

# **CHARTER OF THE RISK & SECURITY COMMITTEE OF THE BOARD OF DIRECTORS OF ROCKY MOUNTAIN CHOCOLATE FACTORY, INC.**

## ***Purpose***

The Risk and Security Committee (the “Committee”) shall be appointed by the Board of Directors (the “Board”) of Rocky Mountain Chocolate Factory, Inc., a Delaware corporation (the “Company”). The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with regard to the Company’s risk management framework and management’s identification, assessment, and management of the Company’s key strategic, enterprise, and other risks. Oversight also includes matters regarding the Company’s physical, cybersecurity, data privacy, food safety and other matters of security that may arise.

## ***Composition and Delegation***

The Committee shall be composed of no fewer than three members of the Board, each of whom shall satisfy any membership criteria as shall be provided in the Company’s Bylaws or as the Board shall otherwise determine.

The members of the Committee and the Committee Chair shall be appointed and may be replaced by the Board upon consideration of the recommendations of the Board of Directors or another Board Committee the Board designates. The Committee members and the Committee Chair shall serve until they are replaced, they resign, or their successors are duly elected and qualified.

## ***Meetings***

The Committee shall meet as often as may be deemed necessary or appropriate. Attendance by at least two of the directors serving on the Committee shall constitute a quorum for the transaction of business. Except as otherwise desired by the Committee Chair, the Chairman of the Board and the Lead Director, if elected, shall be invited to every meeting of the Committee, and other directors who are not members of the Committee may attend meetings. Non-Committee members shall have no voting rights. The Committee Chair may ask members of management or others to attend all or any portion of any meeting or to provide relevant information to the Committee in written form. The Committee may meet in executive session absent management.

The Committee Chair shall be responsible for scheduling all meetings of the Committee and providing the Committee with a written agenda for each meeting and record minutes for each meeting. The Committee Chair shall preside at the meetings of the Committee. In the absence of the Committee Chair, the majority of the members of the Committee present at the meeting shall appoint a member to preside at the meeting.

The Committee Chair shall report to the full Board regularly following each meeting and make such recommendations to the Board as the Committee deems appropriate. The Committee may adopt such other rules and regulations for calling and holding its meetings and for the transaction of business at such meetings as is necessary or desirable and not inconsistent with the provisions of the Company’s Bylaws or this Charter.

## ***Responsibilities and Duties***

Implementation and management of the Company's risk management framework is the responsibility of the Company's management. It is management's responsibility to identify, assess, and manage the Company's key strategic, enterprise, and security risks and to establish and maintain effective risk governance, programs and processes to do so. The Board of Directors oversees the overall effectiveness of the Company's risk management framework. The Committee receives reports, as necessary and appropriate, from management on the identification and mitigation of key strategic, enterprise, and security risks and assists the Board by monitoring the effectiveness of the Company's risk management framework and processes. The Committee's principal focus is the Company's key strategic, enterprise, and security risks; the Audit Committee of the Board retains oversight responsibilities for the Company's key financial and compliance risks. In fulfilling its role, the Committee may rely on reviews and reports provided by management and the Committee's advisors.

Subject to the direction of the Chief Executive Officer ("CEO"), executives chosen by the CEO to manage the risk management program or the security management program (each, a "Designated Executive") shall have direct access to the Committee Chair. The Designated Executive(s) will at least annually provide a report to the Committee on the Company's key strategic, enterprise, and security risks within their purview.

In performing its oversight and review responsibilities, the Committee may, as and to the extent that it determines appropriate, review with management and the Board and advise them on the following matters:

- The Company's key strategic, enterprise, and security risks, including, but not limited to, workplace and cybersecurity safety;
- Privacy risk, including potential impact to the Company's employees, customers, and stakeholders;
- The Company's food safety performance and compliance risks;
- The Company's risk management framework and risk policies, procedures, and governance;
- Management's implementation of risk policies and procedures reviewed with management to assess their effectiveness;
- Risk inputs, concentrations, likelihood of occurrence, the potential impacts, tolerances, mitigating measures, and acceptable levels;
- The Company's risk culture, i.e., the tone and culture within the Company regarding risk and the integration of risk management into the Company's behaviors, decision making, and processes;
- Management's strategic, enterprise, and risk analysis;

- Reports and presentations received from management, including as appropriate the Designated Executive and other members of senior management or any other officers or other employees of the Company, independent auditors, internal auditors, legal counsel, and other outside experts; and
- Other matters as the Committee Chair or other members of the Committee determine relevant to the Committee's oversight responsibilities.

### ***Other Responsibilities and Charter Amendments***

The Committee shall perform such other tasks or functions as may be delegated to or requested of the Committee by the Board.

The Committee shall review annually its performance, including its effectiveness and compliance with this Charter. Amendments to this Charter must be approved by the Board.

The Committee Chair shall coordinate with the Chairs of other Board committees in their review of the Company's risks that have been delegated to those committees to assist them in coordinating the work of the committees.

### ***Committee Authority***

The Committee shall have the authority to undertake any other action or exercise such other powers, authority, and responsibilities as the Committee determines necessary or appropriate to the discharge of the responsibilities and duties set forth in this Charter or the Company's Bylaws, or otherwise required by applicable laws, rules or regulations, or as shall otherwise be determined by the Board.

The Committee shall have full access to the books, records, facilities, and personnel of the Company. The Committee may, at the Company's expense, obtain advice, assistance, and support from outside advisors as it deems appropriate to perform its duties.

Subject to applicable laws, regulations or rules, or the Company's Bylaws, the Committee may delegate authority to members of management and also form and delegate authority to subcommittees consisting of one or more members, when it deems appropriate. In so delegating authority, the Committee shall not absolve itself from the responsibilities it bears under the terms of this Charter.