

## AUDIT AND RISK COMMITTEE CHARTER

### 1. PURPOSE

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The Board of Pluton Resources Limited (Pluton) takes a proactive approach to risk management and internal compliance and control system. This function is dealt with by the Audit and Risk Committee.

The Audit and Risk Committee (Committee) has been created to assist the Board in:

- the effective discharge of its responsibilities for financial reporting
- internal control structures
- internal and external audit functions and risk management systems

For the avoidance of doubt this includes environmental matters.

#### 1.1 MEMBERSHIP

The Committee will comprise of:

- a minimum of two non-executive directors who shall also form a majority of the Committee
- a non-executive Chairperson, who is not Chairperson of the Board and is a qualified accountant or has significant experience in the financial industry

#### 1.2 QUORUM

Two non-executive Directors, one being the Chairman, shall constitute a quorum.

#### 1.3 TERM OF APPOINTMENT

Non-executive members of the Committee shall be appointed by the Board for an initial term of three (3) years, after which their appointment may be subject to rotation.

#### 1.4 APPOINTMENT OF SECRETARY OF COMMITTEE

Pluton Secretary shall be appointed Secretary of the Committee.

The Committee may request any employee to attend any meeting as it considers appropriate. However, if an employee has a material personal interest in a matter that is being considered at a meeting, he/she must not be present for consideration of that matter.

#### 1.5 MEETINGS

The Chairman or the Secretary must call meetings at least twice a year, or more frequently as required.

The Managing Director shall be given notice of all meetings and has the right to attend and speak at such meetings.

#### **Pluton Resources Limited**

Level 4, 468 St Kilda Rd Melbourne Vic 3004  
PO Box 255 Seddon West Victoria 3011  
Ph: (03) 9820 3802 • Fax: (03) 9867 8587  
ABN: 12 114 561 732

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#### **1.6 EXTERNAL AUDITOR**

Without the presence of management, the Chairman and members of the Committee meet at least annually with the external auditor.

#### **1.7 ROLE AND RESPONSIBILITIES**

The Audit & Risk Committee is a committee of the Board of Directors. Its functions are to:

- Review the integrity of Pluton's financial and external reporting
- Review and appraise the internal (where applicable) and external auditors' activities, scope and independence
- Review and assess the adequacy of management information and internal control structures
- Review and assess the accounting policies of Pluton
- Review and report on the annual and half yearly financial reporting carried out by Pluton
- Review and assess the sufficiency of and compliance with ethical guidelines and Group policies affecting corporate governance, financial reporting and corporate control, and compliance with laws and external regulations
- Review the adequacy and effectiveness of Pluton's risk management program
- Identify the full range of actual or potential risk exposures which are material to Pluton
- Provide assurance that Pluton is providing adequate controls against fraud
- Update the Board on changing community standards and recommend changes to Company policy
- Maintain a list of committee tasks, and ensure compliance with that list on a timely basis
- The Chairman of the Committee will report to the Board following each Committee meeting. All minutes of meetings of the Committee will be circulated to the Board.

#### **1.8 AUTHORITY**

In carrying out its duties the Committee shall have the authority to discuss directly with management or the external auditors any issue within its remit and to request reports, explanations and information of any of the activities, procedures or accounts of Pluton.

The Committee discharges its responsibilities by making recommendations to the Board.

#### **1.9 ACCESS TO INDEPENDENT PROFESSIONAL ADVICE**

The Committee has the right to seek assistance of appropriate external advisers that it considers necessary in order to fulfil its duties.

#### **1.10 EFFECTIVE DATE**

The Committee's Terms of Reference shall be reviewed annually and updated as required.

#### **1.11 RISK MANAGEMENT STATEMENT**

Pluton continuously undertakes a risk assessment of Pluton's operations, procedures and processes. The risk assessment is aimed at identifying the following:

- a culture of risk control and minimisation of risk throughout Pluton, which is performed through natural or instinctive processes by employees of Pluton;
- a culture of risk control that can easily identify risks as they arise, and then amend practices;
- the installation of practices and procedures in all areas of the business that are designed to minimise an event or incident that could have a financial impact or other effect on the business and its day to day management; and
- adoption of practices and procedures to minimise many of the standard commercial risks, i.e. taking out the appropriate insurance policies, or ensuring compliance reporting is up to date.