

AUDIT COMMITTEE CHARTER

OF

DIGITAL BRANDS GROUP, INC.

May 18, 2021

I. PURPOSE

The primary function of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of Digital Brands Group, Inc. (the “Company”) in fulfilling its oversight responsibilities to stockholders and others relating to the integrity of the Company's financial information, the effectiveness of the internal controls over financial reporting, compliance with legal and regulatory requirements, the Company's accounting and financial reporting processes, the qualifications and independence of the independent auditors, and the performance of the internal audit function and the independent auditors.

The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of any independent registered public accounting firm engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such registered public accounting firm shall report directly to the Committee.

The Committee shall primarily fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter.

II. COMPOSITION

The Committee shall be comprised of three or more independent directors in accordance with the applicable rules and regulations of the Securities and Exchange Commission (the “SEC”) and the Nasdaq Stock Market. For purposes hereof, members shall be considered independent as long as they satisfy all of the independence requirements for Board members as set forth in the applicable stock exchange listing standards and Rule 10A-3 of the Exchange Act of 1934, as amended.

All members of the Committee shall be able to read and understand fundamental financial statements, and at least one member of the Committee shall have past employment experience in finance or accounting, professional certification in accounting, or other comparable experience that results in the individual's financial sophistication, and one member shall be an “audit committee financial expert” as defined by SEC rules.

III. MEETINGS

The Committee shall meet (i) at least quarterly to review and discuss the Company's quarterly financial statements, (ii) prior to the filing of the Company's annual report on Form 10-

K to review and discuss the annual audited financial statements with management and the independent auditors, and (iii) for special meetings as circumstances require.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Committee shall:

- A.** Review this Charter at least annually and recommend any changes to the Board.
- B.** Review the Company's annual financial statements and any other relevant reports or other financial information and recommend the annual audited financial statements to the Board for inclusion in the Company's Form 10-K.
- C.** Review the regular internal financial reports prepared by management.
- D.** Select the independent accountants and approve the fees and other compensation to be paid to the independent accountants.
- E.** Pre-approve all audit and permitted non-audit services to be performed by the independent accountants.
- F.** Review and ensure the independence of the independent accountants. This review shall cover and include services, fees, quality control procedures and a formal written statement from the independent auditors regarding relationships between the independent auditors and the Company, consistent with applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence.
- G.** Review and oversee the internal audit function and the adequacy and effectiveness of the Company's internal controls and disclosure controls and procedures.
- H.** Review the performance of the independent accountants and discharge the independent accountants if and when circumstances warrant.
- I.** Following completion of the annual audit, review separately with the independent accountants and management any problems or difficulties encountered during the course of the audit.
- J.** Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
- K.** Establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- L.** Establish and review related party transaction policies and review and approve related party transactions.

M. Oversee the Company's policies on risk-management and anti-fraud programs and controls.

N. Prepare the Committee report to be included in the Company's annual proxy statement as required by SEC rules.

O. Review the Company's compliance and ethics programs and their effectiveness, and the code of conduct and compliance therewith.

P. Perform any other activities consistent with this Charter, the Company's bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

V. RESOURCES AND AUTHORITY

The Committee shall have the resources and authority to discharge its responsibilities, including the authority, to the extent it deems necessary or appropriate, to retain and terminate independent legal, accounting or other advisors, and to investigate any matter brought to its attention. The Company shall provide funding, as determined by the Committee, for payment of compensation to the independent auditors, as well as for any independent advisers or administrative support employed by the Committee.