

DEPARTMENT: BOARD OF DIRECTORS**SOP# I-030**Revision: 3
Effective Date: April 20, 2023Prepared by: Auste Graham
Approved by: Board**Title: AUDIT COMMITTEE CHARTER**

This Audit Committee Charter governs the operations of the Audit Committee (the “Committee”) of the Board of Directors (“Board”) of Alto Ingredients, Inc. (the “Company”). This Charter is intended as a component of a flexible corporate governance framework within which the Board, assisted by its committees, directs the affairs of the Company. Although this Charter should be interpreted in the context of all applicable laws, regulations and listing requirements of The Nasdaq Capital Market, as well as the Company’s Certificate of Incorporation and Bylaws, as the same may be amended or restated from time to time, it is not intended to establish by its own force any legally binding obligations.

GENERAL PURPOSE AND AUTHORITY

The general purpose of the Committee is to assist the Board in fulfilling its responsibility to oversee management regarding, (i) the conduct of the Company’s financial reporting process and integrity of the financial reports and other financial information provided by the Company to stockholders and others; (ii) the functioning of the Company’s systems of internal accounting and financial reporting controls and the Company’s disclosure controls and procedures; (iii) the appointment, compensation, retention and oversight of the work performed by the independent registered public accounting firm engaged by the Company; (iv) the implementation of an enterprise risk management program to identify, assess, manage, and monitor significant business risks of the Company, including financial, operational, privacy, data security, business continuity, legal, regulatory and reputational risks, and (v) the implementation and effectiveness of the Company’s Code of Ethics and monitoring compliance with the Company’s Code of Ethics. The Committee is also responsible for the preparation the report that may be required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement.

COMMITTEE MEMBERSHIP

The Committee shall be comprised of a minimum of three members of the Board, each of whom shall be appointed by the Board. Each member shall be “independent” in accordance with applicable law, including the rules of the Nasdaq Stock Market (“Nasdaq”) and the more rigorous SEC independence requirements for audit committee members set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Each member of the Committee shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. In addition, each member of the Committee shall be able to read and understand fundamental financial statements, in accordance with Nasdaq audit committee requirements, and at least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification

in accounting, or other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities and will otherwise qualify as an "audit committee financial expert" as such term is defined by applicable SEC rules.

The members of the Committee shall be elected by the Board at the meeting of the Board following each annual meeting of stockholders and shall serve until their successors shall be duly elected and qualified or until their earlier resignation or removal. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. Any member may be removed, with or without cause, by the Board at any time.

COMMITTEE MEETINGS

The Committee shall meet as often as it deems appropriate, but not less frequently than quarterly, to perform its duties and responsibilities under this Charter. Meetings of the Committee may be held telephonically. A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action by the Committee. In order to discharge its oversight role, the Committee should meet at least quarterly with management and the Company's independent registered public accounting firm and, if necessary, in separate executive sessions with only the independent registered public accounting firm and Committee members present, or with only management and Committee members present, or with only Committee members present, to discuss any matters that the Committee or any one of these groups believes should be discussed privately. The Chairman of the Board, any member of the Committee, or the Secretary of the Company may call meetings of the Committee. The Chair of the Committee, in consultation with the Committee members and members of management, will determine the frequency and length of Committee meetings and develop the Committee's agenda. The Committee shall maintain written minutes of its meetings, which will be filed with the meeting minutes of the Board.

AUTHORITY AND RESPONSIBILITIES

The Committee's role is one of oversight. The Company's management is responsible for preparing the Company's financial statements and the Company's independent registered public accounting firm is responsible for auditing the Company's financial statements. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with all requisite access to all books, records, facilities and personnel of the Company and to the Company's independent registered public accounting firm and external legal counsel, at the Company's expense, without consulting with, or obtaining approval from, any officer of the Company in advance. In addition, the Committee has the power to retain separate external counsel, all auditors or other experts or advisors, different from the Company's regular external counsel, independent registered public accounting firm and other experts and advisors, and will receive adequate funding from the Company to engage such counsel, auditors, experts and advisors.

The following functions and responsibilities of the Committee are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances. In that regard, the Committee shall:

Independent Registered Public Accounting Firm

- Appoint, compensate, retain and oversee the work of any independent registered public accounting firm engaged by the Company for the purpose of preparing or issuing any audit or related work.
- Resolve any disagreements between management and the independent registered public accounting firm as to financial reporting matters.
- Pre-approve audit and permissible non-audit services to be provided to the Company by the independent registered public accounting firm, as set forth in Section 10A of the Exchange Act and the rules and regulations promulgated thereunder by the SEC. In this regard, the Committee shall have the sole authority to approve the hiring and firing of the independent registered public accounting firm and all fees and terms of audit and non-audit engagements with the independent registered public accounting firm, in each case as may be permissible and compatible with the registered public accounting firms' independence. The Committee shall also review and approve disclosures with respect to non-audit services.
- Review and provide guidance with respect to the external audit and the Company's relationship with its independent registered public accounting firm by (i) reviewing the independent registered public accounting firm's proposed audit scope, approach and independence; (ii) obtaining, on a periodic basis, a statement from the independent registered public accounting firm regarding relationships and services with the Company which may impact the registered independent public accounting firm's objectivity and independence and presenting this statement to the Board, and to the extent there are any such relationships, monitoring and investigating them; (iii) ensuring that the independent registered public accounting firm submits to the Committee on an annual basis a written statement (consistent with the applicable requirements of the Public Company Accounting Oversight Board (United States)) delineating all relationships and services that may impact the objectivity and independence of the independent registered public accounting firm; and (iv) reviewing reports submitted to the Committee by the independent registered public accounting firm in accordance with applicable SEC requirements.
- Obtain and review an annual report from the independent registered public accounting firm describing (i) the independent registered public accounting firm's internal quality control procedures and (ii) any material issues raised by the recent internal quality control review, peer review, or Public Company Accounting Oversight Board review, of the independent registered public accounting firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent registered public accounting firm, and steps taken to deal with any such issues.

- Meet with the independent registered public accounting firm prior to the audit to review the planning and staffing of the audit and consider whether or not to approve the auditing services proposed to be provided.
- Review the experience and qualifications of the senior members of the independent registered public accounting firm's team.
- Evaluate the performance of the independent registered public accounting firm on an annual basis and consider the discharge of the independent registered public accounting firm when circumstances warrant. The independent registered public accounting firm shall be ultimately accountable to the Board and the Committee.
- On an annual basis, (i) confirm with the independent registered public accounting firm that such firm is in compliance with the partner rotation requirements established by the SEC, (ii) consider whether, in the interest of assuring continuing independence of the Company's independent registered public accounting firm, the Company should regularly rotate its independent registered public accounting firm; (iii) set clear policies for the Company's hiring of employees or former employees of the Company's independent registered public accounting firm; and (iv) if applicable, consider whether the independent registered public accounting firm's provision of any permitted non-audit services to the Company is compatible with maintaining the independence of such firm.
- Periodically discuss with the independent registered public accounting firm (i) their judgments about the quality, appropriateness, and acceptability of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, and (ii) the completeness and accuracy of the Company's financial statements.

Financial Reporting

- Review the Company's financial statements, and, as part of that review, (i) review with management the independent registered public accounting firm, prior to public release, (A) the Company's annual and quarterly financial statements to be filed with the SEC, (B) the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and (C) any certifications regarding the financial statements or the Company's internal accounting and financial controls and procedures and disclosure controls or procedures by the Company's Chief Executive Officer or Chief Financial Officer that will be filed with or furnished to the SEC; and (ii) discuss with the independent registered public accounting firm the matters that the independent registered public accounting firm informs the Committee are required to be discussed under applicable auditing standards.

- With respect to the independent registered public accounting firm's annual audit report and certification, before release of the annual audited financial statements, meet separately with the independent registered public accounting firm without any management member present and discuss the adequacy of the Company's system of internal accounting and financial controls and the appropriateness of the accounting principles used in and the judgments made in the preparation of the Company's audited financial statements and the quality of the Company's financial reports.
- Make a recommendation to the Board regarding the inclusion of the audited annual financial statements in the Company's Annual Report on Form 10-K to be filed with the SEC.
- Consider the independent registered public accounting firm's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- Consider and approve, if appropriate, major changes to the Company's auditing and accounting principles and practices as suggested by the independent registered public accounting firm or management.
- Prior to any public disclosure thereof, the members of the Committee shall review and discuss (or otherwise have the opportunity to comment on) earnings press releases, as well as financial information and earnings guidance provided to analysts.
- Establish regular and separate reporting to the Committee by each of management and the independent registered public accounting firm regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments
- Following completion of the annual audit, review separately with each of management and the independent registered public accounting firm any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- Review with the independent registered public accounting firm and management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
- To the extent required by any regulatory body, instruct the Company's management to disclose in its Form 10-K and Form 10-Q's the approval by the Committee of any non-audit services performed by the independent registered public accounting firm, and review the substance of any such disclosure.

**INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE
CONTROLS AND PROCEDURES**

Controls and Procedures

- Consider and review with the Company's independent registered public accounting firm and management: (i) the adequacy and effectiveness of the Company's disclosure controls and procedures and internal controls over financial reporting; (ii) all significant deficiencies in the design or operation of the Company's internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data; (iii) any improper action, whether or not material, that involves management or other employees who have a significant role in the Company's disclosure controls and procedures and internal controls over financial reporting; (iv) the adequacy and effectiveness of those portions of the Company's Code of Ethics that relate to the integrity of the Company's internal controls and financial reporting; and (v) the related findings and recommendations of the Company's independent registered public accounting firm together with management's responses.
- Consider and review with management, the Chief Financial Officer and/or the Controller, and the Company's independent registered public accounting firm: (i) significant findings during the year, including the status of previous audit recommendations; (ii) any audit problems or difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information; (iii) any changes required in the planned scope of the audit plan; (iv) the overall scope and plans for the audit (including the audit budget and the adequacy of compensation and staffing); and (v) the coordination of audit efforts to monitor completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.

Oversight of the Company's Internal Audit Function

- Review and concur with the appointment, replacement, reassignment, or dismissal of the Chief Financial Officer.
- Consider, in consultation with the Chief Financial Officer and the independent registered public accounting firm, the audit scope and plan of the internal auditor department and the independent registered public accounting firm.
- Review with the Chief Financial Officer and the independent registered public accounting firm the coordination of audit effort to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- Consider and review with management and the Chief Financial Officer: (i) significant findings during the year and management's responses thereto; (ii) any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required information; (iii) any changes required in

the planned scope of their audit plan; and (iv) the internal audit department budget and staffing.

Compliance Oversight Responsibilities

- Obtain from the independent registered public accounting firm assurance that Section 10A(b) of the Exchange Act has not been implicated.
- Review and approve in advance any proposed related party transactions.
- Discuss with management and the independent registered public accounting firm any correspondence with regulators or governmental agencies and any published reports, which raise material issues regarding the Company's financial statements or accounting policies.
- Inquire of management, the Chief Financial Officer and/or the Controller, and the Company's independent registered public accounting firm, about significant risks or exposures and assess the steps management has taken to minimize such risks. Discuss with management, the Chief Financial Officer and/or the Controller, and the Company's independent registered public accounting firm the Company's systems and policies with respect to risk monitoring, assessment and management.
- Establish and maintain procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, disclosure controls and procedures and the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.
- Review periodically, but not less than annually, with the Company's General Counsel any legal and regulatory matters that may have a material impact on the Company's financial statement compliance policies and programs.
- Review periodically, but not less than annually, with senior management the provisions of the Company's Code of Ethics (including the Company's policies and procedures with regard to trading by Company personnel in securities of the Company and use in trading of proprietary or confidential information) bearing on the integrity of financial reporting including any waivers provided under the Code of Ethics since the last review.
- Review and discuss with management and the Company's independent registered public accounting firm the accounting policies that may be viewed as critical, and review and discuss any significant changes in the accounting policies of the Company and any accounting and financial reporting proposals that may have a significant impact on the Company's financial reports. Inquire about the Company's independent registered public accounting firm's views of management's choices

among alternative accounting principles and the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting.

- Perform any other activities consistent with this Charter, the Company's bylaws and governing law, as the Committee or the Board deems necessary or appropriate.
- Provide an open avenue of communication between the internal auditors, the independent registered public accounting firm, and the Board.
- Report to the Board concerning the Committee's activities with such recommendations as the Committee deems appropriate at least once a year.
- Delegate, in its discretion, any of its responsibilities to the extent allowed under applicable law.
- Conduct an annual self-evaluation of the performance of the Committee and its members including their effectiveness and compliance with this Charter.
- Review and reassess, at least annually, the adequacy of this Charter and submit any recommended changes to the Board for its consideration and approval.

CYBERSECURITY RISK MANAGEMENT

- Oversee the Company's cybersecurity risk management programs. In conducting such oversight, the Committee will ensure that the Company has cybersecurity strategies and procedures in place, employs techniques (such as individual training), performs tabletop exercises (including breach scenarios), engages third-party experts where applicable to ensure that the Company aligns with best practices, and has an adequate budget and resources for successfully protecting and securing the Company's data and assets.
- Review and discuss reports from Company management, including the Director of IT, and external advisors, if any, on the Company's privacy, data security and other risks relevant to the Company's information system controls and security. These reports should include a review of the cybersecurity risks facing the Company, the Company's strategies to mitigate these risks and the Company's cyber crisis preparedness and disaster recovery capabilities. They should also include matters related to any cybersecurity incident experienced by the Company.
- Regularly report to the Board the substance of the reviews and discussions with management and external advisors and, as necessary, recommend to the Board such actions as the Committee deems appropriate.
-

GENERAL RISK MANAGEMENT

- Review and discuss with management (i) management’s enterprise risk management program and policies, including financial risk assessment and risk management policies, especially as they relate to commodities, (ii) the Company’s major financial risk exposures and the steps management has taken to monitor, control and mitigate such exposures, and (iii) major legislative and regulatory developments that could materially impact the Company’s contingent liabilities and risks.

REPORTING

- To the extent required by the rules of the SEC as modified or supplemented from time to time, prepare in accordance with such rules, a written report of the audit committee to be included in the Company’s annual proxy statement for each annual meeting of stockholders.
- To the extent required by any regulatory body, instruct the Company’s management to disclose in its Form 10-K and Form 10-Qs the approval by the Committee of any non-audit services performed by the independent registered public accounting firm, and review the substance of any such disclosure.

LIMITATION OF AUDIT COMMITTEE’S ROLE

Management is responsible for preparing the Company’s financial statements and for their accuracy and for maintaining effective internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002. The Company’s independent registered public accounting firm is responsible for auditing the Company’s financial statements and, if required by applicable SEC rules and regulations, the effectiveness of internal control over financial reporting. While the Committee has certain authority and oversight responsibilities under this Charter, it is not the responsibility of the Committee to plan or conduct audits. In the absence of their possession of reason to believe that such reliance is unwarranted, the members of the Committee necessarily rely without independent verification on the information or documentation provided to them by, and on the representations made by, the Company’s management or other employees of the Company, the Company’s independent registered public accounting firm, and/or any consultant or professional retained by the Committee, the Board, management or by any Board committee. Accordingly, the Committee’s oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and disclosure controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Committee’s authority and oversight responsibilities do not assure that the audits of the Company’s financial statements have been carried out in accordance with the standards of the Public Company Accounting Oversight Board (United States), that the financial statements are presented in accordance with U.S. generally accepted accounting principles, or that the Company’s independent registered public accounting firm is in fact “independent.” In addition, auditing literature, particularly Statement of Auditing Standards No. 100, defines the term “review” to include a particular set of required procedures to be undertaken by independent auditors. The members of the Committee are not independent auditors, and the term “review” as applied to the Committee in this Charter is not intended to have that

meaning and should not be interpreted to suggest that the Committee members can or should follow the procedures required of auditors performing reviews of financial statements.