

# ARQ, INC.

## CHARTER OF THE AUDIT COMMITTEE

Effective: August 11, 2016

Last modified: February 1, 2024

### I. Purpose and Authority

1. The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Arq, Inc. (the “**Company**”) is to oversee the Company’s accounting and financial reporting processes and the audit of the Company’s financial statements. The Committee shall assist the Board with oversight of: the integrity of the Company’s financial statements; compliance with legal and regulatory requirements; qualifications and independence of the Company’s independent registered public accounting firm (“**Independent Auditors**”); the performance of the Company’s Independent Auditors; the Company’s internal audit function, as applicable; the Company’s systems of disclosure controls and procedures and internal control over financial reporting; and compliance with the Company’s Code of Ethics and Business Conduct (the “**Code**”).

2. The Committee has the sole authority to (1) select and retain the Company’s Independent Auditors for the purpose of auditing the Company’s annual financial statements, books, records, accounts and internal control over financial reporting, (2) set the compensation and terms of engagement of the Company’s Independent Auditors, (3) oversee and evaluate the work done by the Company’s Independent Auditors, (4) evaluate the outcome of any advisory vote by the Company’s stockholders regarding ratification of the Committee’s selection of the Company’s Independent Auditors, and (5) terminate the Company’s Independent Auditors, if necessary or appropriate.

3. The Committee may 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. The Committee shall pre-approve all audit and permitted non-audit and tax services that may be provided by the Company’s Independent Auditors or other registered public accounting firms, and establish policies and procedures for the Committee’s pre-approval of permitted services by the Company’s Independent Auditors or other registered public accounting firms on an on-going basis. Pre-approval may be delegated to one or more members of the Committee; provided, however, that the Committee shall review on a quarterly basis any services pre-approved by such designated member(s) under the policy and the Independent Auditors’ non-audit services and related fees.

5. The Committee has the authority to conduct investigations into any matters within its scope of responsibility. 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.

6. In carrying out its duties and responsibilities, the Committee shall also have the authority to meet with and seek any information it requires from employees, officers or directors of the Company, or external parties.

7. The Company will provide appropriate funding, as determined by the Committee, for compensation to the Company's Independent Auditors, to any advisers that the Committee chooses to engage, and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

8. The Committee should provide for open communication among the Company's Independent Auditors, management, the Company's internal audit function, as applicable, and the Board.

9. In carrying out its purpose, the Committee relies on: management for the preparation and accuracy of the Company's financial statements; management for establishing effective internal controls and procedures to ensure the Company's compliance with accounting standards, financial reporting procedures and applicable laws and regulations; and the Company's Independent Auditors for an unbiased, diligent audit or review, as applicable, of the Company's financial statements and the effectiveness of the Company's internal controls.

## **II. Membership**

1. The Committee shall consist of three or more directors. Each member of the Committee shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the rules of the Nasdaq Stock Market LLC ("**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. Under exceptional and limited circumstances, the Board may appoint a member of the Committee that does not meet the Nasdaq's independence requirements if such individual's membership is required by the best interests of the Company and its stockholders. Such member must, however, meet the SEC's independence criteria under Rule 10A-3 and must not be an officer or employee of the Company or a family member of an officer or employee of the Company. If such a member is appointed, he or she may serve for no more than two years and may not serve as Chairperson of the Committee. In addition, the Company must disclose in its annual proxy statement the basis for the Board's determination and the nature of the individual's relationship to the Company.

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 under the Exchange Act. A person who satisfies this definition of audit committee financial expert will also be presumed to have financial sophistication.

3. A member of the Committee may serve on the audit committees of up to two other public companies and may serve on additional audit committees of other public companies if it is determined by the other members of the Committee that such service does not impair his or her ability to serve as a member of the Committee.

4. The members of the Committee shall be appointed by the Board based on recommendations from the Nominating and Governance Committee of the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier

resignation, disability, death, removal or replacement. The Board may remove any member from the Committee at any time with or without cause, for any or no reason.

5. The Committee shall review and confirm the independence of the members of the Committee at least annually.

6. The members of the Committee are not employees of the Company and are not responsible for preparing the Company's financial statements, conducting the audit or performing other accounting procedures.

### **III. Structure and Operations**

1. The Committee shall designate a member of the Committee as the Chairperson based on a recommendation from the Nominating and Governance Committee of the Board. The Committee shall meet at least on a quarterly basis, and at such additional times as may be deemed necessary or appropriate by the Chairperson, at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall keep adequate and accurate minutes of all meetings and Committee members will be furnished with copies of the minutes of each meeting and any action taken by written consent. All Committee members are expected to attend each meeting, in person or via tele-, video- or web-conference. 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 set forth in the Company's Bylaws.

2. The Committee Chairperson shall approve the agenda for the Committee's meetings, with input from other members, in consultation with management, the Company's internal audit function, as applicable, and the Company's Independent Auditors, as appropriate.

3. The Committee shall at least annually meet separately with management, the Company's internal audit function, as applicable, and representatives of the Company's Independent Auditors, and shall invite such individuals to its meetings as it deems appropriate, to assist in carrying out its duties and responsibilities. The Committee shall also regularly hold executive sessions without such individuals present.

4. 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.

### **IV. Duties and Responsibilities**

In addition to the items set forth above, the Committee shall have the following duties and responsibilities:

1. At least annually, to obtain and review a report by the Company's Independent Auditors that describes (1) the accounting firm's internal quality control procedures, (2) any material issues raised by the most recent internal quality control review, peer review or Public Company Accounting Oversight Board ("**PCAOB**") 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 (3) all relationships between the firm and the Company or any of its subsidiaries; and to discuss with the Company's Independent Auditors such report and any relationships or services that may impact the objectivity and independence of the Company's Independent Auditors.

2. At least annually, to evaluate the qualifications, independence and performance of the Company's Independent Auditors, including an evaluation of the lead audit partner, and to assure the regular rotation of the lead audit partner at the Company's Independent Auditors and consider regular rotation of the accounting firm serving as the Company's Independent Auditors. In making its evaluation, the Committee should take into account the opinions of management and the Company's internal audit function, as applicable.

3. To review and discuss with the Company's Independent Auditors (1) the auditors' responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process, (2) the overall audit strategy including, without limitation, staffing, coordination of audit efforts to assure completeness of coverage and any use of independent public accountants other than the appointed Independent Auditors of the Company, (3) the scope and timing of the annual audit, (4) any significant risks identified during the auditors' risk assessment procedures and (5) when completed, the results, including significant findings, of the annual audit.

4. To review and discuss with the Company's Independent Auditors (1) all critical accounting policies and practices to be used in the audit; (2) all alternative treatments of financial information within generally accepted accounting principles ("**GAAP**") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; (3) other material written communications between the auditors and management; and (4) the design and operation of the Company's internal controls over financial reporting.

5. To review and discuss with the Company's Independent Auditors and management (1) any audit problems or difficulties, including difficulties encountered by the Company's Independent Auditors during their audit work (such as restrictions on the scope of their activities or their access to information), (2) any significant disagreements with management and (3) management's response to these problems, difficulties or disagreements; and to resolve any disagreements between the Company's Independent Auditors and management.

6. To review with management and the Company's Independent Auditors: any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effects of alternative GAAP methods; and the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.

7. To keep the Company's Independent Auditors informed of the Committee's understanding of the Company's relationships and transactions with related parties that are significant to the company; and to review and discuss with the Company's Independent Auditors the auditors' evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties.

8. To review with management, the Company's internal audit function, as applicable, and the Company's Independent Auditors the adequacy and effectiveness of the Company's financial reporting processes, internal control over financial reporting and disclosure controls and procedures, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's processes, controls and procedures and any special audit steps adopted in light of any material control deficiencies, and any fraud involving management or other employees with a significant role in such processes, controls and procedures, and review and discuss with management and the Company's Independent Auditors

disclosure relating to the Company's financial reporting processes, internal control over financial reporting and disclosure controls and procedures, the Independent Auditors' report on the effectiveness of the Company's internal control over financial reporting and the required management certifications to be included in or attached as exhibits to the Company's annual report on Form 10-K or quarterly report on Form 10-Q, as applicable.

9. To review and discuss with the Company's Independent Auditors any other matters required to be discussed by PCAOB professional auditing standards regarding required communications with Audit Committees, including, without limitation, the auditors' evaluation of the quality of the company's financial reporting, information relating to significant unusual transactions and the business rationale for such transactions and the auditors' evaluation of the Company's ability to continue as a going concern.

10. To review and discuss with the Company's Independent Auditors and management the Company's annual audited financial statements (including the related notes), the form of audit opinion to be issued by those auditors on the financial statements, the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("**MD&A**") and "Risk Factors" to be included in the Company's annual report on Form 10-K and the contents of the Chief Executive Officer and Chief Financial Officer certifications pursuant to Sections 302 and 906 of the Exchange Act (the "**Certifications**") filed with the Form 10-K before the Form 10-K is filed.

11. To recommend to the Board that the audited financial statements and the MD&A section be included in the Company's Form 10-K and produce the Audit Committee report required to be included in the Company's proxy statement.

12. To review and discuss with the Company's Independent Auditors and management the Company's quarterly financial statements, the disclosure under MD&A and "Risk Factors" to be included in the Company's quarterly reports on Form 10-Q and Certifications filed with the Form 10-Q before the Form 10-Q is filed.

13. To review and discuss with management: the Company's earnings press releases, including the type of information to be included and its presentation and the use of any pro forma or adjusted non-GAAP information, before their release to the public; and any financial information and earnings guidance provided to analysts and ratings agencies, including the type of information to be disclosed and type of presentation to be made.

14. To set clear Company hiring policies for employees or former employees of the Company's Independent Auditors that participated in any capacity in any Company audit.

15. To 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 and others of concerns regarding questionable accounting or auditing matters.

16. To review and discuss with management the risks faced by the Company, in accordance with the Company's Enterprise Risk Management ("**ERM**") program, and the policies, guidelines and process by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures. Review and assess the ERM program annually.

17. To review the Company's compliance with applicable laws and regulations and to review and oversee the Company's policies, procedures and programs designed to promote and monitor legal and regulatory compliance.

18. To monitor compliance with the Code, to investigate any alleged breach or violation of the Code and approve any exceptions to the Code pursuant to the Code. In coordination with the Nominating and Governance Committee of the Board, establish, review and updated periodically the Code and determine whether management has established a system to enforce the Code. Consult with legal counsel to determine whether the Code is in compliance with all applicable laws, rules and regulations.

19. To review, with the internal and outside legal counsel, legal and regulatory matters, including legal cases against or regulatory investigations of the Company and its subsidiaries, that could have a significant impact on the Company's financial statements.

20. To 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, and to develop policies and procedures for the Committee's approval of related party transactions.

21. To review this Charter at least annually and recommend changes the Committee deems necessary or appropriate to the Board for approval. To review and approve changes the Committee deems necessary or appropriate to its Responsibilities Calendar and policies and procedures at least annually.

22. To perform such other functions consistent with the law and the Company's Charter and Bylaws as the Board deems necessary or appropriate.

## **V. Performance Evaluation**

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.