enterprise Risk Management Framework and risk appetite on annual basis and advice the BOD for recommendation to the BOC;
 - 1.1.7 Liaise with the Risk Owners in assessing the Company's risk profile and risk events at least annually or as requested to establish an integrated risk map for BOD review and approval;
 - 1.1.8 Report to RMC about the Integrated Risk Map, considering the status of controls and business risk action plans;
 - 1.1.9 Coordinate the sign off of risks with severity Very Critical and Critical to be carried out, annually or on demand, by the 1st Line of Defense;
- 1.2 *Miscellaneous*
- 1.2.1 Take action on such other matters as the BOD may from time to time request;
 - 1.2.2 Maintain confidentiality of the Company's documents, data and information; and
 - 1.2.3 Analyze and assess the Company's compliance to applicable laws and regulations.
2. In performing its duties and responsibilities, the RMU shall have the following authorities.
- 2.1 *Access to Information.* The BOD authorizes the RMU to perform any activity, within the scope of its responsibilities, and to seek and request at any time document, data, and information it reasonably requires from: (i) each member of the BOD; (ii) any employees; and (iii) relevant external parties through or upon acknowledgement of the BOD.
 - 2.2 In executing its authority, the RMU shall cooperate with RMC and IAU.
 - 2.3 *Reliance of Information Provided.* The RMU shall be entitled to reasonably rely upon: (i) the integrity of those persons and organizations within and outside the Company from whom the RMU receives information; and (ii) the accuracy of the



information provided to the RMU by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the BOD).


- 2.4 Authority to Engage Independent Advisors. After consultation with the BOD and RMC (as deemed necessary), the RMU may obtain outside legal or other professional advice, the cost of which will be borne by the Company.
- 2.5 To perform other authorities as may be given by the BOD.

CHAPTER III REPORTING

The RMU reporting obligations to the BOD shall include the following:

1. *Quarterly Reports* – Providing the BOD with a report at least once a quarter setting out details of the activities of the RMU, providing recommendations or action plans, and detailing significant matters for the BOD's considerations;
2. *Report to RMC* – Providing report on the activities of the RMU, an assessment of the Company's risk profile and on the Integrated Risk Map.
3. *Annual Report* – Preparing an annual report to the BOC for inclusion in the Company's Annual Report detailing activities of the overall risk management;
4. *Miscellaneous* – Provide analysis or guidance on such other matters as required by the relevant laws and regulations and as the BOD and/or the RMC may from time to time request (including any reports related thereto).

CHAPTER IV MEMBERSHIP OF THE RMU

1. *Membership*. The RMU members shall comprise of no less than four (4) members appointed by the BOD, consisting of at least: (i) one (1) nominee of the President Director, (ii) one (1) nominee of Director responsible for Finance, (iii) one (1) nominee of Director responsible for Operation and (iv) one (1) nominee responsible for Security and External Relations, all of which shall be appointed by the BOD.
2. *Chair*. The RMU will be chaired by the Heads of the RMU.
3. *Term*. The BOD shall appoint the members of the RMU for a two-year term, subject to the BOD's discretion to dismiss any member of the RMU at any time for whatever reason.
4. *Resignation*. Resignation from the RMU must be made in writing to the BOD and, at the BOD's discretion, shall be deemed effective on the effective date specified in such resignation letter, the date of receipt or no more than one month from the date of receipt. 



5. *RMU Member's Inability to Perform.* In the event that a member of the RMU cannot perform his or her duties, for whatever reason, then the BOD may remove such RMU member and appoint a new RMU member for a single time period of up to six (6) months until an acceptable permanent member is identified and appointed.

CHAPTER V MEETINGS OF THE RMU

1. The RMU shall meet at least four (4) times per financial year. Each meeting shall be held in person or through remote means (such as teleconference, video conference or other electronic media) if such remote means are permissible by the relevant laws and regulations and enable all participants to hear or view and hear each other and to participate in the meeting.
2. The meeting shall be chaired by the Head of the RMU. In the event that the Chairman is unable to attend any meeting of the RMU, the meeting shall be chaired by a member of the RMU selected by those members of the RMU in attendance at such meeting.
3. The quorum of all meetings is a minimum of three members of the RMU. If the quorum for the RMU is not met, then the meeting shall be adjourned.
4. The RMU shall designate a secretary of the RMU who shall be responsible for preparing and circulating the agenda and all supporting and supplementary material for each meeting, preparing and maintaining a proper record of the minutes of each meeting. Each member of the RMU who attends a meeting shall sign the minutes of such meeting which will be presented to the BOD.
5. The RMU may invite relevant parties to attend RMU meetings as appropriate.

CHAPTER VI PERFORMANCE EVALUATION

The RMU's performance shall be evaluated collectively on annual basis based on certain risk management indicators determined by the BOD and the result shall be reported to the BOD together with the Annual Report of the RMC.

CHAPTER VII MISCELLANEOUS

1. This Charter shall take effect as of the date of its approval as stated in the signatory page below (the "Effective Date") and shall be reviewed from time to time to comply with the prevailing laws and regulations. †



2. Any amendments to this Charter must be approved by the BOD.
3. In the event of any conflict between this Charter and the Company's Articles of Associations or the prevailing laws and regulations, the provisions of the Articles of Association or the prevailing laws and regulations (as the case may be) shall prevail.
4. Each member of the RMU is considered to accept and agree to the contents of this Charter and undertakes to the Company to comply with the provisions hereof. Any member of the RMU elected or appointed after the Effective Date hereof shall, upon his/her election or appointment, be automatically deemed to have accepted and agreed to the contents of this Charter and to have undertaken to the Company to comply with the provisions hereof. ↖

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IN WITNESS WHEREOF, this Charter of the RMU has been executed on 20 November 2019
by each member of the BOD. ↴

President Director

A blue ink signature in cursive script, appearing to read "Nicolas D. Kanter".

Nicolas D. Kanter

Vice President Director

A blue ink signature in cursive script, appearing to read "Febriany Eddy".

Febriany Eddy

Director

A blue ink signature in cursive script, appearing to read "Bernardus Irmanto".

Bernardus Irmanto

Director

A blue ink signature in cursive script, appearing to read "Dani Widjaja".

Dani Widjaja

Director

A blue ink signature in cursive script, appearing to read "Agus Superiadi".

Agus Superiadi

Director

A blue ink signature in cursive script, appearing to read "Vinicius Mendes Ferreira".

Vinicius Mendes Ferreira