

# **CRIMSON WINE GROUP, LTD.**

## **AUDIT COMMITTEE CHARTER**

### **1. PURPOSE**

1.1 The purpose of the Audit Committee (the “Committee”) is to oversee Crimson Wine Group, Ltd.’s (the “Company”) accounting and financial reporting processes and the audit of the Company's financial statements. The Committee’s primary role includes assisting the Board of Directors of the Company in overseeing management regarding (i) the conduct and integrity of financial reports and other financial information provided by the Company to governmental or regulatory bodies, the public or other users, (ii) the performance of the Company’s systems of internal accounting and financial and disclosure controls, (iii) the selection and compensation of the Company’s independent auditor, its independence, its conduct of the annual audit and its engagement for any other services, (iv) the preparation of the audit committee report required by SEC rules to be included in the Company’s annual proxy statement, and (v) the Company’s Code of Business Practice as directed by the Board.

1.2 In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention or deemed appropriate by it, subject to the direction of the Board of Directors. The Committee shall have full access to all books, records, facilities and personnel of the Company and shall have the power to retain outside counsel, independent auditors and other experts and advisers and will receive adequate funding from the Company to engage such advisers. The Committee shall have the sole authority to retain, compensate, terminate and oversee the outside auditor, who shall be accountable ultimately to the Committee.

### **2. MEMBERSHIP**

2.1 The Committee shall be comprised of not less than two members of the Board. Each member of the Committee shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934 and the rules of the NASDAQ. No member of the Committee can have participated in the preparation of the Company’s or any of its subsidiaries’ financial statements at any time during the past three years.

2.2 Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication. At least one member of the Committee must be an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have financial sophistication.

2.3 The members of the Committee shall be appointed by the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

### **3. COMMITTEE MEETINGS**

3.1 The Committee shall have regular meetings on a quarterly basis, or more frequently as circumstances dictate. The Committee shall meet at least quarterly with the outside auditor in a separate executive session to provide the opportunity for full and frank discussion without members of senior management present.

### **4. KEY RESPONSIBILITIES**

4.1 The Committee's job is one of oversight. The Company's management is responsible for preparing the Company's financial statements and the independent auditors are responsible for auditing those financial statements. The Committee recognizes that financial management and the independent auditors have more time, knowledge and detailed information regarding the Company than do Committee members. Accordingly, in carrying out its oversight responsibilities, the Committee will not provide any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditor's work.

4.2 The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

4.3 To fulfill its purpose, the Committee shall:

4.3.1 Review and discuss with management and the independent auditor the Company's financial statements, including, prior to public release, annual audited financial statements to be included in the Company's Annual Report on Form 10-K (or the Annual Report to Stockholders if distributed prior to the filing of Form 10-K), and interim financial statements to be included in the Company's quarterly reports, to be filed with the Securities and Exchange Commission (the "SEC") including: (a) any certification regarding the financial statements or the Company's internal accounting and financial controls and procedures and disclosure controls or procedures filed with SEC by the Company's senior executive and financial officers; and (b) the matters required to be discussed with the independent auditor by Statement of Auditing Standards ("SAS") No. 61, as such statement may be amended from time to time, and by SAS 100.

4.3.2 Review and discuss with management and the independent auditor (i) all critical accounting policies and practices used by the Company; (ii) any material alternative accounting treatments of financial information within GAAP that have been discussed with management, including the ramifications of the use of the alternative treatments and the treatment preferred by the accounting firm; and (iii) material written communications between the independent auditor and the management, such as any management letter or schedule of unadjusted differences.

4.3.3 Prepare a report to be included in the Company's annual proxy statement stating whether or not the Committee: (i) has reviewed and discussed the audited financial statements with management; (ii) has discussed with the independent auditor the matters required

to be discussed by SAS No. 61, as such statement may be amended from time to time; (iii) has received the written disclosures and the letter from the independent auditor required by Independence Standards Board Standard No. 1, as may be modified and supplemented, and has discussed with it its independence; and (iv) based on the review and discussions referred to above, the members of the Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for filing with the SEC.

4.3.4 Discuss with management and the independent auditor significant issues regarding accounting principles and policies of the Company.

4.3.5 At least annually, obtain and review a report by the Company's independent auditors that describes (i) the accounting firm's internal quality control procedures, (ii) any issues raised by the most recent internal quality control review, peer review or Public Company Accounting Oversight Board review or inspection of the firm or by any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the firm and any steps taken to deal with any such issues, and (iii) all relationships between the firm and the Company or any of its subsidiaries; and discuss with the independent auditors this report and any relationships or services that may impact the objectivity and independence of the auditors.

4.3.6 Shall, subject to any action that may be taken by the full Board, have the ultimate authority and responsibility to select (or nominate for shareholder approval), evaluate and, where appropriate, replace the independent auditor.

4.3.7 With respect to the independent auditor, the Committee shall:

(a) Select and retain an independent registered public accounting firm to act as the Company's independent auditors for the purpose of auditing the Company's annual financial statements, books, records, accounts and internal controls over financial reporting

(b) Set the compensation of the Company's independent auditors

(c) Oversee the work of the outside auditor

(d) Terminate the outside auditor, if necessary; resolve any disagreements between management and the outside auditor regarding financial reporting. The outside auditor shall report directly to the Committee.

(e) Review and pre-approve any audit and permitted non-audit services (including the fees and terms thereof) provided by the Company's independent auditor (with pre-approvals disclosed as required in the Company's periodic public filings).

(f) Request from the independent auditor annually, and review, a formal written statement delineating all relationships between the independent auditor and the Company consistent with Independence Standards Board Standard Number 1 (as modified or supplemented).

(g) Discuss with the independent auditor any such disclosed relationships and their impact on the independent auditor's independence, and recommend that the Board take appropriate action in response to the independent auditor's report to satisfy itself of the auditor's independence.

(h) Evaluate, and assure the regular rotation of, the lead audit partner of the independent auditor as required by law.

(i) Select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

4.3.8 Establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

4.3.9 Review, approve and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) on an ongoing basis, in accordance with Company policies and procedures.

4.3.10 Review the adequacy of this Charter on an annual basis.

## **5. OUTSIDE ADVISORS**

5.1 The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors.

5.2 The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee.

5.3 The Committee shall review with management and the outside auditor: (i) the adequacy of the Company's disclosure controls and procedures and internal controls, including computerized information system disclosure controls and procedures and security; (ii) any significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data; (iii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls; and (iv) related findings and recommendations of the outside auditors together with management's responses.

## **6. STRUCTURE AND OPERATIONS**

6.1 The Board shall designate a member of the Committee as the chairperson. The Committee shall report regularly to the Board on its discussions and actions, including any significant issues or concerns that arise at its meetings, and shall make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

6.2 The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

*Adopted by the Board of Directors - June 4, 2015*

*Annual Review and Approval by the Audit Committee – May 9, 2023*