Charter of the Internal Audit Unit of PT Vale Indonesia Tbk

This Charter of the Internal Audit Unit (the "**IAU**") of PT Vale Indonesia Tbk ("**PT Vale**" or the "**Company**") serves as a working guideline for the IAU 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. The IAU is a working unit which perform the internal audit function by providing an independent and objective assurance and consulting services, with the objective to increase the value of the Company and to improve the Company's operations by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the Company's risk management, internal control and governance processes.
2. In particular, the IAU will assess the controls, procedures and systems in place to ensure:
   - 2.1 reliability and integrity of financial and operational information, and the means used to identify, classify, secure and report such information;
   - 2.2 safeguarding of assets;
   - 2.3 compliance with Company's policies and procedures, as well as prevailing laws and regulations;
   - 2.4 cost-effective and efficient use of resources; and
   - 2.5 accomplishment of the Company's goals and objectives.
3. In performing its duties and responsibilities, the IAU will work closely with the BOC, the BOD, the Audit Committee (the "**AC**"), the Risk Management Unit (the "**RMU**") and external auditors of the Company.

CHAPTER II
DUTIES, RESPONSIBILITIES AND AUTHORITY

1. The IAU shall have duties and responsibilities over the following matters:
   - 1.1 *Internal Audit Plan* – Develop an annual risk-based audit plan based on, including but not limited to, the Enterprise Risk Assessment from the RMU as

the working unit of the BOD. This annual risk-based audit plan is subject to approval from the BOC;

1.2 *Internal Control and Risk Management System* – Review and assess the internal control and risk management system to determine whether they are in compliance with the Company's policy;

1.3 *Efficiency and Effectiveness* – Review and assess the effectiveness and efficiency of the financial, accounting, operational, human resources, information technology and other aspects of the Company;

1.4 *Advisory* – Provide recommendations and objective information on internal audit results at all management levels;

1.5 *Internal Audit Report* – Prepare and provide internal audit report to the President Director and the BOC;

1.6 *Corrective Actions* – Monitor, analyze and report the implementation and impact of the proposed corrective actions;

1.7 *Coordination* – Closely coordinate with the AC and the RMU. For such purpose, the IAU shall provide the RMU, as the working unit of the BOD, access to relevant internal audit information including the audit working papers upon request, subject to approval from the Head of the IAU and the BOD for confidential information;

1.8 *Assessment* – Prepare a quality assurance improvement program to evaluate the internal audit function activities;

1.9 *Compliance with applicable laws and regulations* – Review and assess the adequacy of the Company's compliance with laws and regulations applicable to the Company, including the capital market laws and regulations (collectively, "**Capital Market Regulations**");

1.10 *International Standards for the Professional Practice of Internal Auditing* – Monitor significant changes to the Company's internal auditing principles, policies, controls, procedures and practices proposed or contemplated by the Company's external auditor, the AC of the BOC or the BOD; and

1.11 *Special Audit* – Carry out special audit when required and requested by the BOD or the BOC. A member of the BOD could request the IAU to perform specific audit/review with prior approval from the AC and President Director, taking into consideration (among other things) the Company's resources;

2. In performing its duties and responsibilities, the IAU shall have the following authorities.

2.1 *Access to Information*. The IAU has unrestricted access to all functions, records, property and personnel of the Company. The IAU has the authority 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 directly from: (i) each member of the BOD; (ii) any employees; (iii) relevant external parties; (iv) each member of the BOC; and (v) each member of the AC. With respect to information to be obtained from employees and relevant external parties, the BOD shall ensure that all such employees and relevant external parties are directed to cooperate with any reasonable request made by the IAU.

2.2 *Meetings*. The IAU may hold a minimum of one (1) regular meeting in three (3) months and incidental meetings with the BOD, BOC and/or AC;

2.3 *External Auditor*. The IAU shall coordinate its activity with the activity of the external auditors.

2.4 *Reliance of Information Provided*. The IAU shall be entitled to reasonably rely upon: (i) the integrity of those persons and organizations within and outside the Company from whom the IAU receives information; and (ii) the accuracy of the financial and other information provided to the IAU by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the BOD).

2.5 Authority to Engage Independent Advisors. After consultation with and approval from the President Director, the IAU may obtain outside legal or other professional advice, the cost of which will be borne by the Company.

3. Each member of the IAU shall perform his/her duties and responsibilities in good faith, with due care; full responsibility and in accordance with: (i) prevailing laws and regulations, in particular the regulations of the Financial Services Authority (Otoritas Jasa Keuangan or "**OJK**") and the Indonesian Stock Exchange (the "**IDX**"); (ii) the Company's Articles of Association and Policies; (iii) this Charter; and (iv) instructions received from the BOC through AC from time to time.

CHAPTER III
REPORTING

The IAU's reporting obligations shall include the following:

1. *Internal Audit Report* – Prepare the internal audit report to the President Director, the BOD and the BOC (through AC) on the adequacy and effectiveness of the Company's process for controlling its activities and managing its risks, including therewith recommendations and objective information on internal audit results in all management levels;
2. *Periodic Assessment of Recommended Actions* – Provide a periodic assessment to the BOD, the BOC and the AC of:
   (i) the adequacy (including any significant failures by or shortcomings) of actions taken regarding matters previously identified by the BOD or the IAU as requiring action;
   (ii) significant issues relating to the Company's processes for controlling the activities of the Company and its affiliates, including potential improvements to those processes;
   (iii) status and results of the annual audit plan and sufficiency of IAU resources; and
   (iv) progress towards achieving defined performance metrics.
3. *Miscellaneous* – Provide analysis or guidance on such other matters as required by the relevant laws and regulations and as the BOD may from time to time request (including any reports related thereto).

CHAPTER IV
MEMBERSHIP OF THE IAU

1. *Membership.* The IAU shall comprise of at least three (3) internal auditors and its membership, organization and practices shall, at a minimum, comply with the Capital Market Regulations, including but not limited to the OJK Regulation Number 56/POJK.04/2015 (as may be amended from time to time).
2. *Restriction.* Members of the IAU are prohibited from holding a position as an officer of other operational departments/divisions of the Company outside of the IAU.
3. *Head of the IAU.*
   3.1. The IAU will be chaired by a Head of the IAU, appointed and dismissed by the President Director, subject to prior approval of the BOC.

3.2. The President Director may dismiss Head of the IAU upon approval from the BOC if the Head of the IAU does not meet the requirements of Capital Market Regulations as an auditor of IAU and/or fails or incapable to perform his/her duty.

3.3. The Head of the IAU shall be responsible functionally to the BOC and administratively to the President Director.

3.4. The auditors of the IAU shall be directly responsible to the Head of the IAU.

4. *Qualifications.* Members of IAU shall meet the following qualifications:

   4.1. have integrity and professional behavior, independent, honest and objective in carrying out his or her duty;

   4.2. have knowledge and experience of audit techniques and other relevant disciplines relevant to his or her duty;

   4.3. have knowledge of Capital Market Regulations and other relevant laws and regulations;

   4.4. have the ability to interact and communicate effectively both verbally and in writing;

   4.5. comply with professional standards and the code of ethics established by the Indonesian Internal Audit Association and/or with generally and internationally acceptable Internal Audit Standards and Code of Ethics;

   4.6. maintain confidentiality of the Company's documentation, information and/or data related to the performance of the IAU's duties and responsibilities unless required by the laws and regulations or any court decision/ruling;

   4.7. understand the principles of good corporate governance and risk management;

   4.8. comply with the Company's code of conduct; and

   4.9. continuously maintain and build upon his/her professional knowledge, expertise and competence in the area of internal audit by, among other things, keeping abreast of new developments and best practices in the industry.

5. *Resignation.* Resignation from the Head of the IAU must be made in writing to the BOC and the President Director and shall be deemed effective on (i) the date specified in the resignation letter, (ii) the date of receipt or (iii) no more than one month after the date of receipt.

6. *Reporting*. The Company shall immediately inform OJK and IDX through the integrated electronic reporting system regarding the appointment, dismissal or resignation of the Head of the IAU. Information on the appointment, dismissal or resignation of the Head of the IAU shall be published in the website of the Company.

CHAPTER V
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 and the BOC.
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 IAU 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 IAU 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.

[*the remainder of the page is intentionally left blank*]

IN WITNESS WHEREOF, this Charter of the IAU has been executed on 20 November 2019 by each member of the BOC.

President Commissioner

Mark James Travers

Commissioner

Luiz Fernando Landeiro

Commissioner

Nobuhiro Matsumoto

Commissioner

Cory McPhee

Independent Commissioner

Raden Sukhyar