



Audit and Risk Committee

Terms of Reference

2026 – 1

AUDIT AND RISK COMMITTEE

Membership	Chair	Independent Non-Executive Director <i>(or the Chairman as appointed in the meeting subject to absence)</i>
	Executive Directors	CEO & CFO attend by invitation as part of management.
	Non-Executive Director (s)	Minimum of one Independent NED plus Chair.
	Other	Company auditors (Cooper Parry Group Limited).
Attendees / Invitees	Specialists or business specific individuals may be requested to attend for specific agenda items or to make presentations to the Committee to assist in their decision making and recommendations to the Board.	
Secretary	Company Secretary or their nominee shall receive papers.	
Quorum	The quorum may be fixed by the directors and unless so fixed at any other number shall be two.	
Meeting Frequency	The Committee shall meet at least three a year.	
Authority received from	A report will be submitted to the Velocity Composites Board after each meeting.	
Principle Purpose	The principal purpose of the Audit and Risk Committee is to provide independent oversight and assurance to the Board of Directors regarding the adequacy and effectiveness of Velocity Composites' financial reporting, internal control systems, and risk management framework.	
Matters reserved <i>(Main Responsibility)</i>	<p>The committee shall monitor the integrity of the financial statements of the company, including its annual and half-yearly reports, interim management statements, preliminary announcements and any other formal statements relating to its financial performance, and review and report to the board on significant financial reporting issues and judgements which those statements contain.</p> <p>The committee shall review any other statements requiring board approval which contain financial information first, where to carry out a review prior to board approval would be practicable consistent with prompt reporting.</p> <p>Keep under review the company's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems.</p> <p>Review the content of the annual report and accounts and advise the board on whether, taken as a whole, it is fair, balanced and understandable.</p> <p>Keep under review the company's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems.</p> <p>Review the Companies Whistle-blower policy.</p> <p>Review the company's procedures for detecting fraud.</p> <p>Make recommendations to the board in relation to the appointment, re-appointment and removal of the company's external auditor.</p> <p>Develop and oversee if appropriate the selection procedure for the appointment of a new audit firm.</p> <p>Approve their remuneration, including both fees for audit and non-audit services. Sign off non-audit services.</p> <p>Approve their terms of engagement, including any engagement letter.</p> <p>Assess annually the external auditor's independence and objectivity.</p> <p>At least once a year, meet with the external auditor without management being present, to discuss the auditor's remit and any issues arising from the audit.</p> <p>Discuss with the external auditor the factors that could affect audit quality and review and approve the annual audit plan, ensuring it is consistent with the scope of the audit engagement.</p> <p>Review the findings of the audit with the external auditor.</p> <p>Review the effectiveness of the audit process, assess the quality of the audit, the handling of key judgements.</p> <p>Review the companies Risk Register at least twice per year.</p> <p>Review compliance to export control regulations annually.</p> <p>Review the company's Cyber Security policies to ensure that adequate safety procedures and insurances are in place.</p>	
Authority and D.O.A by this Board	<p>The Committee is authorised by the Board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference / matters reserved.</p> <p>Appointments to the Committee are reserved for the Velocity Composites board.</p>	
Special Authority or matters reserved		