

## **Charter of the Governance, Nomination and Remuneration Committee of the Board of Commissioners of PT Vale Indonesia Tbk**

This Charter of the Governance, Nomination and Remuneration Committee (the "**Committee**") of the Board of Commissioners of PT Vale Indonesia Tbk ("**PT Vale**" or the "**Company**") serves as a working guideline for the Committee 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 mission and vision, Articles of Association, the Charter of the Board of Commissioners of the Company (the "**BOC**"), the Charter of the Board of Directors of the Company (the "**BOD**") or applicable laws and regulations.

### **CHAPTER I REFERENCE**

This Charter is prepared with reference to:

1. Law No. 40 of 2007 on Limited Liability Companies;
2. Law No. 8 of 1995 on Capital Market;
3. Financial Services Authority ("**OJK**") Rule No. 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Public Companies dated December 8, 2014 ("**Rule 33**");
4. OJK Rule No. 34/POJK.04/2014 on Nomination and Remuneration Committee of Issuers or Public Companies dated December 8, 2014 ("**Rule 34**")
5. Articles of Association of the Company;
6. Indonesian Good Corporate Governance Guidelines (2006); and
7. Nomination and Remuneration Process Policy.

### **CHAPTER II OVERALL PURPOSE AND OBJECTIVES**

1. The Committee is an independent committee established by the BOC to assist the BOC in fulfilling its oversight responsibilities over corporate governance, management succession programs, establishing and evaluating necessary qualifications and criteria for nominations of candidates for the BOD, BOC and committees and certain remuneration matters, and making recommendations on such matters to the BOC to be submitted to the General Meeting of Shareholders.

2. In performing its duties and responsibilities, the Committee will work with, and obtain information from, the BOC and the BOD and, through the BOD, the Company's employees and relevant external parties.
3. Each member of the Committee shall perform his/her duties and responsibilities in good faith, with due care, full responsibility and in accordance with: (i) prevailing laws and regulations, including requirements of the OJK and the Indonesia Stock Exchange (the "IDX"); (ii) the Company's Articles of Association; (iii) this Charter; (iv) the Charter of the BOC; (v) the Nomination and Remuneration Process Policy; and (vi) instructions received from the BOC.

### CHAPTER III DUTIES AND RESPONSIBILITIES

1. Corporate Governance.
  - a. **Monitor Best Practices** – To regularly monitor developments and changes in corporate governance best practices, standards and requirements by all applicable regulatory agencies, OJK and IDX;
  - b. **BOC Member Independence** – To annually review the independence of members of the BOC, as may be required by regulatory agencies, self-regulatory bodies and applicable listing standards of the IDX and make recommendations to the BOC;
  - c. **Conflicts of Interest** – To consider questions of possible conflicts of interest of members of the BOC and/or BOD, and make recommendations to the BOC;
  - d. **Review of corporate governance policies** – Assist the BOC to review corporate governance policies approved or to be approved by the BOD for adoption by the Company, including policies relating to corporate social responsibility and business ethics, and thereafter assist the BOC in the evaluation of the implementation of such programs; and
  - e. **Miscellaneous** – Take action on such other matters as the BOC may from time to time request.
2. Succession Planning and Selection Procedures.
  - a. **Review of succession planning** – Assist and make recommendation to the BOC in reviewing composition, succession planning and performance evaluation policies for members of the BOD and/or the BOC to ensure a sustainable management team.

- b. **Selection criteria for certain management positions** – Assist and make recommendation to the BOC in reviewing or developing selection criteria for members of the BOD, the BOC and certain other key executives, where requested by the BOC, and in reviewing candidates nominated for BOD and BOC positions for recommendation to the General Meeting of Shareholders.
  - c. **Nomination by the Committee** – The Committee shall be entitled to nominate (i) any member of the BOD, if the members of the BOD consists of less than the minimum number of the members of the BOD under the Articles of Association; and (ii) independent commissioners as required under the applicable laws and regulations.
  - d. **Evaluation of performance review** – Assist and make recommendations to the BOC in reviewing performance evaluation for members of the BOD and the BOC based on the evaluation system.
  - e. **Review of capacity building programs** – Assist and make recommendations to the BOC in the formulation of the capacity building programs for the members of the BOD and the BOC.
3. Remuneration and Reimbursement.
- a. **Compensation of Members of the BOC and Members of the Audit Committee** – To review and make recommendations to the BOC with respect to compensation of the members of the BOC and members of the Audit Committee, including the structure, policies and level of the compensation.
  - b. **Reimbursement of Cost for Members of the BOC** – To review and make recommendations to the BOC with respect to the structure, terms and conditions of costs reimbursements for any travel expenses of the members of the BOC that are reasonably incurred in carrying out his/her duties.
  - c. **Compensation of BOD** – Assist the BOC to determine and approve the structure, policies and level of compensation of the members of the BOD and senior officers, including the President Director, including salary and cash and equity-based incentives. In determining the incentive components of such compensation, the Committee shall consider, among other factors, the Company's performance and relative shareholder return, the value of similar incentive awards to members of the board of directors or senior officers at comparable companies, the awards given to the BOD and senior officers in past years, and such other factors as the Committee shall determine.

- d. **Review conformation of remuneration** – Assist the BOC in reviewing the performance evaluation against the remuneration received by each member of the BOD, member of the BOC and member of the Audit Committee.
  - e. **Revisions to Existing or Creation of New Incentive Compensation Plans** – To approve or make recommendations to the BOC regarding any new incentive compensation plan or any material change to an existing incentive compensation plan.
  - f. **Miscellaneous** – Take action on such other matters as the BOC may from time to time request.
4. **Relationship of Committee Members to the Company.** In fulfilling their duties and responsibilities, it is recognized that members of the Committee are not employees of the Company and, although one or more of them may have capability within a subject matter falling within the scope of the Committee's responsibility, they are not, and do not represent themselves to be, experts in such fields.
  5. **Reliance on Information Provided.** The Committee shall be entitled to reasonably rely upon: (i) the integrity of those persons and organizations within and outside the Company from whom the Committee receives information; and (ii) the accuracy of the information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the BOC).

#### CHAPTER IV AUTHORITY

1. **Access to Information.** The BOC authorizes the Committee to perform any activity within the scope of its responsibilities, and to seek and request at any time information it reasonably requires from: (i) each member of the BOD; (ii) any employee; and (iii) relevant external parties. With respect to information to be obtained from employees and relevant external parties, the BOC shall instruct the BOD to ensure that all such employees and relevant external parties are directed to cooperate with any reasonable request made by the Committee.
2. **Reports to be Received by the Committee.** The Committee may, after consultation with and approval from the BOC, request that the BOD, management or employees of the Company submit reports or information to it as may be reasonably requested by the Committee to allow it to perform its duties and responsibilities within the scope of its mandate. Each such report or information submission shall be in the form agreed to from time to time with the reporting party.

3. **Authority to Engage Independent Advisors.** After consultation with and approval from the BOC, the Committee may obtain outside legal or other professional advice, the cost of which will be borne by the Company.

## CHAPTER V REPORTING

1. The Committee regularly reports directly to the BOC on the performance of its duties and responsibilities, as well as the implementation of the nomination and remuneration procedure set forth in the Nomination and Remuneration Process Policy.
2. The Committee shall submit, through the BOC, a report on its responsibilities and other material information to be reported to the General Meeting of the Shareholders and such report shall be included in the annual report and disclosed on the Company's website.

## CHAPTER VI MEMBERSHIP OF THE COMMITTEE

1. **Membership.** At a minimum, the Committee shall be composed of five (5) members, each of whom shall also be a member of the BOC.
2. **Chair.** The Committee shall be chaired by an Independent Commissioner (as defined under OJK Rule 33 (as may be amended or replaced)) of the Company with the following qualifications:
  - 2.1 He/she is not a person who has worked for or has had the authority and responsibility over planning, directing, controlling, or supervising activities of the Company within the six (6) months period prior to the proposed appointment, except in the case of re-appointment as the Company's Independent Commissioner for the next period;
  - 2.2 He/she does not own, either directly or indirectly, shares of the Company;
  - 2.3 He/she does not have any affiliation relationship with the Company, any member of the BOC, any member of the BOD, or principal shareholder(s) of the Company; and
  - 2.4 He/she does not have any, either directly or indirectly, business relationship related to the business activities of the Company.
3. **Term.** The BOC shall appoint the members of the Committee for a three-year term and shall not be longer than the term of office of the BOC as regulated in the Company's Articles of Association, subject to the BOC's power to remove or replace any Committee member at any time. Any member of the Committee whose term of office will end may be nominated for re-appointment.

4. **Resignations.** Resignation from the Committee must be made in writing to the BOC and, at the BOC'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. **Committee Member's Inability to Perform.** In the event that a member of the Committee cannot perform his or her duties, for whatever reason, then the BOC may remove such Committee member and appoint a new Committee member for a single time period of up to six (6) months until an acceptable permanent member is identified and appointed.

## CHAPTER VII MEETINGS OF THE COMMITTEE

1. **Frequency.** The Committee shall meet at least once in every four (4) months and each meeting may be held in person or through remote means in accordance with paragraph 9 below.
2. **Notice and Agenda.**
  - 2.1 Each notice of meeting shall be given prior to the meeting at least twenty-one (21) business days for a scheduled meeting or, where all members of the Committee agree in writing, to a shorter notice period, and prior to the opening of the meeting for unscheduled meetings).
  - 2.2 Any member of the Committee shall be entitled to propose an item for discussion together with a related resolution to be proposed at the meeting within five (5) business days after the date of such notice of meeting.
  - 2.3 At least five (5) business days before a Committee meeting, a final notice of meeting and reasonably detailed agenda of the matters to be discussed and any papers relevant to the consideration of the agenda items matters shall be provided to the Committee members.
3. **Chair.** The Chair of the Committee shall chair all meetings of the Committee and ensure that such meeting is quorate.
4. **Quorum.** The quorum for all meetings of the Committee shall be more than half of the total number of the Committee members where at least the following persons are present (in person or by remote means): (i) Chair of the Committee; and (ii) at least one member of the Committee from each eligible shareholder who is entitled to a nomination right. If a quorum is not present within half an hour of the time appointed for a meeting or if a quorum ceases to be present during the course of a meeting, the members present shall adjourn the Committee meeting to a specified place and time not less than five (5) business days after the original date and the quorum for any such adjourned the Committee meeting shall be more than 1/2 (one half) of the total number of Committee

members which must include the presence of the Chair of the Committee. Notice of the adjourned Committee meeting shall be given to all Committee members at least five (5) business days prior to the date of the adjourned meeting.

5. **Proxy.** A member of the Committee may be represented at a meeting of the Committee by another Commissioner by virtue of a power of attorney.
6. **Resolutions.** Any decisions shall be made by deliberation for consensus. If the meeting fails to reach a consensus then the decision shall be effective if approved by simple majority of the votes of the Committee members in attendance at a meeting where a quorum is present. Each member of the Committee shall have one (1) vote.
7. The Committee may also adopt lawful resolutions without holding a meeting of the Committee, provided that all Committee members have been notified in writing of the proposals to be voted on and all Committee members have given their written approval thereof and signed the approvals concerned.
8. Any dissenting opinion and the reasons must be recorded in the minutes of meeting.
9. **Meeting through Remote Means.** Any meeting of the Committee may be convened through remote means (such as teleconference, video conference or similar communication) if such remote means are permissible by applicable laws and regulations and enable all participants to hear, or view and hear each other and to participate in the meeting. The quorum and voting requirements for any such remote meetings shall be the same as provided for meetings conducted in person.
10. **Minutes.** The Committee shall designate a secretary of the Committee who shall be responsible for preparing and circulating the agenda and all supporting and supplementary material for each meeting and preparing the minutes of each meeting. Each Committee member who attended a meeting shall sign the minutes of such meeting which will be presented to the BOC.
11. The Committee may invite relevant parties to attend Committee meetings as appropriate.

## CHAPTER VIII

### PERFORMANCE EVALUATION

The Committee's performance shall be evaluated collectively and annually based on the self-assessment principle and the result shall be reported to the BOC.

## CHAPTER IX

### MISCELLANEOUS

1. This Charter shall take effect as of the date 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 BOC.
3. In the event of any conflict between this Charter and the Company's Articles of Association or applicable laws and regulations, the provisions of the Articles of Association or applicable laws and regulations (as the case may be) shall prevail.
4. By signing below, each member of the Committee is considered to accept and agree to the contents of this Charter and undertakes to the Company to comply with the provisions hereof. Any Committee member elected or appointed after the Effective Date 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 Governance, Nomination and Remuneration Committee of the BOC has been executed on 7 October 2020 by each member of the BOC.

**President Commissioner**



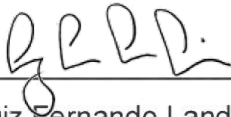
Mark J. Travers

**Vice President Commissioner  
and Independent Commissioner**



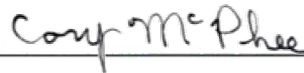
Rudiantara

**Commissioner**



Luiz Fernando Landeiro

**Commissioner**



Cory McPhee

**Commissioner**



Nobuhiro Matsumoto

**Independent Commissioner**



Raden Sukhyar

Noted and agreed by:

**Chair**



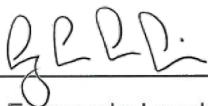
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Rudiantara

**Member**



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Mark J. Travers

**Member**



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Luiz Fernando Landeiro

**Member**



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