



## AUDIT COMMITTEE CHARTER

### I. Purpose

The Audit Committee (the “Committee”) is established by the Board of Directors (the “Board”) of Portillo’s, Inc. (the “Company”) to: (A) assist the Board in its oversight and monitoring of (i) the audits of the financial statements of the Company; (ii) the integrity of the Company’s financial statements, its financial reporting and disclosure practices; (iii) the Company’s processes relating to risk management and the soundness of the Company’s systems of internal control over financial reporting and disclosure controls and procedures; (iv) the independent auditor’s qualifications, engagement, compensation, independence and performance, for the purpose of preparing or issuing an audit report or related work; (v) the performance of the Company’s internal audit function (as applicable); and (vi) the Company’s compliance with other legal and regulatory requirements; (B) produce the annual report of the Committee required by the rules of the Securities and Exchange Commission (the “SEC”); and (C) assist the Board in its oversight of significant risks to the Company.

### II. Committee Membership

**Composition.** The Committee shall consist of at least three members of the Board; provided, however, that the Committee may operate with fewer than three members as long as such composition complies with applicable laws, rules regulations and securities exchange listing standards. Committee members shall be appointed annually. Any member may be removed from the Committee by the Board, with or without cause, at any time.

**Chair.** The Chair of the Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board, shall preside at meetings of the Committee and shall have authority to convene meetings, set agendas for meetings, and determine the Committee’s information needs, except as otherwise provided by the Board or the Committee. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute from among its members to serve as chair of the meeting.

**Independence.** Subject to any phase-in rules applicable to companies listed on the Nasdaq Stock Market (“Nasdaq”), each member of the Committee shall be an “independent” director in accordance with applicable listing standards of Nasdaq and Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

**Financial Literacy.** Each Committee member shall, in the judgment of the Board, be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement, and otherwise meet the financial literacy requirements of Nasdaq. At least one member shall be an "audit committee financial expert" as such term is defined under applicable SEC rules. Further, each Committee member must understand the role of the Board in providing oversight of the Company's controls.

**Service on Multiple Audit Committees.** No member of the Committee may serve on the audit committee of more than three public companies, including the Company, unless the Board has determined that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

### **III. Authority and Responsibilities**

The following shall be the common recurring responsibilities of the Committee in carrying out its oversight functions and serve as a guide for fulfilling the Committee's purposes in such manner as the Committee determines is appropriate.

#### **A. Financial Statement and Disclosure Matters**

1. The Committee shall review and discuss with management, the head of the internal audit function (as applicable) and/or the independent auditor, as appropriate, the following matters:
  - a. the Company's annual audited and quarterly financial statements, and related notes and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") proposed to be included in the Company's Annual Report on Form 10-K, together with the analyses prepared by management setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements (including analyses of the effects of alternative GAAP methods on the financial statements), and such other matters for which discussion shall be required by applicable auditing and related PCAOB standards. Based on such review and discussion, the Committee shall recommend to the Board whether such financial statements should be included in the Company's Annual Report on Form 10-K;
  - b. the Company's quarterly financial statements, including disclosures made in MD&A, prior to the filing of its Quarterly Report on Form 10-Q, including the result of the independent auditor's reviews of the quarterly financial statements;
  - c. the Company's earnings press releases, if any, including the financial information, use of any "pro forma," "adjusted," or

other non-GAAP information and key performance indicators, and earnings guidance (if any) to be disclosed in such releases, as well as any other significant financial information to be provided to banks, analysts, and credit rating agencies, if any;

- d. significant issues regarding financial statement presentations and accounting principles, the adequacy of the Company's internal controls, significant financial reporting considerations and judgments made in connection with the preparation of the Company's financial statements, and any special steps adopted in light of any significant deficiencies or material weaknesses;
- e. the Company's significant or critical accounting policies, principles, and practices and any significant changes in the selection or application of the Company's accounting and auditing principles and practices as suggested by the Company's independent auditor, internal auditors (as applicable) or management as well as the analyses of alternative assumptions or estimates and the effect of such estimates on the financial statements;
- f. any material written communication between the independent auditor and management, such as any management letter issued by the independent auditor or schedule of unadjusted differences;
- g. the overall audit strategy, including the progress and timing of the independent audit work, significant risks the auditor identified and significant changes to the planned audit strategy or identified risks, any audit problems or difficulties encountered during the course of the audit work and management's response including any restrictions imposed by management on the scope of activities or access to requested information, any critical audit matters (CAMs) and related CAM disclosure arising from the current period audit, and any significant disagreement with management, and any other matters arising from the audit that are significant to the oversight of the Company's financial reporting process;
- h. all practical alternate treatments of material financial information presented within the Company's financial statements prepared in accordance with United States 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 independent auditor;

- i. other policies and procedures adopted by the Company to fulfill its responsibilities regarding the presentation of financial statements in accordance with GAAP and applicable rules and regulations of the SEC, including the proper explanation of any non-GAAP and key performance measures, and any related reconciliations thereof;
  - j. the accounting treatment to be applied in respect of significant new transactions or other significant events not in the ordinary course of the Company's business;
  - k. any communications or consultation between the independent audit team and outside the engagement team (for example, independent auditor's national office) respecting difficult or contentious matters or significant audit or accounting issues being raised in connection with the independent auditor's engagement by the Company for the independent audit;
  - l. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, if any, affecting the Company's financial statements;
  - m. the matters required to be discussed by Auditing Standard No. 16, "Communication With Audit Committees," as then in effect; and
  - n. significant financial and other risk exposures, including litigation, the Company's policies and processes with respect to risk assessment and risk management, and assess the steps management has taken to monitor and control such exposures, except with respect to those risks for which oversight has been assigned to other committees of the Board or retained by the Board.
2. The Committee shall discuss with management and the independent auditor and, prior to issuance, review and approve the Company's earnings press releases, if any, including the financial information, use of any "pro forma," "adjusted," or other non-GAAP information and key performance indicators, and earnings guidance (if any) to be disclosed in such releases, as well as any other significant financial information to be provided to banks, analysts, and credit rating agencies, if any.
3. The Committee shall review and discuss with management, the head of the internal audit function (as applicable) and the independent auditor the Company's significant financial and other risk exposures, the Company's policies and processes with respect to risk assessment

and risk management, and assess the steps management has taken to monitor and control such exposures, except with respect to those risks for which oversight has been assigned to other committees of the Board or retained by the Board. The Committee shall review and discuss with management the Company's risk assessment and enterprise risk management guidelines and policies, which will be developed by management over time, and reviewed and approved by the Committee. The Committee shall review the Company's annual disclosures concerning the role of the Board in the risk oversight of the Company.

## **B. Oversight of the Company's Relationship with the Independent Auditor**

1. The Committee shall be directly and solely responsible for the appointment (subject, if applicable, to stockholder ratification), evaluation, compensation and terms of engagement, retention, replacement, and oversight of the work of the independent auditor (including resolution of any disagreements between management and the independent auditor regarding financial reporting) and any other accounting firm retained by the Committee related to the preparation and issuance of an audit report on the Company's consolidated financial statements or related work or performing other audit, review or attestation services for the Company, and the independent auditor and any other such accounting firm is ultimately accountable to, and shall report directly to, the Committee.
2. The Committee may, in its discretion, seek stockholder ratification of the public accounting firm selected to be the Company's independent auditor.
3. The independent auditor shall report directly to the Committee, and the Committee shall ensure clear lines of responsibility in that regard.
4. The Committee is exclusively authorized and directed to consider and, in its discretion, pre-approve all audit and permissible non-audit engagements proposed to be carried out for the Company by the independent auditor or by any other firm proposed to be engaged by the Company as its independent auditor, including the fees and material terms thereof; provided, however, the Chair may elect to pre-approve any permissible tax and non-audit related engagements with the independent auditor, provided that such approvals are presented to the Committee at a subsequent meeting. The Committee shall consult with management but shall not delegate these responsibilities to management.

5. The Committee shall, at least annually, evaluate the independent auditor's (including a review and evaluation of the lead partner of the independent auditor team) qualifications, performance, and independence (consistent with applicable legal and regulatory requirements). In connection with its review of the independent auditor's independence, the Committee shall ensure the receipt of and review formal written statements from the independent auditor delineating all relationships between the independent auditor and the Company, consistent with applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") regarding the independent auditor's communications with the Committee concerning independence. The Committee shall engage in an active dialogue with the independent auditor concerning any disclosed relationships or services that may impact the objectivity and independence of the auditor and take, or recommend that the Board take, appropriate action to oversee and ensure the independence of the auditor. The Committee shall report its conclusions to the Board, taking into account the opinions of management and the internal auditors, if any. The Committee shall ensure the rotation of audit partners as may be required by law or regulatory authority. The Committee shall specifically review and discuss with the independent auditor any tax or valuation services performed by the independent auditor on behalf of the Company or its affiliates and its impact upon the independent auditor's independence.
6. The Committee shall obtain and review a report from the independent auditor at least annually regarding (a) the auditor's internal quality-control procedures, (b) any material issues raised by the most recent quality-control review, PCAOB inspection, or other PCAOB review of the firm, or peer review of the auditing 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 firm, and (c) any steps taken to deal with any such issues.
7. The Committee shall set policies for the Company's hiring of employees or former employees of the independent auditor.
8. The Committee shall meet with the independent auditor and management prior to the annual independent audit or, if deemed necessary, prior to any quarterly reviews to be performed by the independent auditor to discuss the planning, scope and staffing of the audit or such quarterly reviews.
9. The Committee shall review the scope of the annual audit or interim review (including the level of involvement with unaudited quarterly or other interim-period information), and discuss the results, including, without limitation, the independent auditor's report and all matters

required to be communicated to the Committee by the independent auditor in accordance with applicable auditing standards.

### **C. Controls and Procedures**

1. The Committee shall provide oversight of management's design and maintenance of the Company's internal control over financial reporting and disclosure controls and procedures. Prior to the filing of the Company's Annual Report on Form 10-K, the Committee shall review with the independent auditor, management and the head of the internal audit function (as applicable): the Company's annual assessment and report and the independent auditor's report on the effectiveness of the Company's internal control over financial reporting; any "material weakness" or "significant deficiency" in the design or operation of internal control over financial reporting, any steps taken to resolve any such control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting; and any related significant findings and recommendations of the independent auditor or internal audit function, together with management's responses (including, in the case of the independent auditor, any concerns regarding matters within the scope of, and compliance with, Section 10A of the Exchange Act).
2. Prior to the filing of the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, the Committee shall review and discuss with management and the independent auditor the certifications and any related disclosures made by the Company's Chief Executive Officer and Chief Financial Officer in the Company's periodic reports about the results of their evaluation of the effectiveness of disclosure controls and procedures and any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting, and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.
3. As applicable, the Committee shall review with the independent auditor the responsibilities, budget, staffing, effectiveness, and performance of the internal audit function, including the structure, qualification and activities of the internal audit function and the scope of internal audit responsibilities in relation to the independent auditor's duties. The internal auditor, including any outside firm providing internal audit services, reports directly to the Committee. The Committee shall review and assess the annual internal audit plan, the process used to develop the plan, and the status of activities, significant findings, recommendations and management's response. The Committee shall recommend for Board approval all matters

related to responsibilities, budget and staffing of the internal audit function and the head of the internal audit function.

#### **D. Risk Management, Compliance and Ethics**

1. The Committee shall review and approve procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (b) the confidential, anonymous submission by employees of the Company or its affiliates of concerns regarding questionable accounting or auditing matters. The Committee shall review any such significant complaints or concerns.
2. The Committee shall review and discuss with management the Company's risk assessment and enterprise risk management guidelines and policies, which will be developed by management over time.
3. The Committee shall review controls and material risks relating to information security and data privacy and shall review procedures and security measures undertaken by the Company in this area.
4. The Committee shall meet no less than annually with the senior executive(s) of the Company with primary responsibility for compliance regarding the implementation and effectiveness of the Company's ethics and compliance programs, and provide input on the hiring and retention of key compliance personnel.
5. The Committee shall review periodically: (a) legal and regulatory matters that may have a material impact on the Company's financial statements; (b) the Company's Code of Business Conduct (the "Code") and make recommendations to the Board for such changes to the Code as the Committee may deem necessary or appropriate from time to time; and (c) review and discuss requests for waivers under the Code by directors or executive officers of the Company and make recommendations to the Board as to whether to approve any such request.
6. The Committee shall review Company policies dictating appropriate authorization levels and amounts for spending and delegation thresholds for capital and operating expenditures in the business.
7. The Committee shall review and approve the Related Person Transaction Policy and review, and, if appropriate, approve or ratify, any Related Person Transaction with Company's management or Board members and other significant conflicts of interest brought to the attention of the Committee, in each case in accordance with the Company's Related Person Transaction Policy.



8. The Committee shall review any reports received from the independent auditor under Rule 10A of the Exchange Act and recommend to the Board an appropriate response.
9. The Committee shall review and, as appropriate, discuss with management and the independent auditor, any correspondence received by the Company from regulators or governmental agencies, or any employee complaints, submissions or published reports, that raise material issues regarding the Company's financial statements or accounting policies.
10. The Company's CFO or General Counsel (or such individual's designee) shall bring to the attention of the Committee and the Committee shall discuss with such individual any legal matters that may have a material impact on the financial statements.

#### **E. Self-Evaluation, Reporting and Other Matters**

1. The Committee shall review any issues that arise with respect to the quality or integrity of the Company's financial statements, the performance and independence of the Company's independent auditor, the performance of the any internal audit function, or any other matters that become known to the Committee that may have a material impact on the Company's financial statements or internal controls.
2. The Committee shall annually submit an audit committee report for inclusion in the Company's annual meeting proxy statement as required by SEC rules.
3. The Committee shall conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this charter.
4. The Committee shall review and assess the adequacy of this charter on an annual basis.
5. The Committee shall report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate and maintain minutes or other records of Committee meetings and activities.
6. The Committee shall undertake such other responsibilities or tasks as the Board may delegate or assign to the Committee from time to time.

#### **IV. Limitation of Committee's Role**

To fulfill its responsibilities and powers as set forth in this charter, or otherwise as the Board may delegate or assign to the Committee from time to time, 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. The members of the Committee are not employees of the Company and are not responsible for planning or conducting audits or performing other accounting procedures, including establishing and/or maintaining disclosure controls or procedures, or determining that the Company's financial statements and disclosures are complete and accurate and in accordance with GAAP and applicable rules and regulations. Additionally, while the Committee is responsible for reviewing the Company's guidelines and policies with respect to risk assessment and management, it is the responsibility of management to determine the appropriate level of the Company's exposure to risk. Each member of the Committee shall be entitled to reasonably rely on: (1) the integrity of those persons within and outside the Company and management from which it receives information; (2) the accuracy of the financial and other information provided to the Committee absent actual knowledge to the contrary; and (3) statements made by management or other third parties as to any information technology, internal audit and other non-audit services provided by the Company's independent registered public accounting firm.

Nothing contained in this charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the members of the Board or members of the Committee.

## **V. Authority**

In discharging its role, the Committee is empowered to inquire into and conduct or authorize investigations into any matter that it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company including any member of management and/or the independent auditor at any time as deemed necessary by the Committee, and subject to the direction of the Board, the Committee is authorized and delegated the authority to act on behalf of the Board with respect to any matter it determines to be necessary or appropriate to the accomplishment of its purposes.

The Committee shall have the authority, to the extent it deems appropriate to fulfill its responsibilities under this charter, to retain direct and oversee the activities of, and to terminate the engagement of, special legal, accounting, or other consultants or advisors to advise the Committee without seeking Board approval, and any such or other adviser or consultant hired to assist the Committee shall be accountable to the Committee. The Company shall provide the Committee with appropriate funding, as determined by the Committee, for the payment of (a) compensation to any 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; (b) compensation to any independent counsel or other advisers retained by the Committee in carrying out its duties; and (c) ordinary

administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

In addition to the activities set forth in this charter, the Committee may perform such other functions as necessary or appropriate under applicable laws, regulations, Nasdaq rules, the Company's organizational documents and the resolutions and other directives of the Board, each as in effect from time to time. This charter shall be made available on the Company's website and to any stockholder who otherwise requests a copy.

## **VI. Meetings**

The Committee shall meet at least four times per year and additionally as circumstances dictate. The Committee may act by unanimous written consent of its members.

Notice of meetings shall be given to all Committee members or may be waived, in the same manner as required for meetings of the Board. Meetings of the Committee may be held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear and speak with each other. A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action by the Committee. For the avoidance of doubt, if the Committee consists of an even number of members, a majority shall be one more than half. The affirmative vote of a majority of members present at a meeting at which a quorum is present shall constitute the action of the Committee. The Committee shall otherwise establish its own rules of procedure.

The Committee shall meet with management (such as the Chief Executive Officer, Chief Financial Officer, or General Counsel, if applicable), the independent auditor, and the internal auditor, including any outside firm providing internal audit services (as applicable) in separate executive sessions at least quarterly. At the end of each of the Committee's regularly scheduled meetings, and more frequently as circumstances dictate, the Committee shall meet in executive session with only the Committee members.

## **III. Delegation of Duties**

The Committee may delegate by resolution approved by a majority of the Committee, certain authority of the Committee under this charter to the Chair when it deems such delegation appropriate and in the best interests of the Company.

In fulfilling its responsibilities, the Committee shall also be entitled to delegate, by resolution approved by a majority of the Committee, any or all of its responsibilities to a subcommittee of the Committee, to the extent consistent with the Company's governing documents, applicable law, and the rules and regulations of the SEC and Nasdaq.

**Adopted by the Board on October 18, 2021, effective upon the Company's initial public offering.**