

CBD BRANDS, INC.
AUDIT COMMITTEE CHARTER
(As amended through October 23, 2019)

Purpose

The Audit Committee has been established by the Board of Directors of CBD Brands, Inc. (the “Company”) for the purpose of overseeing the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.

Organization

The Audit Committee shall be comprised of at least three Directors, each of which meet the independence, education and experience requirements of the Securities Exchange Act of 1934, and the rules promulgated thereunder, and the requirements of any stock exchange on which the Company’s securities are listed for trading. Except as the Board of Directors may otherwise determine, the Audit Committee shall make its own rules for the conduct of its business, but unless otherwise permitted by the Board, its business shall be conducted as nearly as may be in the same manner as the By-laws of the Company provide for the conduct of business by the Board of Directors.

Principal Functions

The Audit Committee shall have the authority to engage, dismiss, and to determine appropriate compensation for, an independent registered public accounting firm, as well as independent counsel and other advisers, as it determines necessary to carry out its duties. The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation to any public accounting firm engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Company and to any advisers employed by the Audit Committee as provided in this charter. The Audit Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor.

Duties

The duties of the Audit Committee shall be as follows:

1. The Audit Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any public accounting firm engaged by the Company (including resolution of disagreements between management and such firm regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company, and each such firm shall report directly to the Audit Committee.
2. The Audit Committee shall monitor the independence of the Company's auditor, including any relationship or services that may impact the objectivity and independence of the Company's auditor and shall obtain a formal written statement from the Company's auditor delineating all relationships between the auditor and the Company, actively engage in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor.
3. The Audit Committee (or one or more designated members thereof) shall pre-approve all auditing and non-audit services (except de minimis non-audit services and auditing services within the scope of an approved engagement of the accountant) provided to the Company by the accountant.
4. The Audit Committee shall review the Company's financial statements to be filed with the Securities and Exchange Commission and the results of any independent audit thereof, including the adequacy of internal controls and financial accounting policies. The Audit Committee shall review management's assessment of the effectiveness of the internal control structure and procedures of the Company for financial reporting and the auditor's attestation and report on the assessment made by management. The Audit Committee shall review and discuss the Company's annual audited financial statements with management and shall recommend to the Board of Directors whether these financial statements should be included in the Company's Annual Report on Form 10-K to be filed with the Securities and Exchange Commission.
5. The Audit Committee shall review reports filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, including the disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations, to the extent required by the rules and regulations of the Securities and Exchange Commission.
6. The Audit Committee shall review and approve all related-party transactions.
7. The Audit Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters, and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

8. The Audit Committee shall oversee or conduct special investigations or other functions at the request of the Board of Directors.
9. The Audit Committee shall review major changes to the Company's auditing and accounting principles and practices as suggested by the independent registered public accountants or management.
10. The Audit Committee shall meet separately and periodically with management and the Company's registered public accountants to be made aware of and to discuss issues of relevance or concern to any such party.
11. The Audit Committee shall meet periodically with management and the independent public accountants to review the Company's major enterprise-wide risk exposures and steps taken to monitor and control such exposures.
12. The Audit Committee shall annually review this Charter and recommend any changes to the Board for approval.

Meetings

The Audit Committee shall meet as a separate Committee at least four times per year and as often as it deems necessary to carry out its duties. The Audit Committee shall make regular reports to the Board of Directors.