

CEA Industries Inc.

Charter of the Audit Committee of the Board of Directors

Adopted by the Board on January 17, 2022

1. Purpose; Limitations on Duties. The purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of CEA Industries Inc. (the “Company”) in overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company and to prepare the annual report of the Committee required by applicable Securities and Exchange Commission (“SEC”) disclosure rules. Among the matters the Committee will oversee are (a) the integrity of the Company’s financial reporting process, systems of internal controls and financial statements, (b) the Company’s compliance with legal and regulatory requirements, (c) the independent auditors’ qualifications and independence, (d) the performance of Company’s independent auditors, and (e) the Company’s internal audit function, if established. 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 generally accepted accounting principles (“GAAP”) and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

2. Membership; Appointment; Financial Expert. The Committee will consist of three or more directors of the Company’s Board of Directors (the “Board”). All members of the Committee must be directors who meet the financial literacy requirements and the independence requirements of applicable law and the listing standards of the exchange on which the Company’s shares are listed or, in the absence of an exchange listing of the Company’s shares, the NASDAQ Stock Market, Inc., in effect from time to time. The members of the Committee will be appointed by and serve at the discretion of the Board, following the recommendation of a majority of the Company’s independent directors or the Company’s Nominating Committee, if applicable. The Chairperson of the Committee will be appointed by the Board. Committee members may be removed at any time, or vacancies filled, by a majority vote of independent directors then serving on the Board. At least one member of the Committee shall qualify as an “audit committee financial expert,” as defined in the Instructions to Item 401 of Regulation S-K of the SEC. The Company will disclose in the annual report required by Section 13(a) of the Securities Exchange Act of 1934, as amended (the “1934 Act”), whether or not it has at least one member who is an audit committee financial expert.

3. Specific Responsibilities and Duties. The Board delegates to the Committee the express responsibility and authority to do the following:

3.1 Independent Auditors.

(a) Selection; Fees. Be solely and directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors (including resolution of disagreements between management and the independent auditors 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, where appropriate, the termination and replacement of such firm. Such independent auditors shall report directly to and be ultimately accountable to the Committee. The Committee has the ultimate authority to approve all audit engagement fees and terms.

(b) Audit Team. Review the experience and qualifications of the senior members of the independent auditors' team.

(c) Scope of Audit. Review, evaluate and approve the annual engagement proposal of the independent auditors (including the proposed scope and approach of the annual audit).

(d) Lead Audit Partner Review, Evaluation and Rotation. Review and evaluate the lead partner of the independent auditors. Ensure that the lead audit partner having primary responsibility for the audit and the concurring audit partner of the independent auditors are rotated at least every five years and that all other "audit partners" (as defined in Rule 2-01 of Regulation S-X of the SEC) are rotated in accordance with the requirements of applicable law.

(e) Pre-Approval of Audit and Non-Audit Services. Pre-approve all auditing services and all non-audit services permitted to be performed by the independent auditors. Such pre-approval can be given as part of the Committee's approval of the scope of the engagement of the independent auditors or on an individual basis. The pre-approval of non-audit services can be delegated by the Committee to one or more of its members, but the decision must be presented to the full Committee at the next regularly scheduled meeting.

(f) Review Problems. Review with the independent auditors any audit problems or difficulties the independent auditors may have encountered in the course of its audit work, and management's responses, including: (i) any restrictions on the scope of activities or access to requested information; and (ii) any significant disagreements with management.

(g) Required Communications from Independent Auditors. Receive and discuss quarterly and annually, as appropriate, all items required to be communicated by the independent auditors in accordance with PCAOB professional auditing standards.

3.2 Financial Reporting

(a) Annual Financials. Review and discuss with management and the independent auditors the Company's annual audited financial statements, (including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations") prior to the public release of such information. Obtain from the independent auditors assurance that the audit was conducted in a manner consistent with Section 10A of the 1934 Act. Recommend to the Board whether the annual audited financial statements should be included in the Company's Annual Report on Form 10-K.

(b) Quarterly Financials. Review and discuss with management and the independent auditors the Company's quarterly financial statements (including the Company disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations") prior to the public release of such information.

(c) Accounting Principles. Review with management and the independent auditors material accounting principles applied in financial reporting, including any material changes from principles followed in prior years.

(d) Judgments. Review reports prepared by management or by the independent auditors relating to significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.

(e) Press Releases and other financial information. Prior to release or distribution, discuss proposed (i) earnings press releases with management, (ii) financial information and earnings guidance to be provided to analysts and rating agencies, and (iii) financial information used in, or distributed for, investor call or meetings.

3.3 Financial Reporting Processes; CEO and CFO Certifications.

(a) Internal Controls. In consultation with the independent auditors and the Company's financial and accounting personnel, review the integrity, adequacy and effectiveness of the Company's internal controls over financial reporting, and elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable.

(b) Disclosure Controls. Review with management and any outside professionals as the Committee considers appropriate, the effectiveness of the Company's disclosure controls and procedures and elicit any recommendations that they may have for the improvement of or additions to such disclosure controls and procedures.

(c) Reports from Independent Auditors. Obtain and review timely reports from the independent auditors regarding: (i) all critical accounting policies and practices to be used by the Company; (ii) all alternative treatments within GAAP for policies and practices related to material terms that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; (iii) all other material written communications between the independent auditors and management, including any management letter or schedule of unadjusted differences.; and (iv)

(d) Internal Audit. With respect to the Internal Audit function, as applicable: (i) at least annually, review and approve the internal audit department's charter and responsibilities, authority, independence and access within the Company to perform its work; (ii) review and approve the annual internal audit plan and any amendments, budget, and the coordination of such plans with the independent auditors when applicable, and determine if organizational structure, resources, staffing and qualifications are adequate to support the activity of the internal audit department and any recommended changes to the scope of the internal audit function; (iii) review any assessment of the Company's system of internal controls, assessment or investigation of suspected fraud, and any assessment of the risk management process provided by the person responsible for the Internal Audit function, and (iv) receive and review significant internal audit reports or assessments provided to management, including management's response to and resolution of audit findings.,

(e) Enterprise Fraud Risk Assessment. Review annual enterprise fraud risk assessments.

(f) CEO and CFO Certifications. Receive and review as required by applicable law the disclosures from the Company's principal executive officer or officers and the principal financial officer or officers, or persons performing similar functions, required by Rules 13a-14 and 15d-14 of the 1934 Act.

3.4 Risk Oversight. Oversee the enterprise risk assessment and management process framework to ensure the Board or designated Committee is monitoring the identification, assessment and mitigation of all significant enterprise risks.

3.5 Compliance

(a) SEC Report. Annually, prepare a report to stockholders from the Committee to be included in the Company's proxy statement as required by the proxy rules under the 1934 Act.

(b) Reports from Others. Obtain such reports from management, auditors, the general counsel, tax advisors or any regulatory agency as the Committee deems necessary regarding regulatory compliance, transactions with affiliates, and other legal matters that may have a material effect on the Company's financial statements and the consideration of those matters in preparing the financial statements.

(c) Code of Ethics; Waivers. Monitor the Company's compliance with a code of conduct or ethics as required by applicable law or exchange listing standards and covering the conduct and ethical behavior of directors, executive officers and employees. Review and recommend to the Board action on any waivers of any portion of the code of ethics requested by any executive officer or director.

(d) Complaints. Establish 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 of concerns regarding questionable accounting or auditing matters.

(e) Related Party Transactions. At least annually, review and approve all related-party transactions that are required to be disclosed pursuant to Item 404 of SEC Regulation S-K.

(f) Corporate Authority Limits. Review and update corporate authority limits annually.

3.6 Committee Self-Evaluation. Annually review the committee's own performance.

3.7 Annual Meeting Planner. Adopt and approve an annual meeting planner that sets forth the Committee's meeting agenda items.

3.8 Publication and Annual Evaluation of Charter. Review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board, as appropriate, and publish this Charter as required by applicable law.

4. Reports to Board; Meetings, Minutes.

4.1 Executive Sessions. At least annually, the Committee shall meet with each of the independent auditors, internal auditors (or other personnel responsible for the Company's internal audit function) and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately.

4.2 Other Meetings. The Committee will meet once during each fiscal quarter, or more frequently as the Committee determines necessary or desirable. Special meetings of the Committee may be called by the Chairperson and will be called promptly upon the request of any two Committee members. The agenda of each meeting will be prepared by the Chairperson and circulated, if practicable, to each member prior to the meeting. Unless the Committee or the Board adopts other procedures, the provisions of the Company's Bylaws applicable to meetings of Board committees will govern meetings of the Committee.

4.3 Minutes. The Chair shall cause minutes of each meeting to be kept and maintained in the Company's corporate books and records.

5. Subcommittees. The Committee has the power to appoint and delegate matters to subcommittees, but no subcommittee will have any final decision-making authority on behalf of the Board or the Committee.

6. Advisors and Counsel; Reliance; Investigations; Cooperation.

6.1 Retention of Advisors and Counsel. The Committee has the power, in its sole discretion, to obtain advice and assistance from, and to retain at the Company's expense, such independent or

outside legal counsel, accounting or other advisors and experts as it determines necessary or appropriate to carry out its duties, and in connection therewith to receive appropriate funding, determined by it, from the Company.

6.2 Reliance Permitted. The Committee may act in reliance on management, the Company's independent auditors, internal auditors, and advisors and experts, as it deems necessary or appropriate.

6.3 Investigations. The Committee has the power, in its discretion, to conduct any investigation it deems necessary or appropriate to enable it to carry out its duties.

6.2 Reliance Permitted. The Committee may act in reliance on management, the Company's independent auditors, internal auditors, and advisors and experts, as it deems necessary or appropriate.

6.4 Participation of Employees. The Committee shall have unrestricted access to the Company's employees, independent auditors, internal auditors, internal and outside counsel, and may require any employee of the Company or representative of the Company's outside counsel or independent auditors to attend meetings of the Committee or to meet with any members of the Committee or representative of the Committee's counsel, advisors or experts.

7. Rules and Procedures. Except as expressly otherwise set forth in this Charter, the Company's Bylaws, or any corporate governance guidelines adopted by the Company, or as otherwise provided by law or the rules or listing standards of the exchange on which the Company's shares are listed or, in the absence of an exchange listing of the Company's shares, the NASDAQ Stock Market, Inc., the Committee may establish its own rules and procedures.