

AUDIT AND RISK COMMITTEE CHARTER

1. Introduction

The Audit and Risk Committee Charter sets out the composition, role and responsibilities of the Board of the Manufacturing Alliance

2. Purpose

The Committee assists the Board by monitoring the implementation of Board policy and making recommendations to the Board in respect of matters for which it is responsible.

The Committee will oversee the financial reporting process to ensure the balance, transparency and integrity of published financial information. The Committee will also oversee:

- the effectiveness of the internal controls.
- the oversight of any financial investments and policy of financial investments
- an effective independent audit process, including approving the appointment and assessing the performance of the external and internal (if so appointed) auditor.
- dependable and timely fiscal management and corporate reporting.
- the effectiveness of the risk management framework; and
- maintenance of effective systems of internal monitoring and accounting, financial and operational controls.

3. Role of the Committee

The primary functions are to:

1. Review the integrity of the Manufacturing Alliance financial information and systems, internal and external reporting.
2. Review the internal controls, policies and procedures that the Manufacturing Alliance uses to identify and manage business risks.
3. Review the external annual audit of the financial statements.
4. Review and assess the external activities, scope and independence.
5. Review and assess the internal (if so appointed) activities, scope and independence.
6. Review the management process for the identification of significant business risks and exposures (including fraud), and review and assess the adequacy of management information and internal control structures.
7. Obtain regular updates from management on matters that may have a material impact on s.
8. Communicate with specified external stakeholders with respect to its role. External stakeholders are current and potential external auditors and internal auditors (if so appointed) as well as parties nominated by the Board.

5. Examine any matters referred to it by the Board.
6. Review products that are developed by the Manufacturing Alliance in the normal course of business that require

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