

January __, 2017

LEVEL BRANDS, INC.

AUDIT COMMITTEE CHARTER

Purpose of the Committee

The primary purpose of the Audit Committee (“**Committee**”) is to assist the board of directors of Level Brands, Inc. (the “**Company**”) in fulfilling its oversight responsibilities by reviewing the financial information that will be provided to the Company’s shareholders and others, the quality of the Company’s accounting policies and reporting practices, the systems of internal disclosure controls that management and the board of directors have established, compliance with the Company’s Code of Business Conduct and Ethics with respect to financial management, and the internal and external audit processes. The Committee is to assist the board of directors in ensuring that the Company complies with all legal and regulatory requirements.

In fulfilling its purpose, it is the responsibility of the Committee to provide an open avenue of communication between the board of directors, management, and the independent auditors. The Committee is to be the board of directors’ principal agent in ensuring the independence and objectivity of the independent auditors, the integrity of management, and the adequacy of disclosure to shareholders. The independent auditors are ultimately accountable to the board of directors and the Committee, as representative of the Company’s shareholders, but the Committee has the sole authority to select, evaluate, and, where appropriate, replace the independent auditors.

The Committee members are not acting as professional accountants or auditors, and their functions are not intended to duplicate or substitute for the activities of management and the independent auditors. The Committee serves a board-level oversight role in providing advice, counsel, and direction to management and the independent auditors on the basis of information it receives, discussion with the accountants, and the experience of the Committee’s members in business, financial, and accounting matters.

Authority of the Committee

The Committee shall have the sole authority and responsibility for the appointment, retention, oversight, termination and replacement of the independent auditor (subject, if applicable, to shareholder ratification). The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor for the purpose of preparing and issuing an audit report and related work. The Committee has the authority to investigate any activity of the Company within its scope of responsibilities, and is to have unrestricted access to members of management and all information relevant to its responsibilities. All employees are directed to cooperate as requested by members of the Committee. The Committee is empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

Composition and Organization of the Committee

The Committee must consist of at least three directors, subject to any available exception. Each Committee member must satisfy the independence requirements Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and any national exchange on which the Company's securities are then listed for trading (the "**Exchange**") and the independence rules for members of the audit Committee issued by the Securities and Exchange Commission (the "**SEC**"), subject to any available exception. Each Committee member must be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. In addition, at least one member of the Committee must be a financial expert as defined under SEC rules.

Committee members may be removed from the Committee, with or without cause, by the board. Unless a chair is designated by the board, the Committee may designate a chair by majority vote of the full Committee membership.

The Committee has the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee and the rules of the Exchange. Each Committee member shall have one vote.

The Committee may retain any independent counsel, experts or advisors that the Committee believes to be necessary or appropriate. The Company must provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, for payment of compensation to any advisors employed by the Committee and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Meetings of the Committee

The Committee is to meet, either in person or telephonically, at least quarterly. Prior to each meeting, the chairman of the Committee may communicate with the independent auditor to review the agenda and solicit input on any additional topics that should be covered. The Committee will also meet periodically, in the discretion of the chairman of the Committee, with the Company's management and the independent auditor in separate executive sessions.

Attendance at Meetings of the Committee

Members of the Committee are expected to use all reasonable efforts to attend each meeting. The chairman may also request that members of management, the Company's outside counsel, or the independent auditor attend a meeting of the Committee or meet with any members of, or consultants to, the Committee.

Minutes of Meetings of the Committee

Minutes of each meeting are to be prepared under the direction of the chairman of the Committee and circulated to Committee members for review and approval. Copies are then to be made available to the board of directors and independent auditor, and sent to the . Company's Corporate Secretary for permanent filing in the Company's minute book.

Specific Responsibilities of the Committee

General Matters

The Committee is to do the following:

1. Oversee the work and compensation of the independent auditor in connection with the preparation by the independent auditor of its audit report.
2. Review the scope of the independent auditor's audit examination, including its engagement letter, prior to the annual audit. Review and approve the audit fees. Approve any permitted non-audit services to be provided by the independent auditor. The chairman has the authority to make specific pre-approvals in the chairman's sole good faith discretion, except that for services with an estimated cost in excess of \$5,000, pre-approval of those services must be subsequently considered and ratified by the entire Committee.
3. Have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting, or other advisors. The Company is to provide for appropriate funding, as determined by the Committee, to compensate the independent auditor (for issuing an audit report) and to compensate any advisors employed by the Committee.
4. Ensure that the independent auditor prepares and delivers, at least annually, a written statement delineating all relationships between the independent auditor and the Company, must actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that, in the view of the Committee, may impact the objectivity and independence of the independent auditor, and, if the Committee determines that further inquiry is advisable, must take appropriate action in response to the independent auditor's report to satisfy itself of the auditor's independence.

Financial Statement and Disclosure Matters

The Committee is to do the following:

1. Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and recommend to the board of directors whether the audited financial statements should be included in the Company's Form 10-K.
2. Discuss with the independent auditor any audit problems or difficulties and management's response.
3. Provide the Company with the report of the Committee with respect to the audited financial statements for inclusion in each of the Company's annual proxy statements.

4. Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
5. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
6. Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls, and any special steps adopted in light of material control deficiencies, if any.
7. Review and discuss quarterly reports from the independent auditor regarding (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of those alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
8. Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies.
9. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements, if any.
10. Discuss with management the Company's major risk exposures and the steps management has taken to monitor and control those exposures, including the Company's risk assessment and risk management policies.
11. Review disclosures made to the Audit Committee by the Company's chief executive officer and chief financial officer during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Oversight of the Company's Relationship with the Independent Auditor

The Committee is to do the following:

1. Obtain, at least annually, the written disclosures required under Independence Standards Board Standard No. 1 *Independence Discussions with Audit Committees* regarding any relationships between the auditor and the Company or any other relationships that reasonably may be thought to bear on the auditor's independence
2. Review and evaluate the lead partner of the independent auditor team.
3. Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the 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, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance, and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and whether having the independent auditor provide permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management. The Committee is to present its conclusions with respect to the independent auditor to the board of directors.
4. Oversee the rotation of the audit partners as required by law.
5. Meet with the independent auditor to discuss the planning and staffing of the audit.

Compliance Oversight Responsibilities

The Committee is to do the following:

1. Review management's monitoring of the Company's compliance with its code of ethics. Review reports and disclosures of insider and affiliate-party transactions.
2. Review on an on-going basis for potential conflicts of interest, and approve if appropriate, all "Related Party Transactions" of the Company, including those transactions required to be disclosed under SEC Regulation S-K, Item 404.
3. Establish procedures for receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and confidential, anonymous submission by employees of concerns regarding the questionable accounting or auditing matters.
4. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.

5. Discuss with the Company's outside counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.
6. Report regularly to the board regarding the activities of the Committee.
7. Annually review and reassess this charter and submit any recommended changes to the board for its consideration.

Limitation of the Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with the generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

Delegation of Duties

In fulfilling its responsibilities, the Committee is entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

Review of Charter

The Committee shall review this Charter at least annually and recommend any changes thereto to the board.

Self-Assessment

The Committee will annually evaluate the committee's own performance and report that it has done so to the board.

Amendment

Any amendment or other modification of this Charter shall be made and approved by the full board.

Disclosure of Charter

This Charter, as amended from time to time, shall be made available to the public on the Company's website.